

Hathway Digital Limited
Financial Statements
2023-24

Independent Auditor's Report on the Financial Statements

To the Members of Hathway Digital Limited

Opinion

We have audited the accompanying financial statements of **Hathway Digital Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2024 and its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of financial statements in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 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 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 financial statements of the current year. These matters were addressed in the context of our audit of the 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.

Sr.No	Key Audit Matters	How our audit addressed the Key Audit Matter
1.	<p>Contingent liabilities:</p> <p>The Company is in receipt of certain demands from Statutory authority including show cause notice from licensing authority. The Company has disputed such claims. The review of claims involve high degree of judgement to determine the possible outcome, and estimates relating to the timing and the amount of outflow of resources embodying economic benefits.</p> <p>The audit of Contingent Liabilities is significant to our audit as any adverse outcome may have material impact on this Company.</p>	<p>Principal Audit Procedures Performed:</p> <p>a) We obtained summary of all tax, regulatory and litigation including management's assessment.</p> <p>b) We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls related to management's risk assessment process for taxation, regulatory and legal matters.</p> <p>c) We obtained and read external legal opinions (where considered necessary) and other evidences provided by management to corroborate management's assessment of the regulatory and legal matters.</p> <p>d) Assessed the relevant accounting policies and disclosures in the financial statements for compliance with the requirements of accounting standards.</p>
2.	<p>Valuation and Disclosure of Deferred Tax Assets</p> <p>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, 2024, the deferred tax assets are valued at ₹251.53 crores. Further reference is made to Note 2.06.</p>	<p>Principal Audit Procedures Performed:</p> <p>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.</p> <p>We have also tested the effectiveness of</p>

		the Company's internal controls around the working and recognition of deferred tax assets. We also assessed the adequacy of the Company's disclosures included in Note 2.06.
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Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management and Board of Directors are 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 the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial 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 with reference to financial statement 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 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 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.

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 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, 2020 ("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, based on our audit we report that:
 - (i) 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;
 - (ii) 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;
 - (iii) 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;
 - (iv) In our opinion, the aforesaid 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;
 - (v) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act;
 - (vi) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (ii) above;
 - (vii) 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;

- (viii) 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;
- (ix) 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:
- a) The Company has disclosed the impact of pending litigations as at March 31, 2024 on its financial position in its financial statements - Refer Note 4.02 to the financial statements;
 - b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses - Refer Note 4.02(f) to the financial statements; The Company did not have any long-term derivative contracts.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - d) (i) The Management has represented that, to the best of its knowledge and belief, as stated in Note no. 4.16(iv), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) The Management has represented, that, to the best of its knowledge and belief, as stated in Note no. 4.16(v), no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (iii) Based on the audit procedures performed by us that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement;
- e) The Company has neither declared nor paid any dividend during the year; and
- f) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023 reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

Manoj Dixit
Partner
Membership No. 121788
UDIN:24121788BKCSPK2408

Place: Mumbai
Date: April 16, 2024

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 financial statements for the year ended March 31, 2024 :

(i) (a) (A) The Company has maintained proper records of Property, Plant and Equipment showing particulars of assets including quantitative details and situation 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) The Company has maintained proper records showing full particulars of Intangible Assets;

(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, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. 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 has a 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;

In our opinion, frequency and procedure for verification of distribution equipments and subsequent reconciliation with book records need to be strengthened;

(c) The Company does not hold any immovable properties and hence reporting under paragraph 3(i)(c) of the Order is not applicable. Further the properties where the Company is Lessee, the agreements are duly executed in favour of the lessee;

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of use Assets) and intangible assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the

Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

- (ii) (a) Inventories have been physically verified during the year by the management. In our opinion, the coverage and procedure of verification is appropriate and the frequency of verification is reasonable. There were no discrepancies of 10% or more in aggregate for each class of inventory noticed on physical verification as compared to the book of accounts;
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets and hence reporting under paragraph 3(ii)(b) of the Order is not applicable;
- (iii) (a) During the year, the Company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under paragraph 3(iii)(a), (c) and (d) of the Order are not applicable to the Company;
- (b) During the year, the Company has not made any investment or provided guarantee or given security to any entity. Accordingly, reporting under paragraph 3(iii)(b) of the Order is not applicable to the Company;
- (c) Since loans granted by the Company are repayable on demand, neither loan nor advance in the nature of loan has fallen due during the year. Accordingly, reporting under paragraph 3(iii)(e) of the Order is not applicable to the Company;
- (d) As stated above, during the year, no loans or advances in the nature of loan or security were given or guarantees were provided. Accordingly, reporting under paragraph 3(iii)(f) of the Order is not applicable to the Company;
- (iv) The Company has not made investments, granted loans, guarantees and made securities, during the year under audit, which require compliance in terms of the provisions contained in the section 185 or section 186 of the Act. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable to the Company;
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under paragraph 3(v) of the Order is 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 goods and services tax, 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, 2024, for a period of more than six months from the date they became payable;
- (b) The details of statutory dues referred to in sub – Paragraph (a) above which have not been deposited as on March 31, 2024 on account of dispute are given below:

Sr. No.	Nature of the dues	Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount (₹ In Crores)
1	Value Added Tax	The Andhra Pradesh Value Added Tax Act, 2005	July, 2011 to May, 2013	Telangana VAT Appellate Tribunal, Hyderabad	18.05 ¹
			The Madhya Pradesh Value Added Tax Act, 2002	2013-2014	Additional Commissioner of Commercial tax, Indore
		2014-2015		0.01	
		2015-2016		MP Commercial Tax Appellate Board, Bhopal	0.43 ³
		2016-2017			0.28 ⁴
		The Karnataka Value Added Tax Act, 2003	2010-2011	Hon'ble High Court of Karnataka, Bengaluru	1.73
			2011-12 to 2013-14		10.28
			2015-2016		7.42
			2016-17		6.02

¹ Amount paid ₹ 9.03

² Amount paid ₹ 0.22

³ Amount paid ₹ 0.21

⁴ Amount paid ₹ 0.11

Sr. No.	Nature of the dues	Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount (₹ In Crores)
2	Sales Tax	The Bombay Sales Tax Act, 1959	1999-2000	Hon'ble High Court of Bombay	0.01 ⁵
3	Service Tax	Finance Act, 1994	2011-2012	Additional Commissioner CGST and CEX, Mumbai Central	0.64
			2016-17	Superintendent, Range 10, Delhi	0.002
4	Income Tax	Income tax Act, 1961	2002-03 & 2003-04	Hon'ble High Court of Bombay	2.86 ⁶
			2007-2008	Commissioner of Income Tax (Appeals)	0.04
			2017-2018		1.35
5	Custom duty	The Custom Act 1962	2019-2020	Commissioner of Custom (Imports)	5.63 ⁷
			2020-2021		12.21 ⁸
6	Entertainment Tax	Andhra Pradesh Entertainment Duty Act, 1939	May, 2005 to June, 2006	Hon'ble High Court of Andhra Pradesh.	0.58
		The Bombay Entertainments Duty Act, 1923	May 2006-December 2006	Deputy Collector, Entertainment tax Department Mumbai	0.12
			June, 2006 to May, 2007	Deputy Collector Entertainment Tax Department, Thane	0.89 ⁹

⁵ Amount paid ₹ 0.008

⁶ Amount paid ₹ 0.30

⁷ Amount paid ₹ 0.38

⁸ Amount paid ₹ 0.34

⁹ Amount paid ₹ 0.01

Sr. No.	Nature of the dues	Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount (₹ In Crores)
		The West Bengal Entertainment cum Amusement, Tax 1982	2013-2014	Assistant Commissioner, Agricultural Income tax	0.26
		Maharashtra Entertainments Duty Act, 1923	2013-2014	Hon'ble High Court, Mumbai	0.14
			Up to October, 2014	Hon'ble High Court of Bombay	4.57
		The Uttar Pradesh Entertainment & Betting Act, 1979	2013-2017	Assistant Commissioner, Entertainment Tax	1.68
			April 2013 to January, 2014	District Magistrate, Ghaziabad	1.42 ¹⁰
		The West Bengal Entertainment cum Amusement Tax, 1982	2014-2015	Deputy Commissioner – West Bengal	0.22
		The Uttar Pradesh Entertainment Tax & Betting Act, 1979 and Uttar Pradesh Entertainment Tax & Betting Rules, 1981	April 2014 to June 2015	District Magistrate, Agra	1.97 ¹¹
		U.P. Entertainment & Betting Act, 1979	March 2011- June 2017	High Court of Judicature at Allahabad - Lucknow	1.9 ¹²
		Madhya	2016-2017	Deputy	0.02

¹⁰ Amount paid ₹ 0.85

¹¹ Amount paid ₹ 1.04

¹² Amount paid ₹ 0.90

Sr. No.	Nature of the dues	Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount (₹ In Crores)
		Pradesh Entertainments Duty and Advertisements Tax Act, 1936		Commissioner Commercial Tax, Indore (MP)	
7	ESIC	Employees' State Insurance Act, 1948	Nov 2015 to Dec 2016 and Nov 2017 to Aug 2020	The Regional Director	0.28
8	Goods and Service Tax	The Central Goods and Services Tax Act, Maharashtra	2017-2018	Joint Commissioner Appeal GST	0.45 ¹³
			2017-2018	Commissioner Appeals	1.06 ¹⁴
		The Central Goods and Services Tax Act, Karnataka	2017-2018	Office of Deputy Commissioner of Commercial Taxes, Bengaluru	0.26 ¹⁵
			2018-19	Office of DCCT Audit - 5.1 Karnataka	0.53
		The Central Goods and Services Tax Act, Odisha	2017-2018	Deputy Commissioner of Commercial Tax and GST	0.08 ¹⁶
		The Central Goods and Services Tax Act, Tripura	2021-2022	Superintendent of Sales Tax, Tripura	0.02 ¹⁷
9	Wages dues	The Payment of Wages Act 1936	August, 2013 - November, 2013	Hon'ble Labour Court, Jaipur	0.01

¹³ Amount paid ₹ 0.02

¹⁴ Amount paid ₹ 0.05

¹⁵ Amount paid ₹ 0.04

¹⁶ Amount paid ₹ 0.01

¹⁷ Amount paid ₹ 0.02

In addition to above, there are other Entertainment tax related disputed demands which have been fully paid.

- (viii) There are no transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under paragraph 3(ix)(a) of the Order is not applicable to the Company;
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or any other lender;
- (c) The Company has not taken any term loans and therefore paragraph 3(ix)(c) of the Order is not applicable to the Company;
- (d) The Company has not raised any funds on short-term basis. Accordingly, the reporting under paragraph 3(ix)(d) of the Order is not applicable to the Company;
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, joint venture or associate. Accordingly, the reporting under paragraph 3(ix) (e) of the Order is not applicable to the Company;
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary, joint venture or associate companies. Accordingly, the reporting under paragraph 3(ix) (f) of the Order is not applicable to the Company;
- (x) (a) The Company has not raised any moneys by way of Initial Public Offer or Further Public Offer (including debt instruments) during the year;
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the current financial year. Accordingly, the reporting under paragraph 3(x)(b) of the Order is not applicable to the Company;
- (xi) (a) 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 has been noticed or reported during the year;
- (b) To the best of our knowledge, no report under section 143(12) of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;

- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of audit procedures;
- (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) In our opinion, the Company is in compliance with section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc., as required by the applicable accounting standards;
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit, in determining the nature, timing and extent of our audit procedures;
- (xv) According to information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable to the Company;
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under paragraph 3(xvi) (a), (b) and (c) of the Order is not applicable;
- (b) The Group does not have any CIC as part of the Group as per definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under paragraph 3(xvi)(d) of the Order is not applicable;
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly reporting under paragraph 3(xviii) of the Order is not applicable;
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not

an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due; and

(xx) There is no amount remaining unspent by the Company under section 135 of the Act. Accordingly, reporting under paragraph 3(xx)(a) and (xx)(b) of the Order is not applicable to the Company.

For G. M. Kapadia & Co.

Chartered Accountants

Firm Registration No. 104767W

Manoj Dixit

Partner

Membership No. 121788

UDIN:24121788BKCSPK2408

Place: Mumbai

Dated: April 16, 2024

Annexure B to the Independent Auditor's Report**Referred to in paragraph 2(vii) under "Report on Other Legal and Regulatory Requirements" of our report on even date to the members of the Company on financial statements for the year ended March 31, 2024**

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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, issued by 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 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 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 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 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 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.

Opinion

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, 2024 based on the criteria for internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note.

For G. M. Kapadia & Co.

Chartered Accountants

Firm Registration No. 104767W

Manoj Dixit

Partner

Place: Mumbai

Membership No. 121788

Date: April 16, 2024

UDIN:24121788BKCSFK2408

Hathway Digital Limited

Balance Sheet as at March 31, 2024

(₹ in Crores unless otherwise stated)

	Note No.	As at March 31,	As at March 31,
		2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	2.01 (a)	522.88	560.32
Capital work in progress	2.01 (b)	7.52	20.30
Goodwill	2.02	6.42	6.51
Other intangible assets	2.02	49.18	63.27
Financial assets			
(i) Investments	2.03	2.46	2.46
(ii) Loans	2.04	-	-
(iii) Other financial assets	2.05	8.89	10.38
Deferred tax assets (net)	2.06	251.53	265.27
Other non-current assets	2.07	21.81	48.85
Total non-current assets		870.69	977.36
Current assets			
Inventories	2.08	0.39	0.95
Financial assets			
(i) Investments	2.09	800.55	660.24
(ii) Trade receivables	2.10	181.91	143.37
(iii) Cash and cash equivalents	2.11	20.93	18.06
(iv) Bank balances other than (iii) above	2.12	100.12	100.12
(v) Loans	2.04	-	-
(vi) Other financial assets	2.05	6.46	15.54
Other current assets	2.07	71.77	61.01
Total current assets		1,182.13	999.29
Total assets		2,052.82	1,976.65
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.13	355.73	355.73
Instruments entirely equity in nature	2.14	1,800.00	1,800.00
Other equity	2.15	(555.46)	(559.26)
Total equity		1,600.27	1,596.47
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2.16	2.35	3.40
(ia) Lease liabilities	4.06	6.87	-
(ii) Other financial liabilities	2.17	0.42	0.41
Provisions	2.18	1.85	1.77
Other non-current liabilities	2.19	2.97	3.26
Total non-current liabilities		14.46	8.84

Hathway Digital Limited**Balance Sheet as at March 31, 2024**

(₹ in Crores unless otherwise stated)

	Note No.	As at March 31,	As at March 31,
		2024	2023
Current liabilities			
Financial liabilities			
(i) Borrowings	2.16	3.48	1.72
(ia) Lease liabilities	4.06	2.29	-
(ii) Trade payables	2.20		
Total outstanding dues of :			
-Micro and small enterprises		0.56	0.12
-Other than micro and small enterprises		325.53	278.50
(iii) Other financial liabilities	2.17		
Total outstanding dues of :			
-Micro and small enterprises		1.19	1.87
-Other than micro and small enterprises		47.64	36.23
Other current liabilities	2.19	57.17	52.74
Provisions	2.18	0.23	0.16
Total current liabilities		438.09	371.34
Total equity and liabilities		2,052.82	1,976.65
Material accounting policies	1		

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's Registration No : 104767W

For and on behalf of the board**Manoj Dixit**

Partner

Membership No : 121788

Dulal Banerjee

Director & Chief Executive Officer

DIN : 02455932

Ajay Singh

Non-Executive Director

DIN : 06899567

Dated : April 16, 2024

Ameeta Parpia

Independent Director

DIN:02654277

Varun LauL

Non-Executive Director

DIN : 03489931

Kunal Chandra

Independent Director

DIN : 07617184

Rajesh Sindhav

Chief Financial Officer

Niki Shah

Company Secretary and Compliance officer

Dated : April 16, 2024

Hathway Digital Limited

Statement of Profit and Loss for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

	Notes	Year ended March 31,	Year ended March 31,
		2024	2023
Income			
Revenue from operations	3.01	1,350.11	1,208.82
Other income	3.02	61.12	51.10
		1,411.23	1,259.92
Expenditure			
Pay channel cost		912.99	753.69
Other operational expenses	3.03	165.20	175.50
Employee benefits expense	3.04	41.27	46.56
Finance cost	3.05	0.84	0.19
Depreciation, amortization and impairment	3.06	176.39	182.91
Other expenses	3.07	105.56	111.65
		1,402.25	1,270.50
Profit / (Loss) before exceptional items & tax expenses		8.98	(10.58)
Exceptional items	3.08	-	2.88
Profit / (Loss) before tax		8.98	(13.46)
Tax Expense:			
Deferred tax expense / (income)	2.06	11.93	(1.29)
Loss for the year (A)		(2.95)	(12.17)
Other comprehensive income / (loss) (net of taxes) (OCI)			
(A) Items that will not be reclassified to profit or loss			
(i) Re-measurements of defined benefit plan		0.43	0.10
(ii) Income tax effect on above		(0.11)	(0.03)
		0.32	0.07
(B) Items that will be reclassified to profit or loss			
(i) Fair value changes in debt instruments through OCI		-	(6.04)
(ii) Income tax effect on above		-	1.52
		-	(4.52)
Other comprehensive income / (loss) for the year (B)		0.32	(4.45)
Total comprehensive loss for the year (A+B)		(2.63)	(16.62)
Earnings/ (Loss) per equity share (face value of ₹ 10 each) (Refer note no 4.01)			
Basic earnings (in ₹)		(0.08)	(0.34)
Diluted earnings (in ₹)		(0.01)	(0.06)
Material accounting policies	1		
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's Registration No : 104767W

For and on behalf of the Board

Manoj Dixit

Partner

Membership No : 121788

Dulal Banerjee

Director & Chief Executive Officer

DIN : 02455932

Ajay Singh

Non-Executive Director

DIN : 06899567

Dated : April 16, 2024

Hathway Digital Limited

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DIN : 03489931

Kunal Chandra
Independent Director
DIN : 07617184

Rajesh Sindhav
Chief Financial Officer

Niki Shah
Company Secretary and Compliance officer

Dated : April 16, 2024

Hathway Digital Limited**Statement of Changes in Equity for the year ended March 31, 2024**

(₹ in Crores unless otherwise stated)

A Equity share capital

Particulars	Note no.	Amount
Balance at April 1, 2022	2.13	355.73
Changes in equity share capital		-
Balance at March 31, 2023	2.13	355.73
Changes in equity share capital		-
Balance at March 31, 2024	2.13	355.73

B 0.01% Non cumulative optionally convertible preference shares ("OCPS-Series-I") of Rs. 10 each, fully paid-up

Particulars	Note no.	Amount
Balance at April 1, 2022	2.14	1,000.00
Changes		-
Balance at March 31, 2023	2.14	1,000.00
Changes		-
Balance at March 31, 2024	2.14	1,000.00

* Issued and Allotted 100 crore 0.01% Non-cumulative optionally convertible preference shares ('OCPS') (Series-I) of Rs. 10/- each for cash, aggregating to Rs. 1000 crore to hathway cable and datacom limited, the holding company.

C 0.01% Non cumulative optionally convertible preference shares ("OCPS-Series-II") of Rs. 10 each, fully paid-up

Particulars	Note no.	Amount
Balance at April 1, 2022	2.14	800.00
Changes		-
Balance at March 31, 2023	2.14	800.00
Changes		-
Balance at March 31, 2024	2.14	800.00

* Issued and Allotted 80 crore 0.01% Non-cumulative optionally convertible preference shares ('OCPS') (Series-II) of Rs. 10/- each for cash, aggregating to Rs. 800 crore to hathway cable and datacom limited, the holding company.

D Other equity:

Particulars	Reserves and surplus				OCI	Total
	Securities premium	Capital reserve	General reserve	Retained earnings	Debt instruments through OCI	
Balance at April 1, 2022	94.23	48.36	3.15	(684.14)	(1.91)	(540.31)
Loss for the year	-	-	-	(12.17)	-	(12.17)
Other comprehensive income/(loss)						
Re-measurements of defined benefit plan	-	-	-	0.07	-	0.07
Fair value changes in debt instruments through OCI	-	-	-	-	(4.52)	(4.52)
Capital reserve on business combination *	-	(2.33)	-	-	-	(2.33)
Balance at March 31, 2023	94.23	46.03	3.15	(696.24)	(6.43)	(559.26)
Loss for the year	-	-	-	(2.95)	-	(2.95)
Other comprehensive income/(loss)						
Re-measurements of defined benefit plan	-	-	-	0.32	-	0.32
Cumulative losses reclassified to statement of profit and loss on sale of debt instrument through OCI	-	-	-	-	6.43	6.43
Balance at March 31, 2024	94.23	46.03	3.15	(698.87)	-	(555.46)

* Arising on transfer of business of Hathway Kokan Crystal Cable Network Limited

Material 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 G. M. Kapadia & Co.

Chartered Accountants

Firm's Registration No : 104767W

For and on behalf of the Board

Manoj Dixit

Partner

Membership No : 121788

Dulal Banerjee

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DIN : 06899567

Dated : April 16, 2024

Hathway Digital Limited

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DIN : 07617184

Rajesh Sindhav
Chief Financial Officer

Niki Shah
Company Secretary and Compliance officer

Dated : April 16, 2024

Hathway Digital Limited

Cash Flow Statement For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
1 Cash flow from operating activities:		
Net (loss)/profit before tax	8.98	(13.46)
A Adjustment for :		
Depreciation , amortization and impairment	176.39	182.91
Advances written off	-	0.01
Amount no longer payable written back	(9.13)	(6.24)
Provision for compensated absences	0.16	0.01
Provision for gratuity	0.48	0.12
Net foreign exchange loss	0.02	0.04
Loss on disposal / sale of property, plant and equipment (net)	0.74	0.53
Unwinding of preference share capital	0.00*	-
Finance charge on deferred payment liability	0.52	0.19
Finance income (including fair value changes in financial instruments)	(39.57)	(40.66)
Other operating income (related to dealing in securities) - refer note 3	(8.90)	-
Income from fixed deposit	(7.39)	(2.65)
Interest and finance charges	0.26	-
Exceptional items	-	2.88
	122.56	123.68
B Change in operating assets and liabilities:		
Increase in trade receivables	(38.54)	(58.66)
Decrease/(Increase) in inventories	0.55	(0.64)
Decrease in other loans/ other financial assets	2.66	0.57
(Increase)/Decrease in other current assets	(10.76)	1.67
Increase in other non-current assets	(6.47)	(16.93)
Decrease in other non- current liabilities	-	(0.02)
Increase in trade payables	56.60	82.65
Increase in other current liabilities	4.09	0.13
(Decrease)/Increase in other financial liabilities	(2.32)	0.73
Increase in provisions	-	0.10
(Purchase)/Sale (net) related to dealing in securities - refer note 3	(791.65)	-
Cash generated from operations	(663.28)	133.28
Add: Income tax refunds	34.13	17.93
Net cash flow from operating activities (A)	(629.15)	151.21
2 Cash flow from investing activities:		
Interest income from bonds/fixed deposit	16.05	5.36
Payments for acquisition of property, plant and equipment	(85.12)	(193.51)
Proceeds from sale of property, plant and equipment	0.46	0.71
(Payments) / Receipt for purchase / sale of investments in subsidiaries	-	(3.50)
Payments for purchase of investments	(681.15)	(598.98)
Proceeds from sale of investments	1,387.65	750.01
Invested in fixed deposits	(100.00)	(100.02)
Proceeds from fixed deposit redeemed	100.00	0.02
Net cash flow used in investing activities (B)	637.89	(139.91)

Hathway Digital Limited

Cash Flow Statement For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
3 Cash flow from financing activities		
Interest and finance charges	(0.00)*	-
Payment for distribution network rights	(5.00)	-
Repayments of loan to related party	-	(1.20)
Payment of lease liabilities	(0.86)	-
Net cash flow used in financing activities (C)	(5.87)	(1.20)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	2.87	10.10
Cash and cash equivalents at the beginning of the year	18.06	7.96
Cash and cash equivalents at the end of the year	20.93	18.06
Reconciliation of cash and cash equivalents as per the cash flow statement :		
Components of cash and cash equivalents		
Balances with banks:		
In current accounts	20.80	17.70
Cash in hand / cheque in hand	0.13	0.36
Balance as per the cash flow statement	20.93	18.06

* Amount less than ₹ 50,000/-

Notes to the cash flow statement

- The cash flow statement has been prepared using the Indirect method set out in Ind AS 7- statement of cash flows.
- The Company incurred an amount of ₹ 0.16 (March 31, 2023: ₹ 0.61), towards CSR expenditure for purposes other than construction / acquisition of any asset.
- Purchase/Sale related to dealing in securities are considered as operating activities.
- Changes in liabilities arising from financing activities :

Particulars	March 31, 2023	Net cash flow	Non cash changes	March 31, 2024
			Fair value changes	
Borrowings	5.12	(5.00)	5.71	5.83
Lease liabilities	-	(0.86)	10.02	9.16
Total liabilities from financing activities	5.12	(5.86)	15.73	14.99

As per our report of even date

For G. M. Kapadia & Co.

Chartered Accountants

Firm's Registration No : 104767W

For and on behalf of the Board of Directors

Manoj Dixit

Partner

Membership No : 121788

Dulal Banerjee

Director & Chief Executive Officer

DIN : 02455932

Ajay Singh

Non-Executive Director

DIN : 06899567

Dated : April 16, 2024

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DIN No : 07617184

Rajesh Sindhav

Chief Financial Officer

Niki Shah

Company Secretary and Compliance officer

Dated : April 16, 2024

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

Background

Hathway Digital Limited ("the Company") is a limited company domiciled in India and incorporated under the provisions of the companies act, 1956. The company is a wholly owned subsidiary of Hathway Cable and Datacom Limited (HCDL). The company is India's leading multi system operator ("MSO") providing digital cable television services pan India.

1.00 Material accounting policies

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

1.01 Basis of preparation

(i) Compliance with Ind AS

The 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.

Authorization of financial statements

The financial statements were approved for issue by board of directors on April 16, 2024

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date:

- certain financial assets and liabilities are measured at fair value; and
- defined benefit plans – fair value of plan assets less the present value of the defined benefit obligations

1.02 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the company's functional currency. All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores, except where otherwise indicated.

1.03 Current versus non-current classification

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.

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

1.04 Use of judgements, estimates & assumptions

While preparing 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 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 forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognised 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 assumptions and estimation uncertainties

- (i) Investment in mutual funds and fixed deposit with banks;
- (ii) Useful lives of Property, Plant and Equipment and intangible assets; (Refer note 1.06 and 1.07)
- (iii) Measurement of defined benefit obligations : Key actuarial assumptions;
- (iv) Evaluation of recoverability of deferred tax assets; (Refer note 2.06);
- (v) Contingencies (Refer note 4.02);
- (vi) Impairment test of tangible and intangible assets;
- (vii) Measurement of expected credit loss allowance for trade receivables and
- (viii) Impairment of goodwill

1.05 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if 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.

- (i) Property, plant and equipment (including capital work-in-progress) 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 condition 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.

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

- (iii) Access devices on hand at the year-end are included in capital work in progress. On installation, such devices are capitalized.
- (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.

Derecognition of property, plant & equipment

- (v) 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 & equipment

- (vii) Depreciation on property, plant & 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 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 available for use, (i.e. when such assets are in the location and condition necessary for such assets to be capable of operating in the manner intended by management) 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 (in ₹) are fully depreciated in the year of capitalisation.

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.

Recognition and measurement

Intangible assets comprises of cable television franchise, movie & serial rights, bandwidth rights, channel design, goodwill, distribution network rights and softwares. Cable television franchise represents purchase consideration of a network that is mainly attributable to acquisition of subscribers and other rights, permission etc. attached to a network.

Intangible assets with finite useful lives that are acquired are recognised 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.

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

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:

- Softwares are amortised over the license period and in absence of such tenor, over five years.
- Movie & serial rights are amortised on exploitation over the balance license period in equal installments.
- Bandwidth rights are amortised over the period of the underlying agreements.
- Cable television franchises are amortised over period of five to twenty years.
- Distribution network rights are amortised over 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.

1.07 Impairment of assets (other than financial assets)

Carrying amount of tangible assets, intangible assets, investments in subsidiaries, joint ventures and associate (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.

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

1.08 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 net realizable value, whichever is lower.

1.09 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.

1.10 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. Since trade receivables do not contain significant financing component they are measured at transaction price.

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.

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

Amortised cost:

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms 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:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

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.

Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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. The company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Classification and subsequent measurement: financial liabilities

The company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

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:

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.

Write off:

The gross carrying amount of a financial asset is written off when there no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

Derecognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Financial liability is also derecognised, when its terms are modified and the cash flows of the modified liability substantially different, in which case a new financial liability based on modified terms is recognised at fair value.

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.

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

1.11 Investment in subsidiaries and associate

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.

The company's investments in its subsidiaries and associate are accounted at cost and reviewed for impairment at each reporting date in accordance with the policy described in note 1.07 above.

1.12 Provisions and contingent liabilities

Provisions

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 liability

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

1.13 Employment benefits

(i) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

(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

Defined benefit plans

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 makes specified monthly contributions towards government administered provident fund scheme. 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 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.

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

1.14 Revenue from contracts with customers

(i) Revenue from sale of services and sale of products

The Company derives revenue primarily from MSO (Multi-System Operator) business comprising of Cable TV services including marketing and promotional income from placing channels of various broadcasters on MSO's platform and other related services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of promised products sold or services rendered to customers is net of variable consideration that reflects the consideration the company expects to receive in exchange for those products or services. Subscription income includes subscription from subscribers / cable operators relating to cable TV and is recognised on accrual basis based on underlying subscription plan or agreements.

a. Unbilled revenue represents the value of services rendered but not yet been invoiced on the reporting date due to contractual terms.

b. Activation fee and Installation fees on Set top boxes (STBs) is recognised on accrual basis based on underlying agreements.

c. Broadcaster incentive is recognised on accrual basis based on agreements with the broadcasters.

d. Marketing /Promotional income and advertisement income is recognised when relevant promotions/ advertisements get released/telecasted.

Goods and service tax (GST) collected on behalf of the government is excluded from revenue, as it is not an economic benefit to the company.

Trade receivables

A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier), which we refer to as unearned revenue. Contract liabilities are recognised as revenue when the company performs under the contract.

(ii) Other operating revenues

Other operating income comprises of fees for rendering management, technical and consultancy services. Income from such services is recognised upon satisfaction of performance obligations as per the terms of underlying agreements/arrangements with the concerned parties, when no significant uncertainties exist regarding the amount of consideration that will be derived.

(iii) Other operating income - dealing in securities segment

Income from dealing in securities comprises gains/losses from sale of securities measured at FVTPL and fair value changes of securities classified as FVTPL held by the company on the balance sheet date.

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

1.15 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.

1.16 Leases

As a lessee

The company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

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Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company uses incremental borrowing rate.

Short term leases and lease of low value assets

The company has elected not to recognise right of use assets and lease liability for leases of low value assets and short term leases. The company recognises the lease payments associated with these leases as an expense in profit and loss on a straight line basis over the lease term.

1.17 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

Preference shares

The Company's redeemable preference shares are classified as financial liabilities, because they bear non-cumulative dividends and are redeemable in cash by the holders. Non-cumulative dividends thereon are recognised as interest expense in profit or loss as accrued .

1.18 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.

Hathway Digital Limited

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(₹ in Crores unless otherwise stated)

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 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 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.

1.19 Segment reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with Profit or Loss in the financial statements.

- a) Segment revenue includes sales and other income directly attributable with allocable to segments including inter-segment revenue.
- b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment results. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- c) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- d) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liability represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

2.01 (a) Property, plant and equipment :

Particulars	Gross carrying amount				As at March 31, 2024	Accumulated depreciation / impairment				Net carrying amount		
	As at April 1, 2023	Addition	Disposal	Other adjustments #		As at April 1, 2023	For the Year	Elimination on disposal	Other adjustments #	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Right of use assets:												
Buildings	-	10.44	-	-	10.44	-	1.08	-	-	1.08	9.36	-
Own assets:												
Plant and equipment	1,530.77	102.50	9.89	-	1,623.38	979.28	146.90	8.82	-	1,117.36	506.02	551.49
Air conditioners	3.65	0.21	0.14	-	3.72	2.24	0.43	0.12	-	2.55	1.17	1.41
Structural fittings	0.62	0.13	0.03	-	0.72	0.41	0.06	0.02	-	0.45	0.27	0.21
Furniture & fixtures	9.00	0.39	0.21	-	9.18	5.80	0.77	0.13	-	6.44	2.74	3.20
Mobile & telephone	0.62	0.05	0.00*	-	0.67	0.50	0.05	0.00*	-	0.55	0.12	0.12
Computers	5.69	0.24	0.42	-	5.51	4.09	0.82	0.37	-	4.54	0.97	1.60
Office equipments	2.73	0.15	0.04	-	2.84	2.10	0.18	0.03	-	2.25	0.59	0.63
Electrical fittings	3.03	0.35	0.03	-	3.35	1.64	0.27	0.03	-	1.88	1.47	1.39
Motor vehicles	0.89	-	0.11	-	0.78	0.63	0.07	0.08	-	0.62	0.16	0.26
Movie master tapes	0.01	-	-	-	0.01	-	-	-	-	-	0.01	0.01
Total	1,557.01	114.46	10.87	-	1,660.60	996.69	150.63	9.60	-	1,137.72	522.88	560.32

Particulars	Gross carrying amount				As at March 31, 2023	Accumulated depreciation / impairment				Net carrying amount		
	As at April 1, 2022	Addition	Disposal	Other adjustments #		As at April 1, 2022	For the Year	Elimination on disposal	Other adjustments #	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Right of use assets:												
Buildings	3.88	-	3.88	-	-	3.88	-	3.88	-	-	-	-
Own assets:												
Plant and equipment	1,378.02	161.20	10.01	1.56	1,530.77	833.71	153.87	9.25	0.95	979.28	551.49	544.31
Air conditioners	3.31	0.42	0.08	-	3.65	1.92	0.39	0.07	-	2.24	1.41	1.39
Structural fittings	0.59	0.03	0.00*	-	0.62	0.37	0.04	-	-	0.41	0.21	0.22
Furniture & fixtures	8.82	0.18	0.00*	-	9.00	4.84	0.96	-	-	5.80	3.20	3.98
Mobile & telephone	0.61	0.01	-	-	0.62	0.44	0.06	-	-	0.50	0.12	0.17
Computers	5.08	0.62	0.00*	-	5.69	3.13	0.96	0.00*	-	4.09	1.60	1.95
Office equipments	2.49	0.24	-	-	2.73	1.86	0.24	-	-	2.10	0.63	0.63
Electrical fittings	2.68	0.35	0.00*	-	3.03	1.41	0.23	-	-	1.64	1.39	1.27
Motor vehicles	0.89	-	-	-	0.89	0.56	0.07	-	-	0.63	0.26	0.33
Movie master tapes	0.01	-	-	-	0.01	-	-	-	-	-	0.01	0.01
Total	1,406.38	163.05	13.98	1.56	1,557.01	852.12	156.82	13.20	0.95	996.69	560.32	554.26

* Amount less than ₹ 50,000

Acquisition through business combination (Refer Note 4.11)

Refer note no 4.03 for disclosure of contractual commitments for acquisition of property, plant and equipment.

Impairment provision is recognised in respect of distribution equipments on account of obsolescence and malfunction.

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Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

2.01 (b) Capital work in progress (CWIP)

(i) Aging schedule as at March 31, 2024:

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	7.52	-	-	-	7.52
Total	7.52	-	-	-	7.52

(ii) Aging schedule as at March 31, 2023:

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	20.30	-	-	-	20.30
Total	20.30	-	-	-	20.30

2.02 Intangible assets :

Particulars	Gross carrying amount					Accumulated amortisation / impairment					Net carrying amount	
	As at April 1, 2023	Addition	Disposal	Other adjustments #	As at March 31, 2024	As at April 1, 2023	For the Year	Elimination on disposal	Other adjustments #	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Goodwill	8.97	-	-	-	8.97	2.46	0.09	-	-	2.55	6.42	6.51
Cable television franchise	26.50	-	0.06	-	26.44	18.92	1.37	0.04	-	20.25	6.19	7.58
Movie & serial rights	18.93	1.34	-	-	20.27	12.22	6.62	-	-	18.84	1.43	6.71
Softwares	90.22	5.09	-	-	95.31	61.27	11.69	-	-	72.96	22.35	28.95
Bandwidth rights	17.42	-	-	-	17.42	8.70	1.46	-	-	10.16	7.26	8.72
Channel design	1.00	-	-	-	1.00	1.00	-	-	-	1.00	-	-
Distribution network rights	14.85	5.19	-	-	20.04	3.54	4.53	-	-	8.07	11.97	11.31
Total	177.89	11.62	0.06	-	189.45	108.11	25.76	0.04	-	133.83	55.61	69.78

Range of remaining period of amortisation as at March 31, 2024 of intangible assets is as below :

	0 to 5 years	6 to 10 years	10 to 15 years	Total
Cable television franchise	5.66	0.52	0.01	6.19
Movie & serial rights	1.43	-	-	1.43
Softwares	22.35	-	-	22.35
Bandwidth rights	6.35	0.91	-	7.26
Distribution network rights	11.97	-	-	11.97
Total	47.76	1.43	0.01	49.20

Particulars	Gross carrying amount					Accumulated amortisation / impairment					Net carrying amount	
	As at April 1, 2022	Addition	Disposal	Other adjustments #	As at March 31, 2023	As at April 1, 2022	For the Year	Elimination on disposal	Other adjustments #	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Goodwill	8.97	-	-	-	8.97	1.91	0.55	-	-	2.46	6.51	7.06
Cable television franchise	24.20	-	-	2.30	26.50	15.19	1.74	-	1.99	18.92	7.58	9.01
Movie & serial rights	42.56	11.40	35.03	-	18.93	38.37	8.87	35.02	-	12.22	6.71	4.19
Softwares	81.30	8.92	-	-	90.22	51.01	10.26	-	-	61.27	28.95	30.29
Bandwidth rights	17.42	-	-	-	17.42	7.25	1.45	-	-	8.70	8.72	10.17
Channel design	1.00	-	-	-	1.00	1.00	-	-	-	1.00	-	-
Distribution network rights	3.25	11.60	-	-	14.85	0.32	3.22	-	-	3.54	11.31	2.93
Total	178.70	31.92	35.03	2.30	177.89	115.05	26.09	35.02	1.99	108.11	69.78	63.65

Acquisition through business combination (Refer note 4.11)

The goodwill is attributable mainly to acquisition of cable TV network. None of the goodwill recognised is expected to be deductible for tax purpose.

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

2.03 Non-current investments	Face value	As at March 31, 2024		As at March 31, 2023	
	₹ Per unit	Quantity	Amount	Quantity	Amount
Investments (measured at cost)					
Unquoted (fully paid up)					
Investment in subsidiaries					
Hathway Bhaskar CCN Multi Entertainment Private Limited	10	5,10,000	3.20	5,10,000	3.20
Hathway Kokan Crystal Cable Network Limited	10	31,50,623	3.00	31,50,623	3.00
Less : Impairment in value of investment			6.20		6.20
Total (A)			0.00*		0.00*
Quoted (fully paid up)					
Investment in associates					
Hathway Bhawani Cable and Datacom Limited	10	21,60,000	2.46	21,60,000	2.46
Less : Impairment in value of investment			-		-
Total (B)			2.46		2.46
Total (A+B)			2.46		2.46
Aggregate amount of unquoted investments			6.20		6.20
Aggregate amount of impairment in value of investments			6.20		6.20
Aggregate amount of quoted investments			2.46		2.46
Market value of quoted investment			3.57		3.30

* Amount less than ₹ 50,000/-

2.04 Loans		Non Current		Current	
		As at March 31,	As at March 31,	As at March 31,	As at March 31,
		2024	2023	2024	2023
Loan to related parties					
Loan receivables considered good - unsecured					
Loan receivables - credit impaired		6.09	6.09	-	-
Less: Loss Allowance		6.09	6.09	-	-
	(A)	-	-	-	-
Other loans					
Loan receivables - credit impaired		0.28	0.28	-	-
Less: loss allowance		0.28	0.28	-	-
	(B)	-	-	-	-
Total (A+B)		-	-	-	-

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.

Further information about these loans is set out in note no. 4.08 and 4.14. These financial assets are carried at amortised cost.

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

2.04.1 Loans or advances in the nature of loans to promoters, directors, KMPs and the related parties

Particulars	As at March 31,	% to the total loans and advances	As at March 31,	% to the total loans and advances
	2024		2023	
Related parties *	6.09	95.65%	6.09	95.65%
Total	6.09	95.65%	6.09	95.65%

* All the above loans and advances are repayable on demand

2.05 Other financial assets	Non-Current		Current	
	As at March 31,	As at March 31,	As at March 31,	As at March 31,
	2024	2023	2024	2023
Security deposits				
Considered good - unsecured	8.89	10.38	3.29	5.16
Credit impaired	4.25	4.25	-	-
	13.14	14.63	3.29	5.16
Less: loss allowance	4.25	4.25	-	-
	8.89	10.38	3.29	5.16
Accrued interest on deposits with bank	-	-	3.17	10.38
Total	8.89	10.38	6.46	15.54

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.

2.06 Deferred tax assets (net) *	As at March 31,	As at March 31,
	2024	2023
The balance comprises of temporary differences attributable to -		
Deferred tax assets in relation to :		
Property, plant & equipment	73.19	69.70
Business loss	60.61	81.90
Lease liabilities	2.30	-
Others	119.91	119.86
(A)	256.01	271.46
Deferred tax liabilities in relation to :		
Right of use assets	2.36	-
Others	2.12	6.19
(B)	4.48	6.19
Net deferred tax assets (A-B)	251.53	265.27

Significant estimates

* The deferred tax assets recognised is mainly in respect of unabsorbed depreciation allowance and brought forward losses available for set off in terms of applicable tax laws. The Management is reasonably certain of future taxable income and hence recovery of recognised deferred tax assets.

The movement in deferred tax asset during the year ended March 31, 2024 :

Particular	As at March 31, 2023	(Charged) / Credited in Profit / (Loss)	(Charged) / Credited in other comprehensive income	Recognised directly in equity	As at March 31, 2024
Deferred tax assets in relation to :					
Property, plant & equipment	69.70	3.49	-	-	73.19
Business loss	81.90	(21.29)	-	-	60.61
Lease liabilities	-	2.30	-	-	2.30
Debt instrument through OCI	-	-	-	(1.70)	(1.70)
Others	119.86	1.86	(0.11)	-	121.61
(A)	271.46	(13.64)	(0.11)	(1.70)	256.01
Deferred tax liabilities in relation to :					
Right of use assets	-	2.36	-	-	2.36
Others	6.19	(4.07)	-	-	2.12
(B)	6.19	(1.71)	-	-	4.48
Net deferred tax assets (A-B)	265.27	(11.93)	(0.11)	(1.70)	251.53

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

2.07 Other assets	Non-Current		Current	
	As at March 31,	As at March 31,	As at March 31,	As at March 31,
	2024	2023	2024	2023
Capital advances				
Unsecured, considered good unless stated otherwise				
Advance to suppliers *	5.05	4.50	-	-
Doubtful - Network Acquisitions	0.03	0.03	-	-
Doubtful - Advance to suppliers	0.59	0.53	-	-
	5.67	5.06	-	-
Less: allowance for bad & doubtful advances	0.62	0.56	-	-
	5.05	4.50	-	-
Advances other than capital advances				
Unsecured, considered good unless stated otherwise				
Balance with government authorities:				
GST recoverable	-	-	64.92	53.65
Balance with other statutory authorities	0.67	0.67	-	-
Advance income tax (net of provision)	4.82	32.70	-	-
Deposit paid under protest	11.20	10.68	-	-
Others				
Prepayments	0.07	0.30	5.58	6.06
Staff advances	-	-	0.04	0.16
Sundry advances	-	-	1.23	1.14
Doubtful balance with government authorities	6.18	6.18	-	-
Doubtful sundry advances	2.02	2.07	-	-
	24.96	52.60	71.77	61.01
Less: allowance for bad & doubtful advances	8.20	8.25	-	-
	16.76	44.35	71.77	61.01
Total (A+B)	21.81	48.85	71.77	61.01
* Capital advance includes ₹ 4.29 advance given for acquisition of land at haryana. The title of this immovable property is yet to be transferred in the name of the company. The management is hopeful of completing the transaction in near future.				
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.				

2.08 Inventories	Current	
	As at March 31,	As at March 31,
	2024	2023
Stock of spares & maintenance items*	0.39	0.95
Total	0.39	0.95

*valued at lower of cost (net of taxes recoverable) on first in first out basis and net realizable value.

2.09 Current investments	Current	
	As at March 31,	As at March 31,
	2024	2023
Investments at fair value through profit or loss - unquoted		
Investment in debt - mutual funds	800.55	100.28
Investments at fair value through other comprehensive income - unquoted		
Investment in debt - mutual funds	-	360.98
Investment in bonds	-	198.98
Total current investments	800.55	660.24
Aggregate amount of unquoted investments	800.55	660.24

Impairment in the value of investments - ₹ nil.

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

2.10 Trade receivables	Current	
	As at March 31,	As at March 31,
	2024	2023
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	113.35	118.14
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	462.71	462.72
	576.06	580.86
Less : loss allowance	462.71	462.72
	113.35	118.14
Unbilled revenue	68.56	25.23
Total	181.91	143.37

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.

2.10.1 Trade receivables ageing as at March 31, 2024

Particulars	Unbilled revenue	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	68.56	72.74	33.10	7.51	-	-	-	181.91
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(ii) Undisputed trade receivables - credit impaired	-	-	0.01	4.33	12.02	19.94	426.41	462.71
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	68.56	72.74	33.11	11.84	12.02	19.94	426.41	644.62

2.10.2 Trade receivables ageing as at March 31, 2023

Particulars	Unbilled revenue	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	25.23	1.47	116.67	-	-	-	-	143.37
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(ii) Undisputed trade receivables - credit impaired	-	-	2.50	7.63	21.76	36.26	394.57	462.72
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	25.23	1.47	119.17	7.63	21.76	36.26	394.57	606.09

Of the above, trade receivables from related parties are as below:

Particulars	As at March 31,	As at March 31,
	2024	2023
Trade receivable due from related parties	54.17	61.30
Unbilled revenue	1.69	2.85
Less: allowances	31.64	29.96
Total	24.22	34.19

2.11 Cash and cash equivalents	Current	
	As at March 31,	As at March 31,
	2024	2023
Cash & cash equivalents		
Balances with banks:		
In current accounts	20.80	17.70
Cash in hand	0.13	0.36
	20.93	18.06

2.12 Bank balances other than cash and cash equivalents	Current	
	As at March 31,	As at March 31,
	2024	2023
Margin money deposit*	100.12	100.12
	100.12	100.12

* Marked under lien in favour of banks for security against credit facility availed by the company and other tax purposes.

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Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

2.13 Share capital	As at March 31,	As at March 31,
	2024	2023
Authorised capital		
622,370,000 (March, 31, 2023: 622,370,000) Equity shares of face value of ₹ 10 Each	622.37	622.37
51,020 Non cumulative redeemable preference shares of face value of ₹ 10 each (March 31, 2023 : 51,020 Preference shares of face value of ₹ 10 each)*	0.05	0.05
Total	622.42	622.42
Issued, subscribed and paid up capital		
355,734,833 Equity Shares of face value of ₹10 each fully paid up (March 31, 2023 : 355,734,833 Equity Shares of ₹ 10 each)	355.73	355.73
Total	355.73	355.73

* 51,020 Non cumulative redeemable preference shares of face value of ₹ 10 each (total face value of ₹ 0.05) have been issued and are classified as financial liability (refer note 2.16)

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

	As at March 31,		As at March 31,	
	2024		2023	
	Number	Amount	Number	Amount
Equity shares of Rs. 10 each				
Shares outstanding at the beginning of the year	35,57,34,833	355.73	35,57,34,833	355.73
Movement during the year	-	-	-	-
Shares outstanding at the end of the year	35,57,34,833	355.73	35,57,34,833	355.73

b) 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 :

	As at March 31,	As at March 31,
	2024	2023
	No. of shares held	No. of shares held
Equity shares of Rs. 10 each		
Hathway Cable and Datacom Limited- Holding Company*	35,57,34,833	35,57,34,833

* Including 6 Equity Shares held by 6 nominee shareholders of Hathway Cable and Datacom Limited

c) The details of shareholders holding more than 5% shares in the company:

Name of shareholder	As at March 31,		As at March 31,	
	2024		2023	
	Number	% of Holding	Number	% of Holding
Equity shares of Rs. 10 each				
Hathway Cable and Datacom Limited- Holding Company*	35,57,34,833	100.00	35,57,34,833	100.00

* Including 6 equity shares held by 6 nominee shareholders of Hathway Cable and Datacom Limited

d) Shareholding of promoter as at March 31, 2024

Sr. no.	Class of equity share	Promoter's name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
1	Fully paid-up equity shares of Rs. 10 each	Hathway Cable and Datacom Limited- Holding Company*	35,57,34,833	-	35,57,34,833	100.00	-

* Including 6 equity shares held by 6 nominee shareholders of Hathway Cable and Datacom Limited

Shareholding of promoter as at March 31, 2023

Sr. no.	Class of equity share	Promoter's name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
1	Fully paid-up equity shares of Rs. 10 each	Hathway Cable and Datacom Limited- Holding Company*	35,57,34,833	-	35,57,34,833	100.00	-

* Including 6 equity shares held by 6 nominee shareholders of Hathway Cable and Datacom Limited

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

e) 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 Rs.10/- (March 31, 2023 : Rs.10/-) 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.

2.14 Instruments entirely equity in nature	As at March 31,	As at March 31,
	2024	2023
Authorised capital 1,800,210,000 (March, 31, 2023: 1,800,210,000) Preference shares of face value of ₹ 10 each	1,800.21	1,800.21
Total	1,800.21	1,800.21
Issued, subscribed and paid up capital 1,000,000,000 (March, 31, 2023: 1,000,000,000) Preference Shares of face value of ₹ 10 each 800,000,000 (March, 31, 2023: 800,000,000) Preference Shares of face value of ₹ 10 each	1,000.00 800.00	1,000.00 800.00
Total	1,800.00	1,800.00

(A) 0.01% Non cumulative optionally convertible preference shares ("OCPS-Series-I") of Rs. 10 each, fully paid-up

a) The reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Preference shares at the beginning of the year	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
Preference shares at the end of the year	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00

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

	As at March 31,	As at March 31,
	2024	2023
	No. of Shares Held	No. of Shares Held
0.01% Non cumulative optionally convertible preference shares ("OCPS-Series-I") of Rs. 10 each Hathway Cable and Datacom Limited- Holding Company	1,00,00,00,000	1,00,00,00,000

c) The details of shareholders holding more than 5% shares in the Company:

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	Number	% of Holding	Number	% of Holding
0.01% Non cumulative optionally convertible preference shares ("OCPS-Series-I") of Rs. 10 each Hathway Cable and Datacom Limited- Holding Company	1,00,00,00,000	100.00	1,00,00,00,000	100.00

d) Shareholding of promoter as at March 31, 2024

Sr. no.	Class of equity share	Promoter's name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
1	0.01% Non cumulative optionally convertible preference shares ("OCPS-Series-I") of Rs. 10 each	Hathway Cable and Datacom Limited- Holding Company	1,00,00,00,000	-	1,00,00,00,000	100.00	-

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Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

Shareholding of promoter as at March 31, 2023

Sr. no.	Class of equity share	Promoter's name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
1	0.01% Non cumulative optionally convertible preference shares ("OCPS-Series-I") of Rs. 10 each	Hathway Cable and Datacom Limited-Holding Company	1,00,00,00,000	-	1,00,00,00,000	100	-

e) Terms/ rights attached to preference shares:

The amount subscribed/paid on each OCPS are either redeemable at Rs. 10 or convertible into 1 (one) equity share of Rs. 10 each at any time at the option of the company, but not later than 10 years from the date of allotment of the OCPS (i.e. 29th October, 2020).

(B) 0.01% Non cumulative optionally convertible preference shares ("OCPS-Series-II") of Rs. 10 each, fully paid-up

a) The reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Preference shares at the beginning of the year	80,00,00,000	800.00	80,00,00,000	800.00
Preference shares at the end of the year	80,00,00,000	800.00	80,00,00,000	800.00

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

	As at March 31,	As at March 31,
	2024	2023
	No. of shares held	No. of shares held
0.01% Non cumulative optionally convertible preference shares ("OCPS-Series-II") of Rs. 10 each		
Hathway Cable and Datacom Limited- Holding Company	80,00,00,000	80,00,00,000

c) The details of shareholders holding more than 5% shares in the company:

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number	% of Holding	Number	% of Holding
0.01% Non cumulative optionally convertible preference shares ("OCPS-Series-II") of Rs. 10 each				
Hathway Cable and Datacom Limited- Holding Company	80,00,00,000	100.00	80,00,00,000	100.00

d) Shareholding of promoter as at March 31, 2024

Sr. no.	Class of equity share	Promoter's name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
1	0.01% Non cumulative optionally convertible preference shares ("OCPS-Series-II") of Rs. 10 each	Hathway Cable and Datacom Limited-Holding Company	80,00,00,000	-	80,00,00,000	100.00	-

Shareholding of Promoter As at March 31, 2023

Sr. no.	Class of equity share	Promoter's name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
1	0.01% Non cumulative optionally convertible preference shares ("OCPS-Series-II") of Rs. 10 each	Hathway Cable and Datacom Limited-Holding Company	80,00,00,000	-	80,00,00,000	100	-

e) Terms/ rights attached to preference shares:

The amount subscribed/paid on each OCPS are either redeemable at Rs. 10 or convertible into 1 (one) equity share of Rs. 10 each at any time at the option of the company, but not later than 10 years from the date of allotment of the OCPS (i.e. 12th November, 2020).

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

2.15 Other equity	As at March 31,	As at March 31,
	2024	2023
Reserves and surplus		
General reserve	3.15	3.15
Retained earnings	(698.87)	(696.24)
Securities premium	94.23	94.23
Capital reserve	46.03	46.03
Other comprehensive income		
Debt Instruments through OCI	-	(6.43)
Total	(555.46)	(559.26)

Nature and purpose of other reserves

- (a) General reserve:
The company had not transferred any amount to general reserve during the year however a portion of net profit of the company transferred to general reserve in earlier year/s pursuant to earlier provisions of the companies act, 1956
- (b) Retained earnings :
Retained earnings are the losses that the company has incurred till date.
- (c) Securities premium :
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the act.
- (d) Capital reserve :
Capital reserve represents
i) recognition of equity component included in preference shares issued to holding company.
ii) recognised on giving effect to scheme of merger of twenty two wholly owned subsidiaries and business combination of wholly owned subsidiary referred to in note 4.15 and 4.11
- (e) Debt Instrument through OCI:
This comprises changes in the fair value of debt instruments recognised in other comprehensive income and accumulated within equity. The company transfers amounts from such component of Equity to statement of profit and loss when the relevant debt Instruments are derecognised.

2.16 Borrowings	Non Current		Current	
	As at March 31,	As at March 31,	As at March 31,	As at March 31,
	2024	2023	2024	2023
Unsecured				
Deferred payment liabilities	2.30	3.35	3.48	1.72
Redeemable preference shares*	0.05	0.05	-	-
	2.35	3.40	3.48	1.72

* 5% Non- cumulative redeemable preference shares (face value Rs. 10 each) redeemable at par on April 30, 2028.

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

2.17 Other financial liabilities	Non-Current		Current	
	As at March 31,	As at March 31,	As at March 31,	As at March 31,
	2024	2023	2024	2023
Security deposits	0.42	0.41	-	-
Salary and employee benefits payable	-	-	5.44	4.84
Payable on acquisition of property, plant and equipment :				
-Micro and small	-	-	0.87	1.64
-Others	-	-	25.93	13.00
Other financial liabilities :				
-Micro and small	-	-	0.32	0.23
-Others	-	-	16.27	18.39
Total	0.42	0.41	48.83	38.10

2.18 Provisions	Non-Current		Current	
	As at March 31,	As at March 31,	As at March 31,	As at March 31,
	2024	2023	2024	2023
Employee benefits				
Provision for compensated absences (unfunded)	1.85	1.77	0.18	0.11
Provision for bonus (unfunded)	-	-	0.05	0.05
Total	1.85	1.77	0.23	0.16

2.19 Other liabilities	Non-Current		Current	
	As at March 31,	As at March 31,	As at March 31,	As at March 31,
	2024	2023	2024	2023
Contract liability	-	-	8.22	8.19
Statutory payables	-	-	44.22	37.72
Gratuity (funded)	2.97	3.26	0.50	0.17
Other liabilities	-	0.00*	4.23	6.66
Total	2.97	3.26	57.17	52.74

* Amount less than ₹ 50,000

2.20 Trade payables	As at March 31,	As at March 31,
	2024	2023
Total outstanding dues of micro enterprises and small enterprises	0.56	0.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	325.53	278.50
	326.09	278.62

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

2.20.1 Trade payables aging as at March 31, 2024

Particulars	Unbilled due	Not due	Outstanding from due date				Total
			< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	-	0.56	-	-	-	-	0.56
(ii) Others	128.46	-	189.61	5.44	0.12	1.42	325.05
(iii) Disputed dues- others	0.09	-	-	-	-	0.39	0.48
Total	128.55	0.56	189.61	5.44	0.12	1.81	326.09

2.20.2 Trade payables aging as at March 31, 2023

Particulars	Unbilled due	Not due	Outstanding from due date				Total
			< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	-	0.12	-	-	-	-	0.12
(ii) Others	123.22	-	149.36	0.46	0.17	4.66	277.87
(iii) Disputed dues- others	0.24	-	-	-	0.09	0.30	0.63
Total	123.46	0.12	149.36	0.46	0.26	4.96	278.62

3.01 Revenue from operations	Year ended March 31,	Year ended March 31,
	2024	2023
Sale of services	1,340.16	1,207.64
Other operating revenues	1.05	1.18
Other operating revenues - dealing in securities	8.90	-
Total	1,350.11	1,208.82

3.02 Other income	Year ended March 31,	Year ended March 31,
	2024	2023
Interest income earned on financial assets measured at amortised cost:		
Bank deposits	7.39	2.65
Unwinding Interest on financial assets	0.06	-
On financial assets measured at fair value through other comprehensive income :		
Interest income measured at fair value through OCI:		
Interest on bonds	1.44	10.12
Interest on debt fund	21.64	23.59
Other non - operating income:		
Interest on income tax refund	4.71	1.36
Amount no longer payable written back	9.13	6.24
Miscellaneous income	0.00*	0.01
Other gains and losses		
Fair value changes on investments classified at FVTPL	20.37	8.22
Net gain on sale of investments measured at FVTOCI	(3.87)	(1.27)
Gain on disposal of property, plant and equipment (net)	0.25	0.18
Total	61.12	51.10

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

3.03 Other operational expenses	Year ended March 31,	Year ended March 31,
	2024	2023
Bandwidth & lease line cost	50.68	53.29
Commission	48.02	46.91
Repairs & maintenance (plant & machinery)	15.74	16.61
Consultancy & technical fees	19.60	15.55
Lease expense	14.01	15.29
Other sundry operational cost	7.67	10.84
Software & programming cost	3.83	10.79
Hire charges	2.97	2.76
Freight & octroi charges	1.68	2.43
Feed charges	1.00	1.03
Total	165.20	175.50

3.04 Employee benefits expense	Year ended March 31,	Year ended March 31,
	2024	2023
Salaries & bonus	36.18	40.65
Contribution to provident and other funds	2.30	2.53
Expenditure related to compensated absences	0.53	0.33
Staff welfare expenses	2.26	3.05
Total	41.27	46.56

3.05 Finance cost	Year ended March 31,	Year ended March 31,
	2024	2023
Interest and finance charges on financial liabilities	0.00*	-
Interest expense on deferred payment liabilities	0.52	0.19
Finance charges on leases Liabilities	0.32	-
Interest on overdraft / cash credit	0.00*	-
Total	0.84	0.19

* Amount Less than ₹ 50,000/-

3.06 Depreciation, amortisation and impairment	Year ended March 31,	Year ended March 31,
	2024	2023
Depreciation of property, plant and equipment	97.36	106.54
Amortisation of intangible assets	24.96	24.32
Depreciation on right of use asset	1.08	-
Impairment of property, plant and equipment	52.19	50.28
Impairment of other intangible assets	0.80	1.77
Total	176.39	182.91

Hathway Digital Limited

Notes to Financial Statements for the year ended March 31, 2024

(₹ in Crores unless otherwise stated)

3.07 Other expenses	Year ended March 31,	Year ended March 31,
	2024	2023
Service charges	62.21	64.00
Bad debts	0.01	-
Less: Transfer from allowance on doubtful debts (expected credit loss)	(0.01)	-
	-	-
Electricity expenses	15.16	15.20
Expenses related to short term leases	5.71	6.68
Office expenses	5.23	6.53
Travelling & conveyance	2.86	4.40
Repairs & maintenance (others)	4.34	3.08
Legal & professional charges	2.88	2.83
Advertisement & promotion expenses	0.78	1.99
Bank charges	0.87	1.01
Business promotion expenses	0.60	0.87
Communication charges	0.56	0.84
Loss on disposal / shortage of assets	1.00	0.71
Printing & stationery	0.64	0.63
Expenditure on corporate social responsibility (Refer Note 4.17)	0.16	0.61
Rates & taxes	0.84	0.57
Miscellaneous expenses	0.55	0.44
Insurance charges	0.32	0.41
Net loss on foreign currency translation	0.06	0.08
Interest on taxes	0.07	0.04
Advances written off	-	0.01
Auditor's remuneration		
- Statutory audit fees	0.51	0.51
- Tax audit fees	0.08	0.08
- Limited review & certification fees	0.13	0.13
	105.56	111.65
3.08 Exceptional items	Year ended March 31,	Year ended March 31,
	2024	2023
Impairment of investments in subsidiary	-	2.88
	-	2.88

Hathway Digital Limited

Notes To The Financial Statements For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

4.01 Earnings/(loss) per share

	Year ended March 31,	
	2024	2023
Basic earnings/(loss) per share (in ₹)		
Attributable to equity holders of the company	(0.08)	(0.34)
Diluted earnings/(loss) per share (in ₹)		
Attributable to equity holders of the company	(0.01)	(0.06)
Nominal value of ordinary shares (amount in ₹)	10.00	10.00
Reconciliation of earnings/(loss) used in calculating earnings per share :		
Basic earnings/(loss) per share		
Loss attributable to equity holders of the Company used in calculating basic earnings/(loss) per share	(2.95)	(12.17)
Diluted earnings/(loss) per share		
Loss attributable to equity holders of the Company used in calculating diluted earnings/(loss) per share	(2.95)	(12.17)
Weighted average number of shares used as the denominator in calculating basic earnings per share	35,57,34,833	35,57,34,833
Weighted average number of shares used as the denominator in calculating diluted earnings per share	2,15,57,34,833	2,15,57,34,833

4.02 Contingent liabilities

- In the state of Telangana, VAT authorities have considered Set top boxes deployed as sale and raised demand of ₹ 18.05 (March 31, 2023 : ₹ 18.05). The authorities have also levied penalty @ 100% of demand without giving an opportunity of hearing. The Company has deposited 50% of the amount demanded and filed an appeal with the Tribunal. The matter is still pending before the Tribunal.
- Entertainment Tax Officer, Pune has raised demand for Entertainment Tax on secondary points up to October, 2014 amounting to ₹ 4.57 (March 31, 2023 : ₹ 4.57) Writ petition has been filed before the Bombay High Court challenging the demand. Another writ petition has also been filed challenging the constitutional validity, enforceability and legality of the amendment in the Maharashtra Entertainments Duty Act, 1923 brought about w.e.f June 25, 2014.
- Karnataka VAT Department has reassessed VAT liabilities for the financial Years 2011-12 to 2015-16 stating that the amount realized as activation charges is sale of STBs and liable to VAT. The total tax liability is determined at ₹ 25.45 (March 31, 2023 : ₹ 25.45). The honourable High Court has admitted the writ petitions and has granted an order of stay over recovery of taxes.
- In respect of Show cause notice issued by Addl. Director General DRI, Lucknow Unit dated December 30, 2020, the company has received an order dated March 23, 2023 from Commissioner (Imports), ACC, Mumbai. As per said order, the company had imported Smart Cards with wrong classification under Customs tariffs, resulting in demand of additional Import Duty, Cess of ₹ 12.21 (March 31, 2023 : ₹ 12.21). The company has filed an appeal against said order with CESTAT.

e) Claims against the company, other than those stated above, not acknowledged as debts are as under:

Matters with	As at March 31,	
	2024	2023
Entertainment Tax	10.01	8.11
Income Tax	4.25	6.19
GST/VAT/Commercial Tax	4.02	3.87
Custom Duty	5.63	5.63
Operators & Others	4.79	4.79
Service Tax	0.64	0.64
Other Statutory Departments	0.29	0.29
Total	29.63	29.52

Pursuant to Business Transfer Agreement dated March 24, 2017, the Company has purchased Cable Television business, which inter alia includes claims against the Company not acknowledged as debts, by way of slump sale from its holding Company Hathway Cable and Datacom Limited (HCDL). Accordingly, the details of such claims, litigation etc. relating to Cable Television business received from HCDL are disclosed herein above.

Hathway Digital Limited

Notes To The Financial Statements For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

Note on pending litigations

The Company's pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements. The company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

f) Foreseeable losses

The Company has a process whereby periodically all long term 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 has been made in the books of account.

4.03 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 ₹ 76.84 (March 31, 2023: ₹ 124.20).

4.04 Employee benefits

a) Defined Benefit Plans:

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees, as governed by the Payment of Gratuity Act, 1972 (Gratuity Act). 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. Vesting occurs upon completion of five continuous years of service as governed by the Gratuity Act.

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.

The gratuity plan is administered by a single gratuity fund that is legally separated from the company. The Company expects to pay ₹ 1.04 in contribution to defined benefit plans in financial year 2024-25.

Particulars	Gratuity	
	March 31,	
	2024	2023
1 Expense recognized in the statement of profit and loss		
Current Service Cost	0.54	0.55
Net Interest	0.24	0.22
Expense recognized in the statement of profit and loss	0.78	0.77
2 Other comprehensive income (OCI)		
Measurement of net defined benefit liability		
Actuarial (gains)/ losses arising from changes in demographic assumptions	-	0.04
Actuarial (gains)/ losses arising from changes in financial assumption	0.02	(0.11)
Actuarial (gains)/ losses arising from experience adjustments	(0.41)	(0.02)
Return on plan asset excluding net interest	(0.04)	(0.01)
Total actuarial (gain)/loss recognised in OCI	(0.43)	(0.10)
3 Change in benefit obligations:		
Projected benefit obligations at beginning of the year	4.11	3.81
Current service cost	0.54	0.55
Interest cost	0.27	0.23
Benefits paid	(0.51)	(0.39)
Actuarial (gain) / loss		
Actuarial (gains)/ losses arising from changes in demographic assumptions	-	0.04
Actuarial (gains)/ losses arising from changes in financial assumption	0.02	(0.11)
Actuarial (gains)/ losses arising from experience adjustments	(0.41)	(0.02)
Projected benefit obligations at end of the year	4.02	4.11

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Notes To The Financial Statements For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

Particulars	Gratuity	
	March 31,	
	2024	2023
4 Fair value of plan assets		
Opening fair value of plan asset	0.68	0.49
Actual return on plan assets less interest on plan assets	0.04	0.01
Interest income	0.03	0.02
Contributions by employer	0.30	0.55
Benefits paid	(0.51)	(0.39)
Assets acquired / (settled)	-	-
Closing fair value of plan assets	0.54	0.68
5 The net liability disclosed above relates to funded plans are as follows :		
Projected benefit obligations at end of the year	4.02	4.11
Fair value of plan asset at the end of the year	0.54	0.68
Deficit of gratuity plan	3.48	3.43
6 Sensitivity analysis		
Present value of benefit obligation at the end of the year on		
0.50 % point increase in discount rate	3.93	4.02
0.50 % point decrease in discount rate	4.10	4.21
0.50 % point increase in rate of salary rate	4.10	4.21
0.50 % point decrease in rate of salary rate	3.93	4.02
1.00 % point increase in attrition rate	4.03	4.12
1.00 % point decrease in attrition rate	4.01	4.10
10.00 % point increase in mortality rate	4.02	4.11
10.00 % point decrease in mortality rate	4.02	4.11
7 Principal assumptions used for the purpose of actuarial valuation		
Mortality	IALM (2012-14) Ult	IALM (2012-14) Ult
Interest /discount rate	7.20%	7.30%
Rate of increase in compensation	5.00%	5.00%
Expected average remaining service	4.22	4.36
Employee attrition rate - past service(PS)	13%	13%
8 Investment Details		
Insurer managed funds	100.00%	100.00%

Weighted average duration of the plan (based on discounted cash flows using interest rate, mortality and withdrawal) is 4.21 years. (March 31, 2023 : 4.56 years)

Expected future benefit payments

The following benefits payments, for each of the next ten years and more thereafter, are expected to be paid:

Maturity profile	Expected benefit payment
Expected benefits for year 1	1.04
Expected benefits for year 2	0.60
Expected benefits for year 3	0.58
Expected benefits for year 4	0.45
Expected benefits for year 5	0.52
Expected benefits for year 6	0.49
Expected benefits for year 7	0.46
Expected benefits for year 8	0.33
Expected benefits for year 9	0.17
Expected benefits for year 10 and above	1.07

Risk exposure and asset liability matching :

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

Liability risks:

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 move net liability unfavourably.

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Notes To The Financial Statements For The Year Ended March 31, 2024

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Interest rate 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 -

There is no longevity risk to the company in respect of post-retirement mortality. However, the demographic risk of attrition being different from what has been assumed still remains with the company.

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.

b) Defined contribution plans:

The Company contributes towards Provident fund and Other defined benefits contribution plans 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 Total expenses recognised in the statement of Profit and Loss is ₹ 1.52 (March 31, 2023: ₹ 1.77) represents contribution payable to these plans by the Company at the rates specified in the rules of plan.

4.05 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As at 31 March 2024, MCA has not notified any new standards or amendments to the existing standards which are applicable to the Company.

4.06 Leases

(a) Lessee

1 The company's lease asset primarily consist of leases for office space having various lease terms.

2 The following is the carrying value of lease liability :

Particulars	Year ended March 31,	
	2024	2023
Opening balance of lease liability	-	-
Additions during the year	9.69	-
Finance cost accrued during the year	0.32	-
Payment of lease liabilities during the year	0.86	-
Closing balance of lease liability	9.15	-
Current portion of lease liability	2.29	-
Non-current portion of lease liability	6.87	-
Total	9.15	-

3 Short term leases accounted in the statement of profit and loss is ₹ 22.69 (March 31, 2023 ₹ 24.73).

4 Cash outflow for short term leases is ₹ 22.69 (March 31, 2022 ₹ 24.73).

5 The maturity analysis of lease liabilities are disclosed in note no. 4.09. The company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Hathway Digital Limited

Notes To The Financial Statements For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

- 6 No future lease payments which will start from April 1, 2024.
- 7 Certain lease agreements are subject to escalation clause and with extension of lease term options.

(b) Lessor

The right to use granted to subsidiaries/joint venture/associate/subscribers and others in respect of Access devices are not classified as lease transactions as the same are not for an agreed period of time.

4.07 Capital management

The company's financial strategy aims to support its enterprise priorities and to maintain an optimal capital structure so as to provide adequate capital to its businesses for growth and create sustainable stakeholder value. For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The principal source of funding of the Company is expected to be cash generated from its operations supplemented by funding from its holding company by way of equity or debt.

Consequent to such capital structure, the Company is not subject to any externally imposed capital requirements.

4.08 Financial instruments

(i) Methods & assumption used to estimates 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:

- a) The carrying amounts of receivables and payables which are short term in nature such as loans to related party, trade receivables, security deposits, other bank balances, security deposits taken, borrowings, trade payables, payables for acquisition of non- current assets and cash and cash equivalents are considered to be the same as their fair values.
- b) The fair values for long term security deposits is calculated based on discounted cash flows method. 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 non-current borrowings is based on discounted cash flows method. 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,		As at March 31,	
	2024		2023	
	Carrying values	Fair value	Carrying values	Fair value
Financial assets				
Measured at amortised cost				
Trade receivables	181.91	181.91	143.37	143.37
Loans	-	-	-	-
Cash and bank balances	121.05	121.05	118.18	118.18
Other financial assets	15.35	15.35	25.92	25.92
Total (A)	318.31	318.31	287.47	287.47

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Notes To The Financial Statements For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

Particulars	As at March 31,		As at March 31,	
	2024		2023	
	Carrying values	Fair value	Carrying values	Fair value
Measured at fair value through profit or loss				
Investment in mutual funds	-	-	100.28	100.28
Investment in mutual funds - dealing in securities	800.55	800.55	-	-
Measured at fair value through other comprehensive income				
Investment in mutual funds	-	-	360.98	360.98
Investment in bonds	-	-	198.98	198.98
Total (B)	800.55	800.55	660.24	660.24
Total financial assets (A+B)	1,118.86	1,118.86	947.71	947.71
Financial liabilities				
Measured at amortised cost				
Borrowings	5.83	5.83	5.12	5.12
Lease liabilities	9.16	9.16	-	-
Trade payables	326.09	326.09	278.62	278.62
Other financial liabilities	49.25	49.25	38.51	38.51
Total financial liabilities	390.33	390.33	322.25	322.25

Level wise disclosure of financial instruments

Particulars	As at March 31,		Level	Valuation techniques and key inputs
	2024	2023		
Investment in mutual funds	-	461.27	1	Closing Net Asset Value from Mutual Funds
Investment in mutual funds - dealing in securities	800.55	-	1	Closing Net Asset Value from Mutual Funds
investment in bonds	-	198.98	2	Quote from Rating Agency

4.09 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 the Company expose it to financial risks namely Credit risk, Liquidity risk and Market risk .

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 and loans given.

Trade receivables, Loans given and Contract Assets

The Company's major revenue streams arises from services provided to end use customers in the form of monthly subscription income and receivables from broadcasters for marketing & promotional income and incentive. 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. In case of receivables and unbilled revenue from the broadcasters for marketing & promotional income and incentive, as there is no independent credit rating of the broadcasters available with the Company, the management reviews the credit-worthiness of the broadcasters based on their financial position, past experience and other factors.

The Trade Receivables includes amount due from disconnected / inactive customers / LCOs with whom no inter-connect documents have been executed and outstanding in excess of one year. The Company is taking adequate steps for recovery of overdue debts and advances and wherever necessary, adequate provisions as per expected credit loss model have been made.

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 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.

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Notes To The Financial Statements For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

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

Particulars	Amount
As at March 31, 2022	469.61
Add: Provided during the year	0.23
Less: Amounts written off	-
Less: Reversals of provision	7.12
As at March 31, 2023	462.72
Less: Amounts written off	0.01
As at March 31, 2024	462.71

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables

As at March 31, 2024

Ageing	0-90 Days	91-180 Days	181-270 Days	271-365 Days	> 1 year	Total
Gross carrying amount	87.34	18.51	9.33	2.51	458.37	576.06
Expected credit loss rate	0.00%	0.03%	27.19%	71.23%	100.00%	80.32%
Expected credit loss	-	0.01	2.54	1.79	458.37	462.71
Carrying amount of trade receivable (net)	87.34	18.50	6.79	0.72	-	113.35

As at March 31, 2023

Ageing	0-90 Days	91-180 Days	181-270 Days	271-365 Days	> 1 year	Total
Gross carrying amount	102.46	18.18	4.84	2.79	452.59	580.86
Expected credit loss rate	0.96%	8.32%	100.00%	100.00%	100.00%	79.66%
Expected credit loss	0.99	1.51	4.84	2.79	452.59	462.72
Carrying amount of trade receivable (net)	101.47	16.67	-	-	0.00	118.14

Investment in bonds, mutual funds, cash and cash equivalents and other bank balances

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For 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 monitors changes in Credit risk by tracking published external Credit Ratings.

The exposure to credit risk for debt securities at FVOCI and FVTPL at the reporting date was as follows:

Particulars	As at March 31,			
	2024		2023	
	Carrying values	Fair value	Carrying values	Fair value
Fair value through profit or loss				
Investment in mutual funds	-	-	100.28	100.28
Investment in mutual funds - dealing in securities	800.55	800.55	-	-
Fair value through other comprehensive income				
Investment in mutual funds	-	-	360.98	360.98
Investment in bonds	-	-	198.98	198.98
Total	800.55	800.55	660.24	660.24

Impairment on cash and cash equivalents and other bank balances has been measured on a 12- month expected loss basis and reflects the short maturities of the exposures. The company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties

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 banks at an optimised cost whenever considered appropriate. 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. The Company also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables.

Hathway Digital Limited

Notes To The Financial Statements For The Year Ended March 31, 2024

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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, 2024	Less than 1 year	1 to 5 year	Total
Non-derivatives			
Borrowings	3.79	2.41	6.20
Lease liabilities	3.00	7.68	10.68
Trade payables	326.09	-	326.09
Other financial liabilities	48.83	0.42	49.25
Total	381.70	10.51	392.22

As at March 31, 2023	Less than 1 year	1 to 5 year	Total
Non-derivatives			
Borrowings	2.02	3.60	5.62
Trade payables	278.62	-	278.62
Other financial liabilities	38.10	0.41	38.51
Total	318.74	4.01	322.75

Financing arrangements

The Company has sufficient sanctioned line of credit from its bankers / financiers including overdraft facility commensurate to its business requirements.

The Company is having approved Bank overdraft limit of ₹ 50 (March 31, 2023: ₹ 50).

The Company reviews its line of credit available with bankers and lenders from time to time to ensure that at all point in 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 market prices. The Company is exposed in the ordinary course of business to following risks: (a) foreign exchange risk, (b) 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.

Foreign currency exposure as at the reporting period are as follows:

	As at March 31,	
	2024	2023
	USD	USD
Liabilities		
Trade payables	0.01	0.00*
Assets		
Trade receivables	-	0.01
Other firm commitments	0.00*	0.03

* Less than \$ 50,000/-

The company is exposed to insignificant foreign exchange risk.

b) Market risk – price risk

The Company is mainly exposed to the price risk due to its investment in mutual funds and bonds. The price risk arises due to uncertainties about the future market values of these investments. At March 31 2024, the investments in mutual funds is ₹ Nil (March 31, 2023 : ₹ 461.26), investments in mutual funds -dealing in securities is ₹ 800.55 (March 31, 2023 : ₹ Nil) and in Bond is ₹ Nil (March 31,2023: ₹ 198.99) .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 & no demonstrated track record of price volatility. Further in order to minimise price risk in bonds, the Company invests in high rated Debt instrument issued by financial institutions.

Hathway Digital Limited

Notes To The Financial Statements For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

Price risk sensitivity:

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

	Impact on Profit: Increase/(Decrease)		Impact on equity : (Increase)/Decrease	
	As at March 31,		As at March 31,	
	2024	2023	2024	2023
Price - increase by 0.10%**	0.80	0.66	0.80	0.66
Price - decrease by 0.10% **	(0.80)	(0.66)	(0.80)	(0.66)

** assuming all other variables as constant

4.10 Dues to Micro and small enterprise - As per Micro, small and Medium Enterprise Development Act, 2006 ('MSMED' Act).

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at March 31,	
	2024	2023
Principal amount remaining unpaid to any supplier as at the end of the accounting year	1.75	1.99
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the year	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

4.11 During the previous year, the company had entered into a Business Transfer Agreement (BTA) with Hathway Kokan Crystal Cable Network Limited for purchase of business of owning and operating Cable TV business by way of slump sale on going concern basis, with effect from August 22, 2022, for a total consideration of ₹ 0.01.

4.12 Revenue from contracts with customers

Management conclude that disaggregation of revenue disclosed in Ind AS 108 meets the disclosure criteria of Ind AS 115 and segment revenue is measured on the same basis as required by Ind AS 115, hence separate disclosures as per Ind AS 115 is not required.

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.

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

Particulars	As at March 31,	
	2024	2023
Receivables, which are included in 'trade and other receivables'	181.91	143.37
Contract liabilities (unearned revenue)	8.22	8.19

The contract liabilities primarily relate to the billing recognized in advance where performance obligations are yet to be satisfied.

Significant changes in the contract liabilities balances during the period are as follows:

Particulars	March 31,	
	2024	2023
	Contract liabilities	Contract liabilities
Balance at the beginning of the year	8.19	6.15
Advance Income received from the customer during the year	684.38	683.52
Revenue recognised that is included in the contract liability balance at the beginning of the year	(684.35)	(681.48)
Balance at the end of the year	8.22	8.19

Hathway Digital Limited

Notes To The Financial Statements For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

4.13 Ratio analysis

Sr. No.	Particulars	Year Ended March 31,		% Variance	Reasons for variances
		2024	2023		
1	Current Ratio	2.70	2.69	0%	-
2	Debt-Equity Ratio	NA	NA	NA	Debt equity ratio is not applicable as the company is debt free.
3	Debt Service Coverage Ratio	NA	NA	NA	Debt service coverage ratio is not applicable as the company is debt free.
4	Return on Equity Ratio	(0.00)	-0.01	-76%	Return on Equity Ratio increased due to reduction in loss on account of increase in subscription income.
5	Inventory Turnover Ratio	NA	NA	NA	-
6	Trade Receivables Turnover Ratio	8.25	12.21	-32%	Trade receivables turnover ratio decreased due to increase in average trade receivables.
7	Trade Payables Turnover Ratio	4.05	4.50	-10%	
8	Net Capital Turnover Ratio	1.80	1.93	-6%	-
9	Net Profit Ratio	(0.00)	-0.01	-78%	Net profit ratio increased due to reduction in loss on account of increase in subscription income.
10	Return on Capital Employed (Excluding Working Capital Financing)	-0.03	-0.04	-19%	-
11	Return on Investment	0.06	0.06	-12%	-

Hathway Digital Limited

Notes To The Financial Statements For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

4.13.1 Formulae for computation of ratios are as follows:

Sr. No.	Particulars	Formula
1	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2	Debt-Equity Ratio	$\frac{\text{Total Debt}}{\text{Total Equity}}$
3	Debt Service Coverage Ratio	$\frac{\text{Earnings before Interest, Tax and Exceptional Items}}{\text{Interest Expense + Principal Repayments made during the period for long term loans}}$
4	Return on Equity Ratio	$\frac{\text{Profit After Tax (Attributable to Owners)}}{\text{Average Net Worth}}$
5	Inventory Turnover Ratio	$\frac{\text{Cost of Goods Sold}}{\text{Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade}}$
6	Trade Receivables Turnover Ratio	$\frac{\text{Value of Sales \& Services}}{\text{Average Trade Receivables}}$
7	Trade Payables Turnover Ratio	$\frac{\text{Cost of Materials Consumed (after adjustment of RM Inventory) + Purchases of Stock-in-Trade + Other Expenses}}{\text{Average Trade Payable}}$
8	Net Capital Turnover Ratio	$\frac{\text{Net Sales}}{\text{Working Capital}}$
9	Net Profit Ratio	$\frac{\text{Profit After Tax}}{\text{Value of Sales \& Services}}$
10	Return on Capital Employed (Excluding Working Capital Financing)	$\frac{\text{Net Profit After Tax + Deferred Tax Expense/(Income) + Finance Cost (-) Other Income (-) Share of Profit / (Loss) of Associates and Joint Ventures}}{\text{Average Capital Employed}}$
11	Return on Investment	$\frac{\text{Other Income (Excluding Dividend)}}{\text{Average Cash, Cash Equivalents \& Other Marketable Securities}}$

Hathway Digital Limited

Notes To The Financial Statements For The Year Ended March 31, 2024

(₹ 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:	
Parent	Hathway Cable and Datacom Limited
Entities exercising control over parent	Reliance Industries Limited Reliance Industrial Investments and Holdings Limited * (Protector of Digital Media Distribution Trust) Digital Media Distribution Trust Jio Content Distribution Holdings Private Limited \$ Jio Internet Distribution Holdings Private Limited \$ Jio Cable and Broadband Holdings Private Limited \$
ii) Other Related parties :	
Wholly Owned Subsidiary	Hathway Kokan Crystal Cable Network Limited (w.e.f. August 22, 2022) Hathway Bhaskar CCN Multi Entertainment Private Limited (w.e.f. August 1, 2022)
Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	Hathway Kokan Crystal Cable Network Limited (upto August 21, 2022) Hathway Mantra Cable & Datacom Limited TV18 Broadcast Limited ^^ The Indian Film Combine Private Limited ^^ IndiaCast Media Distribution Private Limited ^^ Reliance Jio Infocomm Limited ^^ Den Networks Limited, ^^ Hathway VCN Cablenet Private Limited (w.e.f. from January 1, 2024) Jio Haptik Technologies Limited ^^ Reliance Retail Limited ^^ Jio Things Limited Reliance Projects & Property Management Services Limited ^^ Jio Platforms Limited ^^ Viacom 18 Media Private Limited ^^
Joint Ventures	Hathway Bhaskar CCN Multi Entertainment Private Limited (upto July 31, 2022)
Joint Ventures of Parent	Hathway Cable MCN Nanded Private Limited Hathway Dattatray Cable Network Private Limited Hathway Latur MCN Cable & Datacom Private Limited Hathway MCN Private Limited Hathway Sai Star Cable & Datacom Private Limited Hathway Sonali OM Crystal Cable Private Limited
Associate	Hathway Bhawani Cabletel & Datacom Limited
Joint Venture of Associate	Hathway Bhawani NDS Network Limited
Associate of Subsidiary of Entities exercising Control Over Parent	Eenadu Television Private Limited
Associates of Parent	GTPL Hathway Limited Pan Cable Services Private Limited Hathway VCN Cablenet Private Limited (upto December 31, 2023)
Trust	Hathway Digital Private Limited Employees Group Gratuity Trust
Key Management Personnel of Parent	Viren R Raheja Akshay R Raheja

* Reliance Industrial Investments and Holdings Limited - Protector of Digital Media Distribution Trust is wholly owned subsidiary of \$ Controlled by Digital Media Distribution Trust of which Reliance Content Distribution Limited - wholly owned subsidiary of ^^ Subsidiary of Reliance Industries Limited

Hathway Digital Limited

Notes To The Financial Statements For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

B. Related Party Transactions

Nature of Transaction	Name of Party	Relationship	March 31, 2024	March 31, 2023
Income				
Consultancy Income	Hathway Cable MCN Nanded Private Limited	Joint Venture of Parent	-	0.39
	Hathway MCN Private Limited	Joint Venture of Parent	-	1.05
	Hathway Sai Star Cable & Datacom Private Limited	Joint Venture of Parent	-	0.90
	Hathway Dattatray Cable Network Private Limited	Joint Venture of Parent	-	0.60
	Others	Joint Venture of Parent	-	0.30
Subscription / Digital Income	IndiaCast Media Distribution Private Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	100.30	79.39
	Others	Entities Exercising control	0.18	0.01
	Others	Parent	0.17	0.09
	Others	Associate of Subsidiary of Entities exercising Control Over Parent	0.00*	0.00*
	Others	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	5.07	6.55
	Others	Associate	0.90	0.84
	Others	Joint Venture of Associate	0.31	0.32
	Others	Joint Ventures of Parent	18.09	16.96
Service Charges (Salary Recovered)	Den Networks Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	1.02	2.42
Sales - STB / Parts and Accessories	Den Networks Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.01	5.32
	Hathway Mantra cable & Datacom Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.36	0.64
	Hathway Sai Star Cable & Datacom Private Limited	Joint Venture of Parent	0.79	0.80
	Hathway Dattatray Cable Network Private Limited	Joint Venture of Parent	0.48	0.64
	Hathway MCN Private Limited	Joint Venture of Parent	1.16	0.84
	Hathway Cable and Datacom Limited	Parent	0.14	0.34
	Others	Associate	0.08	0.07
	Others	Joint Venture of Associate	0.01	0.02
	Others	Joint Ventures of Parent	0.29	0.42
Business Support Services	Hathway Cable and Datacom Limited	Parent	0.01	0.01
	Hathway Bhawani Cabletel And Datacom Limited	Associate	0.01	0.01
	Hathway Kokan Crystal Cable Network Private Limited	Wholly Owned Subsidiary	-	0.01
	Hathway Mantra cable & Datacom Private Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.01	0.01
	Hathway MCN Private Limited	Joint Venture of Parent	0.01	0.01
	Hathway Cable MCN Nanded Private Limited	Joint Venture of Parent	0.01	0.01
	Hathway Latur MCN Cable & Datacom Private Limited	Joint Venture of Parent	0.01	0.01
Incentive	TV18 Broadcast Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	13.45	18.29
	Eenadu Television Private Limited	Associate of Subsidiary of Entities exercising Control Over Parent	14.10	9.88
Lease Line charges recovered	Hathway Cable MCN Nanded Private Limited	Joint Venture of Parent	0.12	0.14
	Hathway Latur MCN Cable & Datacom Private Limited	Joint Venture of Parent	0.30	0.26

Hathway Digital Limited

Notes To The Financial Statements For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

	Hathway MCN Private Limited	Joint Venture of Parent	0.58	0.52
	Hathway Sai Star Cable & Datacom Private Limited	Joint Venture of Parent	0.46	0.40
Lease Income	Den Networks Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.25	0.23
Software Charges recovered	Den Networks Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	4.65	1.66
Advertisement	Viacom 18 Media Private Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.17	0.12
	Others	Associate of Subsidiary of Entities exercising Control Over Parent	-	0.00*
Manpower Support Service (Income)	Hathway Sai Star Cable & Datacom Private Limited	Joint Venture of Parent	0.96	1.20
	Hathway Dattatray Cable Network Private Limited	Joint Venture of Parent	0.63	0.66
	Hathway MCN Private Limited	Joint Venture of Parent	2.10	1.05
	Hathway Cable MCN Nanded Private Limited	Joint Venture of Parent	0.39	0.39
	Others	Joint Ventures of Parent	0.36	0.30
Reversal of Impairment of Investment	Hathway Bhawani Cabletel & Datacom Limited	Associate	-	0.62

Expenses			March 31, 2024	March 31, 2023
Feed Charges	Hathway Mantra Cable & Datacom Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	1.48	2.17
	Hathway MCN Private Limited	Joint Venture of Parent	7.91	6.76
	Hathway Sai Star Cable & Datacom Private Limited	Joint Venture of Parent	1.13	1.43
	Hathway Cable MCN Nanded Private Limited	Joint Venture of Parent	1.26	1.41
	Others	Joint Venture of Associate	0.11	0.11
	Others	Joint Ventures of Parent	1.96	1.87
	Others	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	-	0.24
	Others	Associate	0.22	0.16
Purchase - STB / Parts and Accessories	Den Networks Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.03	13.39
	Hathway Cable and Datacom Limited	Parent	0.06	0.05
	Others	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	-	0.02
Distributors Commission	Hathway Bhawani Cabletel & Datacom Limited	Associate	0.90	1.03
	Hathway Cable and Datacom Limited	Parent	-	0.01
Pay Channel Cost	TV18 Broadcast Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	133.21	117.83
	Eenadu Television Private Limited	Associate of Subsidiary of Entities exercising Control Over Parent	25.82	19.64
Lease	Viren R Raheja	Key Management Personnel of Parent	1.00	1.34
	Akshay R Raheja	Key Management Personnel of Parent	1.00	1.34
	Den Networks Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.46	1.35
	Others	Parent	0.00*	0.01

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Impairment of Doubtful Advances / Receivables	Hathway Mantra Cable & Datacom Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	1.67	-
Contribution to Gratuity Fund	Hathway Digital Private Limited Employees Group Gratuity Trust	Trust	0.30	0.55
Lease Line Cost / Telephone Charges	Reliance Jio Infocomm Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	23.19	24.35
	Others	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.12	0.05
Business Support Expenses	Hathway Cable and Datacom Limited	Parent	0.01	0.01
	Reliance Projects & Property Management Services Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.04	-
Service Charges Expense	Jio Platforms Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	2.79	2.79
	Den Networks Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	1.92	2.22
	Reliance Projects & Property Management Services Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	-	0.25
	Others	Entities exercising control over parent	0.06	-
	Others	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.16	-
Advertisement / Marketing Expense	Jio Haptik Technologies Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	-	0.11
Internet Usage Charges	Jio Platforms Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.00*	0.00*
	Reliance Jio Infocomm Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.01	0.00
Exceptional Item	Hathway Konkan Crystal Cable Network Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	-	3.00
Consideration towards purchase of business undertaking	Hathway Konkan Crystal Cable Network Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	-	0.01
Investments made during the year	Hathway Konkan Crystal Cable Network Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	-	3.00
	Hathway Bhaskar CCN Multi Entertainment Private Limited	Wholly Owned Subsidiary	-	0.50
Impairment of Investment during the year	Hathway Bhaskar CCN Multi Entertainment Private Limited	Wholly Owned Subsidiary	-	0.50

Change in Assets / Liabilities during the year				
Investment made during the year	Hathway Konkan Crystal Cable Network Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	-	3.00
	Hathway Bhaskar CCN Multi Entertainment Private Limited	Joint Venture	-	0.50
Impairment of Investment / Reversal of impairment during the year	Hathway Konkan Crystal Cable Network Limited	Wholly Owned Subsidiary	-	3.00
	Hathway Bhawani Cabletel & Datacom Limited	Associate	-	(0.62)
	Hathway Bhaskar CCN Multi Entertainment Private Limited	Wholly Owned Subsidiary	-	0.50

Hathway Digital Limited

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(₹ in Crores unless otherwise stated)

Allowance for Bad and Doubtful Debts/ Reversal	Hathway Mantra Cable & Datacom Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	1.67	1.72
	Hathway Konkan Crystal Cable Network Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	-	2.66
Net Advance/ Trade receivable/ Trade Payable recovered/ Paid	Den Networks Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	13.43	-
	TV18 Broadcast Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	11.65	-
	Hathway Bhawani Cabletel and Datacom Limited	Associate	-	0.58
	Hathway Konkan Crystal Cable Network Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	-	3.36
	Others	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	1.57	0.59
	Others	Joint Venture of Associate	-	0.01
	Others	Associate of Subsidiary of Entities exercising Control Over Parent	0.65	-
	Others	Joint Ventures of Parent	0.79	0.34
Net Advance/ Trade receivable/ Trade Payable made	Den Networks Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	-	10.32
	Reliance JIO Infocomm Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	22.33	5.94
	Eenadu Television Private Limited	Associate of Subsidiary of Entities exercising Control Over Parent	-	5.91
	Others	Associate of Subsidiary of Entities exercising Control Over Parent	0.65	-
	Others	Parent	0.00*	-
	Others	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	1.41	4.07
	Others	Joint Ventures of Parent	0.45	1.62
	Others	Joint Ventures of Associate	0.06	-
Closing Balances				
Loans & Advance given	Hathway VCN Cablenet Private Limited	Associate of Parent	5.50	5.50
	Others	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.00	0.00
	Others	Associate of Parent	0.59	0.59
Allowance for Bad & Doubtful Advance	Hathway VCN Cablenet Private Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	5.50	5.50
	Others	Associate of Parent	0.59	0.59
Allowance for Bad & Doubtful Debt	Hathway Mantra Cable & Datacom Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	18.83	17.16
	Hathway Channel 5 Cable & Datacom Private Limited	Joint Venture of Parent	3.81	3.81
	Others	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	1.33	1.33
	Others	Joint Ventures of Parent	5.89	5.89
	Others	Associate of Parent	1.78	1.78

Hathway Digital Limited

Notes To The Financial Statements For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

Trade Receivables	Hathway Mantra Cable & Datacom Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	18.83	17.56
	Indiacast Media Distribution Pvt Ltd	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	13.88	15.39
	Others	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	4.01	10.96
	Others	Entities exercising control over parent	0.01	-
	Others	Associate of Subsidiary of Entities exercising Control Over Parent	4.22	4.75
	Others	Associate of Parent	1.46	1.78
	Others	Associate	0.26	0.30
	Others	Joint Ventures of Associate	0.06	-
	Others	Joint Ventures of Parent	11.44	10.56
Trade Payables	TV18 Broadcast Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	13.40	22.56
	Eenadu Television Private Limited	Associate of Subsidiary of Entities exercising Control Over Parent	8.87	8.39
	Den Networks Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	-	8.44
	Reliance Jio Infocomm Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	36.84	14.50
	Others	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.33	0.24
	Others	Joint Venture of Associate	0.00*	-
	Others	Joint Ventures of Parent	0.87	1.27
Unbilled Revenue	Hathway Mantra Cable & Datacom Limited	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.25	0.31
	Hathway MCN Private Limited	Joint Venture of Parent	0.04	0.32
	Hathway Sai Star Cable & Datacom Private Limited	Joint Venture of Parent	-	0.40
	Eenadu Television Private Limited	Associate of Subsidiary of Entities exercising Control Over Parent	1.05	1.24
	Others	Fellow Subsidiaries / Subsidiaries of Entities exercising control over parent	0.00*	0.11
	Others	Associate	0.05	0.05
	Others	Joint Ventures of Parent	0.29	0.41
	Others	Joint Venture of Associate	0.01	0.02
Security Deposits (Received)	Hathway Cable MCN Nanded Private Limited	Joint Venture of Parent	0.02	0.02
Security Deposits (Given)	Viren R Raheja	Key Management Personnel of Parent	-	1.84
	Akshay R Raheja	Key Management Personnel of Parent	-	1.84

* Amount less than ₹ 50,000/-

The Company had issued in 5% Non cumulative Redeemable Preference shares aggregating to ₹ 0.05 (March 31, 2023 : ₹ 0.05).

Hathway Digital Limited

Notes To The Financial Statements For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

4.15 Segment information

During the current financial year, the company commenced trading in securities, accordingly, the segment disclosures includes segment information relating to "dealing in securities" segment.

The company reportable segments under Ind AS 108 are cable television and dealing in securities.

Segment revenue and results:

The following is an analysis of the company's revenue and results from continuing operations by reportable segments.

Particulars	Year ended
	March 31, 2024
Segment revenue	
Cable television business (a)	1,341.21
Dealing in securities (b)	8.90
(a) + (b)	1,350.11
Less: Inter segment revenue	-
Total segment revenue	1,350.11
Segment result	
Cable television business	(60.03)
Dealing in securities	8.90
	(51.13)
Add: Other un-allocable income net of un-allocable expenditure	60.96
Less: Finance costs	0.84
Profit before tax	8.98

Particulars	As at
	March 31, 2024
Segment assets	
Cable television business	978.12
Dealing in securities	800.55
Total segment assets	1,778.67
Unallocated	274.15
Total assets	2,052.82
Segment liabilities	
Cable television business	450.20
Dealing in securities	-
Total segment liabilities	450.20
Unallocated	2.35
Total liabilities	452.55

Other segment information	For the year ended March 31,2024			For the year ended March 31,2023		
	Cable Television	Dealing in Securities	Total	Cable Television	Dealing in Securities	Total
Capital Expenditure						
Additions to Property, Plant & Equipment	114.46	-	114.46	163.05	-	163.05
Additions to Intangible assets	11.62	-	11.62	31.92	-	31.92
Material Non Cash items:						
Depreciation	98.44	-	98.44	106.54	-	106.54
Amortisation	24.96	-	24.96	24.32	-	24.32
Impairment during the year of Property, Plant and Equipment / Intangibles	52.99	-	52.99	52.05	-	52.05
Allowance for Doubtful Advances / impairment in value of Investments / Impairment of trade receivables	-	-	-	-	-	-

Information about products and services

Revenue from external customers (disaggregation of revenue from contracts with customers)

Other segment information	For the year ended March 31,2024			For the year ended March 31,2023		
	Cable Television	Dealing in Securities	Total	Cable Television	Dealing in Securities	Total
Cable television business						
Subscription income	716.08	-	716.08	723.88	-	723.88
Activation income	-	-	-	5.29	-	5.29
Marketing & promotional income	570.09	-	570.09	383.17	-	383.17
Broadcaster's incentive income	54.06	-	54.06	95.30	-	95.30
Other operating revenue	0.98	-	0.98	1.18	-	1.18
Other operating revenues - dealing in securities	-	8.90	8.90	-	-	-
Total	1,341.21	8.90	1,350.11	1,208.82	-	1,208.82

Hathway Digital Limited

Notes To The Financial Statements For The Year Ended March 31, 2024

(₹ in Crores unless otherwise stated)

Information about geographical areas

Since the group is domiciled in India and caters to domestic customers only, the disclosure requirements of information on geographical areas is not given.

4.16 Additional regulatory information pursuant to the requirement in division II of schedule III to the Companies act 2013

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (vii) The Company has no borrowings from banks and financial institutions on the basis of security of current assets.
- (viii) None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (x) The Company has not entered into scheme of arrangement which has an accounting impact on current year.

4.17 Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 : For financial year 2023-24

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period (31st Mar'24)	Relationship with the struck off company, if any, to be disclosed
Digipick Digital Network Pvt. Ltd.	Payable	0.03	NA
Sibuli Enterprises Pvt. Ltd.	Payable	0.00*	NA
City Communications And Classic Net Pvt Ltd	Receivables^	0.01	NA
Telecast (India) Private Limited	Receivables^	0.05	NA
HD Media Private Limited	Receivables^	0.93	NA
Digipick Digital Network Pvt Ltd	Receivables^	0.16	NA
Isiri Media Private Limited	Receivables^	0.76	NA
Y TV Infomedia Private Limited	Receivables^	0.04	NA
Mydreams Broadcasting Pvt Ltd	Receivables^	0.04	NA
J S D Data Infotech Pvt Ltd	Receivables^	0.49	NA
Polished Media Network Pvt Ltd	Receivables^	0.11	NA
Yash Techno Media Pvt Ltd	Receivables^	0.46	NA
The Capitol Projects Pvt Ltd	Receivables^	0.00*	NA
Duythi Media And Broadcasting Pvt Ltd	Receivables^	0.00*	NA
Rt Mart Private Limited	Receivables^	0.00*	NA

* Amount less than ₹ 50,000/-

^ Outstanding receivables are fully provided

For financial year 2022-23

The company did not have any transactions with companies struck off.

4.18 Corporate social responsibility

- As per section 135 of the companies act, 2013, gross amount required to be spent by the company during the current year was ₹ 0.16 (March 31, 2023 : ₹ 0.61).
- Amount approved by the board to be spent during the current year : ₹ 0.16 (March 31, 2023 : ₹ 0.61).

Hathway Digital Limited**Notes To The Financial Statements For The Year Ended March 31, 2024**

(₹ in Crores unless otherwise stated)

c) Details of amount spent by the company are as follows :

Particulars	Year ended March 31,	
	2024	2023
Construction/acquisition of any asset On purposes other than above *	- 0.16	- 0.61
Total	0.16	0.61

* Rural development projects

4.19 The provisions of the Companies Act, 2013 and rules made thereunder requires that the Company uses only such accounting software for maintaining its books of account which has a feature of recording audit trail for each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled or tampered with effect from April 1, 2023.

The Company has taken all necessary steps to be compliant with the above requirement of audit trail functionality since it's effective date.

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 of Directors**Manoj Dixit**

Partner

Membership No : 121788

Dulal Banerjee

Director & Chief Executive Officer

DIN : 02455932

Ajay Singh

Non-Executive Director

DIN : 06899567

Dated : April 16, 2024

Ameeta Parpia

Independent Director

DIN : 02654277

Varun Lau

Non-Executive Director

DIN : 03489931

Kunal Chandra

Independent Director

DIN : 07617184

Rajesh Sindhav

Chief Financial Officer

Niki Shah

Company Secretary and Compliance officer

Dated : April 16, 2024