

Hathway Internet Satellite Limited
Financial Statements
2020-21

INDEPENDENT AUDITOR'S REPORT

To the Members of Hathway Internet Satellite Limited (Formerly known as Hathway Internet Satellite Private Limited) Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Hathway Internet Satellite Limited (Formerly known as Hathway Internet Satellite Private Limited)** (“the Company”), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended on that date 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, 2021 and its loss (including other comprehensive income), 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 specified under section 143(10) of the Act, (SAs). 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statement of the current period. These matters were addressed in the context of our audit of the standalone financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is Board's report. 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 on the other information obtained prior to the date of this auditor's report, 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, total 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Materiality is the magnitude of the misstatement in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding 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 paragraph 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, Statement of Cash Flows and the Statement of Changes in Equity 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 Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 Company has not paid remuneration to its directors during the year. Accordingly, the provisions of section 197 of the Act are not applicable to the Company; and

- 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 does not have any pending litigation which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For G. M. Kapadia & Co.
Chartered Accountants
Firm's Registration No:104767W

Atul Shah
Partner

Place: Mumbai
Date: April 08, 2021

Membership No: 039569
UDIN: 21039569AAAAEU1984

Annexure A - referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of the Company on the financial statements for the year ended March 31, 2021

- i. The Company does not hold any property, plant and equipment. Accordingly, the provision of sub clause (a), (b) and (c) of clause (i) of paragraph 3 of the Order regarding maintenance of records, physical verification and title deeds of fixed assets is not applicable;
- ii. The Company's nature of operations does not require it to hold inventories. Accordingly, clause (ii) of paragraph 3 of the Order regarding physical verification of inventories and maintenance of records is not applicable;
- 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 Companies Act, 2013. Accordingly, requirement of sub clauses (a), (b) and (c) of clause (iii) of paragraph 3 of the Order are not applicable;
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Accordingly, clause (iv) of paragraph 3 of the order is not applicable to the Company;
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions contained in sections 73 to 76 or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal;
- vi. The Company is not engaged in production, processing, manufacturing or mining activities. Therefore, the provisions of clause (vi) of paragraph 3 of the Order relating to maintenance of cost records are not applicable;
- vii. (a) Based on the records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues such as Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax, Custom Duty, Good and Service Tax, Value Added Tax, cess and other applicable statutory dues with the appropriate authorities. There

are no amounts in arrears as at March 31, 2021 which were due for more than six months from the date they became payable;

- (b) According to the information and explanations given to us, there are no outstanding disputed dues payable by the Company in case of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as on March 31, 2021;
- viii. The Company has not taken any loans from Banks, Financial institutions, Government during the year. Further, the Company has not issued any debentures. Accordingly, clause (viii) of paragraph 3 of the Order is not applicable;
- ix. The Company has not raised any money by way of Initial Public Offer or further Public Offer (including debt instruments) nor any term loans during period under audit. Accordingly, provision of clause (ix) of paragraph 3 of the order is not applicable to the Company;
- x. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, no 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 not paid/provided managerial remuneration. Accordingly, clause (xi) of paragraph 3 of the Order is not applicable;
- xii. The Company is not Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable;
- xiii. In respect of transactions with related parties, the Company has complied provisions of section 188 of the Act wherever applicable. Necessary disclosures relating to related party transactions have been made in the financial statements as required by the applicable accounting standard. Provisions of section 177 of the Act are not applicable to the Company;
- xiv. Based on the audit procedure performed and information and explanations given by the management, the Company has not made any preferential allotment or private placements of shares or partly convertible debentures

during the year. Accordingly, clause (xiv) of paragraph 3 of the Order are not applicable to the Company;

- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable; and
- xvi. The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

For G. M. Kapadia & Co.

Chartered Accountants

Firm's Registration No:104767W

Atul Shah

Partner

Membership No: 039569

UDIN: 21039569AAAAEU1984

Place: Mumbai

Date: April 08, 2021

Annexure B - referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's report of even date, to the members of Hathway Internet Satellite Limited (Formerly known as Hathway Internet Satellite Private Limited) ("the Company) on the Standalone Financial Statements for the year ended March 31, 2021

Report on the Internal Financial Controls under section 143(3)(i) of the Act

Opinion

We have audited the internal financial controls with reference to Standalone Financial Statements of **Hathway Internet Satellite Limited (Formerly known as Hathway Internet Satellite Private Limited)** ("the Company") as of March 31, 2021 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 Standalone Financial Statements were operating effectively as at March 31, 2021, based on the internal control with reference to Standalone 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 Institute of Chartered Accountants of India ("ICAI").

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit

of Internal Financial Controls and, both issued by the 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 were 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 Standalone Financial Statements and their operating effectiveness.

Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone 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, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.

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 Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone 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 Standalone Financial Statements to future periods are subject to the risk that the internal financial control 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 G. M. Kapadia & Co.

Chartered Accountants

Firm's Registration No:104767W

Atul Shah

Partner

Membership No: 039569

UDIN: 21039569AAAAEU1984

Mumbai

Date: April 08, 2021

HATHWAY INTERNET SATELLITE LIMITED

(Formerly known as Hathway Internet Satellite Private Limited)

CIN : U64200MH1999PTC123303**BALANCE SHEET AS AT MARCH 31, 2021**

(₹ in Lakhs unless otherwise stated)

	Notes	March 31, 2021	March 31, 2020
ASSETS			
Non-Current Assets		-	-
Current Assets			
(a) Financial Assets			
Cash and Cash Equivalents	2.01	167.32	0.07
Total Current Assets		167.32	0.07
Total Assets		167.32	0.07
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2.02	168.26	1.00
(b) Other Equity	2.03	(166.14)	(164.41)
Total Equity		2.12	(163.41)
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	2.04	162.13	163.28
Total Non-Current Liabilities		162.13	163.28
Current Liabilities			
(a) Financial Liabilities			
Other Financial Liabilities	2.05	3.07	0.20
(b) Current Tax Liabilities (Net)		-	-
Total Current Liabilities		3.07	0.20
Total Equity and Liabilities		167.32	0.07
Summary of Significant Accounting Policies	1.00		
Refer accompanying notes. These notes are integral part of the financial statements.			
As per our report of even date For G. M. KAPADIA & Co. Chartered Accountants Firm Registration No:104767W		For and on the behalf of Board HATHWAY INTERNET SATELLITE LIMITED	
Atul Shah Partner Membership No. 039569		Manish Bothra DIN:07959099 Director	Ajay Singh DIN No:06899567 Director
Place: Mumbai Date : April 08, 2021		Place: Mumbai Date : April 08, 2021	

HATHWAY INTERNET SATELLITE LIMITED

(Formerly known as Hathway Internet Satellite Private Limited)

CIN : U64200MH1999PTC123303**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

(₹ in Lakhs unless otherwise stated)

	Notes	March 31, 2021	March 31, 2020
INCOME			
Other Income	3.01	1.15	-
		1.15	-
EXPENDITURE			
Other Expenses	3.02	2.88	0.05
		2.88	0.05
Net Profit / (Loss) before Tax		(1.73)	(0.05)
Tax Expenses:			
Current Tax		-	-
Short Provision for Income tax of earlier years		-	-
Net Profit / (Loss) for the Period (A)		(1.73)	(0.05)
Other Comprehensive Income / (Loss) for the year, net of Tax (B)		-	-
Total Comprehensive Income / (Loss) for the year, net of Tax (A+B)		(1.73)	(0.05)
Earnings per equity share			
Weighted Average No. of Shares		16,82,550	10,000
1) Basic (In ₹)		(0.10)	(0.45)
2) Diluted (In ₹)		(0.10)	(0.45)
Summary of Significant Accounting Policies	1.00		
Refer accompanying notes. These notes are integral part of the financial statements.			
As per our report of even date For G. M. KAPADIA & Co. Chartered Accountants Firm Registration No:104767W		For and on the behalf of Board HATHWAY INTERNET SATELLITE LIMITED	
Atul Shah Partner Membership No. 039569		Manish Bothra DIN:07959099 Director	Ajay Singh DIN No:06899567 Director
Place: Mumbai Date : April 08, 2021		Place: Mumbai Date : April 08, 2021	

HATHWAY INTERNET SATELLITE LIMITED

(Formerly known as Hathway Internet Satellite Private Limited)

CIN : U64200MH1999PTC123303

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(` in Lakhs unless otherwise stated)

A. Equity Share Capital

Particulars	Amount
Balance at April 01, 2019	1.00
Changes in Equity Share Capital	-
Balance at March 31, 2020	1.00
Changes in Equity Share Capital	167.26
Balance at March 31, 2021	168.26

B. Other Equity:

Particulars	Retained earnings	Total
Balance at April 01, 2019	(164.36)	(164.36)
Net Income / (Loss) for the Period	(0.05)	(0.05)
Balance at March 31, 2020	(164.41)	(164.41)
Net Income / (Loss) for the Period	(1.73)	(1.73)
Balance at March 31, 2021	(166.14)	(166.14)

As per our report of even date
For G. M. KAPADIA & Co.
Chartered Accountants
Firm Registration No:104767W

For and on behalf of the Board
HATHWAY INTERNET SATELLITE LIMITED

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Date : April 08, 2021

Manish Bothra
DIN:07959099
Director

Place: Mumbai
Date : April 08, 2021

Ajay Singh
DIN No:06899567
Director

HATHWAY INTERNET SATELLITE LIMITED

(Formerly known as Hathway Internet Satellite Private Limited)

CIN : U64200MH1999PTC123303

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(` in Lakhs unless otherwise stated)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<u>Cash Flows From Operating Activities:</u>		
Profit Before Tax	(1.73)	(0.05)
	(1.73)	(0.05)
Non-cash Adjustment to Profit Before Tax:		-
Loan balance written back	(1.15)	
Operating Profit Before Working Capital Changes	(2.88)	(0.05)
Changes in Working Capital:		
Increase / (Decrease) in Other Financial Liabilities	2.88	-
Cash Generated from Operations	(0.00)	(0.05)
Direct Taxes (Net of Refunds)	-	-
Net Cash flow from Operating Activities	(0.00)	(0.05)
<u>Cash Flow From Investing Activities:</u>		
	-	-
<u>Cash Flow From Financing Activities:</u>		
Proceeds from Share Capital issued	167.25	-
(Increase) / Decrease Borrowing		
Repayment of Borrowing	-	
Net Cash Realised from Financing Activities	167.25	
Net Increase / (Decrease) in Cash & Cash Equivalent	167.25	(0.05)
Cash & Cash Equivalent at the Beginning of the Year	0.07	0.12
Cash & Cash Equivalent at the End of the period	167.32	0.07
Components of cash and cash equivalents		
Balances with banks:		
In Current Accounts	167.32	0.07

Note :

Above statement has been prepared by using Indirect method as per Ind AS - 7 on Statement of Cash flows.

As per our report of even date
For G. M. KAPADIA & Co.
Chartered Accountants
Firm Registration No:104767W

**For and on behalf of the Board
HATHWAY INTERNET SATELLITE LIMITED**

Atul Shah
Partner
Membership No. 039569

Manish Bothra
DIN:07959099
Director

Ajay Singh
DIN No:06899567
Director

Place: Mumbai
Date : April 08, 2021

Place: Mumbai
Date : April 08, 2021

HATHWAY INTERNET SATELLITE LIMITED
(Formerly known as Hathway Internet Satellite Private Limited)

Significant accounting policies and notes to accounts

Background

Hathway Internet Satellite Limited is a company limited by shares domiciled in India and incorporated under the provisions of the Companies Act, 1956 having registered office at 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East) Mumbai Maharashtra 400098. The Company is engaged in the business of receiving and distributing channel signals and acting as cable operators.

Authorization of financial statements

The financial statements were authorized for issue in accordance with a resolution of the directors on April 08, 2021

1.00 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the presentation of these 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. 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 financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities is measured at fair value

1.02 Current Versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset as current when it is:

- a) Expected to be realised or intended to sold or consumed in normal operating cycle, or
- b) Held primarily for the purpose of trading, or
- c) Expected to be realised within twelve months after the reporting period, or
- d) 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 current when:

- a) It is expected to be settled in normal operating cycle, or
- b) It is held primarily for the purpose of trading, or
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

1.03 Use of Judgements, Estimates & Assumptions

While preparing financial statements in conformity with Ind AS, we make 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, disclosure of contingent asset and liabilities as at the Statement of Financial 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. We continually evaluate 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 financial statements are as below:

Key source of estimation uncertainty

- a) Financial instruments; (Refer note 4.03)

1.04 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of Cash Flow Statement comprise cash at bank and cash in hand.

1.05 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:

FVTOCI:

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

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 derecognises 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. 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.

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.

1.06 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.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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.

Contingent Liabilities in respect of show-cause notices are considered only when converted into demands.

1.07 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably, regardless of when the payment is being made.

1.08 Taxes On Income

Current Tax:

Tax on income for the current period is determined on the basis on 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.

1.09 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 preference dividends, if any, and 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 and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.10 Rounding Of Amounts

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

HATHWAY INTERNET SATELLITE LIMITED
 (Formerly known as Hathway Internet Satellite Private Limited)
NOTES TO THE FINANCIAL STATEMENTS
 (₹ in Lakhs unless otherwise stated)

2.01 CASH AND CASH EQUIVALENTS	As at	
	March 31, 2021	March 31, 2020
Balances with banks:		
In Current Accounts	167.32	0.07
	167.32	0.07

2.02 SHARE CAPITAL	As at	
	March 31, 2021	March 31, 2020
a) Authorised Capital		
16,90,000 (March 31, 2020 : 1,00,000) Equity shares of face value of Rs.10 each	169.00	10.00
	169.00	10.00
b) Issued, Subscribed & Paid up Capital		
16,82,550 (March 31, 2020 : 10,000) Equity shares of face value of Rs.10 each fully paid up	168.26	1.00
	168.26	1.00

a) The reconciliation of the number of equity shares outstanding as at beginning and at end of the year is set out below

	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amount	No of shares	Amount
Shares outstanding at the beginning of the year	10,000	1.00	10,000	1.00
Shares Issued during the year	16,72,550	167.26	-	-
Shares bought back/ other movements during the year	-	-	-	-
Shares outstanding at the end of the year	16,82,550	168.26	10,000	1.00

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

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
<u>Holding Company</u>				
Hathway Digital Limited (Includes Shares held by the nominee shareholders, on behalf of Holding Company)	16,82,550	168.26	-	-
Hathway Cable and Datacom Limited (Includes Shares held by the nominee shareholders, on behalf of Holding Company)	-	-	10,000	1.00
	16,82,550	168.26	10,000	1.00

c)The details of shareholder holding more than 5% shares is set out below

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<u>Equity Share of Rs.10 Each</u>				
Hathway Digital Limited (Includes Shares held by the nominee shareholders, on behalf of Holding Company)	16,82,550	100%	-	-
Hathway Cable and Datacom Limited (Includes Shares held by the nominee shareholders, on behalf of Holding Company)	-	-	10000	100%

d) Rights, Preference and restrictions attached to Shares;

Terms/ Rights attached to Equity Shares:

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and proportionate amount of dividend if declared to the total number of shares. 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.03 OTHER EQUITY	As at	As at
	March 31, 2021	March 31, 2020
Retained Earnings		
Balance at the beginning of the year	#REF!	(164.36)
Add : Net Profit/(Loss) after tax	(1.73)	#REF!
Balance at the end of the year	#REF!	#REF!

2.04 BORROWINGS	As at	As at
	March 31, 2021	March 31, 2020
	Rupees	Rupees
Other Loans		
Unsecured		
- Hathway Cable and Datacom Limited *	162.13	163.28
	162.13	163.28

* The above interest free loan is repayable on demand on or after April 01, 2021

2.05 OTHER FINANCIAL LIABILITIES	Current	Current
	As at	As at
	March 31, 2021	March 31, 2020
Other Payables	0.47	0.13
Payable to Related Party	2.60	0.07
	3.07	0.20

3.01 OTHER INCOME	For Year Ended	For Year Ended
	March 31, 2021	March 31, 2020
Sundry Balance written back	1.15	-
	1.15	-

3.02 OTHER EXPENSES	For Year Ended	For Year Ended
	March 31, 2021	March 31, 2020
Bank Charges	0.00	0.05
Fees and Subscription charges	0.22	-
Rates and Taxes	2.54	-
Audit Fees	0.12	-
	2.88	0.05

4.01 RELATED PARTY DISCLOSURE

- A. Enterprise having control over the Company:
Hathway Cable and Datacom Limited (upto 09th March, 2021)
Hathway Digital Limited (w.e.f 10th March, 2021)
- B. Fellow Subsidiary Company
Binary Technology Transfers Limited

Particulars	March 31, 2021	March 31, 2020
Unsecured Loans (Hathway Cable and Datacom Limited)	156.77	157.92
Outstanding Liabilities for Exp. (Hathway Cable and Datacom Limited)	5.36	5.36
Other Payable		
Binary Technology Transfers Limited	0.07	0.07
Hathway Digital Limited	2.54	-
CHANGE IN ASSETS/LIABILITIES DURING THE YEAR		
Unsecured Loan written back (Hathway Cable and Datacom Limited)	1.15	-

HATHWAY INTERNET SATELLITE LIMITED

(Formerly known as Hathway Internet Satellite Private Limited)

NOTES TO THE FINANCIAL STATEMENTS

(` in Lakhs unless otherwise stated)

4.02 CAPITAL MANAGEMENT**Risk Management**

The Company is wholly owned subsidiary of Hathway Digital Limited. At present, the Company is not in the need of fresh capital as it has no significant liabilities except repayment of loan extended by the parent of holding company. The holding company is committed to provide financial support to the Company as may be required to carry on as a going concern.

The details of outstanding capital from Holding Company and payables to parent of holding company on account of loan is as under:

Particulars	As at March 31, 2021	As at March 31, 2020
Equity	168.26	1.00
Loans taken	162.13	163.28
Total	330.38	164.28

4.03 FINANCIAL INSTRUMENTS : ACCOUNTING CLASSIFICATIONS, FAIR VALUE MEASUREMENTS, FINANCIAL RISK MANAGEMENT**(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 carrying amounts of trade receivables, cash and cash equivalents, trade payables, short term loans are considered to be the same as their fair values, due to their short-term nature.

(ii) Categories of financial instruments and fair value hierarchy

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: inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: unobservable inputs from assets and liability

Particulars	March 31, 2021		March 31, 2020	
	Carrying values	Fair value	Carrying values	Fair value
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	167.32	167.32	0.07	0.07
Financial liabilities				
Measured at amortised cost				
Borrowings	162.13	162.13	163.28	163.28
Other financial liabilities	3.07	3.07	0.20	0.20

(iii) Financial Risk Management

The Company's activities does not expose it to any financial risk except for liquidity risk as stated below.

Liquidity risk

Liquidity risk is defined as 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.

Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

The Holding Company has committed to provide necessary financial support.

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, 2021	less than 1 year	1 to 5 year	Total
Non-Derivatives			
Long term borrowings	-	162.13	162.13
Other financial liabilities	3.07	-	3.07
	3.07	162.13	165.20
As at March 31, 2020			
Non-Derivatives			
Long term borrowings	-	163.28	163.28
Other financial liabilities	0.20	-	0.20
	0.20	163.28	163.48

- 4.04** There are no contingent liabilities, commitments or claims against the Company acknowledged as debts.
- 4.05** As the Company's business activity falls within a single business segment in terms of Ind AS 108 on Operating Segments, the financial statement
- 4.06** The Board of Directors of the Company at its meeting held on April 3, 2021, has approved a Scheme of Merger of Hathway Internet Satellite Limited along with twenty one other fellow subsidiaries with and into Hathway Digital Limited, the Holding Company ("Scheme"), pursuant to the provisions of Section 233 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act, with appointed date as April 01, 2021. The Scheme, will however, take effect upon receipt of requisite approvals and fulfilment of conditions as stated in the Scheme. Pending finalisation and approvals of the Scheme, no effect have been given of this proposed merger in the financial statements.
- 4.07** Previous year figures have been rearranged and regrouped wherever necessary.

As per our report of even date
For G. M. KAPADIA & Co.
Chartered Accountants
 Firm Registration No:104767W

For and on behalf of the Board
HATHWAY INTERNET SATELLITE LIMITED

Atul Shah
Partner
 Membership No:-039569

Place: Mumbai
 Date : April 08, 2021

Manish Bothra
 DIN:07959099
Director

Place: Mumbai
 Date : April 08, 2021

Ajay Singh
 DIN No:06899567
Director