Hathway Cable And Datacom Limited

Financial Statements

2018-19

Independent Auditor's Report

To the Members of Hathway Cable and Datacom Limited

Report on Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Hathway Cable and Datacom Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

We draw your attention to Note 2.06 and 3.08 in respect of recognition of deferred tax assets and exceptional items comprising of impairment of trade receivables and exposure to certain entities including joint ventures; and write down of property, plant and equipments respectively. Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Valuation and Disclosure of Deferred Tax Assets

Description of Key Audit Matter

The Company has a significant amount of deferred tax assets, mainly resulting from unused tax losses and unabsorbed depreciation allowance. The accounting for deferred tax assets is significant to our audit since the Company makes judgments and estimates of forecasted taxable income in relation to the realization of deferred tax assets.

As at March 31, 2019, the deferred tax assets are valued at ₹ 267.67 crores. Further reference is made to Note 2.06.

Our response

We tested management's assumptions used to determine that there is a reasonable certainty that deferred tax assets recognized in the balance sheet will be realized. This is based upon forecasted taxable income and the periods when the deferred tax assets can be utilized. The forecasts were evaluated by us considering the recent capital infusion and related business plans approved by the Management. Such evaluation included obtaining an understanding of management's planned strategies around business expansion, revenue stream growth strategies. Furthermore, considering the conditions specified in the tax laws, on conservative basis, no deferred tax assets has been recognised on impairment of trade receivables.

We have also tested the effectiveness of the Company's internal controls around the valuation of deferred tax assets. We also assessed the adequacy of the Company's disclosures included in Note 2.06.

2. Impairment of Trade Receivables

Description of Key Audit Matter

Refer to Note 2.10 on Trade receivables and Note 4.12 for disclosures on the trade receivables and the related risks such as credit risk.

The Company's major revenue stream arises from services provided to end use customers in the form of monthly subscription income. The trade receivables on account of subscription income are typically unsecured and derived from sales made to large number of independent customers. Trade receivables from the subscribers amounted to ₹ 56.80 crores as at March 31, 2019.

The collectability of trade receivables from the subscribers is a key element of the Company's working capital management. The Company follows a simplified approach (i.e. based on lifetime Expected Credit Loss model (ECL)) for recognition of impairment loss allowance on trade receivables. For the purpose of measuring the lifetime ECL allowance for trade receivables, the Company uses a provision matrix which comprise a very large number of small balances grouped into homogenous groups and assessed for impairment collectively. In addition, in case there are events or changes in circumstances indicating individual or class of trade receivables is required to be reviewed on qualitative aspects, necessary provisions are made.

Our response

We assessed the Company's processes and controls relating to the monitoring of trade receivables and considered ageing to identify collection risks. We obtained evidence of receipts subsequent to the year-end from the customers. We assessed management's assumptions used to calculate the impairment loss on trade receivables, through analyses of ageing of receivables, assessment of significant overdue trade receivables. We assessed the overall reasonableness of the allowance for doubtful debts by comparing the actual loss trends across periods against the allowance rate applied. We assessed the adequacy of the disclosures on the trade receivables and the related risks such as credit risk in Note 4.12.

3. Impairment of Property, Plant and Equipment

Description of Key Audit Matter

There is a risk of impairment on the Company's property, plant and equipment (PPE) due to the nature of its PPE and the business environment surrounding the PPE. As on March 31, 2019, the carrying amount of PPE was ₹ 751.75 crores which represent 13.53% of total assets.

The management determines at the end of each reporting period the existence of any objective evidence that the Company's PPE may be impaired. If there are indicators of impairment, the deficit between the recoverable amount of the PPE and its carrying amount would be recognised as impairment loss in Statement of Profit and Loss.

The process of identifying indicators of impairment and determining the recoverable amount of the PPE by management requires significant judgement and estimation. The determination of the recoverable amounts requires estimates of forecasted revenues, growth rates, profit margins, tax rates and discount rates.

Our response

We assessed the determination of the recoverable amount of the PPE based on our understanding of the nature of the Company's business and the economic environment in which its PPE operate.

We reviewed the Company's historical performances and held discussions with management to understand their assessment of the Company's future performance. This included obtaining an understanding of management's planned strategies around business expansion, revenue stream growth strategies and cost initiatives. We assessed management's estimates applied in the value-in-use model based on our knowledge of the Company's operations and compared them against historical forecasts and performance and tested the mathematical accuracy of the value-in-use model. We evaluated the sensitivity of the outcomes by considering the downside scenarios against changes to the key assumptions. We also assessed the adequacy of the related disclosures in the notes to the standalone financial statements.

4. Impairment of carrying cost of investments and net receivables from subsidiaries, joint ventures and associates

Description of Key Audit Matter

Refer to Notes 1.07, 1.11 and 1.12 for the relevant accounting policy and the critical judgements, assumptions and estimation uncertainties used in impairment assessment of cost of investments in subsidiaries, joint ventures and associates and net receivables due from such entities at the reporting year end. Refer to Note 2.03 and 4.14 for the investment in subsidiaries, joint ventures and associates and amount due from such entities respectively.

Total carrying cost of investment in subsidiaries, joint ventures and associates amounted to ₹ 1,088.62 crores and amount due from subsidiaries, joint ventures and associates amounted to ₹ 150.48 crores. As these balances are significant, they are a key focus area for our audit.

For the non-performing subsidiaries, joint ventures and associates or if they have significant negative equity balances, the Company will have exposure to loss on cost of investments and amount due from the subsidiaries, joint ventures and associates. Any impairment losses on the investments in subsidiaries, joint ventures and associates and the related receivables from these entities have to be recognised in the standalone financial statements.

Management made a comparison of carrying values of the subsidiaries, joint ventures and associates with the Company's share of net assets or liabilities of the subsidiaries, joint ventures and associates to identify indications of impairment loss on these investments and receivables due from them. A total exposure of ₹ 1,239.10 crores was considered. This amount comprised ₹ 8.11 crores impairment of cost of investment in subsidiaries, joint ventures and associates and ₹ 62.11 crores impairment of net receivables from subsidiaries, joint ventures and associates. The total impairment loss allowance for the year was ₹ 70.22 crores.

Our response

We have reviewed and considered management's assessment on the net assets or liabilities of these entities. We have also assessed management's basis to determine potential impairment in both financial and non-financial assets of these entities. We also had discussions with management on the prospects and future plans of these entities.

We have also assessed the adequacy of the disclosures made in the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatement in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regading independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), , issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder and relevant provisions of the Act;
   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its standalone financial statements - Refer Note 4.02(e) to the standalone financial statements;
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 4.02(d) to the standalone financial statements; and
      iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund.

For Nayan Parikh & Co.
Chartered Accountants
Firm Registration No. 107023W

K.Y. Narayana
Partner
Membership No. 060639

Place: Mumbai
Dated: April 15, 2019

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report on even date to the members of the Company on standalone financial statements for the year ended March 31, 2019:

(i) (a) The Company has maintained records of Property, Plant and Equipment showing particulars of assets including quantitative details and location except in case of certain types of distribution equipments like cabling, line equipments, access devices with end users. In view of the management, nature of such assets and business is such that maintaining location-wise particulars is impractical;

(b) Distribution equipments like cabling and other line equipments of selected networks were verified. The management plans to verify balance networks in a phased manner. Property, Plant and Equipment, other than distribution equipments and access devices with the end users were physically verified during the year based on verification programme adopted by the management. As per this programme, all assets will be verified at least once in a period of three years. The management has represented that physical verification of access devices with the end users is impractical; however, the same can be tracked, in case of most of the networks, through subscribers management system;

The Company is in the process of reconciling book records with outcome of physical verification, wherever physical verification was carried out and have accounted for the discrepancies observed on such verification;

(c) The Company does not hold any immovable properties. Accordingly, the paragraph 3(i)(c) of the Order regarding title deeds of immovable properties is not applicable;

(ii) (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;

(b) The discrepancies noticed on physical verification as compared to the book records were not material having regards to size and nature of operations and have been properly dealt with in the books of account;

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii)(a), (b) and (c) of the Order are not applicable;

(iv) Based on the audit procedures applied by us, during the year under audit, the Company has not granted loans, guarantee and security or made investments which require compliance in terms of the provisions contained in the section 185 or section 186 of the Act. The Management has, based on legal opinion, represented that overdue book debts are not in the nature of loan and hence do not fall within the scope of section 185 of the Act. In such circumstances, para 3(iv) of the Order is not applicable;

(v) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company. We have been informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard;

(vi) The Central Government has prescribed maintenance of cost records under section 148(1) of the Act, for the services rendered by the Company. We have broadly reviewed the books of account maintained and in our opinion; prima facie, the prescribed accounts and records have been made and maintained by the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete;

(vii) (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues such as provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other applicable statutory dues. According to information and explanations given to us, no undisputed statutory dues payable were in arrears as at March 31, 2019, for a period of more than six months from the date they became payable;

(b) The details of dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited with the concerned authorities on account of dispute are given below:

Sr No	Name of the Statute	Nature of the Dues	Amount involved (in crores)	Period to which the amount relates	Forum where dispute is pending
1	Finance Act, 1994	Service Tax	0.04	April 2003 to March 2004	Commissioner (Appeals), Service Tax
2	Finance Act, 1994	Service Tax	3.70*	2003-04 to 2006-07	Additional Commissioner Service Tax
3	Karnataka Value Added Tax Act, 2003	Value Added tax	1.61	April 2011 - March 2013	Deputy Commissioner of Commercial taxes
4	Karnataka Value Added Tax Act, 2003	Value Added tax	0.57	April 2012 - March 2013	Deputy Commissioner of Commercial taxes
5	West Bengal Value Added Tax Act, 2003	Entry tax	0.03	April 2015 - March 2016	Deputy Commissioner of Commercial taxes
6	West Bengal Value Added Tax Act, 2003	Entry tax	0.01	April 2014 - March 2015	Deputy Commissioner of Commercial taxes

* Amount partly paid amounting to ₹ 0.28 crores

(viii) Based on our audit procedure and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions, banks, and government. The Company has not issued any debentures;

(ix) In our opinion and according to the information and explanations given to us and based on overall examination of records, the term loans have been applied for the purpose for which the loans were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments);

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Act;

(xii) In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company;

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards;

(xiv) During the year, according to the information and explanations given to us, the Company has made preferential allotment of shares during the period under review, the requirement of section 42 of the Act, as applicable has been complied with. However, pending such utilization, these funds have been temporarily utilized by investment in mutual funds;

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements, the Company has not entered into any non-cash transactions with directors. We have been informed that no such transactions have been entered into with person connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company; and

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Nayan Parikh & Co.
Chartered Accountants
Firm Registration No. 107023W

K.Y. Narayana
Partner
Membership No. 060639

Place: Mumbai
Dated: April 15, 2019

Annexure B to the Independent Auditor's Report

Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our report on even date to the members of the Company on standalone financial statements for the year ended March 31, 2019

Opinion

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019 based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Nayan Parikh & Co.
Chartered Accountants
Firm Registration No. 107023W

K.Y. Narayana
Partner
Membership No. 060639

Place: Mumbai
Dated: April 15, 2019

Standalone Balance Sheet as at March 31, 2019

(₹ in Crores unless otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	2.01	751.75	740.73
Capital work in progress		51.56	39.07
Other Intangible assets	2.02	51.98	18.41
Financial Assets			
Investments	2.03	1,083.73	1,089.74
Loans	2.04	23.91	27.67
Other financial assets	2.05	13.03	15.55
Deferred tax assets (net)	2.06	267.67	-
Other Non-current assets	2.07	43.95	88.44
Total Non-current assets		**2,287.58**	**2,019.61**
Current assets			
Inventories	2.08	12.98	15.64
Financial Assets			
Investments	2.09	2,993.56	-
Trade receivables	2.10	6.50	30.18
Cash and cash equivalents	2.11	53.12	4.47
Bank balances other than Cash and cash equivalents	2.12	50.00	-
Loans	2.04	80.25	65.51
Other financial assets	2.05	1.98	0.81
Current Tax Assets (Net)	2.13	42.54	-
Other current assets	2.07	29.61	39.89
Total Current assets		**3,270.54**	**156.50**
Total Assets		**5,558.12**	**2,176.11**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	2.14	354.02	166.10
Other Equity	2.15	3,948.03	887.80
Total Equity		**4,302.05**	**1,053.90**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	2.16	800.18	483.20
Other financial liabilities	2.17	9.63	6.75
Provisions	2.18	2.78	0.83
Other Non-current liabilities	2.19	3.38	2.86
Total Non-current liabilities		**815.97**	**493.64**
Current liabilities			
Financial Liabilities			
Borrowings	2.16	2.40	30.44
Trade payables			
Total outstanding dues of:			
– Micro & small enterprises		-	-
– Other		43.98	48.36
Other financial liabilities	2.17	308.00	458.29
Provisions	2.18	0.30	2.03
Other current liabilities	2.19	85.42	89.45
Total current liabilities		**440.10**	**628.57**
Total Equity and Liabilities		**5,558.12**	**2,176.11**
Summary of Significant Accounting Policies	1		

Refer accompanying notes. These notes are integral part of the financial statements.

As per our report of even date

For **Nayan Parikh & Co**
Chartered Accountants
Firm's Registration No.: 107023W

K.Y. Narayana
Partner
Membership No: 060639

Place: Mumbai
Date: April 15, 2019

For and on behalf of the Board

Viren Raheja
Director
DIN: 00037592

Rajan Gupta
Managing Director
DIN: 07603128

Ajay Singh
Head Corporate Legal, Company Secretary and Chief Compliance Officer
FCS - 5189

Sitendu Nagchaudhuri
Chief Financial Officer

Place: Mumbai
Date: April 15, 2019

Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Crores unless otherwise stated)

Particulars	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
INCOME			
Revenue from Operations	3.01	527.63	544.54
Other Income	3.02	54.86	11.97
		582.49	**556.51**
EXPENDITURE			
Operational Expenses	3.03	122.54	128.99
Employee Benefits Expense	3.04	49.84	41.91
Finance Cost	3.05	102.58	78.34
Depreciation, Amortization and Impairment	3.06	115.92	97.19
Other Expenses	3.07	164.14	148.63
		555.02	**495.06**
Profit/(Loss) before Exceptional items and Tax		**27.47**	**61.45**
Exceptional Items	3.08	84.54	(16.21)
Profit/(Loss) before Tax		**(57.07)**	**77.66**
Tax Expense:			
Current Tax		-	-
Deferred Tax	2.06	(267.67)	-
Profit/(Loss) for the Year (A)		**210.60**	**77.66**
Other Comprehensive Income/(Loss) (Net of Taxes)			
Items that will not be reclassified to profit or loss			
Re-measurements of post employment benefit obligations		(0.22)	1.26
Net gain on financial assets measured at FVTOCI		1.07	-
Income tax relating to these items		-	-
Other Comprehensive Income/(Loss) for the year (B)		**0.85**	**1.26**
Total Comprehensive Income/(Loss) for the year (A + B)		**211.45**	**78.92**
Earnings/(Loss) per equity share (Face value of ₹ 2/- each) (Refer Note 4.01):			
Basic and diluted (in ₹)		2.08	0.94
Summary of Significant Accounting Policies	1		

Refer accompanying notes. These notes are an integral part of the financial statements.

As per our report of even date

For **Nayan Parikh & Co**
Chartered Accountants
Firm's Registration No.: 107023W

K.Y. Narayana
Partner
Membership No: 060639

Place: Mumbai
Date: April 15, 2019

For and on behalf of the Board

Viren Raheja
Director
DIN: 00037592

Rajan Gupta
Managing Director
DIN: 07603128

Ajay Singh
Head Corporate Legal, Company Secretary and Chief Compliance Officer
FCS - 5189

Sitendu Nagchaudhuri
Chief Financial Officer

Place: Mumbai
Date: April 15, 2019

Statement of Changes in Equity for the year ended March 31, 2019

(₹ in Crores unless otherwise stated)

A. Equity Share Capital

Particulars	Note No.	Amount
Balance at April 01, 2017	2.14	**166.10**
Changes in Equity Share Capital during the year	-	
Balance at March 31, 2018	2.14	**166.10**
Changes in Equity Share Capital during the year		187.92
Balance at March 31, 2019	2.14	**354.02**

B. Other Equity

Particulars	Reserves and Surplus		Total
	Securities Premium	Retained earnings	
Balance at April 01, 2017	**1,877.01**	**(1,068.12)**	**808.89**
Profit/(Loss) for the year	-	77.66	77.66
Other Comprehensive Income/(Loss) for the year	-	1.26	1.26
Balance at March 31, 2018	**1,877.01**	**(989.21)**	**887.80**
Profit/(Loss) for the year	-	210.60	210.60
Other Comprehensive Income/(Loss) for the year	-	0.85	0.85
Addition during the year (Net of Share Issue Expenses amounting to ₹ 2.94 adjusted against Securities Premium)	2,848.78	-	2,848.78
Balance at March 31, 2019	**4,725.79**	**(777.76)**	**3,948.03**

Summary of Significant Accounting Policies (Refer Note 1)

Refer accompanying notes. These notes are an integral part of the financial statements.

As per our report of even date

For **Nayan Parikh & Co**
Chartered Accountants
Firm's Registration No.: 107023W

K.Y. Narayana
Partner
Membership No: 060639

Place: Mumbai
Date: April 15, 2019

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Sitendu Nagchaudhuri
Chief Financial Officer

Place: Mumbai
Date: April 15, 2019

Cash Flow Statement for the year ended March 31, 2019

(₹ in Crores unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities		
Profit/(Loss) before Tax	**(57.07)**	**77.66**
Depreciation, Amortization and Impairment	115.92	97.19
Amount no longer payable written back	(0.02)	*
Impairment of trade receivables	2.40	12.00
Provision for leave encashment and gratuity	0.71	1.69
Share of loss from LLP	0.20	0.79
Net Sundry Advances Written Off	0.04	0.05
Unrealised foreign exchange loss/(gain)	(1.48)	0.21
MTM (gain)/loss on swap	0.04	(0.83)
Loss on disposal of Property, Plant and Equipment	4.49	0.09
Net gain on financial assets measured at fair value through profit and loss	(41.59)	(0.68)
(Gain)/Loss on sale of Non - current investments	-	(16.21)
Unwinding of Interest & Financial Guarantees	(2.17)	(2.96)
Income from Fixed Deposit/Loans	(6.72)	(4.03)
Dividend Income from associate	(4.20)	(4.20)
Interest and finance charges	102.58	83.17
Impairment of trade receivables & exposure to certain entities including Joint Ventures **	49.74	-
Write down to Property Plant and Equipments **	8.93	-
Expenses relating to equity infusion **	25.87	-
	197.67	**243.96**
Change in operating assets and liabilities:		
Decrease/(increase) in trade receivables	(2.90)	(18.02)
Decrease/(increase) in inventories	2.66	4.48
Increase/(decrease) in trade payables	(2.87)	1.82
Decrease/(increase) in other financial assets	4.09	(1.64)
Decrease/(increase) in other non-current assets	(4.77)	(0.88)
Decrease/(increase) in other current assets	10.27	12.94
Increase/(decrease) in provisions	0.01	(1.43)
Increase/(decrease) in other liabilities	(4.26)	(27.94)
Increase/(decrease) in other financial liabilities	(8.13)	(2.86)
Cash generated from operations	**191.77**	**210.45**
Less/(Add): Income taxes paid (net of refunds)	2.70	4.76
Net cash flow from/(used in) operating activities (A)	**189.07**	**205.69**
Cash flow from investing activities		
Payments for acquisition of Property, Plant and Equipment	(200.02)	(155.76)
Loans & advances given to related parties & Others	(22.28)	-
Loans & advances repaid by related parties & Others	1.09	2.07
Investment in related parties	0.02	(354.05)
Payment for Purchase of investments-Mutual Funds	(7,640.41)	-
Proceeds from sale of investments-Mutual Funds/others	4,688.44	114.42
Proceeds from transfer of Cable Television business	-	272.00
Proceeds from sale of Property, Plant and Equipment	0.18	0.02
Invested in fixed deposits	(50.40)	-
Fixed Deposit redeemed during the year	0.40	-
Income from Fixed Deposit/Loans	5.52	3.34
Income from associate received	4.20	4.20
Net cash flow from/(used in) investing activities (B)	**(3,213.26)**	**(113.76)**
Cash flows from financing activities		
Proceeds from Issue of Equity Shares	3,039.64	-
Expenses relating to equity infusion	(25.87)	-
Share issue expenses paid	(2.94)	-
Proceeds from Non - current Borrowings	528.58	394.05
Repayments of Non - current Borrowings	(335.72)	(400.69)

(₹ in Crores unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current borrowings (Net)	(22.47)	2.53
Interest and finance charges	(102.81)	(82.71)
Net cash flow from/(used in) in financing activities (C)	**3,078.41**	**(86.83)**
Net Increase/(decrease) in cash and cash equivalents (A + B + C)		**5.10**
Cash and cash equivalents at the beginning of the year	4.47	13.79
Bank overdrafts at the beginning of the year	(5.57)	(20.00)
Cash and cash equivalents at the end of the year	**53.12**	**(1.10)**
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents		
Balances with banks:		
On current accounts	22.14	3.17
Deposits with banks with original maturity of 3 months or less	30.11	-
Cash on hand	0.87	1.30
Bank overdrafts	-	(5.57)
Balance as per the cash flow statement:	**53.12**	**(1.10)**

* Amount less than ₹ 50,000

** Refer Note No. 4.05

Note:

1. Above statement has been prepared by using Indirect method as per Ind AS - 7 on Statement of Cash flows.
2. Changes in liabilities arising from financing activities:

Particulars	As at March 31, 2018	Net Cash Flows	Non cash changes		As at March 31, 2019
			Foreign Exchange movement (Gain)/Loss	Fair value changes	
Non-current Borrowings (including current maturities of Non-current borrowings)	789.01	192.86	-	0.08	981.79
Current borrowings	24.87	(22.47)	-	-	2.40
Total liabilities from financing activities	**813.88**	**170.39**	**-**	**0.08**	**984.19**

Particulars	As at March 31, 2017	Net Cash Flows	Non cash changes		As at March 31, 2018
			Foreign Exchange movement (Gain)/Loss	Fair value changes	
Non - current Borrowings (including current maturities of Non-current borrowings)	794.49	(6.64)	1.15	-	789.01
Current borrowings	22.40	2.53	-	0.06	24.87
Total liabilities from financing activities	**816.89**	**(4.11)**	**1.15**	**0.06**	**813.88**

As per our report of even date

For **Nayan Parikh & Co**
Chartered Accountants
Firm's Registration No.: 107023W

K.Y. Narayana
Partner
Membership No: 060639

Place: Mumbai
Date: April 15, 2019

For and on behalf of the Board

Viren Raheja
Director
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Ajay Singh
Head Corporate Legal, Company Secretary and Chief Compliance Officer
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Rajan Gupta
Managing Director
DIN: 07603128

Sitendu Nagchaudhuri
Chief Financial Officer

Place: Mumbai
Date: April 15, 2019

Notes to the Standalone Financial Statements

BACKGROUND

Hathway Cable and Datacom Limited ("the Company") is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

The Company is engaged in distribution of internet services through cable and has strategic stake in entities engaged in Cable Television business. Its equity shares are listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) in India.

Authorisation of standalone financial statements

The standalone financial statements were authorized for issue in accordance with a resolution of the Board of directors on April 15, 2019.

1.00 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the presentation of these standalone financial statements.

1.01 BASIS OF PREPARATION

(i) **Compliance with Ind AS**

The standalone financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"), and relevant rules issued thereunder and relevant provisions of the Act. In accordance with proviso to the Rule 4A of the Companies (Accounts) Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting standards.

(ii) **Historical cost convention**

The standalone financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) is measured at fair value; and
- defined benefit plans – plan assets measured at fair value

1.02 ROUNDING OF AMOUNTS

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest crores, except where otherwise indicated.

1.03 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents its assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current if:

(i) it is expected to be realised or intended to be sold or consumed in normal operating cycle;
(ii) it is held primarily for the purpose of trading;
(iii) it is expected to be realised within twelve months after the reporting period; or
(iv) the cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

(i) it is expected to be settled in normal operating cycle;
(ii) it is held primarily for the purpose of trading;
(iii) it is due to be settled within twelve months after the reporting period; or
(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities on net basis.

All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle. Based on the nature of operations, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

1.04 USE OF JUDGEMENTS, ESTIMATES & ASSUMPTIONS

While preparing standalone financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial

Notes to the Standalone Financial Statements

position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluates these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are as below:

Key assumptions

(i) Financial instruments; (Refer note 4.11)

(ii) Useful lives of Property, Plant and Equipment and Intangible Assets; (Refer note 1.05 and 1.06)

(iii) Assets and obligations relating to employee benefits; (Refer note 4.06)

(iv) Evaluation of recoverability of deferred tax assets; (Refer note 2.06) and

(v) Contingencies (Refer note 4.02).

1.05 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment acquired separately

(i) Property, Plant and Equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, non-refundable taxes, any costs directly attributable to bringing the asset into the location and conditions necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, finance cost. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

(ii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

(iii) Access devices on hand at the year-end are included in Capital Work in Progress. On installation, such devices are capitalized or treated as sale, as the case may be.

(iv) The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

(v) Stores & Spares which meet the definition of Property, Plant and Equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as Property, Plant and Equipment.

Derecognition of Property, Plant and Equipment

(vi) An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation on Property, Plant and Equipment

(vii) Depreciation on Property, Plant and Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its Property, Plant and Equipment and has adopted the useful lives and residual value as prescribed in Schedule II except for the cost of Access devices at the customer's location which are depreciated on straight-line method over a period of eight years based on internal technical assessment.

(viii) In case of additions or deletions during the year, depreciation is computed from the month in which such assets are put to use and up to previous month of sale, disposal or held for sale as the case may be. In case of impairment, depreciation is provided on the revised carrying amount over its remaining useful life.

(ix) All assets costing up to Rs. 5,000/- are fully depreciated in the year of capitalisation.

Deemed cost for Property, Plant and Equipment

The Company had elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as of the date of transition to Ind AS measured as per the previous GAAP and use that carrying value as it's deemed cost as of the transition date.

Notes to the Standalone Financial Statements

1.06 INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible Assets acquired separately

Intangible assets comprises of Network Franchisee, Bandwidth Rights, Goodwill, Customer Acquisition Cost and Softwares. Intangible assets with finite useful lives that are acquired are recognized only if they are separately identifiable and the Company expects to receive future economic benefits arising out of them. Such assets are stated at cost less accumulated amortization and impairment losses. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses.

Intangible Assets acquired in business combination

Intangible Assets acquired in business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

Amortisation of intangible assets

Intangible assets with finite useful lives are amortised on a straight line basis over their useful economic lives and assessed for impairment whenever there is indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortisation expense on Intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.

Estimated lives for current and comparative periods in relation to application of straight line method of amortisation of intangible assets (acquired) are as follows:

- Network Franchisee are amortised over the period of five to twenty years.
- Softwares are amortised over the license period and in absence of such tenor, over five years.
- Bandwidth Rights are amortised over the period of the underlying agreements.
- Customer acquisition costs are amortised over the period of five years.

The estimated useful lives, residual values, amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Deemed cost for Intangible assets

The Company had elected to continue with the carrying value of all of its Intangible assets recognised as of the date of transition to Ind AS measured as per the previous GAAP and use that carrying value as it's deemed cost as of the transition date.

1.07 IMPAIRMENT OF ASSETS

Carrying amount of Tangible assets, Intangible assets, Investments in Subsidiaries, Joint Ventures and Associates (which are carried at cost) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's assets (cash-generating units). Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.08 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Notes to the Standalone Financial Statements

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

1.09 INVENTORIES

Inventories are valued as follows:

Spares and maintenance items are valued at lower of cost (net of taxes recoverable) on first in first out basis and net realizable value.

Stock-in-trade comprising of access devices are valued at cost on weighted average method and at net realizable value, whichever is lower.

1.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash, short-term deposits as defined above, bank overdrafts and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value as they are considered as an integral part of the Company's management. Bank overdrafts are shown within borrowings under current liabilities in the balance sheet.

1.11 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition and Measurement – Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset is classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTOCI:

A financial asset is classified and measured at FVTOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

Notes to the Standalone Financial Statements

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTPL:

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Classification and Subsequent measurement: Financial Liabilities

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of Financial Assets and Financial Liabilities:

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting Financial Instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.12 INVESTMENT IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

A subsidiary is an entity that is controlled by another entity. An investor controls an investee if and only if the investor has the following; (i) Power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee and (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Notes to the Standalone Financial Statements

The Company's investments in its subsidiaries, associates and joint ventures are accounted at cost and reviewed for impairment at each reporting date in accordance with the policy described in note 1.07 above.

1.13 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed in the case of:

- a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from the past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets is disclosed when inflow of economic benefits is probable.

1.15 GRATUITY AND OTHER POST-EMPLOYMENT BENEFITS

(i) Short-term obligations

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:• defined benefit plans such as gratuity; and• defined contribution plans such as provident fund

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised at amount net of taxes in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Other long-term employee benefit obligations

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the

Notes to the Standalone Financial Statements

employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iv) Bonus Plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.16 REVENUE RECOGNITION

(i) Income from rendering of services and sale of products

The Company derives revenues primarily from Broadband business comprising of Internet services and other allied services.

Effective April 1, 2018 the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is the summary of new and/ or revised significant accounting policies related to revenue recognition. Refer Note 1 “Significant Accounting Policies,” in the Company’s 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those products or services. Subscription revenue is recognised ratably over the period in which the services are rendered.

To recognise revenues, the Company applies the following five step approach:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognise revenues when a performance obligation is satisfied

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time. While invoicing in excess of revenue are classified as contract liabilities (which we refer to as unearned revenue).

The Company presents revenues net of indirect taxes in its statement of profit and loss.

(ii) Other Operating Income

Other Operating Income comprises of fees for rendering management, technical and consultancy services. Income from such services is recognized upon satisfaction of performance obligation as per the terms of underlying agreements.

(iii) Interest Income

Interest income from debt instruments is recognised using the effective interest rate method.

(iv) Dividend Income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(v) Share of profit / loss from Partnership firms

Share of profit / loss from Partnership firm is recognised in the Statement of Profit and Loss in respect of the financial year of the Partnership firm ending on or before the balance sheet date, on the basis of its audited accounts.

Notes to the Standalone Financial Statements

1.17 TAXES ON INCOME

Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities.

1.18 EARNINGS PER SHARE (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing cost associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.19 LEASES

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As a Lessee

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Notes to the Standalone Financial Statements

1.20 FOREIGN CURRENCY TRANSLATIONS

(i) Functional and presentation currency

The Company's standalone financial statements are prepared in INR, which is also the Company's functional and presentation currency.

(ii) Transactions and balances

Monetary items:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains / (losses).

Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.21 FINANCIAL GUARANTEE CONTRACT

The Company on case to case basis elects to account for financial guarantee contracts as financial instruments or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance Contracts. The Company has regarded its financial guarantee contracts as insurance contracts on contract by contract basis. At the end of each reporting period the Company performs liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows) on financial guarantee contracts regarded as insurance contracts, and the deficiency is recognized in the Statement of Profit and Loss.

1.22 BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs which are administrative in nature are expensed out.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative values of the operation disposed off and the portion of the cash-generating unit retained.

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a group.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the standalone financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the standalone financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

2.01 PROPERTY, PLANT AND EQUIPMENT:

Particulars	Gross Carrying Amount				Accumulated Depreciation/Impairment				Net Carrying Amount	
	As at April 1, 2018	**Addition**	**Disposal**	**As at March 31, 2019**	**As at April 1, 2018**	**For the Year**	**Elimination on disposal**	**As at March 31, 2019**	**As at March 31, 2019**	**As at March 31, 2018**
Own Assets:										
Plant and Equipment	883.84	125.23	15.24	993.83	161.97	102.03	5.56	258.44	735.39	721.87
Air conditioners	3.79	0.39	*	4.18	1.43	0.75	*	2.18	2.00	2.36
Structural fittings	2.48	0.24	-	2.72	0.63	0.34	-	0.97	1.75	1.85
Furniture & Fixtures	10.71	0.37	-	11.08	3.39	1.20	-	4.59	6.49	7.32
Mobile & Telephone	0.56	0.03	-	0.59	0.29	0.08	-	0.37	0.22	0.27
Computers	6.48	0.69	*	7.17	4.21	1.27	*	5.48	1.69	2.27
Office Equipments	2.40	0.17	-	2.57	1.28	0.51	-	1.79	0.78	1.12
Electrical Fittings	4.46	0.42	*	4.88	1.22	0.59	*	1.81	3.07	3.24
Motor Vehicles	0.63	-	-	0.63	0.19	0.08	-	0.27	0.36	0.43
Total	**915.35**	**127.54**	**15.24**	**1,027.65**	**174.61**	**106.85**	**5.56**	**275.90**	**751.75**	**740.73**

Particulars	Gross Carrying Amount				Accumulated Depreciation/Impairment				Net Carrying Amount	
	As at April 1, 2017	**Addition**	**Disposal**	**As at March 31, 2018**	**As at April 1, 2017**	**For the Year**	**Elimination on disposal**	**As at March 31, 2018**	**As at March 31, 2018**	**As at March 31, 2017**
Own Assets:										
Plant and Equipment	679.12	210.39	5.67	883.84	78.48	85.92	2.43	161.97	721.87	600.64
Air conditioners	2.78	1.04	0.03	3.79	0.77	0.67	0.01	1.43	2.36	2.01
Structural fittings	1.17	1.31	-	2.48	0.35	0.28	-	0.63	1.85	0.82
Furniture & Fixtures	8.71	2.02	0.02	10.71	2.06	1.35	0.02	3.39	7.32	6.65
Mobile & Telephone	0.41	0.15	-	0.56	0.16	0.13	-	0.29	0.27	0.25
Computers	5.77	0.72	0.01	6.48	2.52	1.69	*	4.21	2.27	3.25
Office Equipments	1.61	0.79	*	2.40	0.60	0.68	*	1.28	1.12	1.01
Electrical Fittings	2.89	1.57	*	4.46	0.65	0.57	*	1.22	3.24	2.24
Motor Vehicles	0.58	0.04	*	0.63	0.13	0.06	*	0.19	0.43	0.45
Total	**703.04**	**218.03**	**5.73**	**915.35**	**85.72**	**91.35**	**2.46**	**174.61**	**740.73**	**617.32**

* Amount less than ₹ 50,000/-

Notes:

1. Loss of ₹ 1.33 (March 31, 2018: ₹ 1.14) arising on account of exchange difference on long-term foreign currency borrowings, utilised for purchase of Property, Plant and Equipment has been capitalised and included in "Additions". The Company has also capitalised Finance cost of ₹ 1.26 (March 31, 2018: ₹ Nil)
2. Depreciation charge for the year includes Impairment of Plant and Equipment ₹ 12.84 (March 31, 2018: ₹ 12.20).

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

2.02 INTANGIBLE ASSETS:

Particulars	Gross Carrying Amount				Accumulated Amortisation/Impairment				Net Carrying Amount	
	As at April 1, 2018	Addition	Disposal	As at March 31, 2019	As at April 1, 2018	For the Year	Elimination on disposal	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Goodwill	0.11	-	-	0.11	0.11	-	-	0.11	-	-
Network Franchisee	6.05	*	-	6.05	1.72	0.43	-	2.15	3.90	4.33
Softwares	21.74	5.68	-	27.42	9.12	4.16	-	13.28	14.14	12.62
Bandwidth Rights	2.12	-	-	2.12	0.66	0.31	-	0.97	1.15	1.46
Customer Acquisition Cost	-	36.96	-	36.96	-	4.17	-	4.17	32.79	-
Total	**30.02**	**42.64**	**-**	**72.66**	**11.61**	**9.07**	**-**	**20.68**	**51.98**	**18.41**

* Amount less than ₹ 50,000/-

Particulars	Gross Carrying Amount				Accumulated Amortisation/Impairment				Net Carrying Amount	
	As at April 1, 2017	Addition	Disposal	As at March 31, 2018	As at April 1, 2017	For the Year	Elimination on disposal	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Goodwill	0.11	-	-	0.11	0.09	0.02	-	0.11	-	0.02
Network Franchisee	6.05	-	-	6.05	1.09	0.63	-	1.72	4.33	4.96
Softwares	13.23	8.51	-	21.74	4.25	4.87	-	9.12	12.62	8.98
Bandwidth Rights	1.95	0.17	-	2.12	0.34	0.32	-	0.66	1.46	1.61
Total	**21.34**	**8.68**	**-**	**30.02**	**5.77**	**5.84**	**-**	**11.61**	**18.41**	**15.57**

Notes:

1. Amortisation charge for the year includes Impairment of Network Franchisee ₹ Nil (March 31, 2018: ₹ 0.18) and Impairment of Goodwill of ₹ Nil (March 31, 2018: ₹ 0.02)
2. Range of remaining period of amortisation as at March 31, 2019 of Intangible assets is as below:

	0 to 5 years	6 to 10 years	10 to 15 years	Total
Network Franchisee	2.16	1.72	0.02	3.90
Softwares	14.14	-	-	14.14
Customer Acquisition Cost	32.79	-	-	32.79
Bandwidth Rights	0.97	0.15	0.03	1.15
Total	**50.06**	**1.87**	**0.05**	**51.98**

3. Refer note no 2.16 (c) for information on Property, Plant and Equipment pledged as security of the group.
4. Refer note no 4.04 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment.

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

2.03 NON-CURRENT INVESTMENTS	Face Value ₹ Per Unit	March 31, 2019 Quantity	March 31, 2019 Amount	March 31, 2018 Quantity	March 31, 2018 Amount
Investments (measured at cost)					
Investment in Subsidiaries, Joint Ventures and Associates					
Quoted (fully paid up)					
Investment in Equity Shares of Subsidiary					
Hathway Bhawani Cabletel & Datacom Ltd.	10	2,020,000	2.39	2,020,000	2.39
Less: Impairment in value of investment			0.60		0.60
Investment in Equity Shares of Associate					
GTPL Hathway Ltd. (f.k.a. GTPL Hathway Pvt. Ltd.) #	10	41,972,694	568.55	41,972,694	568.60
			570.34		**570.39**
Unquoted (fully paid up)					
Investment in Equity Shares of Subsidiaries					
Hathway Digital Pvt. Ltd. (f.k.a. Hathway Datacom Central Pvt. Ltd.)	10	355,734,833	432.67	355,734,833	432.67
Hathway Krishna Cables Pvt. Ltd.	10	7,808,333	15.41	7,808,333	15.41
Hathway Mysore Cable Network Pvt. Ltd.	10	1,041,000	10.09	1,041,000	10.09
Hathway Software Developers Pvt. Ltd.	10	758,000	9.53	758,000	9.53
UTN Cable Communications Pvt. Ltd.	10	756,000	4.94	756,000	4.94
Hathway Kokan Crystal Network Pvt. Ltd.	10	145,135	4.68	145,135	4.68
Hathway New Concept Cable & Datacom Pvt. Ltd.	10	150,000	3.23	150,000	3.23
Hathway Broadband Pvt. Ltd.	10	2,500,000	2.50	2,500,000	2.50
Hathway Mantra Cable & Datacom Pvt. Ltd.	10	9,800	2.10	9,800	2.10
Hathway Enjoy Cable Network Pvt. Ltd.	10	10,000	0.01	10,000	0.01
Hathway Media Vision Pvt. Ltd.	10	65,040	-	65,040	-
Ideal Cables Pvt. Ltd.	10	76,020	-	76,020	-
Channels India Network Pvt. Ltd.	10	87,500	-	87,500	-
Vision India Networks Pvt. Ltd.	10	87,700	-	87,700	-
Hathway C-Net Pvt. Ltd.	10	100,000	-	100,000	-
Chennai Cable Vision Network Pvt. Ltd.	10	136,800	-	136,800	-
Hathway Nashik Cable Network Pvt. Ltd.	10	45,300	-	45,300	-
Bee Network & Communication Pvt. Ltd.	10	99,989	-	99,989	-
Win Cable and Datacom Pvt. Ltd.	10	200,000	-	200,000	-
Elite Cable Network Pvt. Ltd.	10	48,000	-	48,000	-
Hathway Space Vision and Cabletel Pvt. Ltd.	10	10,020	-	10,020	-
Hathway Gwalior Cable & Datacom Pvt. Ltd.	10	10,000	-	10,000	-
Hathway JMD Farukhabad Cable Network Pvt. Ltd.	10	10,000	-	10,000	-
Binary Technology Transfers Pvt. Ltd.	100	1,000	-	1,000	-
Hathway Internet Satellite Pvt Ltd.	10	10,000	-	10,000	-
Hathway United Cables Pvt. Ltd.	10	10,000	-	10,000	-
ITV Interactive Media Pvt. Ltd.	100	8,250	-	8,250	-
Liberty Media Vision Pvt. Ltd.	10	10,000	-	10,000	-
			485.16		**485.16**
Investment in Equity Shares of Joint Ventures					
Hathway Sai Star Cable & Datacom Pvt. Ltd.	10	68,850	10.40	68,850	10.40
Hathway MCN Pvt. Ltd.	10	963,000	8.01	963,000	8.01
Hathway Sonali Om Crystal Cable Pvt. Ltd.	10	68,000	5.29	68,000	5.29
Net 9 Online Hathway Pvt. Ltd.	10	5,000	2.01	5,000	2.01

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

2.03 NON-CURRENT INVESTMENTS	Face Value ₹ Per Unit	March 31, 2019 Quantity	March 31, 2019 Amount	March 31, 2018 Quantity	March 31, 2018 Amount
Hathway Dattatray Cable Network Pvt. Ltd.	10	20,400	1.56	20,400	1.56
Hathway Cable MCN Nanded Pvt Ltd	10	1,305,717	1.37	1,305,717	1.37
Hathway Latur MCN Cable & Datacom Pvt. Ltd.	10	51,000	0.97	51,000	0.97
Hathway Palampur Cable & Datacom Pvt. Ltd.	10	15,300	0.68	15,300	0.68
Hathway Digital Saharanpur Cable & Datacom Pvt. Ltd.	10	10,200	0.48	10,200	0.48
Hathway Channel 5 Cable & Datacom Pvt. Ltd.	10	249,000	-	249,000	-
Hathway ICE Television Pvt. Ltd.	10	102,000	-	102,000	-
Hathway Prime Cable & Datacom Pvt. Ltd.	10	229,500	-	229,500	-
Less: Impairment in value of investment			5.78		0.48
			24.99		**30.29**
Investment in Equity Shares of Associates					
Hathway VCN Cablenet Pvt. Ltd.	10	12,520	-	12,520	-
Pan Cable Services Pvt. Ltd.	10	10	-	10	-
			-		-
Investment in Partnership Firm in the nature of Joint Venture					
Hathway SS Cable & Datacom LLP			1.73		1.73
Less: Impairment in value of investment			1.73		-
			-		1.73
Investments measured at amortised cost					
Unquoted					
Investment in Preference Shares of Subsidiary (fully paid up) *					
Hathway Digital Pvt. Ltd. (f.k.a. Hathway Datacom Central Pvt. Ltd.)	10	51,020	0.02	51,020	0.02
Investment in Government Securities					
National Savings Certificates			0.14		0.14
Investment in equity shares of other companies (designated at FVTOCI)					
Hathway Cable Entertainment Pvt. Ltd.	10	47,009	-	47,009	-
Hathway Jhansi JMDSR Cable & Datacom Pvt. Ltd.	10	60,000	-	60,000	-
Hathway Patiala Cable Private Limited (f.k.a Hathway Sukhamrit Cable & Datacom Private Limited)	10	71,175	3.08	71,175	2.01
			3.08		**2.01**
Total Non-current Investments			**1,083.73**		**1,089.74**
Aggregate amount of quoted investments			**570.34**		**570.39**
Market Value of quoted investments			**288.71**		**583.97**
Aggregate amount of unquoted investments			**510.31**		**517.35**
Aggregate fair value of investments designated at FVTOCI			**3.08**		**2.01**
Aggregate amount of impairment in value of investments			**8.11**		**1.08**

* 5% Non-Cumulative Redeemable Preference Shares of ₹ 10 each - The carrying value of the equity component included in investment in 5% Non-cumulative Redeemable Preference Shares issued by wholly owned subsidiary Hathway Digital Pvt. Ltd. is ₹ 0.02 (As at March 31, 2018 ₹ 0.02)

Joint venture upto June 30, 2017 and associate thereafter. Shares of the Company were listed on July 04, 2017.

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

2.04 LOANS		Non-Current		Current	
		As at		As at	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Security Deposits					
Considered good - Unsecured		8.46	7.61	2.93	3.16
	(A)	**8.46**	**7.61**	**2.93**	**3.16**
Loans To Related Parties					
Considered good - Unsecured					
Loan to Subsidiaries, Joint Ventures and Associates		15.41	19.81	77.32	62.35
Loan to Firm in which Subsidiaries are partner		-	0.21	-	-
Investment in Preference Share Capital		0.04	0.04	-	-
Loan receivables - credit impaired		79.18	68.64	-	-
		94.63	**88.70**	**77.32**	**62.35**
Less: Provision for impairment		79.18	68.64	-	-
	(B)	**15.45**	**20.06**	**77.32**	**62.35**
Other Loans					
Loan receivables - credit impaired		0.41	0.41	-	-
		0.41	**0.41**	-	-
Less: Provision for impairment		0.41	0.41	-	-
	(C)	-	-	-	-
Total (A + B + C)		**23.91**	**27.67**	**80.25**	**65.51**

Note: No amount is due from any of the directors or officers of the Company, severally or jointly with any other person, or from firms where such director is a partner or from private companies where such director is a member.

2.05 OTHER FINANCIAL ASSETS	Non-Current		Current	
	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Unsecured, considered good				
Share Application Money. (Refer note 4.02 b)	0.26	0.26	-	-
Bank deposits with more than 12 months maturity	12.77	15.29	-	-
Accrued Interest	-	-	1.44	0.26
Unbilled Revenue *	-	-	0.08	0.07
Other Receivables	-	-	0.46	0.48
	13.03	**15.55**	**1.98**	**0.81**

Note: No amount is due from any of the directors or officers of the Company, severally or jointly with any other person, or from firms where such director is a partner or from private companies where such director is a member.

* Classified as financial asset as right to consideration is unconditional upon passage of time.

2.06 DEFERRED TAX ASSETS (NET)	As at March 31, 2019	As at March 31, 2018
The balance comprises of temporary differences attributable to -		
Deferred tax assets in relation to: *		
Unabsorbed depreciation	283.44	29.77
Others	7.58	-
	291.02	**29.77**
Deferred tax liabilities in relation to:		
Property, Plant and Equipment	23.35	28.12
Others	-	1.65
	23.35	**29.77**
DEFERRED TAX ASSETS (NET)	**267.67**	-

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Significant Estimates -

* The deferred tax assets recognised during the quarter is mainly in respect of unabsorbed depreciation allowance available for set off for indefinite period in terms of applicable tax laws. Considering the revision in business plans and growth strategy of the Company, pursuant to fresh infusion of equity capital and implementation of New Tariff Order; the Management is reasonably certain of future taxable income and hence recovery of such deferred tax assets.

The movement in deferred tax Asset/liabilities during the Year ended March 31, 2019 and March 31, 2018:

Particulars	As at March 31, 2018	Recognised in Profit/(Loss)	As at March 31, 2019
Deferred Tax Assets in relation to:			
Unabsorbed depreciation	29.77	253.67	283.44
Others	-	7.58	7.58
Deferred tax liabilities in relation to:			
Property, Plant and Equipment	28.12	4.77	23.35
Others	1.65	1.65	-
Total	**-**	**267.67**	**267.67**

Unrecognised deductible temporary differences, unused tax losses and unused tax credit on which deferred tax asset has not been recognised:

Particulars	Indefinite	Total
Deductible temporary differences	17.57	17.57
Total	**17.57**	**17.57**

2.07 OTHER ASSETS	**Non-Current**		**Current**	
	As at		**As at**	
	March 31, 2019	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**
CAPITAL ADVANCES				
Unsecured, considered good unless stated otherwise				
Network Acquisitions	0.03	0.03	-	-
Advance to Suppliers	3.21	4.92	-	-
Doubtful	0.30	0.30	-	-
Less: Allowance for bad & doubtful advances	0.30	0.30	-	-
(A)	**3.24**	**4.95**	**-**	**-**
ADVANCES OTHER THAN CAPITAL ADVANCES				
Unsecured, considered good unless stated otherwise				
Prepaid expenses	1.54	3.85	3.46	4.29
Staff Advances	-	-	0.07	0.25
Sundry Advances	0.11	0.16	10.15	17.42
Balance with Government authorities:				
Service Tax/GST Recoverable	-	-	15.42	17.32
Balance with Statutory Authorities	8.62	-	0.04	0.15
Advance Income Tax (Net of Provision)	22.65	62.48	-	-
Deposits paid under Protest	7.79	17.00	-	-
Other Receivables	-	-	0.47	0.46
Doubtful	8.61	0.90	-	-
Less: Allowance for bad & doubtful advances	8.61	0.90	-	-
(B)	**40.71**	**83.49**	**29.61**	**39.89**
Total (A+B)	**43.95**	**88.44**	**29.61**	**39.89**

Note: No amount is due from any of the directors or officers of the Company, severally or jointly with any other person, or from firms where such director is a partner or from private companies where such director is a member.

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

2.08 INVENTORIES	As at March 31, 2019	As at March 31, 2018
Stock of Spares and Maintenance Items	12.98	15.64
Total	**12.98**	**15.64**

2.09 CURRENT INVESTMENTS	As at March 31, 2019	As at March 31, 2018
Unquoted		
Investments measured at fair value through profit and loss account		
Investment in Mutual Funds	2,993.56	-
Total Current Investments	**2,993.56**	**-**
Aggregate amount of unquoted investments	2,964.70	-

2.10 TRADE RECEIVABLES	Current	
	As at March 31, 2019	As at March 31, 2018
Trade receivables - Unsecured	56.80	57.14
	56.80	**57.14**
Less: Provision for Impairment	50.30	26.96
	6.50	**30.18**

Note: No amount is receivable from any of the directors or officers of the Company, severally or jointly with any other person, or from firms where such director is a partner or from private companies where such director is a member.

2.11 CASH AND CASH EQUIVALENTS	Non-Current		Current	
	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Balances with banks:				
In Current Accounts	-	-	22.14	3.17
Deposits with banks with original maturity of 3 months or less	-	-	30.11	-
Cash in hand	-	-	0.87	1.30
Total	**-**	**-**	**53.12**	**4.47**

2.12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Margin money deposit*	12.77	15.29	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	50.00	-
	12.77	**15.29**	**50.00**	**-**
Less: Amount disclosed under other financial asset (Refer Note 2.05)	12.77	15.29	-	-
Total	**-**	**-**	**50.00**	**-**

* Marked under lien in favour of Banks

2.13 CURRENT TAX ASSETS (NET)	As at March 31, 2019	As at March 31, 2018
Current tax assets		
Advance Income Tax (Net of Provisions)	42.54	-
Total	**42.54**	**-**

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

2.14 EQUITY SHARE CAPITAL	As at March 31, 2019	As at March 31, 2018
Authorised Capital		
1,999,000,000 (March 31, 2018: 999,000,000) Equity Shares of ₹ 2 each	399.80	199.80
Total	**399.80**	**199.80**
Issued, Subscribed and Paid up Capital		
1,770,104,500 (March 31, 2018: 830,494,500) Equity Shares of ₹ 2 each fully paid-up	354.02	166.10
Total	**354.02**	**166.10**

(a) Reconciliation of the number of shares outstanding as at the beginning and end of the reporting period:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Equity Shares of ₹ 2 each				
Shares Outstanding at the beginning of the year	830,494,500	166.10	830,494,500	166.10
Shares Issued during the year under Preferential allotment (Refer note (f) below)	939,610,000	187.92	-	-
Shares Outstanding at the end of the year	**1,770,104,500**	**354.02**	**830,494,500**	**166.10**

(b) Rights, Preference and restrictions attached to Shares;

Terms/Rights attached to Equity Shares

The Company has issued only one class of equity shares having face value of ₹ 2 (March 31, 2018: ₹ 2) per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

(c) Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

Particulars	As at March 31, 2019	As at March 31, 2018
	No. of Shares held	No. of Shares held
Name of the Shareholder		
Equity Shares of ₹ 2 each		
Jio Content Distribution Holdings Private Limited $	749,382,454	-
Jio Internet Distribution Holdings Private Limited $	300,337,845	-
Jio Cable and Broadband Holdings Private Limited $	223,980,916	-

$ Controlled by Digital Media Distribution Trust of which Reliance Content Distribution Limited - Wholly owned subsidiary of Reliance Industries Limited, is the sole beneficiary.

(d) Details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
	₹ 2 each		₹ 2 each	
Equity Shares of ₹ 2 each				
Mr. Akshay Raheja	121,413,000	6.86	121,413,000	14.62
Mr. Viren Raheja	119,553,000	6.75	119,553,000	14.40
Hathway Investments Private Limited	112,645,015	6.36	81,845,015	9.85
Jio Content Distribution Holdings Private Limited	749,382,454	42.34	-	-
Jio Internet Distribution Holdings Private Limited	300,337,845	16.97	-	-
Jio Cable And Broadband Holdings Private Limited	223,980,916	12.65	-	-
CLSA Global Markets Pte. Ltd.	-	-	79,346,924	9.55
P6 Mauritius India Holding Limited	-	-	70,717,760	8.52
P5 Asia Holding Investments (Mauritius) Limited	-	-	52,783,220	6.36

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

(e) **Shares reserved for issue under options (ESOP):**

The shareholders of the company have approved ESOP to the Managing Director (MD) on October 04, 2018. Under this ESOP Plan, the MD will be issued 53,60,000 ESOPs at a price of ₹ 19 per option, upon exercise of which the MD will be entitled to 53,60,000 equity shares in the Company.

In addition to the ESOPs mentioned above, the company shall pay the MD an amount in cash, provided he is in employment of the company on the Vesting Date (i.e. has completed the Term), which amount shall be calculated in the following manner – if, the closing market price per equity share of the Company on the BSE Limited as on the Vesting Date (Closing Market Price):

(i) is less than ₹ 19 per share, MD will be paid an amount in cash which shall be calculated as follows:

[53,60,000 equity shares * Closing Market Price]

(ii) is in excess of ₹ 19 per share, MD will be paid an amount in cash which is to be calculated as follows:

[53,60,000 equity shares * ₹ 19 i.e. ₹ 10,18,40,000/-]

The amount referred to in this clause, shall be paid within 30 days of the Vesting Date and shall be subject to applicable withholding taxes.

However, on the date of the balance sheet, these options are yet to be granted to the MD.

(f) The Company has allotted on preferential basis 3,08,00,000 equity shares of ₹ 2 each at a premium of ₹ 30.35 per share to Hathway Investments Private Limited

Further, the Company has allotted on preferential basis 908,810,000 equity shares of ₹ 2 each at a premium of ₹ 30.35 per share to the following entities (the "Acquirers") aggregating to ₹ 2,940 representing 51.34% of post allotment equity share capital of the Company:

Name of the Acquirer	**No. of shares**	**Amount**
Jio Content Distribution Holdings Private Limited	534,698,609	1,729.75
Jio Internet Distribution Holdings Private Limited	214,296,755	693.25
Jio Cable and Broadband Holdings Private Limited	159,814,636	517.00
Total	**908,810,000**	**2,940.00**

Pursuant to the aforesaid preferential allotment, the Acquirers have acquired sole control of the Company and the Acquirers and the Persons Acting in Concert (PAC) namely Reliance Industries Limited, Digital Media Distribution Trust, Reliance Content Distribution Limited and Reliance Industrial Investments and Holdings Limited have become part of the 'promoter and promoter group' of the Company.

Further, on February 26, 2019 the Acquirers acquired an aggregate of 364,891,215 equity shares representing 20.61% of the total paid-up equity share capital of the Company pursuant to an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Accordingly, as at March 31, 2019, the aggregate holding of the Acquirers in the Company stood at 1,273,701,215 equity shares of the Company representing 71.96% of the total paid-up equity share capital of the Company

2.15 OTHER EQUITY	**As at March 31, 2019**	**As at March 31, 2018**
Retained earnings	(777.76)	(989.21)
Securities Premium	4,725.79	1,877.01
Total	**3,948.04**	**887.80**

Description of the nature and purpose of each reserve within equity is as follows:

(a) Retained Earning:

Retained earnings are the losses that the Company has incurred till date.

(b) Securities Premium:

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

2.16 NON CURRENT BORROWINGS	Non Current portion		Current maturities of long term debts	
	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Term Loans				
Secured				
From Banks	405.16	170.09	88.70	28.47
From Others	295.02	313.11	92.91	38.45
FCNR loan from Banks				
Secured	-	-	-	8.83
Buyers Credit				
Secured	-	-	-	230.07
Inter Corporate Deposit	100.00	-	-	-
	800.18	**483.20**	**181.61**	**305.82**
Less: Amount disclosed under the head 'Other Financial Liabilities' (Note No. 2.17)				
– Current maturities of Long-Term Debts	-	-	181.61	305.82
Net Amount	**800.18**	**483.20**	**-**	**-**

CURRENT BORROWINGS	As at March 31, 2019	As at March 31, 2018
Loans repayable on demand		
Secured		
Cash Credit with banks	-	10.03
Overdraft with bank	-	5.57
Unsecured		
From Banks	-	12.44
Loans from Related Parties	2.40	2.40
Total	**2.40**	**30.44**

(a) Nature of Security and terms of repayment for secured borrowings:

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2019		As at March 31, 2018	
			Non-Current	Current	Non-Current	Current
NON-CURRENT BORROWINGS						
1	**Term Loan from Banks**					
1.01	**Yes Bank Ltd.**					
i	Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Moratorium period of 24 months from date of first disbursement. Post moratorium, principal to be repaid in 12 equal quarterly instalments. Applicable rate of interest is Yes Bank 12Month MCLR + 0.8%	3.73	5.59	11.19	-
ii	Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL					

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2019		As at March 31, 2018	
			Non-Current	Current	Non-Current	Current
1.02	**Yes Bank Ltd.**					
i	Secured by second pari passu hypothecation of present & future Fixed assets and Current Assets of the Company	Moratorium period of 12 months from date of first disbursement. Post moratorium, principal to be repaid in 16 quarterly instalments. 6 Month MCLR+ 1.50%	122.53	18.75	96.28	2.50
ii	Pledge of 18% equity shares of Hathway Digital Private Limited (HDPL) & 18% shares of HDPL under Non Disposal Undertaking arrangement					
1.03	**Yes Bank Ltd.**					
i	Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Principal repayable as -Year 1 and 2 - 10% of amount drawdown in four equal quarterly instalments in each of the years -Year 3 - 15% of amount drawdown in four equal quarterly instalments -Year 4 - 20% of amount drawdown in four equal quarterly instalments -Year 5 and 6 - 22.5% of amount drawdown in four equal quarterly instalments in each of the years Applicable rate of interest is Yes Bank 12Months MCLR + 0.65%.	113.38	11.85	-	-
ii	Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL					
1.04	**Indusind Bank Ltd**					
i	Secured by first pari passu hypothecation of present & future Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Moratorium period of 12 months from date of first disbursement. Post moratorium, principal to be repaid in 16 quarterly instalments. Applicable Rate of Interest 1Year IBL MCLR+ 1.1%	44.50	22.87	30.00	5.25
ii	Secured by first pari passu charge hypothecation of present & future Current Assets of the Company and of HDPL					

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2019		As at March 31, 2018	
			Non-Current	Current	Non-Current	Current
1.05	**Axis Bank Ltd.**					
i	Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Principal repayable in 12 equal quarterly instalments with 1st instalment due after 36 months after the date of drawdown to be paid at the end of each quarter. Applicable rate of Interest is Axis Bank 1Y MCLR + 2.45%	11.06	7.24	8.61	1.72
ii	Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL					
1.06	**Kotak Mahindra Bank Ltd.**					
i	Secured by first pari passu hypothecation of present & future movable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Principal repayable in 16 equal quarterly instalments with 1st instalment due 12 months after the date of drawdown. Applicable rate of Interest is Base rate + 1.50%.	1.82	1.82	3.65	1.82
ii	Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL					
1.07	**RBL Bank Ltd**					
i	Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Principal Repayable at below terms a) 10% to be paid at the end of 12 months from the date of first drawdown b) 5% at the end of 18 months and thereafter equal quarterly instalments till the maturity of the Loan Applicable Rate of interest is RBL Base rate + 0.45%	7.59	6.07	13.66	6.07
ii	Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL					
1.08	**RBL Bank Ltd**					
i	Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Principal Repayable at below terms 10 half yearly instalments from the date of first disbursement. Applicable Rate of interest is 1 Year MCLR + 0.75%	5.70	2.63	8.32	2.63

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2019		As at March 31, 2018	
			Non-Current	Current	Non-Current	Current
ii	Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL					
1.09	**RBL Bank Ltd**					
i	Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Principal Repayable at below terms quarterly instalments to be paid over 5 years from the date of first drawdown in the following manner: for the 1st year and 2nd year- 10% and for each of the balance 3 years - 26.67%. Applicable Rate of interest is 3 Months MCLR + 0.20%	80.85	9.80	-	-
ii	Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL					
1.10	**RBL Bank Ltd**					
i	Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Moratorium period of 6 months from date of disbursement. Principal Repayable in equal quarterly instalments to be paid over 5 years. Applicable Rate of interest is 3 Months MCLR + 0.55%	8.50	1.50	-	-
ii	Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL					
1.11	**ICICI Bank Ltd**					
i	Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Equated Quarterly Repayment starting from 27th Month from the date of each drawdown of Buyers credit. No repayment to exceed 5 years from the date of first drawdown. Applicable Rate of interest is one Year ICICI Bank MCLR + 2.8%	-	1.59	1.59	1.59
ii	Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL					

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2019		As at March 31, 2018	
			Non-Current	Current	Non-Current	Current
1.12	**ICICI Bank Ltd**					
i	Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Equated Quarterly Repayment starting from on or before 42nd Month from the date of each drawdown of Buyers credit. No repayment to exceed 6 years from the date of first drawdown. Applicable Rate of interest is one Year ICICI Bank MCLR + 2.2%	0.21	0.42	0.63	0.42
ii	Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL					
1.13	**ICICI Bank Ltd**					
i	Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Equated Quarterly Repayment starting from 12th Month from the date of first drawdown. No repayment to exceed 5 years from the date of first drawdown. Applicable Rate of interest is one Year ICICI Bank MCLR + 1.58%	9.41	0.59	-	-
ii	Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL					
2.0	**Term Loan From Others**					
2.01	**Aditya Birla Finance Ltd.**					
i	Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Equated Quarterly Repayment from the date of each drawdown of Loan. No repayment to exceed 3 years from the date of first drawdown. Applicable Rate of Interest is 1Year MCLR+ 2.8%	-	1.20	1.20	2.78
ii	Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL					
2.02	**Aditya Birla Finance Ltd.**					
i	Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Seventeen equal quarterly instalments starting after 1 year from the date of first drawdown of Loan. Applicable Rate of Interest is 6 months ICICI MCLR+ 1.65%	61.76	13.24	-	-

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2019 Non-Current	As at March 31, 2019 Current	As at March 31, 2018 Non-Current	As at March 31, 2018 Current
ii	Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL					
2.03	**Housing Development Finance Corporation Ltd.**					
i	Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Balance principal repayable in 6 equal quarterly instalments of Rs. 18.21 with 1st instalment due from December 2019. Interest is payable on Quarterly basis. Applicable Interest rate is HDFC Corporate Prime Lending Rate - 7.65%.	68.34	31.66	100.00	-
ii	Secured by first pari passu hypothecation of present & future Current Assets of the Company and of HDPL					
2.04	**IDFC Infrastructure Finance Limited**					
i	Secured by first pari passu first hypothecation of all fixed assets, both present and future including plant & machinery, machinery spares, tools & accessories, furnitures, fixtures, vehicles and all other assets, of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Principal repayable in 16 equal quarterly instalments commencing from 30 June 2018. Applicable rate of Interest is IDFC Infrastructure Finance Limited 5 Year Benchmark+ 2.15%.	50.00	25.00	75.00	25.00
ii	Secured by first pari passu first hypothecation on entire receivables, book debts and entire intangible assets, goodwill, & uncalled capital, both present & future, of the Company and of HDPL.					

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2019 Non-Current	As at March 31, 2019 Current	As at March 31, 2018 Non-Current	As at March 31, 2018 Current
2.05	**India Infradebt Limited**		116.25	22.50	138.75	11.25
i	Secured by first pari passu charge on present & future movable and immovable Fixed Assets of the Company and of Hathway Digital Private Limited (HDPL), a 100% subsidiary of the Company	Quarterly Repayment from the date of First Disbursement 1. 1.875% of Principal to be repaid from Quarter 1 to Quarter 4 2. 3.75% of Principal to repaid from Quarter 5 to Quarter 8 3. 5.00% of Principal to repaid from Quarter 9 to Quarter 12 4. 6.875% of Principal to repaid from Quarter 13 to Quarter 16 5. 7.5% of Principal to repaid from Quarter 17 to Quarter 20 Applicable Rate of Interest is 9.50%.				
ii	Secured by first pari passu charge on present and future entire cash flows, receivables, book debts and revenue and entire intangible assets including but not limited to, goodwill and uncalled capital, intellectual property, of the Company & of HDPL					
iii	Secured by pari passu first charge/ assignment over all the right, title, interest, benefits, claims and demands in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee, of the Company & of HDPL.					
3.0	**Unsecured**					
3.01	**Inter Corporate Deposits**					
	Bloomingdale Investment and Finance Private Limited					
		principal payable after 3 years from the date of disbursement. Applicable rate of interest is 8% p.a.	100.00	-	-	-
	Less: Unamortised upfront fees on borrowing		5.45	2.69	5.68	2.40
	Add: Loan fully repaid prior to the Balance sheet date		-	-	-	247.19
	Total Long Term Borrowings		**800.18**	**181.61**	**483.20**	**305.82**

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Sr. No.	Nature of Security	Terms of Repayment	As at March 31, 2019 Non-Current	As at March 31, 2019 Current	As at March 31, 2018 Non-Current	As at March 31, 2018 Current
CURRENT BORROWINGS						
4.0	**Unsecured**					
4.01	**From Related Parties**					
i	**Hathway Broadband Private Limited**		-	2.40	-	2.40
	Less: Unamortised upfront fees on borrowing		-	-	-	0.06
	Add: Loan fully repaid prior to the Balance sheet date		-	-	-	28.10
	Total Short Term Borrowings		**-**	**2.40**	**-**	**30.44**

(b-1) Details of Non - Current borrowings guaranteed by Hathway Digital Private limited, a wholly owned subsidiary of the Company:

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1.	Term loans from banks	499.99	204.05
2.	Term Loan From others	388.75	350.00
3.	FCNR loan from banks	-	9.00
4.	Buyers Credit	-	230.07
	Total Non Current Term Borrowings	**888.74**	**793.12**

(b-2) 'Details of Current Borrowings guaranteed by Hathway Digital Private limited, a wholly owned subsidiary of the Company:

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1.	Cash Credit	-	10.03
2.	Overdraft	-	5.57
3.	Unsecured loan	-	12.50
	Total current borrowings	**-**	**28.10**

(c) The carrying amount of assets pledged as security for borrowings are disclosed below:

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1.	**Current**		
	i Inventories	12.98	15.64
	ii Trade Receivables	6.50	30.18
	iii Cash and Cash Equivalents	53.12	4.47
	iv Bank balances other than Cash and Cash Equivalents	50.00	-
	v Loans	80.25	65.51
	vi Other financial assets	1.98	0.81
	vii Other Current Assets	10.25	17.82
		215.08	**134.43**
2.	**Non - current**		
	i Property, Plant and Equipment	751.75	740.73
	ii Capital Work In Progress	51.56	39.07
	iii Other Intangible Assets	51.98	18.41
	iv Loans	23.91	27.67
	v Other financial assets	13.03	15.55
	vi Other Non-Current Assets	11.98	5.11
		904.21	**846.54**
	Total assets pledged as security	**1,119.29**	**980.97**

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

2.17 OTHER FINANCIAL LIABILITIES	Non-Current		Current	
	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current maturities of Long-Term Debts (Refer note no. 2.16)	-	-	181.61	305.82
Security Deposits	9.63	6.75	-	-
Interest accrued and not due	-	-	3.58	3.72
Salary and Employee benefits payable	-	-	3.71	3.17
Capital Creditors	-	-	86.34	101.47
Financial Guarantee Obligations	-	-	-	0.03
Other Financial Liabilities	-	-	32.76	44.08
Total	**9.63**	**6.75**	**308.00**	**458.29**

2.18 PROVISIONS	Non-Current		Current	
	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Employee Benefits				
Provision for Leave Encashment	2.21	0.30	0.30	2.03
(A)	**2.21**	**0.30**	**0.30**	**2.03**
Others				
Mark to Market Losses on Currency Swap	0.57	0.53	-	-
(B)	**0.57**	**0.53**	**-**	**-**
Total (A + B)	**2.78**	**0.83**	**0.30**	**2.03**

2.19 OTHER LIABILITIES	Non-Current		Current	
	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Income received in advance	-	-	72.42	80.87
Statutory Payables	-	-	5.50	5.61
Gratuity (Funded)	3.38	2.86	-	-
Employee Payables	-	-	0.91	0.42
Other Liabilities	-	-	6.59	2.55
Total	**3.38**	**2.86**	**85.42**	**89.45**

3.01 REVENUE FROM OPERATIONS	Year Ended March 31, 2019	Year Ended March 31, 2018
Revenue from operations		
Sale of services	527.08	544.19
Sale of products	0.30	-
Other operating revenues	0.25	0.35
Total	**527.63**	**544.54**

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

3.02 OTHER INCOME	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest income earned on financial assets measured at Amortised Cost:		
Bank Deposits	4.18	0.87
Interest on Loans	2.54	3.16
Corporate guarantee/unwinding interest	2.17	2.96
Dividend Income from associate	4.20	4.20
Other Non - operating income		
Amount No Longer Payable Written Back	0.02	*
Miscellaneous Income	0.16	0.10
Other gains and losses		
Net Gain on financial assets measured at fair value through profit and loss	41.59	0.68
Total	**54.86**	**11.97**

* Amount less than ₹ 50,000/-

3.03 OTHER OPERATIONAL EXPENSES	Year Ended March 31, 2019	Year Ended March 31, 2018
Commission	39.16	38.42
Bandwidth & Lease Line Cost	42.33	49.82
Repairs and Maintenance (Plant and Machinery)	3.40	11.56
Rent	15.77	14.52
Consultancy and Technical Fees	4.75	2.86
Other Sundry Operational Cost	13.50	9.66
Software and Programming Cost	2.33	1.14
Freight & Octroi Charges	0.02	0.02
Hire Charges	1.28	0.99
Total	**122.54**	**128.99**

3.04 EMPLOYEE BENEFITS EXPENSE	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries and Bonus	44.96	37.42
Contribution to provident and other funds	2.81	2.80
Staff Welfare expenses	2.07	1.69
Total	**49.84**	**41.91**

3.05 FINANCE COST	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest and Finance charges on financial liabilities	86.56	62.53
Exchange differences regarded as an adjustment to borrowing cost	6.04	4.00
Other borrowing costs	9.98	11.81
Total	**102.58**	**78.34**

3.06 DEPRECIATION, AMORTISATION AND IMPAIRMENT	Year Ended March 31, 2019	Year Ended March 31, 2018
Depreciation of Property, Plant and Equipment	94.01	79.15
Amortisation of Intangible Assets	9.07	5.64
Impairment of Goodwill	-	0.02
Impairment of Property, Plant and Equipment	12.84	12.20
Impairment of Other Intangible Assets	-	0.18
Total	**115.92**	**97.19**

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

3.07 OTHER EXPENSES	**Year Ended March 31, 2019**	**Year Ended March 31, 2018**
Service Charges	89.95	82.72
Bad Debts	3.24	2.00
Less: Transfer from impairment of Trade Receivables (Expected Credit Loss)	(3.24)	(2.00)
	-	-
Impairment of Trade receivables	2.40	12.00
Electricity Expenses	15.55	14.27
Advertisement and Promotion expenses	12.65	12.76
Legal and Professional Charges	3.46	2.08
Rent - Offices	4.20	3.56
Conveyance	3.29	4.12
Repairs and Maintenance (Others)	1.96	2.67
Office Expenses	1.45	1.52
Travelling	2.55	1.97
Communication Charges	1.98	2.79
Rates and taxes	1.63	1.28
Loss on disposal/shortage of Property, Plant and Equipment	4.49	0.09
Printing and Stationery	0.66	0.75
Insurance Charges	1.77	0.64
Business Promotion Expenses	0.22	0.66
Sundry Advances Written Off	*	0.05
Interest on Taxes	2.39	0.09
Share of Loss from LLP	0.20	0.79
Loss on Foreign Exchange Fluctuation (Net)	11.58	2.10
Sitting Fees	0.35	0.27
Miscellaneous Expenses	0.67	0.83
Auditor's Remuneration		
– Statutory Audit Fees	0.39	0.39
– Limited Review, Consolidation and Certification Fees	0.35	0.23
Total	**164.14**	**148.63**

* Amount less than ₹ 50,000

3.08 EXCEPTIONAL ITEMS *	**Year Ended March 31, 2019**	**Year Ended March 31, 2018**
– Impairment of trade receivables and exposure to certain entities including Joint Ventures	49.74	-
– (Gain)/Loss on sale of shares of Non-Current Investments	-	(16.21)
– Expenses relating to equity infusion	25.87	-
– Write down to Property, Plant and Equipments	8.93	-
Total	**84.54**	**(16.21)**

* Refer Note 4.05

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

4.01 Earnings/(Loss) Per Share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic earnings per share: (₹)		
Attributable to equity holders of the Company	2.08	0.94
Diluted earnings per share: (₹)		
Attributable to equity holders of the Company	2.08	0.94
Nominal value of Ordinary shares (₹ per Share):	2.00	2.00
Reconciliation of earnings used in calculating earnings per share:		
Basic earnings per share		
Profit/(Loss) attributable to equity holders of the Company used in calculating basic earnings per share *	210.60	77.66
Diluted earnings per share		
Profit/(Loss) attributable to equity holders of the Company used in calculating diluted earnings per share *	210.60	77.66
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	1,00,05,20,281	83,04,94,500

* Net of share issue expenses debited to securities premium.

4.02 Contingent Liabilities

(a) The Company has challenged computation of levy of license fees for pure Internet services before Telecom Disputes Settlement & Appellate Tribunal (TDSAT). On merit of the case, in the year 2015, TDSAT has granted stay till disposal of petition. No demand has been received by the Company till date. The Company is contingently liable to the extent of ₹ 155.73 (March 31, 2018: ₹ 114.58). The Company has paid an amount of ₹ 5.12 (March 31, 2018: ₹ 5.36) under protest.

(b) The minority shareholders of the erstwhile joint venture company, Hathway Rajesh Multichannel Pvt. Ltd., filed an arbitration petition against the Company before the High Court, Bombay, which was referred to a sole arbitrator in August 2016. The minority shareholders, in their statement of claim have sought, amongst other reliefs, payment of ₹ 54.98 (March 31, 2018: ₹ 54.98) under various heads. The Company has refuted the claims and has made counter claim of ₹ 91.17 (March 31, 2018: ₹ 91.17) towards inter-alia outstanding content cost, loans, payments and damages/compensation for the loss of financial and management credibility, goodwill etc. The matter is currently pending.

(c) **Claims against the Company, other than those stated above, not acknowledged as debts are as under:**

Matters with	As at March 31, 2019	As at March 31, 2018
Operators and Others	0.50	0.45
Other Statutory Authorities	0.35	-
VAT Authorities	2.19	0.02
Service Tax Authorities	3.74	3.74
Total	**6.78**	**4.21**

Pursuant to Business Transfer Agreement dated March 24, 2017, the Company has transferred its Cable Television business which inter alia includes claims against the Company not acknowledged as debts, by way of slump sale to its wholly owned subsidiary Hathway Digital Private Limited (HDPL). Accordingly, the details of such claims, litigation etc. relating to Cable Television business transferred to HDPL are not disclosed hereinabove.

(d) **Foreseeable losses**

The Company has a process whereby periodically all long term contracts including derivative contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/applicable accounting standards for material foreseeable losses on such long term contracts including derivative contracts has been made in the books of account.

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

(e) **Note on pending litigations**

The Company has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

4.03 Financial Corporate Guarantee

The Company has given Corporate Guarantees of ₹ 1,012.79 (March 31, 2018: ₹ 856.75) to Banks and ₹ 2.76 (March 31, 2018: ₹ 14.14) to Others towards various credit facilities extended by them to related parties.

The Company has given Letter of Comfort of ₹ 58.07 (March 31, 2018: ₹ 70.59) to Banks towards various credit facilities extended by them to related parties.

4.04 Capital and Other Commitments

Estimated amount of contracts (including acquisition of intangible assets net of advances) remaining to be executed on capital account and not provided for aggregate to ₹ 26.69 (March 31, 2018: ₹ 49.43).

As a part of business strategy, the Company has expanded its area of operations in various parts of the country by entering into arrangements with local partners. Such operations are in the form of subsidiaries/joint ventures. Since operations of such entities are significantly dependent on the company's policies, the Company is committed to provide the required support towards the operations of such entities including financial support that may be required to meet commitments/obligations of such entities.

4.05 Exceptional Items

(a) In view of the New Regulatory Framework for Broadcasting and Cable services sector notified by the Telecom Regulatory Authority of India (TRAI), which has come into effect during the quarter resulting into changes in pricing mechanism and arrangements involving joint ventures and considering equity infusion; the Management, based on a review, has provided for (i) impairment of trade receivables and exposure to certain entities including joint ventures; (ii) write down to the recoverable value of certain assets; (iii) expenses relating to equity infusion. These adjustments, having one-time, non-routine material impact on financial statements, hence been disclosed as "Exceptional Item" in Financial statements.

(b) During the previous year, the Company has offloaded 72 lakhs shares of GTPL Hathway Limited under Offer to sale @ ₹ 170 per share. The holding of the Company in GTPL Hathway Limited has reduced from 50% to 37.32%.

4.06 Employee Benefits

(a) Defined Benefit Plans:

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 to 26 days' salary for each completed year of service subject to a maximum of ₹ 0.20 (March 31, 2018: ₹ 0.20). Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

The Present value of the defined benefit obligations and related current service cost were measured using the Projected Unit Credit Method, with actuarial valuation being carried out at each Balance Sheet date.

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment with LIC of India and Exide Life Insurance Corporation of India.
Interest Risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments
Longevity Risk	The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.
Salary Risk	The Gratuity benefit, being based on last drawn salary, will be critically effected in case of increase in future salaries being more than assumed.

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Particulars	Gratuity	
	March 31, 2019	March 31, 2018
1. Expense recognised in the statement of Profit and Loss		
Current Service Cost	0.55	0.55
Net Interest	0.21	0.10
Past Service Cost	-	0.26
Expense recognised in the statement of Profit and Loss	**0.76**	**0.91**
2. Other Comprehensive Income (OCI)		
Measurement of net defined benefit liability		
Actuarial (gains)/losses arising from changes in demographic assumptions	(0.03)	-
Actuarial (gains)/losses arising from changes in financial assumption	0.06	(1.80)
Actuarial (gains)/losses arising from experience adjustments	0.18	0.40
Return on plan asset excluding net interest (gain)/(losses)	0.01	0.14
Total Actuarial (Gain)/loss recognised in OCI	**0.22**	**(1.26)**
3. Change in benefit obligations:		
Projected benefit obligations at beginning of the year	3.80	5.12
Current Service Cost	0.55	0.55
Interest Cost	0.28	0.38
Past Service Cost	-	0.27
Benefits Paid	(0.32)	(1.12)
Actuarial (Gain)/Loss		
Actuarial (gains)/losses arising from changes in demographic assumptions	(0.03)	-
Actuarial (gains)/losses arising from changes in financial assumption	0.06	(1.80)
Actuarial (gains)/losses arising from experience adjustments	0.18	0.40
Projected benefit obligations at end of the year	**4.52**	**3.80**
4. Fair Value of Plan Assets		
Opening Fair Value of Plan Asset	0.94	3.78
Return on Plan Assets excl. interest income (gain)/losses	(0.02)	(0.14)
Interest Income	0.07	0.28
Contributions by Employer	0.46	0.10
Assets acquired/(settled)*	-	(1.97)
Benefits Paid	(0.32)	(1.11)
Fair Value of Plan Assets at end of the year	**1.13**	**0.94**
* On account of business combination/inter group transfer		
5. Net Liability		
Projected benefit obligations at end of the year	4.52	3.80
Fair Value of Plan Asset at the end of the year	1.13	0.94
Net Liability	**3.38**	**2.86**
6. The net liability disclosed above relates to funded plans are as follows		
Projected benefit obligations at end of the year	4.52	3.80
Fair Value of Plan Asset at the end of the year	1.13	0.94
Deficit of gratuity plan	**3.38**	**2.86**

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Particulars	Gratuity March 31, 2019	Gratuity March 31, 2018
7. Sensitivity Analysis		
Present value of benefit obligation at the end of the year on		
0.5 % increase in discount rate	4.37	3.68
0.5 % decrease in discount rate	4.67	3.94
0.5 % increase in rate of salary increase	4.65	3.94
0.5 % decrease in rate of salary increase	4.38	3.68
1% increase in attrition rate	4.55	3.84
1% decrease in attrition rate	4.49	3.77
10% increase in mortality rate	4.52	3.81
10% decrease in mortality rate	4.52	3.81
8. Principal assumptions used for the purpose of actuarial valuation		
Mortality	IALM (2012-14) Ult	IALM (2006-08) Ult
Interest/discount rate	7.30%	7.50%
Rate of increase in compensation	5.00%	5.00%
Expected average remaining service	6.11	6.71
Employee Attrition Rate (Past service(PS))	21-30 Year: 14.3% 31-40 Year: 16.9% 41-50 Year: 10.00% 51-57 Year: 0.00%	21-30 Year: 5.00% 31-40 Year: 6.00% 41-57 Year: 9.00%
9. Investment Details		
Insurer Managed Funds	100.00%	100.00%

(b) Defined Contribution Plans:

The Company contributes towards provident fund to a defined contribution plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the defined contribution plan to fund the benefits.

The Company operated defined contribution retirement benefit plans for all qualifying employees.

The Total expenses recognised in the statement of Profit and Loss is ₹ 2.16 (March 31, 2018: ₹ 1.89) represents contribution payable to these plans by the Company at the rates specified in the rules of plan.

4.07 Disclosures As Required By Indian Accounting Standard (Ind AS) 108 Operating Segments

As the Company's business activity falls within a single business segment viz. providing Internet Services and allied services which is considered as the only reportable segment and the revenue substantially being in the domestic market, the financial statements are reflective of the information required by Ind AS 108 "Operating Segments".

4.08 Leases

(a) Operating Leases (As Lessee): The Company's significant leasing arrangements in terms of Ind AS 17 on lease are in respect of Operating Leases for Premises and Equipments. The period of these leasing arrangements, which are cancellable in nature range between eleven months to nine years and are renewable by mutual consent.

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Details of Non-Cancellable Leases are as under:

Particulars	As at March 31, 2019	As at March 31, 2018
Payable in the next one year	0.16	0.61
Payable after next one year but before next five years	*	0.04
Payable after five years	-	-

* Amount less than ₹ 50,000

Rental Expenses debited to the Statement of Profit and Loss ₹ 0.23 (March 31, 2018: ₹ 1.81)

Details of Cancellable Leases are as under:

Rental Expenses debited to the Statement of Profit and Loss ₹ 19.73 (March 31, 2018: ₹ 16.27)

Some of these lease agreements have price escalation clauses.

(b) The right to use granted to subsidiaries in respect of Access devices are not classified as lease transactions as the same are not for an agreed period of time.

4.09 As per the information available with the Company, none of the suppliers qualify as supplier under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") and accordingly no disclosure is made pursuant to section 22 of the Act.

4.10 Capital Management

The Company's objective while managing capital is to maintain stable capital structure to support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and/or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital that would enable to maximise the return to stakeholders.

The Company's capital requirement is mainly to fund its business expansion and repayment of borrowings. As stated in note no. 2.14 (f), during the year, the Company has raised funds by issue of equity capital. Other than this funding, the principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The management intends to use fresh funding by way of equity capital for business expansion and to continue to have bank borrowings.

The Company has adhered to material externally imposed conditions relating to capital requirements and there has not been any delay or material default during the period covered under these financial statements with respect to payment of principal and interest. No lender has raised any matter that may lead to breach of covenants stipulated in the underlying documents.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents and bank balances other than cash and cash equivalents.

Particulars	As at March 31, 2019	As at March 31, 2018
Net debt	881.08	814.98
Total equity	4,302.05	1,053.90
Net debt to equity ratio	**0.20**	**0.77**

4.11 Financial Instruments:

(i) Methods and assumptions used to estimate the fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

a) The carrying amounts of receivables and payables which are short term in nature such as trade receivables, other bank balances, deposits, loans to employees, trade payables, payables for acquisition of non- current assets, demand loans from banks and cash and cash equivalents are considered to be the same as their fair values.

b) The fair values for long term loans, long term security deposits given and remaining non current financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

c) The fair values of long term security deposits taken and non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

d) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(ii) Categories of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: inputs which are not based on observable market data

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying values	Fair value	Carrying values	Fair value
Financial assets				
Measured at amortised cost				
Investment in Government securities	0.14	0.14	0.14	0.14
Trade receivables	6.50	6.50	30.18	30.18
Loans	104.16	104.16	93.18	93.18
Cash and Bank balances	115.89	115.89	19.76	19.76
Other financial assets	2.24	2.24	1.07	1.07
Total (A)	**228.93**	**228.93**	**144.33**	**144.33**
Measured at fair value through profit or loss				
Investment in mutual funds	2,993.56	2,993.56	-	-
Total (B)	**2,993.56**	**2,993.56**	-	-
Measured at fair value through other comprehensive income				
Investment in equity instruments of other companies	3.08	3.08	2.01	2.01
Total (C)	**3.08**	**3.08**	**2.01**	**2.01**
Total Financial assets (A + B + C)	**3,225.57**	**3,225.57**	**146.34**	**146.34**
Financial liabilities				
Measured at amortised cost				
Borrowings #	984.19	984.19	819.45	819.45
Trade payables	43.98	43.98	48.36	48.36
Other financial liabilities	136.02	136.02	157.57	157.57
Total financial liabilities (A)	**1,164.19**	**1,164.19**	**1,025.38**	**1,025.38**
Measured at fair value through profit or loss				
Derivative Instruments	0.57	0.57	2.19	2.19
Total financial liabilities (B)	**0.57**	**0.57**	**2.19**	**2.19**
Total Financial liabilities (A + B)	**1,164.76**	**1,164.76**	**1,027.57**	**1,027.57**

includes current maturities of long term debts

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Level wise disclosure of financial instruments

Particulars	As at March 31, 2019	As at March 31, 2018	Level	Valuation techniques and key inputs
Investment in equity instruments of other companies	3.08	2.01	3	Price earning ratio method
Investment in Mutual funds	2,993.56	-	1	Closing Net Asset Value of Mutual Fund
Foreign currency forward contracts - Liability	-	1.66	2	Quotes from banks or dealers
Currency Swap contracts - Liability	0.57	0.53	2	Quotes from banks or dealers

4.12 Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board of Directors. The details of different types of risk and management policy to address these risks are listed below:

The business activities of Company expose it to financial risks namely Credit risk, Liquidity risk and Market risk. In order to minimise any adverse effects on the financial performance of the Company, it uses derivative financial instruments, such as foreign exchange forward contracts, foreign currency swap contracts, call options to hedge certain foreign currency risk exposures and follows policies set up by a Treasury department under policies approved by the Board of Directors.

1. Credit risk

Credit risk arises from the possibility that counter party will cause financial loss to the company by failing to discharge its obligation as agreed.

The exposure of the Company to credit risk arises mainly from the trade receivables, unbilled revenue, loans given, financial guarantee contract and derivative financial instruments.

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

The Company's major revenue streams arises from services provided to end use customers in the form of monthly subscription income. The trade receivables and unbilled revenue on account of subscription income are typically un-secured and derived from sales made to large number of independent customers. As the customer base is distributed economically and geographically, there is no concentration of credit risk.

The Company follows a simplified approach (i.e based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables and unbilled revenue. For the purpose of measuring the lifetime ECL allowance for trade receivables and unbilled revenue, the Company uses a provision matrix which comprises a very large number of small balances grouped into homogenous groups and assessed for impairment collectively. In addition, in case there are events or changes in circumstances indicating individual or class of trade receivables is required to be reviewed on qualitative aspects, necessary provisions are made.

Reconciliation of changes in the loss allowances measured using life-time expected credit loss model - Trade receivables

Particulars	Amount
As at April 01, 2017	**16.96**
Provided during the year	12.00
Amounts written off	2.00
Reversals of Provision	-
As at March 31, 2018	**26.96**
Provided during the year	26.58
Amounts written off	3.24
Reversals of Provision	-
As at March 31, 2019	**50.30**

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

2. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company liquidity risk management policies include to, at all times ensure sufficient liquidity to meet its liabilities when they are due, by maintaining adequate sources of financing from both domestic and international banks at an optimised cost. In addition, processes and policies related to such risks are overseen by senior management. The Company's senior management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2019	**less than 1 year**	**1 to 5 year**	**Total**
Non-Derivatives			
Trade payables	43.98	-	43.98
Borrowings *	186.71	805.63	992.34
Other financial liabilities	126.39	9.63	136.02
Total	**357.08**	**815.26**	**1,172.34**
Derivatives (net settled)			
Foreign exchange forwards	-	-	-
Currency Swap Contract	0.57	-	0.57
Total	**0.57**	**-**	**0.57**

* Include ₹ 8.15 as Prepaid Finance Charges.

As at March 31, 2018	**less than 1 year**	**1 to 5 year**	**Total**
Non-Derivatives			
Trade payables	48.36	-	48.36
Borrowings *	338.72	488.88	827.60
Other financial liabilities	150.82	6.75	157.57
Total	**537.90**	**495.63**	**1,033.53**
Derivatives (net settled)			
Foreign exchange forwards	1.66	-	1.66
Currency Swap Contract	0.53	-	0.53
Total	**2.19**	**-**	**2.19**

* Include ₹ 8.14 as Prepaid Finance Charges.

The Company from time to time in its usual course of business issues financial guarantees to certain subsidiaries, associates and joint ventures. Company has issued corporate guarantee for debt of ₹ 1,015.55 (March 31, 2018: ₹ 870.89). The outflow in respect of these guarantees will arise only upon default of such subsidiaries and joint ventures/Associate. ₹ 364.37 (March 31, 2018: ₹ 381.74) is due for repayment within 1 year and ₹ 651.18 (March 31, 2018: ₹ 489.15) is due for repayment within 1 - 5 Years from the reporting date.

Financing arrangements

The Company has sufficient sanctioned line of credit from its bankers/financiers; commensurate to its business requirements. The Company reviews its line of credit available with bankers and lenders from time to time to ensure that at all point of time there is sufficient availability of line of credit.

The Company pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work has been performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds.

3. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

market prices. The Company is exposed in the ordinary course of business to following risks: (a) foreign exchange risk, (b) interest rate risk and (c) price risk.

(a) Market Risk – Foreign Exchange

Foreign exchange risk arises on all recognised monetary assets and liabilities which are denominated in a currency other than the functional currency of the Company. The Company has foreign currency trade payables and borrowings.

Foreign currency risk is managed by following established risk management policies, which inter alia includes monitoring the movements in currencies in which the borrowings/capex vendors are payable and hedging the exposure to foreign currency risk by entering into forward currency contracts, call options and currency swaps contracts.

The Company does not enter into or trade financial instrument including derivative for speculative purpose.

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

Foreign currency exposure

Particulars	As at March 31, 2019	As at March 31, 2018
	USD	USD
Assets	-	-
Liabilities		
Borrowings	-	239.07
Trade payables	61.62	76.08
Derivatives		
Forwards and Futures	-	1.66
Currency Swaps	93.64	8.63

Details of Unhedged Foreign Currency Exposure is as under:-

Currency	March 31, 2019		March 31, 2018	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Secured Loans				
USD	-	-	3.01	196.21
Derivatives Liabilities - Currency Swap				
USD	1.35	93.64	0.13	8.63
Accounts Payables				
USD	0.89	61.62	1.17	76.08
Other Firm Commitments				
USD	0.35	23.97	0.46	30.04

The Company has booked INR USD Cross Currency Swap Contracts of USD 3.34 (March 31, 2018: USD 3.50) against the underlying INR borrowing of ₹ 214.78 (March 31, 2018: ₹ 215.71). Outstanding at the year end for the same is ₹ 92.50 (March 31, 2018: ₹ 8.12) and Currency Swap Contract amount is USD 1.35 (March 31, 2018: USD 0.13). The actual interest earned on notional INR deposit, interest paid on notional USD borrowing and marked to market loss on USD exposure aggregating net gain/(loss) of ₹ 1.80 (March 31, 2018: ₹ 0.70) are included under finance cost in note number 3.05 in Notes to the financial statements.

Foreign currency sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on profit/(loss) before tax and on other components of equity

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Particulars	Impact on Profit: Increase/(Decrease)			
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	1 % Increase	1 % Increase	1 % Decrease	1 % Decrease
USD	(1.55)	(2.81)	1.55	2.81

Particulars	Impact on other components of equity: Increase/(Decrease)			
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	1 % Increase	1 % Increase	1 % Decrease	1 % Decrease
USD	(1.55)	(2.81)	1.55	2.81

(b) Market Risk – Interest Rate

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because the Company has borrowed funds substantially at floating interest rates. The interest rate risk is managed by the Company by the use of interest rate swap and by monitoring monthly cash flow which is reviewed by management to prevent loss of interest.

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2019	March 31, 2018
Variable rate borrowings *	751.19	704.56
Fixed rate borrowings	241.15	123.02
Derivatives		
Foreign Currency Interest Rate Swaps		
Currency Swaps	92.50	8.12

* Include ₹ 8.15 (March 2018: ₹ 8.14) as Prepaid Financial Charges.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates on the borrowings at the end of the reporting period. For floating rate borrowings, the analysis is prepared assuming the amount of borrowing outstanding at the end of the reporting period was outstanding for whole of the year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel.

Impact on Profit: Increase/ (Decrease)	Impact on equity Increase/(Decrease)			
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Interest rates - increase by 100 basis points *	(7.51)	(6.85)	(7.51)	(6.85)
Interest rates - decrease by 100 basis points *	7.51	6.85	7.51	6.85

** assuming all other variables as constant*

The sensitivity disclosed in the above table is attributable to variable interest rate borrowings and the interest swaps. The above sensitivity analysis is based on a-reasonably possible change in the under-lying interest rate of the Company's borrowings in INR & USD (being the significant currencies in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

(c) Market Risk -Price Risk:

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At March 31 2019, the investments in mutual funds is ₹ 2,993.56 (March 31, 2018: Nil). These are exposed to price risk. In order to minimise price risk arising from investments in mutual funds, the Company predominately invests in those mutual funds which have higher exposure to high quality debt instruments with adequate liquidity and no demonstrated track record of price volatility.

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Price risk sensitivity:

0.10% increase or decrease in prices will have the following impact on profit/loss before tax and on other components of equity

Impact on Profit: Increase/ (Decrease)	Impact on equity Increase/(Decrease)			
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Price - increase by 0.10%*	2.99	-	2.99	-
Price - decrease by 0.10% *	(2.99)	-	(2.99)	-

* assuming all other variables as constant

4.13 Recent Pronouncements

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116 Leases which replaces the existing Ind AS 17 Leases. The new standard will come into force from April 1, 2019.

The core principle of the new standard lies in identifying whether the contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The new standard modifies the accounting of leases in the books of lessee. At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability, for all leases with a term of more than 12 months, unless the underlying asset is of a low value. The accounting for leases in the books of the lessor is substantially similar to the requirements of Ind AS 17.

The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognize the cumulative effect of initial application as an adjustment to the opening balance of equity as of annual periods beginning on or after April 1, 2019.

The Company will adopt this standard using modified retrospective method effective April 1, 2019, and accordingly, the comparative for year ended March 31, 2019, will not be retrospectively adjusted.

The effect on adoption of Ind AS 116 is being ascertained.

(₹ in Crores unless otherwise stated)

4.14 Related Party Disclosures

A. Names of related parties and related party relationship

i) The company is controlled by the following entities:	
Entities exercising control	Reliance Industries Limited (w.e.f. January 30, 2019) Reliance Industrial Investments and Holdings Limited (w.e.f. January 30, 2019)* (Protector of Digital Media Distribution Trust) Digital Media Distribution Trust (w.e.f. January 30, 2019) Jio Content Distribution Holdings Private Limited (w.e.f. January 30, 2019) $ Jio Internet Distribution Holdings Private Limited (w.e.f. January 30, 2019) $ Jio Cable and Broadband Holdings Private Limited (w.e.f. January 30, 2019) $
ii) Under Control of the Company	
1 Wholly Owned Subsidiaries	Bee Network & Communications Private Limited Binary Technology Transfers Private Limited Hathway C-Net Private Limited Hathway Enjoy Cable Network Private Limited Hathway Gwalior Cable & Datacom Private Limited Hathway Internet Satellite Private Limited Hathway JMD Farukhabad Cable Network Private Limited Hathway Media Vision Private Limited Hathway Space Vision Cabletel Private Limited Hathway United Cables Private Limited

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

2 Other – Subsidiaries	Ideal Cables Private Limited ITV Interactive Media Private Limited Liberty Media Vision Private Limited Vision India Networks Private Limited Win Cable and Datacom Private Limited Hathway Broadband Private Limited Hathway New Concept Cable & Datacom Private Limited Hathway Mantra Cable & Datacom Private Limited Hathway Software Developers Private Limited UTN Cable Communications Private Limited Hathway Mysore Cable Network Private Limited Hathway Krishna Cables Private Limited Hathway Digital Private Limited (f.k.a Hathway Datacom Central Private Limited) Chennai Cable Vision Network Private Limited Channels India Network Private Limited Elite Cable Network Private Limited Hathway Nashik Cable Network Private Limited Hathway Bhawani Cabletel & Datacom Limited Hathway Kokan Crystal Cable Network Private Limited
iii) Other Related parties:	
1 Fellow Subsidiaries	Reliance Corporate IT Park Limited ^ Reliance Jio Infocomm Limited ^ Reliance Retail Finance Limited ^
2 Joint Ventures	Hathway Digital Saharanpur Cable & Datacom Private Limited GTPL Hathway Limited (f.k.a. GTPL Hathway Private Limited) (till June 30, 2017) Hathway Sai Star Cable & Datacom Private Limited Hathway MCN Private Limited Hathway Channel 5 Cable and Datacom Private Limited Net 9 Online Hathway Private Limited Hathway Cable MCN Nanded Private Limited Hathway Latur MCN Cable & Datacom Private Limited Hathway Palampur Cable Network Private Limited Hathway ICE Television Private Limited Hathway Sonali Om Crystal Cable Private Limited Hathway Dattatray Cable Network Private Limited Hathway Prime Cable & Datacom Private Limited Hathway SS Cable & Datacom - LLP
3 Joint ventures of Fellow Subsidiaries	Ryohin-Keikaku Reliance India Private Limited Reliance-Vision Express Private Limited
4 Associate Companies	Pan Cable Services Private Limited Hathway VCN Cablenet Private Limited GTPL Hathway Limited (f.k.a.GTPL Hathway Private Limited) (w.e.f. July 01, 2017)
5 Trust - Post Employment Benefit Trust	Hathway Cable and Datacom Limited Employee Group Gratuity Assurance Scheme
6 Key Management Personnel	**Executive Director:-** Mr. Rajan Gupta Managing Director

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

	Non Executive Directors:- **Independent Directors** Mr. Sridhar Gorthi Mr. Sasha Gulu Mirchandani Mr. Devendra Shrotri Ms. Ameeta A Parpia **Non Independent Directors** Mr. Rajan R. Raheja (upto January 30, 2019) Mr. Viren R Raheja Mr. Akshay R Raheja Ms. Geeta Fulwadaya (w.e.f. January 30, 2019) Mr. Anuj Jain (w.e.f. March 29, 2019) Mr. Saurabh Sancheti (w.e.f. March 29, 2019) Mr. Vinayak P Aggarwal (upto January 30, 2019)

* Reliance Industrial Investments and Holdings Limited - Protector of Digital Media Distribution Trust is wholly owned subsidiary of Reliance Industries Limited.

$ Controlled by Digital Media Distribution Trust of which Reliance Content Distribution Limited - wholly owned subsidiary of Reliance Industries Limited is the sole beneficiary.

^ Subsidiary of Reliance Industries Limited.

B. Related Party Transactions

Compensation to Key Management Personnel:-

Particulars	March 31, 2019	March 31, 2018
(a) Short Term employee benefits *	2.96	2.40
(b) Post employment benefits	0.08	0.07
(c) Other long term benefits	-	-
Total Compensation	**3.04**	**2.47**

* Short Term Employee Benefits include sitting fees paid to Directors

As the employment benefits such as Gratuity and Leave encashment are provided on an actuarial basis for the Company as a whole, the amount pertaining to Key Managerial Personnel is not ascertainable and therefore not included above.

Income

Nature of Transactions	Name of the Party	Relationship	2018-19	2017-18
Subscription Income	Net 9 Online Hathway Private Limited	Joint Venture	0.47	0.56
	Others	Fellow Subsidiaries	*	-
	Others	Joint ventures of Fellow Subsidiary	*	-
Consultancy Income	Net 9 Online Hathway Private Limited	Joint Venture	0.63	0.60
Interest on Loans	Hathway Digital Private Limited	Subsidiary	1.53	2.20
	Others	Subsidiary	0.32	-
	Others	Joint Venture	0.18	0.43
Sales of Parts and Accessories	Hathway Digital Private Limited	Subsidiary	0.02	-
Dividend Income	GTPL Hathway Limited	Associate	4.20	4.20
Other Operational Income	Hathway Digital Private Limited	Subsidiary	-	0.11
Expenses				
Interest on Loans	Hathway Broadband Private Limited	Subsidiary	0.24	0.24

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Nature of Transactions	Name of the Party	Relationship	2018-19	2017-18
	Hathway Digital Private Limited	Subsidiary	0.08	-
Rent Offices	Akshay R Raheja	Key Management Personnel	0.42	0.38
	Viren R Raheja	Key Management Personnel	0.42	0.38
	Hathway Sai Star Cable And Datacom Private Limited	Joint Venture	0.06	0.13
Purchase of Parts and Accessories	Hathway Digital Private Limited	Subsidiary	0.36	-
Contribution to Gratuity Fund	Hathway Cable and Datacom Limited Employee Group Gratuity Assurance Scheme	Trust	0.46	0.20
Exceptional Item	Hathway Cable MCN Nanded Private Limited	Joint Venture	0.29	-
	Hathway Dattatray Cable Network Private Limited	Joint Venture	0.14	-
	Hathway Sonali OM Crystal Cable Private Limited	Joint Venture	12.99	-
	Hathway SS Cable & Datacom LLP	Joint Venture	1.94	-
	GTPL Hathway Limited	Associate	2.50	-

Change in Assets/Liabilities during the year

Nature of Transactions	Name of the Party	Relationship	2018-19	2017-18
Impairment in Value of Investments made during the year	Hathway Sonali OM Crystal Cable Private Limited	Joint Venture	5.30	-
	Hathway SS Cable & Datacom LLP	Joint Venture	1.73	-
Allowance for bad and doubtful loans made during the year	GTPL Hathway Limited	Associate	2.50	-
	Hathway Sonali OM Crystal Cable Private Limited	Joint Venture	7.68	-
	Others	Joint Venture	0.35	-
Net Advances/Trade Receivables/Trade Payables Made During the Year	Hathway Sai Star Cable & Datacom Private Limited	Joint Venture	0.21	0.10
	Hathway Digital Private Limited	Subsidiary	19.54	-
	Hathway Mysore Cable Network Private Limited	Subsidiary	0.12	0.12
	Hathway Software Developers Private Limited	Subsidiary	0.10	0.10
	UTN Cable Communications Private Limited	Subsidiary	-	0.06
	Others	Joint Venture	0.01	0.02
	Others	Subsidiary	1.27	0.01

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Nature of Transactions	Name of the Party	Relationship	2018-19	2017-18
Net Advances/Trade Receivables/Trade Payables Recovered/Paid During the Year	Hathway Bhawani Cabletel & Datacom Limited	Subsidiary	0.13	0.36
	Hathway Sonali OM Crystal Cable Private Limited	Joint Venture	-	0.05
	Hathway Latur MCN Cable & Datacom Private Limited	Joint Venture	0.17	-
	Hathway Digital Private Limited	Subsidiary	-	3.34
	GTPL Hathway Limited	Associate	-	1.12
	Hathway SS Cable & Datacom LLP	Joint Venture	0.20	1.86
	Hathway Broadband Private Limited	Subsidiary	0.22	0.20
	Hathway Cable MCN Nanaded Private Limited	Joint Venture	0.29	-
	Others	Joint Venture	0.02	*
	Others	Subsidiary	-	0.12
Loans Received	Hathway Digital Private Limited	Subsidiary	20.00	-
Repayment of Loan	Hathway Digital Private Limited	Subsidiary	20.00	-
Investment made during the year	Hathway Digital Private Limited	Subsidiary	-	354.00
	Others	Joint Venture	-	0.02
Equity shares issued during the year	Jio Content Distribution Holding Private Limited	Entity exercising control	1,729.75	-
	Jio Internet Distribution Holdings Private Limited	Entity exercising control	693.25	-
	Jio Cable and Broadband Holdings Private Limited	Entity exercising control	517.00	-

Closing Balances

Nature	Name of the Party	Relationship	As at March 31, 2019	As at March 31, 2018
Equity Share Capital (incl. Securities Premium)	Jio Content Distribution Holding Private Limited	Entity exercising control	1,729.75	-
	Jio Internet Distribution Holdings Private Limited	Entity exercising control	693.25	-
	Jio Cable and Broadband Holdings Private Limited	Entity exercising control	517.00	-
Investments	Hathway Digital Private Limited	Subsidiary	493.97	493.97
	GTPL Hathway Limited	Associate	168.75	168.75
	Others	Subsidiary	82.31	82.31
	Others	Associate	0.10	0.10
	Others	Joint Venture	69.74	69.77

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Nature	Name of the Party	Relationship	As at March 31, 2019	As at March 31, 2018
Loans & advances	Hathway Digital Private Limited	Subsidiary	61.99	42.46
	Win Cable & Datacom Private Limited	Subsidiary	20.22	20.22
	Hathway Sonali OM Crystal Cable Private Limited	Joint Venture	15.48	15.48
	Others	Subsidiary	43.92	42.72
	Others	Associate	9.40	10.32
	Others	Joint Venture	3.70	4.15
	Others	Trust	0.01	0.01
Impairment in Value of Investments	Hathway Media Vision Private Limited	Subsidiary	5.92	5.92
	Hathway Channel 5 Cable & Datacom Private Limited	Joint Venture	6.28	6.28
	Hathway Sai Star Cable & Datacom Private Limited	Joint Venture	16.68	16.68
	Hathway Sonali OM Crystal Cable Private Limited	Joint Venture	16.37	11.07
	Others	Subsidiary	11.10	11.10
	Others	Associate	0.10	0.10
	Others	Joint Venture	5.34	3.61
Allowance for bad and doubtful loans	Hathway Nashik Cable Network Private Limited	Subsidiary	10.39	10.39
	Win Cable & Datacom Private Limited	Subsidiary	20.37	20.37
	Hathway Sonali OM Crystal Cable Private Limited	Joint Venture	15.45	7.77
	Others	Subsidiary	11.99	11.99
	Others	Associate	2.50	-
	Others	Joint Venture	1.42	1.06
Other Financial Liabilities	Hathway SS Cable & Datacom LLP	Joint Venture	2.80	2.60
Trade Payables	Hathway Broadband Private Limited	Subsidiary	0.43	0.22
	Hathway Krishna Cable Private Limited	Subsidiary	0.10	0.10
Unsecured loan	Hathway Broadband Private Limited	Subsidiary	2.40	2.40
Trade Receivables	Hathway Bhawani Cabletel & Datacom Limited	Subsidiary	0.35	0.48
	Hathway Mysore Cable Network Private Limited	Subsidiary	0.23	0.11
	Hathway Software Developers Private Limited	Subsidiary	0.20	0.10
	Hathway Sai Star Cable & Datacom Private Limited	Joint Venture	0.30	0.09

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

Nature	Name of the Party	Relationship	As at March 31, 2019	As at March 31, 2018
	Net 9 Online Hathway Private Limited	Joint Venture	0.27	0.29
	Others	Subsidiary	0.13	0.06
	Others	Joint Venture	0.02	0.01
	Others	Fellow Subsidiary	*	-
	Others	Joint Venture of Fellow Subsidiary	0.01	-

* Amount less than ₹ 50,000

The Company has extended aggregate loan of ₹ 171.96 to various subsidiaries, joint ventures and associates, out of which ₹ 21.24 is interest free. The Company had invested in 5% Non cumulative Redeemable Preference shares issued by Hathway Digital Private Limited aggregating to ₹ 0.05 (March 31, 2018: ₹ 0.05). The Company has given Corporate financial Guarantees of ₹ 39.69 (March 31, 2018 ₹ 28.44) on behalf of GTPL Hathway Limited, ₹ 975.86 (March 31, 2018: ₹ 842.45) on behalf of Hathway Digital Private Limited. The Company has given Letter of Comfort of ₹ 58.07 (March 31, 2018 ₹70.59) to Banks towards various credit facilities extended by them to GTPL Hathway Limited.

4.15 Supplementary statutory information required to be given pursuant to Schedule V of regulation 34(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

Loans And Advances In The Nature of Loans To Subsidiaries, Joint Ventures And Associates

(₹ in Crores unless otherwise stated)

Name of Related Party	As at March 31, 2019			As at March 31, 2018		
	Subsidiaries	Associates and Joint Ventures	Maximum Amount Outstanding during the year	Subsidiaries	Associates and Joint Ventures	Maximum Amount Outstanding during the year
Hathway Mysore Cable Network Pvt. Ltd.	4.30	-	4.30	4.30	-	4.30
Hathway Software Developers Pvt. Ltd.	2.88	-	2.88	2.88	-	2.88
Hathway Media Vision Pvt. Ltd.	1.64	-	1.64	1.64	-	1.64
UTN Cable Communications Pvt. Ltd.	6.11	-	6.11	6.11	-	6.11
Hathway Ice Television Pvt. Ltd.	-	0.68	0.68	-	0.68	0.68
GTPL Hathway Ltd. (f.k.a GTPL Hathway Pvt. Ltd)	-	9.40	10.32	-	10.32	10.32
Net 9 Online Hathway Pvt. Ltd.	-	0.20	0.20	-	0.20	0.20
Hathway Sonali Om Crystal Cable Pvt. Ltd.	-	15.48	15.48	-	15.48	15.53
Hathway Gwalior Cable & Datacom Pvt. Ltd.	0.51	-	0.51	0.52	-	0.52
Hathway Enjoy Cable Network Pvt. Ltd.	*	-	*	*	-	*
Hathway Latur MCN Cable & Datacom Pvt. Ltd.	-	-	-	-	0.17	0.17
Hathway Digital Saharanpur Cable & Datacom Pvt. Ltd.	-	1.04	1.04	-	1.04	1.04
Hathway JMD Farukhabad Cable Network Pvt. Ltd.	*	-	*	*	-	*
Hathway Cable MCN Nanded Pvt. Ltd.	-	-	-	-	0.29	0.29
Hathway Dattatray Cable Network Pvt. Ltd.	-	0.14	0.14	-	0.14	0.14
Hathway Mantra Cable & Datacom Pvt. Ltd.	7.50	-	7.50	7.50	-	7.50
Hathway Digital Pvt Ltd (f.k.a.Hathway Datacom Central Pvt. Ltd).	61.99	-	61.99	42.46	-	45.80
Hathway Prime Cable & Datacom Pvt. Ltd.	-	0.02	0.02	-	0.02	0.02
Hathway New Concept Cable & Datacom Pvt. Ltd.	-	-	-	-	-	0.04
Hathway Kokan Crystal Cable Network Pvt. Ltd.	1.21	-	1.21	0.01	-	0.01

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

(₹ in Crores unless otherwise stated)

Name of Related Party	As at March 31, 2019			As at March 31, 2018		
	Subsidiaries	Associates and Joint Ventures	Maximum Amount Outstanding during the year	Subsidiaries	Associates and Joint Ventures	Maximum Amount Outstanding during the year
Bee Network & Communications Pvt. Ltd.	0.37	-	0.37	0.37	-	0.37
Binary Technology Transfers Pvt. Ltd.	1.63	-	1.63	1.63	-	1.67
Chennai Cable Vision Network Pvt. Ltd.	1.97	-	1.97	1.97	-	1.97
Channels India Network Pvt. Ltd.	0.01	-	0.01	0.01	-	0.01
Elite Cable Network Pvt. Ltd.	0.02	-	0.02	0.02	-	0.02
Hathway C Net Pvt. Ltd.	0.45	-	0.45	0.45	-	0.45
Hathway Internet & Satellite Pvt. Ltd.	1.63	-	1.63	1.63	-	1.67
Hathway Nashik Cable Network Pvt. Ltd.	10.39	-	10.39	10.39	-	10.39
Hathway Space Vision Cabletel Pvt. Ltd.	1.04	-	1.04	1.04	-	1.04
Ideal Cables Pvt. Ltd.	0.41	-	0.41	0.44	-	0.44
ITV Interactive Media Pvt. Ltd.	0.45	-	0.45	0.45	-	0.45
Liberty Media Vision Pvt. Ltd.	1.17	-	1.17	1.17	-	1.17
Vision India Network Pvt. Ltd.	0.22	-	0.22	0.22	-	0.22
Win Cable & Datacom Pvt. Ltd.	20.22	-	20.22	20.22	-	20.22
Hathway Sai Star Cable & Datacom Pvt. Ltd.	-	1.40	1.40	-	1.40	1.40
Hathway SS Cable & Datacom LLP	-	0.21	0.21	-	0.21	0.21

* Amount less than ₹ 50,000

Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.

(a) None of the loanee has made, per se, investment in the shares of the Company.

(b) Investment made by Hathway Media Vision Pvt. Ltd in Hathway Bhawani Cabletel & Datacom Ltd - 21,60,000 equity shares of ₹ 2.46.

(c) Investment made by Hathway New Concept Cable & Datacom Pvt Ltd in Hathway Media Vision Private Limited - 2,000 preference shares of ₹ 0.00*

(d) Investment made by Hathway New Concept Cable & Datacom Pvt Ltd in Win Cable & Datacom Private Limited - 5,000 preference shares. of ₹ 0.01

* Amount less than ₹ 50,000

4.16 The Company being engaged in the business of providing infrastructure facilities, the provision of section 186 of the Companies Act, 2013 are not applicable and accordingly, disclosure of details with respect to Loan given, guarantee given and security made during the Financial Year 2018-19 and 2017-18, in terms of Section 186 (4) of the Act is not applicable. The Company has not made any investment in terms of Section 186 (4) of the Act. Accordingly, disclosure of investment made during the year is not given

4.17 Revenue from contracts with customers

Disaggregation Of Revenue

As the Company's business activity falls within a single business segment viz. providing Internet Services and allied services which is considered as the only reportable segment and the revenue substantially being in the domestic market, the financial statements are reflective of the information required by Ind AS 108 "Operating Segment". The nature, amount, timing and uncertainty of revenue and cash flows are similar across company's revenue from contracts with customers. Accordingly, there is no disaggregation of revenue disclosed.

Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

Notes to the Standalone Financial Statements

(₹ in Crores unless otherwise stated)

The following table provides information about receivables, contract assets and contract liabilities for the contracts with the customers.

Particular	**March 31, 2019**
Receivables, which are included in 'Trade and other receivables'	6.50
Contract assets (Unbilled Revenue)	-
Contract liabilities (Unearned Revenue)	72.42

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the billing recognized in advance where performance obligations are yet to be satisfied.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows.

Particular	**March 31, 2019**	
	Contract assets	**Contract liabilities**
Balance at the beginning of the year	-	**80.87**
Add: Advance Income received from the customer during the year	-	72.42
Revenue recognised that is included in the contract liability balance at the beginning of the year	-	80.87
Balance at the end of the year	-	**72.42**

Performance Obligations and Remaining Performance Obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performances as the performance obligations relates to contracts that have an original expected duration of one year or less. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

Contract costs

The Company incurred cost of ₹ 36.96 as a result of obtaining customers. The Company has therefore capitalised them as customer acquisition cost.

Customer acquisition cost are amortised over a period of 5 years.

4.18 The Company is in the process of evaluating the impact of the recent decision of the Supreme Court in case of Vivekananda Vidyamandir and the related circular dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "Basic Wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by the legal advice, the aforesaid matter is not likely to have a material impact as on March 31, 2019 and accordingly, no provision has been made in these financial statements.

4.19 Previous year's figures have been reclassified/regrouped, wherever necessary.

As per our report of even date

For **Nayan Parikh & Co**
Chartered Accountants
Firm's Registration No.: 107023W

K.Y. Narayana
Partner
Membership No: 060639

Place: Mumbai
Date: April 15, 2019

For and on behalf of the Board

Viren Raheja
Director
DIN: 00037592

Ajay Singh
Head Corporate Legal, Company Secretary and Chief Compliance Officer
FCS - 5189

Rajan Gupta
Managing Director
DIN: 07603128

Sitendu Nagchaudhuri
Chief Financial Officer

Place: Mumbai
Date: April 15, 2019