

**HATHWAY BHAWANI  
CABLETEL & DATACOM LIMITED**

***hathw@ybhawani***



**33<sup>rd</sup> Annual Report  
2016-2017**



## **HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**

### **BOARD OF DIRECTORS**

Mr. Sameer Joseph	(DIN:07653870)	<i>Managing Director &amp; CEO</i>
Mr. Vineet Garg	(DIN:06935347)	Director
Mr. Shyam P V	(DIN:07247247)	Director
Mr. Dilip Worah	(DIN:00047252)	Independent Director
Mr. L. K. Kannan	(DIN:00110428)	Independent Director

### **CHIEF FINANCIAL OFFICER**

Mr. Basant Haritwal

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Manoj Dere – FCS No. 7652

### **AUDITORS**

G.M. Kapadia & Co. - Chartered Accountants

### **REGISTERED OFFICE**

“Rahejas”, 4<sup>th</sup> Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai - 400 054.  
Tel.: +91 22 2600 1306 • Fax : +91 22 2600 1307 • E-mail : investors.bhawani@hathway.net

### **ADMINISTRATIVE OFFICE**

805/806, Windsor, 8<sup>th</sup> Floor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400 098.  
Tel: +91 22 6774 2500 • Fax : +91 22 6774 2400

### **BANKERS**

Bank of Maharashtra  
Axis Bank Limited

### **REGISTRAR & TRANSFER AGENT**

Bigshare Services Private Limited  
1<sup>st</sup> Floor, Bharat Tin Works Building, Opposite Vasant Oasis,  
Makwana Road, Marol, Andheri (East), Mumbai - 400 059.  
Tel.: +91 22 6263 8200 • Fax : +91 22 6263 8299  
E-mail : investor@bigshareonline.com

### **DETAILS OF DEMATERIALISATION OF SHARES**

Company's ISIN number for Dematerialization is **INE525B01016**

### **CORPORATE IDENTIFICATION NUMBER:**

L65910MH1984PLC034514



**HATHWAY BHAWANI  
CABLETEL & DATACOM LIMITED**

**33rd Annual Report : 2016 - 2017**

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**HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**

'Rahejas', 4th Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai - 400054

Tel: 91-22-26001306 Fax: 91-22-26001307

CIN: L65910MH1984PLC034514

Email: investors.bhawani@hathway.net

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE THIRTY THIRD ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON TUESDAY, 26<sup>TH</sup> SEPTEMBER, 2017, AT 3:00 P.M. AT GROUND FLOOR, WINDSOR, OFF CST ROAD, KALINA, SANTACRUZ EAST, MUMBAI 400 098, TO TRANSACT THE FOLLOWING BUSINESS:**

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**ORDINARY BUSINESS :**

1. To receive, consider and adopt :
  - (a) the audited standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2017 comprising of Balance Sheet as at 31<sup>st</sup> March, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Reports of Directors and Auditors thereon, and
  - (b) the audited consolidated Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2017 comprising of consolidated Balance Sheet as at 31<sup>st</sup> March, 2017 and the consolidated Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Reports of the Auditors thereon

and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** the audited standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2017 comprising of Balance Sheet as at 31<sup>st</sup> March, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Reports of Directors and Auditors thereon, laid before this meeting, be and are hereby considered and adopted.

**RESOLVED FURTHER THAT** the audited consolidated Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2017 comprising of consolidated Balance Sheet as at 31<sup>st</sup> March, 2017 and the consolidated Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Report of the Auditors thereon laid before this meeting, be and hereby considered and adopted.”

2. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 read with rules there under, Mr. Vineet Garg, (DIN : 06935347), who retires by rotation at this

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meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139(1) of the Companies Act, 2013 (the “Act”) read with Companies (Audit and Auditors) Rules, 2014, upon recommendation of the Audit Committee and the Board of Directors of the Company, M/s. Nayan Parikh & Co., Chartered Accountants (Firm Registration No. 107023W) be and are hereby appointed as the Statutory Auditors of the Company for a term of 5 (Five) consecutive years from the conclusions of this Annual General Meeting till the conclusion of Thirty Eighth Annual General Meeting on such terms and conditions and on such remuneration plus reimbursement of out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this resolution.”

#### **SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** Mr. Sameer Joseph (DIN: 07653870), who was appointed as an Additional Director with effect from 2<sup>nd</sup> December, 2016, pursuant to provisions of Section 161 of the Companies Act, 2013 (the Act) read with rules thereunder and in accordance with the Articles of Association of the Company, to hold office up to the date of the ensuing Annual General Meeting of the Company and for whom, the Company has received a notice under Section 160 of the Act along with the requisite deposit from a shareholder proposing the candidature of Mr. Sameer Joseph, for the office of a Director of the Company, be and is hereby appointed as a Director of the Company, who shall not be liable to retire by rotation.”

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V thereto and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or enactment thereof) and such other requisite approvals including approval of Central Government, if any, as may be required in this behalf and as per the recommendation of the Nomination and Remuneration Committee of the Board of Directors of the Company, the approval of the members be and is hereby accorded to the appointment of Mr. Sameer Joseph (DIN: 07653870) as the Managing Director & CEO of the Company, for a term of 3 (three) years beginning from 02<sup>nd</sup> December, 2016 to 01<sup>st</sup> December, 2019 with liberty to the Directors to alter and vary terms and conditions of the aforesaid appointment.

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**RESOLVED FURTHER THAT** Mr. Sameer Joseph will not be drawing any remuneration during his tenure as Managing Director & CEO of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such agreements, documents and instruments as may be required from time to time for giving effect to the above resolution and matters related there to.

**RESOLVED FURTHER THAT** Mr. Sameer Joseph be and is hereby appointed as a Key Managerial Personnel of the Company for the purpose of compliance of Section 203 of the Companies Act, 2013.”

**BY ORDER OF THE BOARD**

**Date :** August 03, 2017

**Place :** Mumbai

**MANOJ DERE**

Company Secretary & Compliance Officer

FCS No: 7652

**Registered Office**

Rahejas, 4<sup>th</sup> Floor, Corner of Main Avenue & V. P. Road,

Santacruz West, Mumbai 400054

CIN : L65910MH1984PLC034514

Tel.: 022-26001306 • Fax : 022-26001307

Website: [www.hathwaybhawani.com](http://www.hathwaybhawani.com)

E-mail: [investors.bhawani@hathway.net](mailto:investors.bhawani@hathway.net)

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## NOTES :

1. Pursuant to the requirement of Secretarial Standard-2 which has come into effect from 1<sup>st</sup> July 2015, the route map for the venue of the Annual General Meeting, also indicating therein the prominent land mark for the venue has been annexed to the notice.
2. A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend, and on a poll, to vote instead of himself/herself and such proxy need not be a member of the company.
3. Proxies, if any, in order to be effective, must be received at the Company's Registered Office not later than 48 (Forty Eight) hours before the time fixed for holding the meeting. Proxies submitted on behalf of the companies, must be supported by appropriate resolution / authority, as applicable. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days of notice in writing is given to the Company.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of the proxy shall prove his identity at the time of attending the Meeting.
5. Corporate Members are requested to send a duly certified true copy of the Board Resolution authorizing their representative to attend and vote at the Meeting together with the specimen signature of the Authorized representative.
6. Any member proposing to seek any clarification on the accounts, is requested to send the queries to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
7. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
8. The statement of particulars of Director seeking re-appointment, as required under Regulation 36(3) of the Security and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 are annexed hereto.
9. Members are requested to bring their copy of Annual Report, necessary details of their shareholding and attendance slip(s) to the meeting.
10. The Annual Accounts of the Subsidiary Company shall be available at the Registered Office

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of the Company for inspection by any shareholder.

11. Hard copy of the details of accounts of subsidiary required by any shareholders can be obtained with a written request to the Managing Director of the Company at the Registered Office of the Company.
12. Relevant documents referred to in the accompanying Notice and the Statement, are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays during business hours up to the date of the Meeting.
13. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold in physical form are requested to write their folio number in the attendance slip.
14. Members who would like to receive notices, letters, annual reports, documents and any other correspondence by electronic mode are requested to register their email addresses and changes therein, from time to time, with Company's Registrar and Transfer Agent in respect of shares held in physical form and with respective Depository Participants (DP) where the shares are held in dematerialized form. Shareholders holding shares in physical form can send their email address for registration to [rajeshm@bighshareonline.com](mailto:rajeshm@bighshareonline.com) quoting the Folio Number and Name of the Company.
15. The Company is providing Facility for Voting by Electronics Means and the business may be transacted through E-Voting.
16. Remote E-voting: In compliance with the provisions of Section 108 of Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by Central Depository Services Limited (CDSL) on all resolutions set forth in this Notice.
17. The facility for voting through ballot or polling paper shall be made available at the meeting and the members attending the meeting who have not already cast their votes by remote evoting shall be able to exercise their right at the meeting.

**THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:**

- (i) The voting period begins on Saturday, 23<sup>rd</sup> September, 2017 at 10.00 am and ends on Monday, 25th September, 2017 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 19th September, 2017, may cast their vote electronically. The-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID

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- a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Attendance Slip .</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Hathway Bhawani Cabletel & Datacom Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies

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that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xx) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of Tuesday, 19th September, 2017.

M/s. Rathi & Associates, Practicing Company Secretaries have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results shall be declared on or after the conclusion of the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the

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Company's website [www.hathwaybhawani.com](http://www.hathwaybhawani.com) and on the website of CDSL. The results will also be communicated to the Stock Exchanges on which the Company's equity shares are listed.

**BY ORDER OF THE BOARD**

**Date :** August 03, 2017

**Place :** Mumbai

**MANOJ DERE**

Company Secretary & Compliance Officer

FCS No: 7652

**Registered Office**

Rahejas, 4<sup>th</sup> Floor, Corner of Main Avenue & V. P. Road,  
Santacruz West, Mumbai 400054

CIN : L65910MH1984PLC034514

Tel.: 022-26001306 • Fax : 022-26001307

Website: [www.hathwaybhawani.com](http://www.hathwaybhawani.com)

E-mail: [investors.bhawani@hathway.net](mailto:investors.bhawani@hathway.net)

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## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 :**

### **Item No. 4**

The Directors of the Company (as per the recommendation of Nomination and Remuneration Committee) approved the appointment of Mr. Sameer Joseph as an Additional Director to hold office up to the date of this Annual General Meeting.

Mr. Sameer Joseph has over 20 years of successful track record in Service, Financial service, FMCG & Telecom industry. He has worked with leading organizations like Coke, Idea, Airtel, Tata & Uninor in the areas of Sales, Trade Marketing, Training, Customer care and other functions. His last assignment was with Telenor group company, Sun Telenor Payment Bank as Vice President - National Sales & Distribution Head. He is now currently working as Senior Vice President – Regional Operations (West) in Hathway Digital Private Limited.

The other details of Mr. Sameer Joseph in terms of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2, is annexed to this Notice.

In terms of Section 161(1) of the Companies Act, 2013 Mr. Sameer Joseph holds office as Additional Director only up to the date of the forthcoming Annual General Meeting. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with the requisite amount of deposit from one of the members signifying his intention to propose the appointment of Mr. Sameer Joseph as a Director of the Company.

The Board recommends the Resolution at Item No. 4 of this Notice for your approval.

Notice received under Section 160 of the Companies Act, 2013 and draft Appointment Letter to be issued to Mr. Sameer Joseph pertaining to his appointment, shall be available for inspection by members during 11.00 am to 2.00 pm on all working days up to the date of the ensuing Thirty Third Annual General Meeting,

Except Mr. Sameer Joseph and his relatives, none of the persons specified in Section 102 of the Companies Act, 2013, namely the Promoters, Directors, Key Managerial Personnel, Relatives of Promoters, Directors and Key Managerial Personnel or the entities comprising the interest of Promoters, Directors or Key Managerial Personnel are concerned or interested financially or otherwise in the above resolution.

### **Item No. 5**

The members be informed that in terms of provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or enactment thereof) and as per the recommendation of Nomination and Remuneration Committee, Mr. Sameer Joseph was appointed as Managing Director & CEO of the Company for a term of 3 (three) years beginning from 02<sup>nd</sup> December, 2016 to 01<sup>st</sup> December, 2019 subject to the approval of the shareholders of the Company.

Mr. Sameer Joseph will not be drawing any remuneration during his tenure as Managing Director & CEO of the Company.

As per the provisions of Schedule V of the Companies Act, 2013, the proposed appointment of the said Managing Director is required to be approved by the Shareholders of the Company by way of

Special resolution. The Board recommend the resolution at Item No. 5 of this Notice for your approval.

The above may be treated as an abstract of the terms of re-appointment of Mr. Sameer Joseph under Section 190 of the Companies Act, 2013.

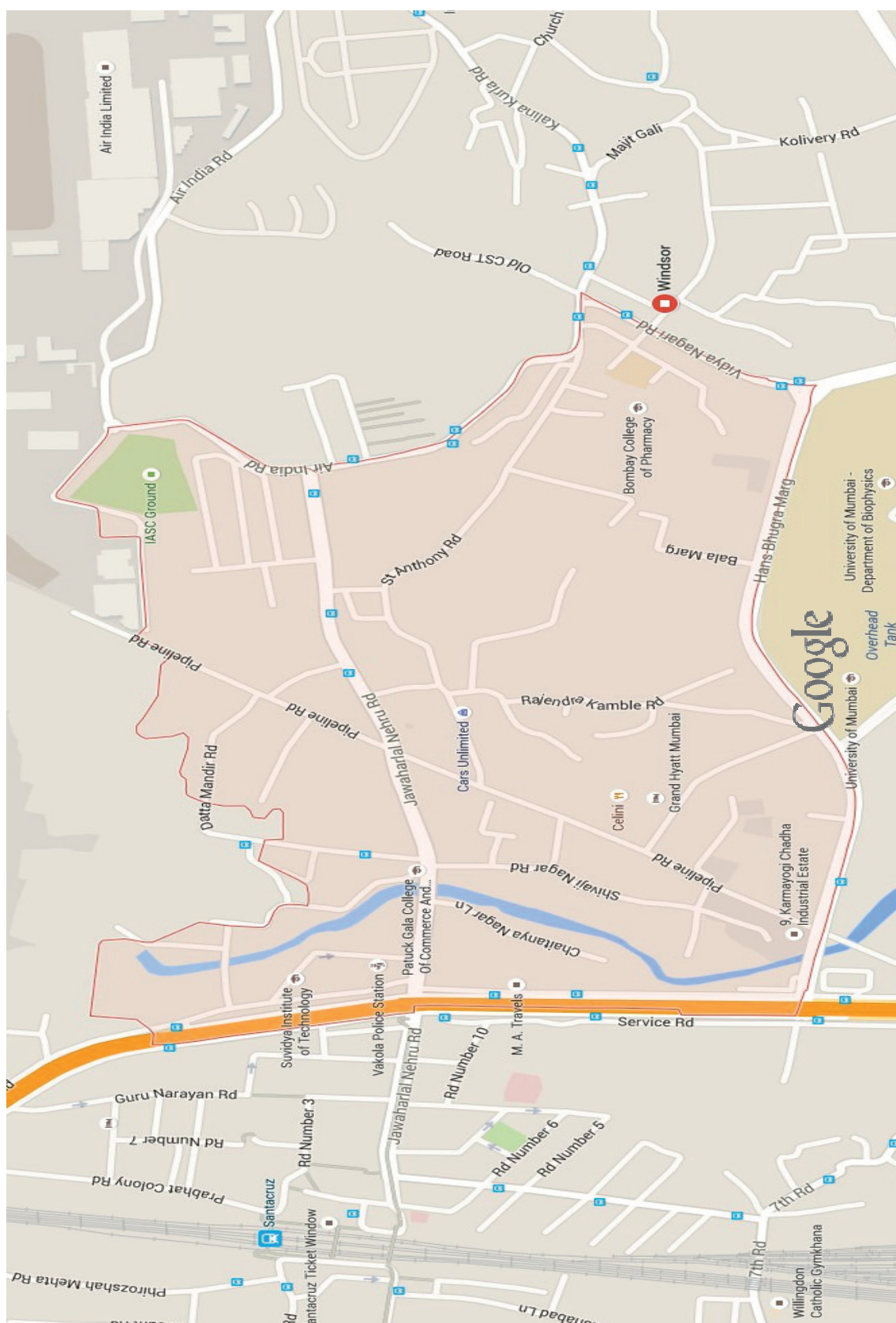
Except Mr. Sameer Joseph and his relatives, none of the persons specified in Section 102 of the Companies Act, 2013, namely the Promoters, Directors, Key Managerial Personnel, Relatives of Promoters, Directors and Key Managerial Personnel or the entities comprising the interest of Promoters, Directors or Key Managerial Personnel are concerned or interested financially or otherwise in the above resolution.

***Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Regulation 36(3) of the Security and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2] are as under:***

Name of Director	Mr. Vineet Garg	Mr. Sameer Joseph
Date of Birth	30 <sup>th</sup> January, 1970	11 <sup>th</sup> May, 1973
Age	47	44
Nationality	Indian	Indian
Date of first Appointment on the Board	30 <sup>th</sup> July, 2015	02 <sup>nd</sup> December, 2016
Qualifications	C.A	B.Com, MBA – Sales & Marketing
Expertise in Specific Functional Area	He has an extensive experience of 22 years in the field of Accounts & Finance. He has worked with organizations such as, Escotel, Idea Cellular, BPL Mobile (Loop Mobile), TATA Teleservices & Reliance Communications in the areas of Account & Finance, system automation & revenue assurance. His last assignment was with Reliance Communications as National Head LCM. He is currently working as the Chief Financial Officer of the holding Company, Hathway Cable & Datacom Limited.	He has over 20 years of successful track record in Financial service, FMCG & Telecom industry. He has worked with leading organizations like Coke, Idea, Airtel, Tata & Uninor in the areas of Sales, Trade Marketing, Training, Customer care & other functions. His last assignment was with Telenor group company, Sun Telenor Payment Bank as Vice President - National Sales & Distribution Head. He is now currently working as Senior Vice President – Regional Operations (West) in Hathway Digital Private Limited.
Number of shares held in the Company	Nil	Nil
List of the directorships held in other companies*	05	09
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Nil	Nil
Terms and conditions of appointment, if any.	N.A	N.A
Relationship, if any, with other Directors and Key Managerial Personnel	None	None
No. of Board Meetings attended during the year	03	01
No. of Committee meetings attended during the year	02	01

*\*Directorships includes Directorship of other Indian Public Companies and Committee memberships includes only Audit Committee and Stake holders' Relationship Committee of Public Limited Company (whether Listed or not).*

## ROAD MAP TO VENUE OF ANNUAL GENERAL MEETING



## BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Third Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2017.

### 1. FINANCIAL & OPERATION OVERVIEW:

#### a. Financial Highlights

The Company's performance during the year ended 31<sup>st</sup> March, 2017 as compared to the previous financial year, is summarized below:

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Operating & Other Income	1281.88	1736.97	1281.88	1736.97
Earnings before interest, depreciation, amortization & taxes	(33.45)	(54.98)	(33.45)	(54.98)
Interest	2.66	19.52	2.66	19.52
Depreciation & Amortization	64.97	69.60	64.97	69.60
Exceptional Items	-	14.53	-	-
Provision for Taxation - Current Tax & Deferred Tax	-	(10.15)	-	(10.15)
Share of profit / (loss) of Joint Ventures	-	-	11.50	(1.74)
Other Comprehensive Income/(Loss)	(5.51)	7.94	(5.51)	7.94
<b>Total Comprehensive Income / (Loss)</b>	<b>(95.57)</b>	<b>(156.43)</b>	<b>(84.07)</b>	<b>(143.63)</b>

During the year under review, the total income of your Company was Rs. 1281.88 Lakhs as compared to last year's income of Rs. 1736.97 Lakhs on standalone basis. This was due to discontinuance of Broadband Operations of the Company and fierce competition. During the year under review, the Company incurred a net loss of Rs. 95.57 Lakhs on standalone basis. The loss during the year under review has been reduced due to cost reduction measures and conservative approach adopted by the Company. The Company is adhering to its policy of focused growth and as a result of which the total subscription income vis-à-vis the gross operating profit of the Company has increased during the year under review.

#### b. Operational Highlights:

##### (I) Cable TV Business:

During the year under review, your Company has seeded 3,000 Set Top Boxes (STB) cumulatively totaling to approximate 75,000 STB seeded. Your Company will continue to seed boxes at a rapid pace in near future as well.

The strategy of your Company is to seed more High Definition (HD) STB's in order to increase the average rate per unit ("ARPU"). We anticipate that with smarter packaging the Company will be able to drive higher ARPU.

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Your Company has received a good feedback on HD product proposition. The proposition is priced at ₹. 152/- per month in which the customer can view 55 high quality HD channels.

With effect from April 01, 2017, your Company was appointed as a distributor of Hathway Digital Private Limited (HDPL), the wholly owned subsidiary company of Hathway Cable and Datacom Limited (HCDL) in which the entire Cable TV business of HCDL was transferred by way of slump sale with effect from the close of the business hours on March 31, 2017. The Company was appointed as distributor for handling its secondary points business. The primary points business was retained in the Company. Becoming Distributor helped the Company to achieve following benefits:

- Getting fixed commission income.
- No expenses and losses attracted to the Company as the same are borne by HDPL.
- Expenses, if any, incurred by the Company are reimbursed by HDPL.
- The content cost which comprises of 50% of the total cost is borne by HDPL.
- Achieving higher revenues and thereby converting into positive net worth.

**(ii) Broadband Business:**

During the year under review, your Company has closed the broadband business due to migration of the broadband customers to other service providers. The Department of Telecommunications, Ministry of Information and Broadcasting was informed accordingly.

**c. Change in the nature of business:**

During the year under review, there has been no change in the nature of business.

**d. Consolidated Accounts:**

The consolidated financial statements of your Company for the financial year 2016-2017, are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standards (IND-AS) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**e. Management Discussion and Analysis**

The Management Discussion and Analysis forms an integral part of this Report and gives detail of the overall industry overview, business overview and performance review and state of affairs of the Company in Cable Television business and Broadband business during the year under review.

**f. Report on performance of subsidiaries, associates and joint venture Companies:**

A statement containing the performance and financial position of the subsidiary

company, associates and joint venture companies for the year ended 31<sup>st</sup> March, 2017 is given, pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 and 8 of the Companies (Accounts) Rules, 2014 in AOC-1 in **Annexure – I** to this report.

The details of the subsidiary are as follows:

PARTICULARS OF SUBSIDIARY COMPANY					
Sl. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of Share-holding	Applicable section
1	Hathway Bhawani NDS Network Pvt. Ltd. Rahejas, 4 <sup>th</sup> Floor, Corner of Main Avenue & V.P. Road, Santacruz West, Mumbai 400054	U74990MH2010PTC208960	Subsidiary	51%	2(87)(ii)

The financial statements of the subsidiary company and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of your Company.

**g. Dividend :**

Considering the loss incurred in the current financial year, your Directors have not recommended any dividend for the financial year under review.

**h. Transfer to reserves:**

In view of losses incurred during the year under review, the Board of Directors has not recommended transfer of any amount to reserves.

**i. Revision of financial statement:**

There was no revision of the financial statements during the year under review.

**j. Deposits:**

The Company has not accepted any public deposits during the year under review.

**k. Disclosures under section 134(3)(i) of the Companies Act, 2013:**

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

**l. Disclosure of Internal Financial Controls**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material

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or serious observations have been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

**m. Particulars of loans, guarantees, investments and securities:**

There are no loans given, investments made, guarantees given and securities provided during the year under review.

**2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**a) CHANGE IN BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Samson Jesudas, Managing Director & CEO (DIN: 02539442), of the Company resigned from the Board with effect from September 21, 2016. Mr. Sameer Joseph (DIN: 07653870) was appointed as Managing Director & CEO with effect from December 02, 2016.

In accordance with the provisions of the Companies Act, 2013, none of the Independent Directors is liable to retire by rotation.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Vineet Garg (DIN: 06935347), shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend the same for your approval.

Mr. Manoj Dere, Company Secretary & Compliance Officer, a Key Managerial Personnel (KMP) of the Company resigned with effect from March 16, 2017 and was re-appointed as Company Secretary & Compliance Officer, Key Managerial Personnel (KMP) with effect from May 23, 2017.

**b. DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received declaration from all the Independent Directors under Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

**3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES**

**a. BOARD MEETINGS:**

The Board of Directors met 4 times during the financial year ended 31<sup>st</sup> March, 2017 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The dates on which the Board of Directors met during the financial year under review are as under:

Sr. No.	Date of the Board Meeting
1	24 <sup>th</sup> May, 2016
2	23 <sup>rd</sup> August, 2016
3	02 <sup>nd</sup> December, 2016
4	10 <sup>th</sup> February 2017

**b. AUDIT COMMITTEE:**

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Audit Committee as on the date of this report comprises of:

Sr. No.	Name of the Member	Designation
1	Mr. Dilip Worah	Chairman
2	Mr. Vineet Garg	Member
3	Mr. L K Kannan	Member

The scope and terms of reference of the Audit Committee have been amended in accordance with the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

**c. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act.

The composition of the committee as on the date of this report is as under:

Sr. No.	Name of the Member	Designation
1	Mr. L K Kannan	Chairman
2	Mr. Vineet Garg	Member
3	Mr. Dilip Worah	Member

The Board of Directors has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining credentials, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The same is available on the website of the Company in the web link <http://hathwaybhawani.com/wp-content/uploads/2017/08/nomination-remuneration-policy.pdf>.

**d. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of the Company has constituted the Stakeholder's Relationship Committee, comprising of:

Sr. No.	Name of the Member	Designation
1	Mr. Vineet Garg	Chairman
2	Mr. Sameer Joseph	Member
3	Mr. Dilip Worah	Member

**e. MEETING OF INDEPENDENT DIRECTORS:**

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Director or management personnel and is conducted informally. A meeting of Independent Director was held on 10<sup>th</sup> February, 2017, during the year under review.

**f. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:**

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

**g. RISK MANAGEMENT POLICY:**

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

**h. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee as under:

Sr. No.	Name of the Member	Designation
1	Mr. Dilip Worah	Chairman
2	Mr. Sameer Joseph	Member
3	Mr. L. K Kannan	Member
4	Mr. Vineet Garg	Member

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee. Since the Company has no profits in preceding 3 financial years, the Company was not required to spend any amount for corporate social responsibility activities. In view of the same no meeting of CSR Committee was held in the financial year under review.

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**i. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:**

In accordance with the Companies Act, 2013, and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a Policy for evaluation of performance of Independent Directors, Board, Committees and other Individual Directors which includes criteria for performance evaluation of Non-Executive Directors and Executive Directors. A questionnaire was formulated for evaluation of performance of Board after taking into consideration the following aspects:

- Board Composition;
- Strategic Orientation;
- Board functioning and Team Dynamics.

Performance evaluation of Independent Directors was conducted by the Board of Directors, excluding the Director being evaluated. The criteria for performance evaluation of Independent Directors laid down by the Nomination, Remuneration and Compensation Committee is as below:

- Ethics and values,
- Knowledge and proficiency,
- Diligence,
- Behavioral traits and
- Efforts for personal development

Similarly, performance evaluation of the Chairman and Non – Independent Directors was carried out by the Independent Directors at the meeting of the Board of Directors held on 10<sup>th</sup> February 2017.

**j. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year under review has been marked as **Annexure II**.

**k. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:**

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

**4. DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2017, the Board of Directors

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hereby confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and of the loss of the Company for that year;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **5. AUDITORS AND REPORTS**

The matters related to Auditors and their Reports are as under:

### **a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017:**

The observations made by the Statutory Auditors in their report for the financial year ended 31<sup>st</sup> March 2017 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

### **b. FRAUD REPORTING:**

During the year under review, there were no instances of material or serious fraud falling under Rule 13(1) of the Companies (Audit and Auditors) Rules, 2013, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit.

### **c. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017:**

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. M/s. Rathi and Associates, Company Secretaries was appointed to issue Secretarial Audit Report for the financial year 2016-2017.

Secretarial Audit Report issued by M/s. Rathi and Associates, Company Secretaries, for the financial year 2016-2017, in Form MR-3 has been marked as **Annexure III** and forms part to this report. The Secretarial Auditors in their report have commented that provisions of Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, for appointment

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of woman director have not been complied with. Your Directors state that the Company is in search of suitable candidate who can be appointed as woman director and that said violation occurred purely without any malafide intention.

**d. APPOINTMENT OF AUDITORS:**

Pursuant to section 139 of the Companies Act, 2013, (the Act) the Company has appointed M/s. G. M. Kapadia & Co., Chartered Accountants, as the Statutory Auditor of the Company for a term of 3 (three) years which began from the conclusion of the Thirtieth Annual General Meeting of the Company till the conclusion of Thirty Third Annual General Meeting of the Company. Their term is expiring at the conclusion of the ensuing Thirty Third Annual General Meeting. M/s. Nayan Parikh & Co, Chartered Accountants, are proposed to be appointed as the statutory auditors of the Company, for a period of 5 (five) years from the conclusion of the Thirty Third Annual General Meeting till the conclusion of Thirty Eighth Annual General Meeting. M/s. Nayan Parikh & Co, Chartered Accountants, have issued the eligibility certificate confirming that they are eligible to act as the Statutory Auditors of the Company pursuant to Section 139 read with Section 141 of the Act and rules made therein. Pursuant to the provisions of Section 139, the Board of Directors propose their appointment as Statutory Auditors of the Company to the shareholders of the Company.

Necessary resolution for appointment of M/s. Nayan Parikh & Co, Chartered Accountants is included in the Notice of AGM for seeking approval of members.

**e. RELATED PARTY TRANSACTIONS:**

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

**6. OTHER DISCLOSURES**

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

**a. EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31<sup>st</sup> March, 2017 made under the provisions of Section 92(3) of the Act is attached as **Annexure IV** which forms part of this Report.

**b. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. have been furnished in **Annexure V** which forms part of this Report.

**c. DISCLOSURE RELATING TO EQUITY SHARES WITH DIFFERENTIAL RIGHTS:**

The Company has not issued any equity shares with differential rights during the year under review and hence no information as per provisions of Section 43(a)(ii) of the Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**d. DISCLOSURE RELATING TO SWEAT EQUITY SHARE:**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Companies Act, 2013 read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**e. DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME:**

The Company does not have any Employee Stock Option Scheme or Employee Stock Purchase Scheme. Hence no information as per the provisions of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished

**e. SHARE CAPITAL:**

During the year under review, the Company has not issued any shares and hence, disclosures under Section 43(a)(ii), Section 54(1)(d) and Section 62(1)(b) of the Companies Act, 2013 read with relevant rules are not required to be furnished. The Company does not have a scheme of ESOP and hence disclosures pursuant to Section 67(3) of the Companies Act, 2013 are also not required to be furnished.

**f. CORPORATE GOVERNANCE: (Applicable to Companies giving remuneration as per Section II of Schedule V):**

**7. GENERAL:**

All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors	Not Applicable
Details of fixed component and performance linked incentives along with the performance criteria	Not Applicable
Service contracts, notice period, severance fees	Not Applicable
Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	Not Applicable

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Acceptance of deposits covered under Chapter V of the Act.
2. Payment of remuneration or commission from any of its Holding or subsidiary

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Companies to the Managing Director of the Company.

3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **8. ACKNOWLEDGEMENTS AND APPRECIATION:**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

### **For and on behalf of the Board**

**Sameer Joseph**  
*Managing Director & CEO*  
(DIN: 07653870)

**Vineet Garg**  
*Director*  
(DIN: 06935347)

**Date :** August 03, 2017

**Place :** Mumbai

### **Registered Office**

Rahejas, 4<sup>th</sup> Floor, corner of Main Avenue & V. P. Road,  
Santacruz West, Mumbai - 400054

CIN: L65910MH1984PLC034514

Tel No. 022-26001306 Fax No. 022-26001307

Website: [www.hathwaybhawani.com](http://www.hathwaybhawani.com)

Mail: [investors.bhawani@hathway.net](mailto:investors.bhawani@hathway.net)

## Annexure -I

### AOC - 1 - Part A

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS STATEMENTS OF SUBSIDIARY, ASSOCIATE COMPANIES AND JOINT VENTURES, PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 AND 8 OF COMPANIES (ACCOUNTS) RULES, 2014													
(Rs. In lakhs unless Otherwise Stated)													
Reporting period: 01/04/2016 to 31/03/2017 & Reporting Currency in INR													
Sl. No.	Name of the Subsidiary	Note	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
1	Hathway Bhawani NDS Network Private Limited	-	155.00	(117.37)	69.49	32.46	0.60	128.79	22.56	-	22.56	Nil	51.00

### AOC - 1 - Part B

Statement Pursuant To section 129(3) of the Companies Act, 2013 Relating to Associate Companies and Joint Ventures

Sr. No	Name of Associates/Joint Ventures	
1	Latest Audited Balance Sheet	
2	Shares of Associate/Joint Ventures held by the Company on the year end No.	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding %	
3	Description of how there is significant influence	
4	Reason why the Associate/Joint Venture is not Consolidated	Nil
5	Networth attributable to Shareholding as per latest audited Balance sheet	
6	Profit/Loss for the year	
	(i) Considered in Consolidation	
	(ii) Not Considered in Consolidation	

#### For and on behalf of the Board

**Sameer Joseph**  
Managing Director & CEO  
(DIN: 07653870)

**Vineet Garg**  
Director  
(DIN: 06935347)

**Date:** August 03, 2017

**Place:** Mumbai

#### Registered Office

Rahejas, 4th Floor, corner of Main Avenue & V. P. Road,  
Santacruz West, Mumbai - 400054  
CIN: L65910MH1984PLC034514  
Tel +91-22-26001306 • Fax : +91-22-26001307  
Website: www.hathwaybhawani.com  
E-mail : investors.bhawani@hathway.net

## ANNEXURE II

### DISCLOSURE FOR RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS AS PER RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014

Median Remuneration: Rs. 2,08,608/- per annum

Director : Remuneration paid to Managing Director & CEO: Rs. Nil/- per annum

**The percentage increase in the median remuneration of employees in the financial year:**  
3.06%

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name of the Director/KMP & their Designation	Remuneration of Managing Director for financial year 2016-17 (Amount in Rs.)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the Directors/KMP against the performance of the Company
1.	Mr. Samson Jesudas <sup>1</sup> Managing Director & CEO	Nil	Nil	Nil	Nil
2.	Mr. Sameer Joseph <sup>2</sup> Managing Director & CEO	Nil	Nil	Nil	Nil
3.	Mr. Basant Haritwal, Chief Financial Officer	Nil	Nil	Nil	Nil
4.	Mr. Manoj Dere <sup>3</sup> , Company Secretary	Nil	Nil	Nil	Nil

*Note : The Managing Director/KMP's are getting remuneration from the holding Company.*

<sup>1</sup>For a period from 01/04/2016 to 21/09/2016.

<sup>2</sup>For a period from 02/12/2016 to 31/03/2017.

<sup>3</sup>Resigned with effect from 16/03/2017.

There were 35 permanent employees on the rolls of the Company.

Variations in the market capitalization of the Company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year:

	As on 31st March, 2017 (Current F.Y.)	As on 31st March, 2016 (Previous F.Y.)
<b>Market Capitalization</b>	<b>Rs. 3.13 Crores</b>	<b>Rs. 5.37 Crores</b>
Price Earnings Ratio	Not Applicable	Not Applicable

	As on 31st March, 2017 (Current F.Y.)	As on 31st March, 2016 (Previous F.Y.)								
Percentage increase over decrease in the market quotations of the shares of the Company as compared with last public offer rate	As on	Market Value (RS.)	Face Value (Rs.)	% increase	Year on Year % increase	As on	Market Value (RS.)	Face Value (Rs.)	% increase	Year on Year % increase
	31.03.2017	3.87	10.00	(41.63)	(79.37)	31.03.2016	6.63	10.00	(37.74)	(57.13)
Rate at which the Company came out with the last public offer	Rs. 10/- (at par)	Rs. 10/- (at par)								

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: Nil

Percentile increase in the managerial remuneration: Nil

The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Highest paid Director	Employees other than directors receiving remuneration in excess of the highest paid Director	Ratio of remuneration		
Name of Director	Remuneration received	Name of Employee	Remuneration received	
Not Applicable				

The Company hereby affirms that the remuneration is as per the remuneration policy of the Company.

## STATEMENT PURSUANT TO RULE 5(2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

A. List of employees of the Company employed throughout the financial year 2016-17 and were paid remuneration not less than Rs. 102 Lakhs per annum:

Sr. No.	Name	Designation	Date of Joining	Remuneration	Age (years)	Experience (Years)	Qualification	Last employment and designation held
Nil								

B. Employees employed for the part of the year and were paid remuneration during the financial year 2016-17 at a rate which in aggregate was not less than Rs. 8.50 Lakhs per month:

Sr. No.	Name	Designation	Date of Joining	Remuneration	Age (years)	Experience (Years)	Qualification	Last employment and designation held
Nil								

**For and on behalf of the Board**

**Sameer Joseph**  
Managing Director & CEO  
DIN: 07659870

**Vineet Garg**  
Director  
DIN: 06935347

### Registered Office:

Rahejas, 4<sup>th</sup> Floor, Corner of Main Avenue & V. P. Road, Santacruz West, Mumbai 400054  
CIN: L65910MH1984PLC034514  
Tel.: +91-22-26001306 Fax : +91-22-26001307  
Website: www.hathwaybhawani.com  
E-mail: investors.bhawani@hathway.net

**Date:** August 03, 2017

**Place:** Mumbai

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**ANNEXURE III**  
**SECRETARIAL AUDIT REPORT**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]*

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

To,

The Members,

**HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**

Rahejas, 4<sup>th</sup> Floor, Corner of Main Avenue,  
V.P. Road, Santacruz (West), Mumbai - 400 054.

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Hathway Bhawani Cabletel & Datacom Limited** (hereinafter called "**the Company**"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31<sup>st</sup> March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Hathway Bhawani Cabletel & Datacom Limited (here in after called "the Company") as given in **Annexure I**, for the Financial Year ended on 31<sup>st</sup> March, 2017, according to the provisions of :
  - (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

- 
- ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the Financial Year under report:-
- (i) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
  - (vi) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings were not attracted to the Company under the financial year under report.
4. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws specifically applicable to the Company:
- 1. Cable Television Networks (Regulation) Act, 1995, Cable Television Network (Regulation) Rules, 1994 and Content Certification Rules, 2008;
  - 2. The Cinematography Act, 1952;
  - 3. Telecom Regulatory Authority of India Act, 1997;
  - 4. Indecent Representation of Women (Prohibition) Act, 1986.

We have also examined compliance with the applicable clauses of the following :

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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**We further report that:**

The Board of Directors of the Company has proper balance of Executive Directors, Non-Executive Directors and Independent Directors. *However, the Company has not yet appointed a Woman Director consequent to the resignation of Ms. Nandita Swamy with effect from 22<sup>nd</sup> January 2016.*

Adequate Notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings, the decisions of the Board were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The Company has not undertaken any event/ action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For RATHI & ASSOCIATES  
COMPANY SECRETARIES**

**Date :** May 23, 2017

**Place:** Mumbai

**HIMANSHU S. KAMDAR**  
PARTNER  
FCS: 5171 COP: 3030

**Note: This report should be read with our letter of even date which is annexed as Annexure-II and forms an integral part of this report.**

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## **ANNEXURE - I**

### **List of documents verified**

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the financial year ended 31<sup>st</sup> March, 2016;
3. Minutes of the Board of Directors and Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee of the Company along with the respective Attendance Registers for meetings held during the Financial Year under report;
4. Minutes of General Body Meeting(s) held during the Financial Year under report;
5. Proof of circulation and delivery of notice, agenda and notes to agenda for Board and Committee Meetings.
6. Policies framed by the Company under the SEBI (Listing Obligations and Disclosure Requirements), 2015
7. Statutory Registers under the Companies Act, 2013
8. Copies of Notice, Agenda and Notes to Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings;
9. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2) and Section 149(7) of the Companies Act, 2013;
10. e-Forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the Financial Year under report;
11. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered with the Stock Exchanges and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year under report;
12. Internal Code of Conduct for prevention of Insider Trading by Employee/Directors/ Designated Persons of the Company;
13. Compliance Certificate placed before the Board of Directors from time to time; Quarterly Related Party Transactions statements;
14. Documents filed with Stock Exchanges;
15. Details of Sitting Fees paid to all directors for attending the Board Meetings and Committees.

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## **ANNEXURE – II**

To

The Members

### **HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**

Rahejas, 4<sup>th</sup> Floor, Corner of Main Avenue,  
V.P. Road, Santacruz (West), Mumbai - 400 054.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For RATHI & ASSOCIATES  
COMPANY SECRETARIES**

**Date:** May 23, 2017

**Place:** Mumbai

**HIMANSHU S. KAMDAR**  
PARTNER  
FCS: 5171 COP: 3030

**ANNEXURE IV****MGT-9****EXTRACT OF ANNUAL RETURN**As on financial year ended 31<sup>st</sup> March 2017

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L65910MH1984PLC034514
Registration Date	12 <sup>th</sup> November, 1984
Name of the Company	Hathway Bhawani Cabletel & Datacom Limited
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered office and contact details	Rahejas, 4 <sup>th</sup> Floor, Corner of Main Avenue & V. P. Road, Santacruz (West), Mumbai - 400054.
Whether listed company	Yes / <del>No</del>
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Bigshare Services Private Limited, 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opposite Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059 Tel.: (022) 62638200/28470653 • Fax: (022) 62638299

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the Company
1	Cable TV Service	Division 61- 61103 and 61104 (NIC Code of 2008).	99%
2	Broadband Service		1%

**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of Shareholding	Applicable section
1	Hathway Cable & Datacom Limited 'Rahejas', 4 <sup>th</sup> Floor, Corner of Main Avenue & V.P. Road, Santacruz West, Mumbai 400054	L64204MH1959PLC011421	Holding	51.60	2(46)
2	Hathway Bhawani NDS Network Pvt. Ltd. 'Rahejas', 4 <sup>th</sup> Floor, Corner of Main Avenue & V.P. Road, Santacruz West, Mumbai 400054	U74990MH2010PTC208960	Subsidiary	51.00	2(87)(ii)

### III SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

#### i. Category-wise Share Holding:

Statement Showing Shareholding Pattern										
Sr. No.	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2016				No. of Shares held at the end of the year:31/03/2017				% Change during the year (XI)
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>1.</b>	<b>Indian</b>									
(a)	Individual / HUF	9,30,722	77,735	10,08,457	12.45	9,30,722	77,735	10,08,457	12.45	-
(b)	Central / State Government(S)	0	0	0	0.00	0	0	0	0.00	-
(c)	Bodies Corporate	41,80,000	0	41,80,000	51.60	41,80,000	0	41,80,000	51.60	-
(d)	Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	-
(e)	Any Others (Specify)									
(i)	Directors Relatives	0	0	0	0.00	0	0	0	0.00	-
(ii)	Group Companies	0	0	0	0.00	0	0	0	0.00	-
(iii)	Trusts	0	0	0	0.00	0	0	0	0.00	-
	<b>Sub Total (A)(1) :</b>	<b>51,10,722</b>	<b>77,735</b>	<b>51,88,457</b>	<b>64.06</b>	<b>51,10,722</b>	<b>77,735</b>	<b>51,88,457</b>	<b>64.06</b>	<b>-</b>
<b>2.</b>	<b>Foreign</b>									
(a)	Individual	0	0	0	0.00	0	0	0	0.00	-
(b)	Bodies corporate	0	0	0	0.00	0	0	0	0.00	-
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	-
(d)	Qualified foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(e)	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	-
	<b>Sub Total (a)(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>-</b>
	<b>Total holding for promoters and Promoter Group (A)=(A)(1) + (A)(2)</b>	<b>51,10,722</b>	<b>77,735</b>	<b>51,88,457</b>	<b>64.06</b>	<b>51,10,722</b>	<b>77,735</b>	<b>51,88,457</b>	<b>64.06</b>	<b>-</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	-
(b)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	-
(c)	Central / State Government(S)	0	0	0	0.00	0	0	0	0.00	-
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	-
(f)	FII'S	0	0	0	0.00	0	0	0	0.00	-
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	-
(h)	Qualified foreign investor	0	0	0	0.00	0	0	0	0.00	-
(i)	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	-
	<b>Sub Total (B)(1) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>-</b>
<b>(B)</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate	1,46,698	15,100	1,61,798	2.00	1,31,045	15,100	1,46,145	1.80	-0.20
(b)	Individual									
(i)	(Capital upto Rs. 2 Lakh)	15,74,454	39,836	16,14,290	19.93	15,57,133	39,836	15,96,969	19.72	-0.21
(ii)	(Capital greater than Rs. 1 Lakh)	11,23,058	0	11,23,058	13.86	11,57,265	0	11,57,265	14.29	0.43
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(d)	Any Others (Specify)									
(i)	Trusts	0	0	0	0.00	0	0	0	0.00	-
(ii)	Clearing member	3,087	0	3,087	0.04	1,854	0	1,854	0.02	-0.02
(iii)	Directors relatives	0	0	0	0.00	0	0	0	0.00	-
(iv)	Employee	0	0	0	0.00	0	0	0	0.00	-
(v)	Non-resident Indians (NRIs)	9,310	0	9,310	0.11	9,310	0	9,310	0.11	-
(vi)	Overseas Bodies Corporates	0	0	0	0.00	0	0	0	0.00	-
(vii)	Unclaimed Suspense Account	0	0	0	0.00	0	0	0	0.00	-
	<b>SUB TOTAL (B)(2) :</b>	<b>28,56,607</b>	<b>54,936</b>	<b>29,11,543</b>	<b>35.94</b>	<b>28,56,607</b>	<b>54,936</b>	<b>29,11,543</b>	<b>35.94</b>	<b>-</b>
	<b>Total Public Shareholding</b>									
	<b>(B)=(B)(1) + (B)(2)</b>	<b>28,56,607</b>	<b>54,936</b>	<b>29,11,543</b>	<b>35.94</b>	<b>28,56,607</b>	<b>54,936</b>	<b>29,11,543</b>	<b>35.94</b>	<b>-</b>
	<b>Total (A) + (B) :</b>	<b>7,96,7,329</b>	<b>1,32,671</b>	<b>81,00,000</b>	<b>100.00</b>	<b>7,96,7,329</b>	<b>1,32,671</b>	<b>81,00,000</b>	<b>100.00</b>	<b>-</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>									
(i)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	-
(ii)	Public	0	0	0	0.00	0	0	0	0.00	-
	<b>SUB TOTAL (C)(1) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>-</b>
	<b>(C)=(C)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>-</b>
	<b>Total (A) + (B) :</b>	<b>79,67,329</b>	<b>1,32,671</b>	<b>81,00,000</b>	<b>100.00</b>	<b>79,67,329</b>	<b>1,32,671</b>	<b>81,00,000</b>	<b>100.00</b>	<b>-</b>
	<b>Grand Total (A) + (B) + (C)</b>	<b>79,67,329</b>	<b>1,32,671</b>	<b>81,00,000</b>	<b>100.00</b>	<b>79,67,329</b>	<b>1,32,671</b>	<b>81,00,000</b>	<b>100.00</b>	<b>-</b>

## ii. SHAREHOLDING OF PROMOTERS:

		Shareholding at the beginning of the year 01/04/2016			Shareholding at the end of the year 31/03/2017			
Sr.No	Name	Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	% Change in shareholding during the year
1	Kapil Puri	29,135	0.36	0.0000	29,135	0.36	0.0000	-
2	Ketan Chokshi	1,000	0.01	0.0000	1,000	0.01	0.0000	-
3	Kavita Puri	42,600	0.53	0.0000	42,600	0.53	0.0000	-
4	Malka Sanjiv Chainani	5,000	0.06	0.0000	5,000	0.06	0.0000	-
5	Kulbushan Puri	4,26,383	5.26	0.0000	4,26,383	5.26	0.0000	-
6	Kuldeep Puri	5,04,339	6.23	0.0000	5,04,339	6.234	0.0000	-
7	Hathway Cable and Datacom Limited	20,20,000	24.93	0.0000	20,20,000	24.93	0.0000	-
8	Hathway Media Vision Private Limited	21,60,000	26.67	0.0000	21,60,000	26.67	0.0000	-
<b>TOTAL</b>		<b>51,88,457</b>	<b>64.05</b>	<b>0.0000</b>	<b>51,88,457</b>	<b>64.05</b>	<b>0.0000</b>	<b>-</b>

## I. CHANGE IN PROMOTERS' SHAREHOLDING:

Sr. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)/end of the year(31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
					N.A.			

**I. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

Sr. No	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares at the beginning /End of the year	% of total shares of the Company				Number of Shares	% of total shares of the company
1	Minal B. Patel	1,35,004	1.67	01.04.2016	-	No Change		
		1,35,004	1.67	31.03.2017			1,35,004	1.67
2	Udyankumar N. Kothari	5,831	0.07	01.04.2016				
				06.01.2017	38,600	Acquisition	44,431	0.55
				13.01.2017	44,968	Acquisition	89,399	1.10
				31.03.2017	17,431	Acquisition	1,06,830	1.32
		1,06,830	1.32	31.03.2017			1,06,830	1.32
3	Bharat Bhushan Kapur	1,00,000	1.23	01.04.2016	-	No Change		
		1,00,000	1.23	31.03.2017			1,00,000	1.23
4	Ashok Mittal	88,288	1.09	01.04.2016	-	No Change		
		88,288	1.09	31.03.2017			88,288	1.09
5	Shailesh Amarchand Jhaveri	82,650	1.02	01.04.2016				
				06.01.2017	82,650	Sale	0	0.00
		0	0.00	31.03.2017			0	0.00
6	Rakesh Jagdish Bahal	79,092	0.98	01.04.2016	-	No Change	79,092	0.98
		79,092	0.98	31.03.2017			79,092	0.98
7	Yogesh Laxmidas Bhatia	59,971	0.74	01.04.2016	-	No Change	59,971	0.74
		59,971	0.74	31.03.2017			59,971	0.74
8	Mala Bhatia	58,021	0.72	01.04.2016	-	No Change	58,021	0.72
		58,021	0.72	31.03.2017			58,021	0.72
9	Vipul Jayraj	55,312	0.68	01.04.2016	-	No Change	55,312	0.68
		55,312	0.68	31.03.2017			55,312	0.68
10	Milind Dattatraya Karnik	66,785	0.82	01.04.2016	-			
				08.04.2016	-3,809	Sale	62,976	0.78
		62,976	0.78	31.03.2017			62,976	0.78
11	Vipul Priyakant Dalal	50,000	0.62	01.04.2016	-	No Change	50,000	0.62
		50,000	0.62	31.03.2017			50,000	0.62

**Note :** The aforesaid details includes top 10 shareholders as on 01.04.2016, changes therein and as on 31.03.2017.

## V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No	Name	Shareholding		Date	Increase/Decrease	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16) / end of the year (31-03-17)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Samson Jesudas <sup>1</sup>	Nil	-	-	-	-	-	-
2	Mr. Sameer Joseph <sup>2</sup>	Nil	-	-	-	-	-	-
3	Mr. Dilip Worah	Nil	-	-	-	-	-	-
4	Mr. L .K. Kannan	Nil	-	-	-	-	-	-
5	Mr. Vineet Garg	Nil	-	-	-	-	-	-
6	Mr. Shyam P V	Nil	-	-	-	-	-	-
7	Mr. Manoj Dere <sup>3</sup>	1	0.00	16.03.2017	-	-	1	0.00
8	Mr. Basant Haritwal	Nil	-	-	-	-	-	-

<sup>1</sup>Resigned with effect from 21.09.2016.

<sup>2</sup>Appointed with effect from 02.12.2016.

<sup>3</sup>Resigned with effect from 16.03.2017.

## I INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in Rs.)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	0	0	0	0
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	37,04,174	0	37,04,174
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	37,04,174	0	37,04,174
Change in Indebtedness during the financial year				
· Addition	0	2,65,777	0	2,65,777
· Reduction	0	-39,69,951	0	-39,69,951
Net Change	0	-37,04,174	0	-37,04,174
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	0	0	0

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### III REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### A. *Remuneration to Managing Director, Whole-time Directors and/or Manager:*

The Company has not paid any remuneration to its executive director.

#### B. REMUNERATION TO OTHER DIRECTORS: None of the other Directors are receiving remuneration except sitting fees.

#### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

The Company has not paid any remuneration to its Key Managerial Personnel.

### II PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

There were neither any penalties/punishment levied on the Company nor the compounding of offences was done during the year under review.

**For and on behalf of the Board**

**Sameer Joseph**  
*Managing Director & CEO*  
DIN: 07653870

**Vineet Garg**  
*Director*  
DIN: 06935347

**Date:** August 03, 2017

**Place:** Mumbai

#### **Registered Office**

Rahejas, 4<sup>th</sup> Floor, Corner of Main Avenue & V. P. Road,  
Santacruz West, Mumbai 400054

CIN: L65910MH1984PLC034514

Tel No. +91-22-26001306 • Fax : +91-22-26001307

Website: [www.hathwaybhawani.com](http://www.hathwaybhawani.com)

E-mail: [investors.bhawani@hathway.net](mailto:investors.bhawani@hathway.net)

## ANNEXURE V

### DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014

#### (A) Conservation of energy:

Steps taken or impact on conservation of energy	Not Applicable
Steps taken by the company for utilizing alternate sources of energy	
Capital investment on energy conservation equipments	

#### (B) Technology absorption:

Efforts made towards technology absorption	Not Applicable
Benefits derived like product improvement, cost reduction, product development or import substitution	
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
Details of technology imported	Not Applicable
Year of import	
Whether the technology has been fully absorbed	
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
Expenditure incurred on Research and Development	

#### (C) Foreign exchange earnings and Outgo:

	1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017 [Current F.Y.]	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016 [Previous F.Y.]
	Amount (Rs. In Crores)	Amount (Rs. In Crores)
Actual Foreign Exchange earnings	Nil	Nil
Actual Foreign Exchange outgo	Nil	Nil

#### For and on behalf of the Board

**Sameer Joseph**  
Managing Director & CEO  
DIN: 07653870

**Vineet Garg**  
Director  
DIN: 06935347

**Date:** August 03, 2017

**Place:** Mumbai

#### Registered Office

Rahejas, 4<sup>th</sup> Floor, Corner of Main Avenue & V. P. Road,  
Santacruz West, Mumbai - 400054.  
CIN: L65910MH1984PLC034514  
Tel No. +91-22-26001306 • Fax : +91-22-26001307  
Website: www.hathwaybhawani.com  
E-mail: investors.bhawani@hathway.net

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## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance is to create and adhere to a corporate culture of conscience and consciousness, integrity, transparency and accountability for efficient and ethical conduct of business for meeting its obligations towards shareholders and other stakeholders.

The Company envisages attainment of higher levels of transparency, accountability and ethical conduct in all facets of its operations and interactions with its stakeholders including shareholders, employees, customers, suppliers, government, lenders and the community at large.

It aims to increase and sustain its corporate value through growth and innovation. The Company believes that its operations and actions must serve the underlying goal of enhancing the interests of its stakeholders over a sustained period of time, in a socially responsible way.

Corporate Governance is a synonym for sound management, transparency and disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a Company to take sound decisions, thus maximizing long-term shareholders' value. Corporate Governance is beyond the realm of law. The Company continues to focus on good Corporate Governance, in line with local and global standards.

In accordance with Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 [SEBI (LODR)], the report containing the details of governance systems and processes at Hathway Bhawani Cabletel & Datacom Limited is as under:

### 2. Board of Directors :

#### a) Composition of the Board of Directors

As on 31<sup>st</sup> March, 2017, in compliance with regulation 17 of SEBI (LODR), the Board of Directors ("Board") of the Company has an optimum combination of Executive, Non-Executive and Independent Directors, who are having in depth knowledge of business, in addition to the expertise in their areas of specialization. The Board provides leadership, strategic guidance and an independent view to the Company's management. The Board comprises of One Executive Director and Four Non-Executive Directors out of which two are Independent Directors. The composition of the Board and other relevant details relating to Directors for the Financial Year ended 31<sup>st</sup> March, 2017 are given below:

Name of the Director(s)	Relationship with other Directors	Designation	Category of Directors	No of Other Directorships <sup>1</sup>	No. of Other Committee Memberships <sup>2</sup>	
					Chairman	Member
Mr. Sameer Joseph <sup>3</sup>	None	Managing Director & CEO	Executive & Non Independent	Nil	Nil	Nil
Mr. Vineet Garg	None	Director	Non-Executive & Non Independent	Nil	Nil	Nil
Mr. Shyam P. V.	None	Director	Non-Executive & Non Independent	Nil	Nil	Nil
Mr. Dilip Worah	None	Independent Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. L. K. Kannan	None	Independent Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. Samson Jesudas <sup>4</sup>	None	Managing Director & CEO	Executive & Non Independent	Nil	Nil	Nil

1 Directorships in Private and Foreign Companies, if any, are excluded.

2 Memberships of only Audit Committee and Stakeholders' Relationship Committee have been considered.

3 Appointed as Managing Director & CEO with effect from December 02, 2016.

4 Resigned as Managing Director & CEO with effect from September 21, 2016.

None of the directors of the Company are related to any other directors of the Company.

b) Appointment/Re-appointment of Directors:

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Vineet Garg, Director shall retire by rotation at the forthcoming Annual General Meeting. The Board has recommended to the shareholders the re-appointment of the aforesaid director retiring by rotation, in the opinion of the Board, he fulfills the condition specified in this Act for holding of office of director. The detailed resume of the aforesaid proposed appointee who has offered himself for re-appointment is provided in the explanatory statement annexed to the notice of the Annual General Meeting.

c) Board Meetings and Annual General Meeting:

During the financial year 2016-2017, 4 (Four) Board Meetings were held on May 24, 2016, August 23, 2016, December 02, 2016 and February 10, 2017. The last Annual General Meeting of the Company was held on September 27, 2016. The details of attendance of Directors in Board Meetings and the last Annual General Meeting are as follows:

Name of the Director(s)	No. of Board Meetings Attended	Attendance at Last Annual General Meeting
Mr. Sameer Joseph*	1	N.A.
Mr. Vineet Garg	3	Yes
Mr. Shyam P. V.	4	Yes
Mr. Dilip Worah	4	Yes
Mr. L. K. Kannan	4	Yes
Mr. Samson Jesudas**	2	N.A.

\* Appointed with effect from December 02, 2016.

\*\*Resigned with effect from September 21, 2016.

d) Separate meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (LODR), a separate meeting of the Independent Directors of the Company was held on February 10, 2017 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

e) Familiarization Programme:

The details of the Familiarization Programme for Independent Directors is provided in the web link <http://hathwaybhawani.com/wp-content/uploads/2017/08/hathway-bhawani-familiarisation-programme-2017.pdf>

f) Code of Conduct:

The Board has laid down a code of conduct for all Board members and senior management of the Company.

The Company has obtained the confirmation of the Compliance with the Code from all its Board members and senior management personnel. As required by Clause (a) of sub-regulation (5) of Regulation 17 of SEBI (LODR), declaration on compliance of the Company's code of conduct signed by Managing Director forms a part of this Annual Report.

g) Prevention of Insider Trading Code:

In compliance with SEBI's regulation on prohibition and prevention of Insider Trading, the Company has established comprehensive Code of Conduct for prohibition and prevention of Insider Trading for its designated employees/persons and Directors. The said Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company.

The Company has also established the Code of Practices and Procedures of fair disclosure of Unpublished Price Sensitive Information.

h) Shares and convertible instruments held by non-executive directors:

None of the non-executive directors hold any Shares and/or convertible instruments in the Company.

### 3. Audit Committee

a) The terms of reference of the Audit Committee as defined by the Board are as under:

- i. Hold discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems;
- ii. Oversight of the Company's financial reporting process and the disclosure of its

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- financial information to ensure that the financial statement is correct, sufficient and credible;
- iii. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
  - iv. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - v. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - (a) Matters required to be included in the director's responsibility statement the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    - (b) Changes, if any, in accounting policies and practices and reasons for the same;
    - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
    - (d) Significant adjustments made in the financial statements arising out of audit findings;
    - (e) Compliance with listing and other legal requirements relating to financial statements;
    - (f) Related party transactions;
    - (g) Modified opinion (s) in the draft audit report;
  - vi. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  - vii. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - viii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - ix. Approval or any subsequent modification of transactions of the Company with related parties;
  - x. Scrutiny of inter-corporate loans and investments;
  - xi. Valuation of undertakings or assets of the Company, wherever it is necessary;

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- xii. Evaluation of internal financial controls and risk management systems;
  - xiii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - xiv. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - xv. Discussion with internal auditors of any significant findings and follow up there on;
  - xvi. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - xvii. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - xviii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - xix. To review the functioning of the whistle blower mechanism;
  - xx. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

b) **Composition of Audit Committee**

The Committee comprises of three Non-executive Directors, majority of whom are Independent Directors. All the members of the Committee are financially literate. The Chairman of the Committee is an independent director who is a member of the Institute of Chartered Accountants of India. During the financial year 2016-2017, 4 (Four) Audit Committee Meetings were held. The composition of the Audit Committee and the number of meetings held and attended by the members of the audit committee are as under :

<b>Committee Members Attending the Meeting</b>	<b>Category</b>	<b>Designation</b>	<b>No. of Meetings Attended</b>
Mr. Dilip Worah	Independent Director	Chairman	4
Mr. L. K. Kannan	Independent Director	Member	4
Mr. Vineet Garg	Director	Member	3

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c) Attendees:

The Audit Committee invites members of the Board and Senior Management team, as it considers appropriate to be present at its meetings. The statutory auditors are also invited to the meetings.

**4. Nomination and Remuneration Committee:**

a) Terms of reference:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- (3) Devising a policy on diversity of Board of Directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- (5) To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

b) Composition of Nomination and Remuneration Committee :

The Nomination and Remuneration Committee comprises of three members. All the members are Non-Executive Directors of which two directors are Independent Directors. The Chairman of the Committee is an Independent Director.

The details of the Committee members are as under :

Committee Members	Designation
Mr. L. K. Kannan – Independent Director	Chairman
Mr. Dilip Worah – Independent Director	Member
Mr. Vineet Garg - Director	Member

During the financial year 2016-17, one meeting of the Nomination and Remuneration Committee was held on December 02, 2016 and the said meeting was attended by all the members of the Committee.

c) Performance Evaluation criteria:

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process

covering various aspects of the Board's functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

## 5. Remuneration of Directors:

- i) Criteria of making payments to Non-Executive Directors and disclosure with respect to remuneration:

Except sitting fees no remuneration is paid to Non-Executive Directors. The sitting fees paid is within the limits prescribed under the Companies Act, 2013. The details of the sitting fees paid to the Independent Directors during the year 2016-17 are as under :

Name of the Director	Sitting Fees Paid (Amt. in Rs.)
Mr. Dilip Worah	80,300
Mr. L. K. Kannan	80,300
<b>Total</b>	<b>160,600</b>

- ii) Executive Directors:

Mr. Samson Jesudas, Managing Director & CEO resigned as Managing Director & CEO with effect from September 21, 2016. Mr. Sameer Joseph was appointed as Managing Director & CEO with effect from December 02, 2016. Both Mr. Samson Jesudas and Mr. Sameer Joseph were appointed in the said office without payment of any remuneration. Further no stock options were offered to them.

## 6. Stakeholders' Relationship Committee:

- a) Constitution and Composition of Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee has been constituted to look into investor's complaints like transfer of shares, non-receipt of declared dividends, etc. and to take necessary steps for redressal thereof. The Committee is a Board level committee under the Chairmanship of Mr. Vineet Garg, a Non-Executive Director. 4 (Four) meetings of the members of Stakeholders' Relationship Committee were held on May 24, 2016, August 23, 2016, December 02, 2016 and February 10, 2017, during the Financial Year 2016-2017.

The composition of the Stakeholders' Relationship Committee as on 31<sup>st</sup> March 2017 is as under:

Name of Director	Designation	No. of Meetings Attended
Mr. Vineet Garg	Chairman	3
Mr. Samson Jesudas*	Member	2
Mr. Dilip Worah	Member	4
Mr. Sameer Joseph**	Member	0

\*Resigned with effect from September 21, 2016.

\*\*Appointed with effect from December 02, 2016.

- b) Mr. Manoj Dere, Company Secretary & Compliance Officer, of the Company resigned with effect from March 16, 2017 and was re-appointed as Company Secretary & Compliance Officer with effect from May 23, 2017.
- c) During the year 2016-2017, the Company has not received any investor complaints. There were no complaints pending as at end of the year.

Received from	Received During 2016-17	Redressed during 2016-17	Pending as on 31.03.2017
SEBI	0	0	0
BSE	0	0	0
NSDL/CDSL	0	0	0
Direct from Investors	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 7. General Body Meetings:

- i) Location, time and date of holding of the last three Annual General Meetings (AGM) are given below:

Financial Year	Date	Venue	Time
2013-14	10.09.2014	Ground Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai 400098	3.00 p.m.
2014-15	25.09.2015	Ground Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai 400098	3.00 p.m.
2015-16	27.09.2016	Ground Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai 400098	3.00 p.m.

- ii) Particulars of Special Resolutions passed in the previous three Annual General Meetings:

Financial Year	Particulars of Special Resolution passed
2013-14	1. Amendment in Articles of Association of the Company 2. Issue of Equity Shares on preferential basis
2014-15	Nil
2015-16	Nil

During last three Financial Years, the Company did not hold any Extra-Ordinary General Meeting.

- iii) Postal Ballot:

During the Financial Year 2016-17 following resolutions were passed through Postal Ballot:

<b>Sr. No.</b>	<b>Brief particulars of the resolution</b>
1.	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for authorizing the Board of Directors of the Company to borrow monies in excess of Paid up Capital and Free reserves of the Company subject to maximum of Rs. 25 Crores.
2.	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for authorizing the Board of Directors for creation of Charge / Hypothecation / Mortgage on the movable / immovable properties of the Company for securing the borrowings of the Company subject to maximum limit of Rs. 25 Crores.

Mr. Samson Jesudas, Managing Director & CEO or Mr. Manoj Dere, Company Secretary & Compliance Officer were severally authorized to complete the formalities of Postal Ballot Process.

Details of votes casted under the said Postal Ballot are as under:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Resolution 1</b>	<b>Resolution 2</b>		
		<b>No. of PBF / E-Voting</b>	<b>No. of Shares voted</b>	<b>No. of PBF / - Voting</b>	<b>No. of Shares voted</b>
a.	Postal Ballot Forms (PBF) received	34	16,934	34	16,934
b.	e-Voting Confirmations	8	4,180,034	8	4,180,034
	<b>Total</b>	<b>42</b>	<b>4,196,968</b>	<b>42</b>	<b>4,196,968</b>
c.	Less: Invalid Postal Ballot Forms / e-Voting confirmations	2	4,225	2	4,225
d.	<b>Net Valid Postal Ballot Forms / e-Voting with assent for the Resolution</b>	<b>40</b>	<b>4,192,743</b>	<b>40</b>	<b>4,192,743</b>
(i)	Postal Ballot Forms / e-Voting with assent for the Resolution	35	4,191,340	35	4,191,340
	<b>% of Assent</b>	<b>99.97%</b>			<b>99.97%</b>
(ii)	Postal Ballot Forms / e-Voting with dissent for the Resolution	5	1403	5	1403

No Special Resolution is proposed to be conducted through Postal Ballot at the ensuing Annual General Meeting.

## 8. Means of Communication:

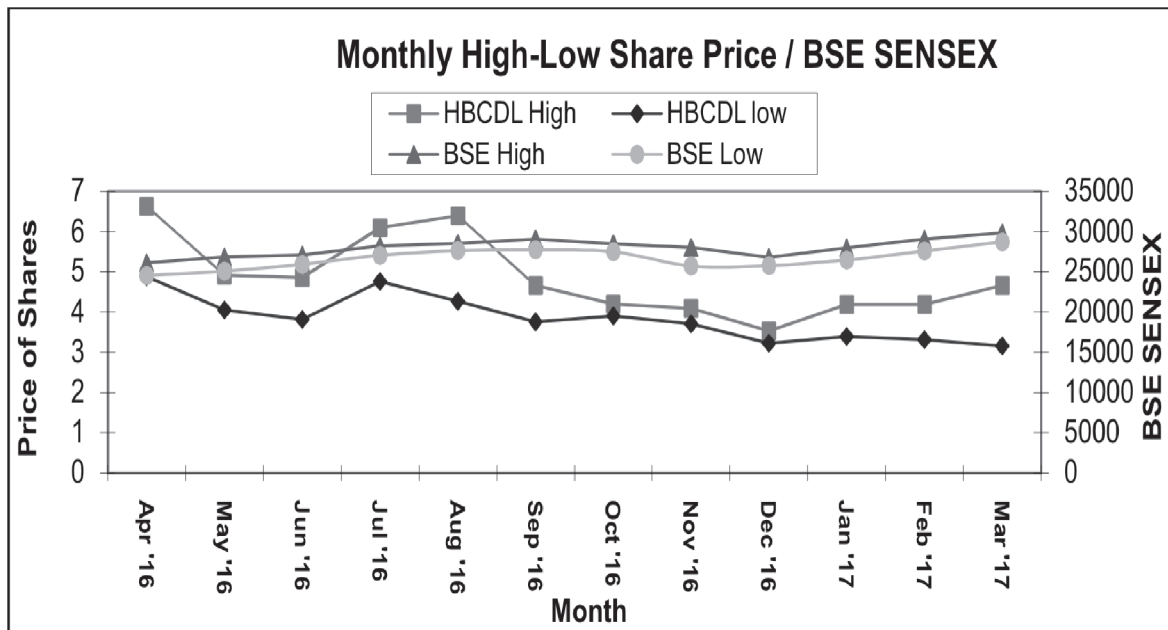
- (i) The quarterly results of the Company are generally published in Mumbai Lakshadweep(*Marathi Newspaper*)and Financial Express (*English Newspaper*). The Company proposes that all quarterly, half-yearly and full year financial results be published at least in 2 newspapers. The quarterly results are further submitted to BSE Limited immediately after the conclusion of the respective meetings and the said results are also displayed on the website of the Company.
- (ii) No presentations were made to institutional investors or to the analysts during the year under review.
- (iii) All information required to be uploaded on the website pursuant to Regulation 46 of the SEBI (LODR) Regulations, 2015, is disseminated on the website of the Company, [www.hathwaybhawani.com](http://www.hathwaybhawani.com)

## 9. General Shareholder Information:

a. <i>Date, time and venue of Annual General Meeting of Shareholders</i>	September 26, 2017 at 3:00 p.m. at Ground Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai – 400098.
b. <i>Financial Year</i>	The Company follows April-March as its financial year. The results for every quarter beginning from April are declared in the stipulated time after the end of respective quarter as per the SEBI LODR) Regulations, 2015.
c. <i>Dividend Payment</i>	The Board of Directors of the Company has not recommended any dividend for the financial year ended 31 <sup>st</sup> March, 2017.
d. <i>Name and Address of the Stock Exchange at which the shares of the Company are listed</i>	BSE Limited, PhirozeJeejeebhoy Towers, Dalal Street, Mumbai – 400001.
e. <i>Payment of Listing Fees</i>	Paid for the Financial Year 2017-2018.
f. <i>Stock Code</i>	509073
g. <i>Stock Market price data</i>	
Monthly high and low at BSE Limited, for financial year ended March 31, 2017:	

### Monthly High-Low Share Price/BSE SENSEX

Month	BSE SENSEX (High)	BSE SENSEX (Low)	HBCDL (High) (Rs.)	HBCDL (Low) (Rs.)
Apr-16	26100.54	24523.2	6.63	4.88
May-16	26837.2	25057.93	4.92	4.05
Jun-16	27105.41	25911.33	4.86	3.82
Jul-16	28240.2	27034.14	6.10	4.76
Aug-16	28532.25	27627.97	6.39	4.27
Sep-16	29077.28	27716.78	4.66	3.76
Oct-16	28477.65	27488.3	4.20	3.90
Nov-16	28029.8	25717.93	4.09	3.71
Dec-16	26803.76	25753.74	3.53	3.23
Jan-17	27980.39	26447.06	4.19	3.39
Feb-17	29065.31	27590.1	4.19	3.31
Mar-17	29824.62	28716.21	4.66	3.16



<i>h.</i>	<i>a) Distribution of Shareholding as on March 31, 2017:</i>				
	<b>Range (in Rs.)</b>	<b>No. of Share holders</b>	<b>% of total number of Shareholders</b>	<b>Amount (in Rs.)</b>	<b>% of Total Shareholding</b>
	1 - 5000	1,203	66.80	23,04,660	2.85
	5001 – 10000	250	13.88	22,50,960	2.78
	10001 -- 20000	132	7.33	21,98,310	2.71
	20001 -- 30000	62	3.44	15,87,490	1.96
	30001 -- 40000	32	1.78	11,51,150	1.42
	40001 -- 50000	24	1.33	11,57,050	1.43
	50001 -- 100000	48	2.67	34,56,110	4.27
	100001 & above	50	2.78	6,68,94,270	82.58
	<b>Total</b>	<b>1,801</b>	<b>100.00</b>	<b>8,10,00,000</b>	<b>100.00</b>

	<i>b) Category wise Distribution Schedule as on March 31, 2017</i>			
	<b>Sr. No.</b>	<b>Category</b>	<b>No. of Shares held</b>	<b>%</b>
	1.	Promoters	10,08,457	12.45
	2.	Corporate Bodies (Promoter Companies)	41,80,000	51.60
	3.	Clearing Members	1,854	0.02
	4.	Other Bodies Corporate	1,46,145	1.80
	5.	Foreign Company	0	0
	6.	Financial Institutions	0	0
	7.	Foreign Institutional Investor	0	0
	8.	Mutual Funds	0	0
	9.	Nationalised Banks	0	0
	10.	Non Resident Indians	1,610	0.02
	11.	Non Resident Indians (Non Repatriable)	7,700	0.10
	12.	Office Bearers	0	0
	13.	Public	27,54,234	34.01
	14.	Directors and Relatives of Director	0	0
		<b>Total</b>	<b>81,00,000</b>	<b>100.00</b>

i.	<i>Registrar and Share Transfer agent</i>	<b>Bigshare Services Private Ltd.</b> 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opposite Vasant Oasis, Makwana Road Marol, Andheri East, Mumbai 400059 Tel.: (022) 62638200/28470653 Fax: (022) 62638299 Email: investors@bigshareonline.com
j.	<i>Share Transfer System</i>	Shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. The Stakeholders' Relationship Committee of the Company meets as often as required.
k.	<i>Dematerialisation of Shares and Liquidity</i>	The Company has established connectivity with Central Depository Services (India) Limited and National Securities Depository Limited and the same are available in electronic segment under ISIN No. INE525B01016. As on 31 <sup>st</sup> March 2017, 79,67,329 Equity Shares representing 98.36% had been dematerialized.
l.	<i>Outstanding ADR/GDR/Warrants</i>	The Company has no outstanding ADR/GDR/Warrants or any convertible instruments, pending conversion or any other instrument likely to impact the Equity Share Capital of the Company.
m	<i>Commodity price risk, foreign exchange risk and hedging activities</i>	Nil
n.	<i>Plant Locations</i>	The Company is not engaged in manufacturing activities.
o.	<i>Address for correspondence</i>	<u><i>For general Correspondence:</i></u> "Rahejas", 4 <sup>th</sup> Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai – 400 054. Tel: (022) 26001306 Fax: (022) 26001307 <u><i>For matters related to Share transfers, dematerialization, etc.:</i></u> Bigshare Services Private Ltd. 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opposite Vasant Oasis, Makwana Road Marol, Andheri East, Mumbai 400059 Tel.: (022) 62638200/28470653 Fax: (022) 62638299 Email: investors@bigshareonline.com

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## 10. Other Disclosures:

### a. Related Party Transactions:

There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large. The transactions mentioned under the Section of Notes to Accounts which forms a part of the Auditors' Report for the year ended 31st March, 2017 are non-material in nature.

### b. Details of Non – compliance and penalties, strictures imposed during the last three years:

There was no non-compliance by the Company and no penalties, strictures were imposed on the Company or its promoters by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

### c. Details of establishment of Vigil Mechanism/whistle blower policy :

The Company has framed a Whistle Blower Policy which was approved by the Board of Directors on May 26, 2014. The Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behaviour, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee.

### d. Details of Compliance with mandatory requirements and adoption of non – mandatory requirements:

The Company has complied with the mandatory requirements of the Corporate Governance Clause of SEBI (LODR). The Company has not implemented the non-mandatory requirements.

### e. Web links:

- Policy for determining materiality:  
<http://hathwaybhawani.com/wp-content/uploads/2016/04/Policy-for-determination-of-Material-Events.pdf>
- Policy on dealing with related party transactions:  
<http://hathwaybhawani.com/wp-content/uploads/2016/05/Hathway-Bhawani-Related-Party-Transactions-Policy.pdf>

### f. Commodity price risk and commodity hedging activities: Nil

## 11. Compliance requirement:

The Company has complied with all the requirements of Corporate Governance as mentioned in sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015, except appointment of woman director under regulation 17 in place of Ms. Nandita Swamy, who resigned with effect from January 22, 2016. The Company is in the process of appointing woman director on the Board.

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**12. Adoption of Discretionary Requirements:**

<b>Sr. No.</b>	<b>Discretionary Requirements</b>	<b>Adoption (Yes/No)</b>
1.	The Board	No
2.	Shareholder Rights	No
3.	Modified opinion(s) in Audit Report	No
4.	Separate posts of Chairperson and Chief Executive Officer	Yes
5.	Reporting of Internal Auditor	Yes

**13. Request to shareholders:**

- a) The shareholders are requested to communicate change of address, if any, directly to the share transfer agent of the Company at the above address.
- b) As required by SEBI, shareholders shall require to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.
- c) The shareholders who still hold the shares in the physical mode are requested to convert their respective holding in dematerialization form and get their email-id registered with the Company / Registrar & Share Transfer Agent to enable the company to send all the Communications / Correspondence through electronic mode.
- d) The shareholders who have not availed nomination facility are requested to avail the same by submitting the nomination form. The form will be made available on request.
- e) Investors holding shares in electronic form are requested to deal only with their depository participant in respect of change of address, nomination facility and furnishing bank account number etc.

**14. Disclosures with respect to demat suspense account/ un claimed suspense account**

No undelivered share certificates are lying with the Company to the Registrar and Share Transfer Agents.

**CODE OF CONDUCT DECLARATION**

Pursuant to Regulation 34 and Schedule V of the SEBI (LODR), Regulations, 2015 entered into with the Stock Exchange, I hereby declare that the Company has obtained affirmative compliance with the code of conduct from all the Board members and senior management personnel of the Company.

**Date:** August 03, 2017

**Place:** Mumbai

**Sameer Joseph**  
Managing Director & CEO  
DIN: 07653870

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To

The Members of

**HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**

### **CORPORATE GOVERNANCE CERTIFICATE**

We have examined the compliance of conditions of Corporate Governance by **HATHWAY BHAWANI CABLETEL & DATACOM LIMITED** ("Company") for the financial year ended 31<sup>st</sup> March, 2017, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange (upto 30<sup>th</sup> November, 2015) and Regulations 17 to 27, 46, Schedule II and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1<sup>st</sup> December 2015) of the said Company with the Stock Exchanges in India.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has in all material respect complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27, 46, Schedule II and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except for appointment of Woman Director in place of Ms. NanditaSwamy, who resigned with effect from January 22, 2016.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RATHI & ASSOCIATES,  
COMPANY SECRETARIES**

**Date :** August 03, 2017

**Place:** Mumbai

**HIMANSHU S. KAMDAR**

Partner

FCS No. 5171 C.P. No.3030

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## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### OVERALL REVIEW

India remains one of the fastest growing economies in the world despite the temporary slowdown in growth due to government's decision to withdraw high denomination notes from circulation. High frequency data, such as automobile sales, cement consumption, personal loan growth and exports growth suggest that the economy is gradually recovering from the impact of demonetisation. RBI expects real GDP growth to accelerate to 7.3% in FY18 from 6.6% in FY17 (GVA basis). Sustained low inflation, falling fiscal deficit, low current account deficit, and a stable currency have created a positive environment for economic growth. Goods and Services Tax (GST) is implemented in India in FY18. This unified tax regime, coupled with the Central Government's thrust on areas, such as power, infrastructure, and affordable housing should help accelerate India's growth rate closer to 8% in the medium term.

India's consumption growth over the past decade has been strong and resilient even during periods of slower GDP growth. This bodes well for our industry, as spends on media and entertainment are linked to consumption spends in the economy. Private final consumption is estimated to have grown at 6.8% CAGR over FY12-17 in real terms (12.5% in nominal terms). Within the consumption basket, the share of non-food items has been rising with increasing per capita income. There is another positive trend of organised businesses entering and gaining market share in various sectors. Both these factors bode well for growth in advertising spends.

### INDUSTRY REVIEW

According to the KPMG India – FICCI Indian Media and Entertainment Industry Report, 2017, the Television industry in India stands at an estimated size of INR 588 Bn in 2016, a growth of 8.5% over 2015, and is envisaged to register a CAGR of 14.7% to reach INR 1,165 Bn by 2021 as per Industry Reports. The advertising revenue is expected to grow at a healthy CAGR of 14.4%, and subscription revenues are expected to register a slightly higher CAGR of 14.8%, driven by the intended benefits of digitisation flowing in post 2017. The long-term forecast for the television segment remains robust due to strong economic fundamentals and rising domestic consumption coupled with the delayed, but inevitable, completion of digitisation.

Subscription revenues are estimated to grow at a CAGR of 14.7% between 2015-2020 which is expected to be driven by growth in subscriber base in phase-III and IV of digitisation, subscription revenue collected on the ground due to channel packaging, increasing HD penetration and revenue share of cable television operators in the subscription pie.

According to the KPMG India – FICCI Indian Media and Entertainment Industry Report, 2017, the TV penetration in India has increased to 181 Mn in 2016 from 175 Mn in 2015. It is estimated that the demonetisation drive in the country resulted in a short term blip, slowing down acquisitions by about a million subscribers. It is also estimated that in the long run, demonetisation is not likely to have any impact on long term macro-economic indicators and accordingly, TV households are estimated to reach 203 Mn by 2021, which will translate into a total TV penetration of 84%.

Television remains one of the most important mediums of entertainment in India. The process of digitising this medium began with Phase I in 2012 and has progressed slowly, with persistent

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challenges. By the end of FY2017, the Digital Cable or DAS (Digital Addressable Cable) status of the country had progressed considerably. According to a report by Minister of State for Information & Broadcasting, Rajyavardhan Rathore, presented in the Rajya Sabha, all homes in Phases I & II had been digitised, except in Tamil Nadu, for which MIB has set a deadline of August 2017 for digitisation.

## **OPPORTUNITIES, THREATS AND BUSINESS OUTLOOK**

- With 94% digitisation complete, packaging and monetisation will lead to ARPU growth.  
HD would continue to be the big opportunity by way of new channel launches and better regional content.
- One of the early proponents and adopters of digitisation, and one of its early beneficiaries.
- Scattered subscriber base, low paying capacity and poor infrastructure in Phase 3 and 4 markets adversely impacting the cost of operations.
- DTH companies, Free Dish to offer stiff competition in Phase 3 and 4 Markets

The Company is taking various steps to improve performance by:

- a) Improving efficiency through combination of strategies such as channel packages, promoting HD and persuading LCO's and consumers to move towards higher packages.
- b) Curtailing overheads by exercising strict control and regular review mechanism.
- c) Stringent control procedures for fast recoveries.

## **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has proper and adequate internal control system under which management reports on key performance indicators and variance analysis are made. Regular Management committee meetings are held where these reports and variance analysis are discussed and action plan initiated with proper follow up. Operational Reports are tabled at Board Meetings after being discussed in Audit Committee meetings.

## **SEGMENT-WISE OR PRODUCT WISE PERFORMANCE**

The Company is providing Cable Television Network Services which is considered as the only reportable segment. The company's operations are based in the state of Maharashtra, India.

## **HUMAN RESOURCES**

An Orientation has been given to the personnel policy with emphasis on performance. Employee strength was increased at various levels with reallocation of responsibilities for better utilisation of resources.

Measures are continuing to facilitate higher levels of output and productivity. Managerial Effectiveness is being improved by appropriate development and training programs, better co-ordination and improvement in communications.

**COMPANY'S FINANCIAL PERFORMANCE AND ANALYSIS**

(Rs. In Lakhs)

	<b>Year 2016-17</b>	<b>Year 2015-16</b>
<b>Particulars</b>	<b>Amount</b>	<b>Amount</b>
<b>INCOME</b>		
Income from Operations	1254.19	1725.25
Other Income	27.69	11.72
<b>TOTAL</b>	<b>1281.88</b>	<b>1736.97</b>
<b>EXPENDITURE</b>		
Operational Expenses	876.16	1282.90
Staff Cost	99.90	135.63
Other Expenses	339.28	373.43
Finance Charges	2.66	19.52
Depreciation / Amortisation	64.97	69.60
<b>TOTAL</b>	<b>1382.96</b>	<b>1881.08</b>
<b>Profit / (Loss) Before Taxation and Exceptional Items</b>	<b>(101.08)</b>	<b>(144.11)</b>
Exceptional Items		14.53
Profit / (Loss) Before Taxation	(101.08)	(158.64)
Provision for taxation		
Deferred Tax	-	(10.15)
Income Tax(MAT)	-	-
Profit / (Loss) After taxation	(101.08)	(148.49)
<b>Other comprehensive income</b>	<b>(5.51)</b>	<b>7.94</b>
	<b>(95.57)</b>	<b>(156.43)</b>
<b>Profit /(Loss) for the Period</b>		

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## **Operational Review**

During the year company gross revenue stood at 1254.19 lakhs the because of recognizing the content on net basis.

During the year the Company entire broadband customer's migrated to other broadband service providers due to lucrative pricing and packaging. The Department of Telecommunications, Ministry of Information and Broadcasting was informed accordingly.

Your company has reduced the PAT loss to Rs. 95.57 lakhs compare to the previous year Rs. 156.43 lakhs due saving in Broadband Business and increase in cable subscription.

New regulation/Tariff order - During the year, the regulator TRAI, has notified a new set of regulations which will govern the industry. The regulation envisages sweeping changes in the existing model and is expected to benefit all the stake holders in the value chain (viz) Broadcaster, MSO, LCO and Customer. The new regulation is the out come of several issues arising out of flaws and imbalances in the erstwhile regulatory regime which was skewed in favour of the broadcaster and LCO

## **CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectation may be “forward-looking” within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of Hathway Bhawani Cabletel & Datacom Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Hathway Bhawani Cabletel & Datacom Limited ('the Company')**, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act read with the relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments,

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the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the state of affairs of the Company as at March 31, 2017, and its losses including (other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

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- g) 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, by the Companies (Audit and Auditors) Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigation, which would impact its financial position in its financial statement;
  - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts;
  - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund; and
  - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 2.07 to the standalone financial statements.

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

Place : Mumbai  
Dated : May 23, 2017

**Atul Shah  
Partner  
Membership No: 39569**

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## **"Annexure A" to the Independent Auditor's Report**

**Referred to in paragraph 1 under the heading "Report on Other Legal & Regulatory Requirements" of our report on even date to the financial statements of the Company for the year ended March 31, 2017:**

- (i) (a) The Company has maintained records of Property, Plant and Equipments, other than distribution equipments, showing particulars of assets including quantitative details and location except the following:
  - Location-wise particulars of some of the Distribution Equipments like cabling and other line equipments. As explained to us, nature of such assets is such that maintaining location-wise particulars is impractical; and
  - Location-wise particulars of Access Devices with the end users. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments
- (b) According to the information and explanations given to us, Property, Plant and Equipments were physically verified during the year as per the programme of verification which, in our opinion, is reasonable. Material discrepancies arising on such physical verification have been properly dealt within the books of accounts
- (c) The Company does not hold any immovable properties. Accordingly, the paragraph 3(i)(c) of the Order regarding title deeds of immovable properties is not applicable;
- (ii) According to the information and explanations given to us, the Company does not hold any inventories and accordingly paragraph 3(ii) of the Order is not applicable;
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii)(a), (b) and (c) of the Order are not applicable;
- (iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the order is not applicable to the Company;
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company. We have been informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard;
- (vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, for the services rendered by the Company;
- (vii) (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues such as provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, 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, 2017, for a period of more than six months from the date they became payable;
- (b) According to the information and explanations given to us, there are no outstanding

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disputed dues payable by the Company in case of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as on March 31, 2017;

- (viii) The Company has not taken any Loans from Banks, Financial Institutions and Government during the year. Further, the Company has not issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable;
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) nor any term loans during period under audit. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company;
- (x) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable;
- (xii) In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company;
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards;
- (xiv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company;
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements, the Company has not entered into any non-cash transactions with directors. We have been informed that no such transactions have been entered into with person connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company; and
- (xvi) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of clause 3(xvi) of the Order are not applicable to the Company.

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

**Atul Shah**  
**Partner**  
**Membership No: 39569**

Place : Mumbai  
Dated : May 23, 2017

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## **"Annexure B" to the Independent Auditor's Report**

**Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report on even date to the financial statements of the Company for the year ended March 31, 2017:**

### **Report on the Internal Financial Controls under Section 143(3)(i) of the Act**

We have audited the internal financial controls over financial reporting of Hathway Bhawani Cabletel & Datacom Limited ('the Company') as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('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 over financial reporting 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 Institute of Chartered Accountants of India. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide

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reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on issued by the Institute of Chartered Accountants of India.

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

Place : Mumbai  
Dated : May 23, 2017

**Atul Shah  
Partner  
Membership No: 39569**

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

## Standalone Balance Sheet As at March 31, 2017

( ₹ in lakhs unless otherwise stated)

Particulars	Note No.	As at		
		March 31, 2017	March 31, 2016	April 1, 2015
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	2.01	291.75	354.70	366.41
Capital work in progress		1.42	1.46	0.95
Other Intangible assets	2.02	37.17	49.87	63.30
Financial Assets				
Investments	2.03	40.77	40.77	55.30
Trade receivables	2.04	21.62	26.37	31.94
Other financial assets	2.05	81.46	76.07	69.47
Other Non-current assets	2.06	94.89	114.04	192.42
<b>Total Non-current Assets</b>		<b>569.08</b>	<b>663.28</b>	<b>779.79</b>
<b>Current Assets</b>				
Financial Assets				
Trade receivables	2.04	278.29	343.31	331.09
Cash and cash equivalents	2.07	180.59	141.40	152.01
Other financial assets	2.05	2.57	2.97	4.43
Current Tax assets (Net)	2.08	71.91	71.50	15.18
Other current assets	2.06	135.67	116.20	104.62
<b>Total Current Assets</b>		<b>669.03</b>	<b>675.38</b>	<b>607.33</b>
<b>Total Assets</b>		<b>1,238.11</b>	<b>1,338.66</b>	<b>1,387.12</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	2.09	810.00	810.00	810.00
Other Equity	2.10	(1,193.56)	(1,097.99)	(941.56)
<b>Total Equity</b>		<b>(383.56)</b>	<b>(287.99)</b>	<b>(131.56)</b>
<b>Non-current Liabilities</b>				
Financial Liabilities				
Borrowings	2.11	-	-	143.41
Provisions	2.14	23.49	25.09	15.69
Deferred tax liabilities (Net)	2.15	-	-	10.15
<b>Total Non-current Liabilities</b>		<b>23.49</b>	<b>25.09</b>	<b>169.25</b>
<b>Current Liabilities</b>				
Financial Liabilities				
Trade payables	2.12	1,448.85	1,289.59	1,170.10
Other financial liabilities	2.13	96.82	234.97	123.76
Other current Liabilities	2.16	51.41	75.82	54.56
Provisions	2.14	1.10	1.18	1.01
<b>Total Current Liabilities</b>		<b>1,598.18</b>	<b>1,601.56</b>	<b>1,349.43</b>
<b>Total Equity and Liabilities</b>		<b>1,238.11</b>	<b>1,338.66</b>	<b>1,387.12</b>
Summary of Significant Accounting Policies Refer accompanying notes. These notes are an integral part of the financial statements	1			
As per our report of even date <b>For G.M. KAPADIA &amp; CO.</b> Chartered Accountants Firm Registration No. 104767W		For and on behalf of the Board		
<b>Atul Shah</b> Partner Membership No. 39569		<b>Sameer Joseph</b> Managing Director Din: 07653870	<b>Vineet Garg</b> Director Din: 06935347	
		<b>Manoj Dere</b> Company Secretary FCS No. 7652	<b>Basant Haritwal</b> Chief Financial Officer	
Place : Mumbai Dated: May 23, 2017			Place : Mumbai Dated: May 23, 2017	

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

## Standalone Statement of Profit & Loss for the year ended March 31, 2017

(₹ in lakhs unless otherwise stated)

Particulars	Note No.	Year ended	
		March 31, 2017	March 31, 2016
Revenue from Operations	3.01	1,254.19	1,725.25
Other Income	3.02	27.69	11.72
<b>Total Income</b>		<b>1,281.88</b>	<b>1,736.97</b>
<b>Expenses</b>			
Pay Channel & Feed Charges		641.76	926.96
Operational expenses	3.03	234.39	355.94
Employee benefit expenses	3.04	99.90	135.63
Finance cost	3.05	2.66	19.52
Depreciation and amortisation expenses	3.06	64.97	69.60
Other expenses	3.07	339.28	373.43
<b>Total Expenses</b>		<b>1,382.96</b>	<b>1,881.08</b>
<b>(Loss) before exceptional items and tax</b>		<b>(101.08)</b>	<b>(144.11)</b>
Exceptional items	3.08	-	14.53
<b>(Loss) before tax</b>		<b>(101.08)</b>	<b>(158.64)</b>
Tax Expense			
Current tax		-	-
Deferred tax		-	(10.15)
<b>(Loss) for the period</b>		<b>(101.08)</b>	<b>(148.49)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurements of defined benefit plans		5.51	(7.94)
Income tax effect relating to items that will not be reclassified to profit or loss		-	-
		5.51	(7.94)
<b>Total Comprehensive Income / (Loss) for the period</b>		<b>(95.57)</b>	<b>(156.43)</b>
Weighted Average Number of Shares		81,00,000	81,00,000
Earnings / (Loss) per equity share (Face value of ₹10/- each) :			
Basic and diluted (in ₹)		(1.25)	(1.83)
Summary of Significant Accounting Policies	1		
Refer accompanying notes. These notes are an integral part of the financial statements			
As per our report of even date		For and on behalf of the Board	
<b>For G.M. KAPADIA &amp; CO.</b>			
<b>Chartered Accountants</b>			
<b>Firm Registration No. 104767W</b>			
<b>Atul Shah</b>	<b>Sameer Joseph</b>	<b>Vineet Garg</b>	
<b>Partner</b>	<b>Managing Director</b>	<b>Director</b>	
Membership No. 39569	Din: 07653870	Din: 06935347	
	<b>Manoj Dere</b>	<b>Basant Haritwal</b>	
	<b>Company Secretary</b>	<b>Chief Financial Officer</b>	
	FCS No. 7652		
Place : Mumbai		Place : Mumbai	
Dated : May 23, 2017		Dated : May 23, 2017	

# HATHWAY BHAWANI CABLETEL & DATACOM LTD.

CIN : L65910MH1984PLC034514

## Standalone Cash Flow Statement for the year ended March 31, 2017

( ₹ in lakhs unless otherwise stated)

Particulars	Year ended			
	March 31, 2017		March 31, 2016	
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
<b>NET PROFIT / (LOSS) BEFORE TAX</b>		<b>(101.08)</b>		<b>(158.64)</b>
Adjustment for :				
Non Cash Charges				
Depreciation and Amortisation Expenses	64.97		69.60	
Impairment loss on trade Receivable	150.00		184.00	
Impairment loss on Investments	-		14.53	
(Profit) / Loss on disposal of Property Plant & Equipments	39.63		(0.08)	
Interest Income	(4.25)		(4.44)	
Provision for Gratuity and Leave Encashment	3.83		1.63	
Interest Expense	2.66	256.84	19.52	284.76
Operating Profit Before Change in Working Capital		155.76		126.12
<b>Change in Assets &amp; Liabilities</b>				
(Increase) / Decrease in Trade Receivables	(80.23)		(190.65)	
(Increase) / Decrease in Other Financial Assets	(2.36)		(10.36)	
(Increase) / Decrease in Other Assets	(17.13)		(8.93)	
Increase / (Decrease) in Trade Payable	159.26		119.49	
Increase / (Decrease) in Other Financial Liabilities	3.15		(17.49)	
Increase / (Decrease) in Other Current Liabilities	(24.41)		21.25	
		38.28		(86.68)
Cash Generated from Operations		194.04		39.44
Taxes Paid (Net) - (Net of Refund)		16.40		19.41
Net Cash flow from Operating activity		210.44		58.85
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Interest Received	1.62		9.65	
Proceeds from Sale of Property, Plant and Equipment	3.31		0.08	
Payments for acquisition Property, Plant and Equipment	(30.87)		(56.08)	58.85
Net Cash Flow from / (used in) Investing Activity		(25.94)		(46.35)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Long Term Borrowing Repaid	(142.65)		(3.59)	
Interest Paid	(2.66)		(19.52)	
Net Cash Flow from / (used in) Financing Activity		(145.31)		(23.11)
Net Increase in Cash and Cash Equivalent		39.19		(10.61)
Cash & Cash Equivalents at the Beginning of Year		141.40		152.01
Cash & Cash Equivalents at the End of Year		180.59		141.40
<b>Net Increase / (Decrease) in Cash &amp; Cash equivalents</b>		39.19		(10.61)
<b>Reconciliation of cash and cash equivalents as per Cash Flow Statement</b>				
<b>Cash and cash equivalents</b>				
Balances with banks:				
In Current Accounts		171.28		137.97
Cash in Hand		9.31		3.43
		<b>180.59</b>		<b>141.40</b>
Note - Above Statement has been prepared by using Indirect method as per Ind AS -7 on Cash Flow Statements.				
As per our report of even date				
<b>For G.M. KAPADIA &amp; CO.</b>		<b>For and on behalf of the Board</b>		
<b>Chartered Accountants</b>				
<b>Firm Registration No. 104767W</b>				
 <b>Atul Shah</b> <b>Partner</b> Membership No. 39569		 <b>Sameer Joseph</b> <b>Managing Director</b> Din: 06935347		
		 <b>Vineet Garg</b> <b>Director</b> Din: 07653870		
		 <b>Manoj Dere</b> <b>Company Secretary</b> FCS No. 7652		
		 <b>Basant Haritwal</b> <b>Chief Financial Officer</b>		
Place : Mumbai		Place : Mumbai		
Dated: May 23, 2017		Dated: May 23, 2017		

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

## Standalone Statement of changes in equity for the year ended March 31, 2017

( ₹ in lakhs unless otherwise stated)

### A Equity Share Capital

Particulars	Amount
Balance as at April 1, 2015	810.00
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2016	810.00
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2017	810.00

### B Other Equity:

Particulars	Reserves and Surplus		Total
	Security Premium	Retained earnings	
Balance as at April 1, 2015	151.00	(1,092.56)	(941.56)
(Loss) for the year	-	(148.49)	(148.49)
Other Comprehensive Income for the year		(7.94)	(7.94)
Balance as at March 31, 2016	151.00	(1,248.99)	(1,097.99)
(Loss) for the year		(101.08)	(101.08)
Other Comprehensive Income for the year	-	5.51	5.51
Balance as at March 31, 2017	151.00	(1,344.56)	(1,193.56)

Summary of Significant Accounting Policies (Refer Note No.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 Registration No. 104767W

For and on behalf of the Board

Atul Shah

Partner

Membership No. 39569

Sameer Joseph

Managing Director

Din: 07653870

Vineet Garg

Director

Din: 06935347

Manoj Dere

Company Secretary

FCS No. 7652

Basant Haritwal

Chief Financial Officer

Place : Mumbai

Dated : May 23, 2017

Place : Mumbai

Dated : May 23, 2017

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## **HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**

### **Significant Accounting Policies and Notes to the Standalone Financial Statements**

#### **BACKGROUND**

Hathway Bhawani Cabletel & Datacom Limited is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having registered office at 'Rahejas', 4th Floor, Corner of Main Avenue and V.P Road, Santacruz (West) Mumbai Maharashtra 400054. The Company is engaged in Cable TV Business. Its Equity shares are listed on Bombay Stock Exchange (BSE) in India.

Authorisation of standalone financial statements

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 23, 2017.

#### **1.00 SIGNIFICANT ACCOUNTING POLICIES**

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

##### **1.01 BASIS OF PREPARATION**

(i) Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"), and relevant rules issued thereunder. 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.

The standalone financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) ("previous GAAP") and other relevant provisions of the Act.

These standalone financial statements are the first standalone financial statements of the Company under Ind AS. Refer note 4.13 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows. The date of transition to Ind AS is April 1, 2015.

(ii) Historical cost convention

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value;

##### **1.02 ROUNDING OF AMOUNTS**

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

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### 1.03 CURRENT VERSUS NON-CURRENT CLASSIFICATION

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

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

All other assets are classified as non-current.

A liability is classified as current if:

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

All other liabilities are classified as non-current.

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

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

### 1.04 USE OF JUDGEMENTS, ESTIMATES & ASSUMPTIONS

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

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of

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estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are as below:

**Key sources of estimation uncertainty**

- (i) Financial instruments; (Refer note 4.06)
- (ii) Useful lives of Property, Plant and Equipment and intangible assets; (Refer note 1.05)
- (iii) Obligations relating to employee benefits; (Refer note 4.03)
- (iv) Evaluation of recoverability of deferred tax assets; (Refer note 4.11) and
- (v) Contingencies (Refer note 4.01).

**Critical accounting judgements**

The Company has equity stake in Hathway Bhawani NDS Network Pvt. Ltd. ("HBNDS") for strategic reasons concerning its operation. The relationship with HBNDN has been determined based on principles laid down in Consolidated Financial Statements and Ind AS 111 - Joint Arrangements. Accordingly, HBNDN is considered as Joint ventures.

**1.05 PROPERTY, PLANT AND EQUIPMENT**

- (i) Property, Plant and Equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, 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. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.
- (ii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.
- (iii) 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 the disposal or retirement 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.
- (iv) The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.
- (v) Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013,

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the Company has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

- (vi) In case of additions or deletions during the year, depreciation is computed from the month in which such assets are put to use and up to previous month of sale, disposal or held for sale as the case may be. In case of impairment, depreciation is provided on the revised carrying amount over its remaining useful life.
- (vii) All assets costing up to ₹ 5,000/- 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.

### **Intangible Assets acquired separately**

Intangible assets comprises of Cable Television Franchise 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 recognized only if they are separately identifiable and the Company expects to receive future economic benefits arising out of them. Such assets are stated at cost less accumulated amortization and impairment losses.

### **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 indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets with finite useful lives are amortized 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:

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- Softwares are amortized over the license period and in absence of such tenor, over five years.
  - Cable Television Franchise are amortized over the contract period and in absence of such tenor, over twenty 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**

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

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

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

## **1.08 CASH AND CASH EQUIVALENTS**

For the purpose of Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with banks or financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

## **1.09 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) are added to or deducted from the fair value of the financial assets or financial liabilities, as

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appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

### **Classification and Subsequent Measurement : Financial Assets**

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

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

#### **Amortised Cost:**

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

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

#### **FVTOCI:**

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

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

#### **FVTPL:**

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

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

### **Impairment of Financial Assets**

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

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

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### **Classification and Subsequent measurement: Financial Liabilities**

The Company's financial liabilities include trade and other payables, loans and borrowings.

#### **Financial Liabilities at FVTPL:**

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

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

#### **Other Financial Liabilities:**

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

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

#### **Derecognition of Financial Assets and Financial Liabilities:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### **Offsetting Financial Instruments:**

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

## **1.10 INVESTMENT IN JOINT VENTURE**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Company's investments in its joint venture is accounted at cost and reviewed for impairment at each

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reporting date.

### **1.11 BORROWING COSTS**

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

### **1.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

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

#### **Contingent liabilities are disclosed in the case of:**

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

### **1.13 GRATUITY AND OTHER POST-EMPLOYMENT BENEFITS**

#### **(i) Short-term obligations**

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of profit & loss of the year in which the related services are rendered.

#### **(ii) Post-employment obligations**

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund

#### **Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is

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calculated annually by actuaries using the projected unit credit method.

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

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

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

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

#### **Defined contribution plans**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. 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.

#### **(iv) Bonus Plans**

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

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## 1.14 REVENUE RECOGNITION

### (I) Income from Rendering of services

Subscription income includes subscription from Subscribers / Cable Operators relating to cable TV and Internet business and income from placement of channels. Revenue from Operations is recognized on accrual basis based on underlying subscription plan or agreements with the concerned subscribers / parties.

Subscription Income from Cable TV Operators, is accrued monthly based on number of connections declared by the said operators to the Company. In cases where revision of number of connections and / or rate is under negotiations at the time of recognition of revenue, the Company recognizes revenue as per invoice raised. Adjustments for the year, if any, arising on settlement is adjusted against the Revenue. Other cases are reviewed by the management periodically

Advertisement revenue is accrued on release of the advertisement for public viewing.

Income from service does not include Service Tax (ST).

Rental income: The Company's policy for recognition of revenue from operating leases is described in note below on Leases.

The Company collects VAT, service tax and entertainment tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

### (ii) Interest Income

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

## 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.

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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 EARNINGS PER SHARE (EPS)**

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

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

#### **1.17 LEASES**

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

##### **As a Lessee**

##### **Operating Lease**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under

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operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### **As a Lessor**

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

### **1.18 FIRST TIME ADOPTION - MANDATORY EXCEPTIONS, OPTIONAL EXEMPTIONS**

#### **Overall principle**

The Company has prepared the opening standalone Balance Sheet as per Ind AS as of the transition date by

- recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and
- applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

#### **Deemed cost for Property, Plant and Equipment and intangible assets .**

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

#### **Deemed cost on investments in joint venture**

The Company has elected to continue with the carrying value of its investments is joint venture recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the investments in joint venture.

## Hathway Bhawani Cabletel & Datacom Limited

### Notes to the Standalone Financial Statements

( ₹ in lakhs unless otherwise stated)

#### 2.01 Property, plant and equipment :

	Gross Carrying Amount			Depreciation		Net Block	
	As at April 1, 2016	Addition	Disposal	As at March 31, 2017	As at April 1, 2016	As at March 31, 2017	As at March 31, 2016
<b>Own Assets:</b>							
Plant and Machinery	365.97	29.51	36.84	358.64	45.13	83.31	320.84
Air conditioners	4.12	-	0.68	3.44	1.20	1.93	2.92
Structural fittings	0.07	-	-	0.07	0.02	0.02	0.05
Furniture & Fixtures	14.88	0.81	4.52	11.17	1.81	1.77	13.07
Mobile & Telephone	2.47	-	0.46	2.01	0.39	0.77	2.08
Computers	9.28	0.31	1.25	8.34	2.69	4.47	6.59
Office Equipments	1.30	0.29	0.85	0.74	0.71	0.51	0.59
Electrical Fittings	0.38	-	0.38	-	0.09	-	0.29
Motor Vehicles	11.53	-	11.38	0.15	3.26	0.03	8.27
<b>Total</b>	<b>410.00</b>	<b>30.92</b>	<b>56.36</b>	<b>384.56</b>	<b>55.30</b>	<b>92.81</b>	<b>354.70</b>

	Gross Carrying Amount			Depreciation		Net Block	
	Deemed cost as at April 1, 2015	Addition	Disposal	As at March 31, 2016	As at April 1, 2015	As at March 31, 2016	As at April 1, 2015
<b>Own Assets:</b>							
Plant and Machinery	327.59	38.67	0.29	365.97	-	45.13	327.59
Air conditioners	3.32	0.80	-	4.12	-	1.20	3.32
Structural fittings	0.07	-	-	0.07	-	0.02	0.07
Furniture & Fixtures	14.15	0.73	-	14.88	-	1.81	14.15
Mobile & Telephone	0.33	2.14	-	2.47	-	0.39	0.33
Computers	7.97	1.31	-	9.28	-	2.69	7.97
Office Equipments	1.07	0.23	-	1.30	-	0.71	1.07
Electrical Fittings	0.38	-	-	0.38	-	0.09	0.38
Motor Vehicles	11.53	-	-	11.53	-	3.26	11.53
<b>Total</b>	<b>366.41</b>	<b>43.88</b>	<b>0.29</b>	<b>410.00</b>	<b>-</b>	<b>55.30</b>	<b>366.41</b>

## Hathway Bhawani Cabletel & Datacom Limited

### Notes to the Standalone Financial Statements

( ₹ in lakhs unless otherwise stated)

#### 2.02 Other intangible assets :

	Gross Carrying Amount			Amortisation		Net Block	
	As at April 1, 2016	Addition	Disposal	As at March 31, 2017	For the Year on disposal	As at March 31, 2017	As at March 31, 2016
Cable Television Franchise	60.36	-	-	60.36	13.17	34.02	47.19
Softwares	3.52	1.33	-	4.85	0.86	3.15	2.68
<b>Total</b>	<b>63.88</b>	<b>1.33</b>	<b>-</b>	<b>65.21</b>	<b>14.03</b>	<b>37.17</b>	<b>49.87</b>

	Gross Carrying Amount			Amortisation		Net Block	
	Deemed cost as at April 1, 2015	Addition	Disposal	As at March 31, 2016	For the Year on disposal	As at March 31, 2016	As at April 1, 2015
Cable Television Franchise	60.36	-	-	60.36	13.17	47.19	60.36
Softwares	2.94	0.58	-	3.52	0.84	2.68	2.94
<b>Total</b>	<b>63.30</b>	<b>0.58</b>	<b>-</b>	<b>63.88</b>	<b>14.01</b>	<b>49.87</b>	<b>63.30</b>

Range of remaining period of amortisation of other Intangible Assets is as below:

	0 to 5 years	Total WDV
Cable Television Franchise	34.02	34.02
Softwares	3.15	3.15
	<b>37.17</b>	<b>37.17</b>

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

### Notes to the Standalone Financial Statements

(₹ in lakhs unless otherwise stated)

2.03 Non- current Investments	As at		As at		As at	
	March 31,2017		March 31,2016		April 1,2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>Investments (measured at Cost)</b>						
<b>Investment in equity shares of Joint Venture</b>						
<b>Unquoted (fully paid up)</b>						
Hathway Bhawani NDS Network Pvt.Ltd. (Face Value ₹500)	15,810	54.05	15,810	54.05	15,810	54.05
Less: Impairment in value of Investments		14.53		14.53		-
		39.52		39.52		54.05
<b>Investments in Government securities (measured at amortised cost )</b>						
Unquoted						
National Saving Certificates (Pledged with Government Authorities)		1.25		1.25		1.25
<b>Total carrying value</b>		<b>40.77</b>		<b>40.77</b>		<b>55.30</b>
<b>Aggregate Amount of Unquoted Investments</b>		<b>55.30</b>		<b>55.30</b>		<b>55.30</b>
<b>Aggregate Impairment in value of Investments</b>		<b>14.53</b>		<b>14.53</b>		<b>-</b>

2.04 Trade Receivables	Non- current			Current		
	As at			As at		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
Unsecured, considered good	-	-	-	278.29	343.31	331.09
Doubtful	544.14	446.53	337.78	-	-	-
	544.14	446.53	337.78	278.29	343.31	331.09
Less: Allowance for doubtful debts (expected credit loss)	522.52	420.16	305.84	-	-	-
	<b>21.62</b>	<b>26.37</b>	<b>31.94</b>	<b>278.29</b>	<b>343.31</b>	<b>331.09</b>

**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.

2.05 Other financial assets	Non- current			Current		
	As at			As at		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
Security Deposits	25.40	23.72	23.01	-	-	-
	25.40	23.72	23.01	-	-	-
Fixed Deposit with Bank with maturity more than 12 months (Refer Note No. 2.07)	51.46	50.78	41.13	-	-	-
Interest Accrued	4.60	1.57	5.33	2.57	2.97	4.43
	56.06	52.35	46.46	2.57	2.97	4.43
	<b>81.46</b>	<b>76.07</b>	<b>69.47</b>	<b>2.57</b>	<b>2.97</b>	<b>4.43</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.

2.06 Other assets	Non- current			Current		
	As at			As at		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
Unsecured, considered good unless stated otherwise						
Advance Income Tax Paid (Net of Provision for Tax)	89.16	105.97	181.70	-	-	-
Prepaid expenses	5.73	8.07	10.72	1.62	1.71	3.70
Staff Advances	-	-	-	3.45	9.56	10.12
Service tax Claimable	-	-	-	103.44	55.26	26.22
Cenvat Receivable	-	-	-	27.16	49.67	64.58
	<b>94.89</b>	<b>114.04</b>	<b>192.42</b>	<b>135.67</b>	<b>116.20</b>	<b>104.62</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

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

### Notes to the Standalone Financial Statements

( ₹ in lakhs unless otherwise stated)

2.07 Cash and cash equivalents	Non- current			Current		
	As at			As at		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
<b>Balances with Banks</b>						
In current Accounts	-	-	-	171.28	137.97	144.40
Cash on hand	-	-	-	9.31	3.43	7.61
<b>Other Bank Balances</b>						
Fixed Deposit with Bank with maturity more than 12 months	51.46	50.78	41.13	-	-	-
	<b>51.46</b>	<b>50.78</b>	<b>41.13</b>	<b>180.59</b>	<b>141.40</b>	<b>152.01</b>
Less: Amount disclosed under Other financial assets (Refer Note No.2.05)	51.46	50.78	41.13	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>180.59</b>	<b>141.40</b>	<b>152.01</b>

Out of the above Fixed deposits with Bank of Maharashtra, deposits of ₹8.57 (Previous year ₹7.89) is given as security against outstanding bank Guarantees and deposits of ₹42.89 (Previous year ₹42.89 ) is given as security against cash credit limit with the said bank.

#### Disclosure On Specified Bank Note

The details of SBNs held and transacted during the period November 8, 2016 to December 30, 2016, pursuant to MCA notification no G.S.R. 308(E) dated March 30, 2017 are as under :

Summary	SBNs	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	12,67,000	93,749	13,60,749
(+) Withdrawals from banks	-	8,00,000	8,00,000
(+) Permitted receipts	-	61,33,500	61,33,500
(-) Permitted payments	-	4,88,791	4,88,791
(-) Amount deposited in banks	12,67,000	59,31,022	71,98,022
Closing cash in hand as on December 30, 2016	-	<b>6,07,436</b>	<b>6,07,436</b>

Explanation : The term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

2.08 Current tax assets	As at		
	March 31,2017	March 31,2016	April 1,2015
Advance Income Taxes (Net of Provision For Tax )	71.91	71.50	15.18
	<b>71.91</b>	<b>71.50</b>	<b>15.18</b>

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Standalone Financial Statements

(₹ in lakhs unless otherwise stated)

2.09 Equity Share Capital	As at		
	March 31,2017	March 31,2016	April 1,2015
<b><u>EQUITY SHARE CAPITAL</u></b>			
<b>Authorised Capital</b> 1,00,00,000 (March 31, 2016 : 1,00,00,000, April 1, 2015 : 1,00,00,000) Equity Shares of ₹ 10 each	1,000.00	1,000.00	1,000.00
	1,000.00	1,000.00	1,000.00
<b>Issued, Subscribed(fully paid) &amp; Paid up Capital</b> 81,00,000 ( March 31, 2016: 81,00,000, April 1, 2015 : 81,00,000) Equity Shares of ₹ 10 each fully paid up	810.00	810.00	810.00
	810.00	810.00	810.00

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

Particulars	As at		As at		As at	
	March 31,2017		March 31,2016		April 1,2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	81,00,000	810.00	81,00,000	810.00	81,00,000	810.00
Shares outstanding at the end of the year	81,00,000	810.00	81,00,000	810.00	81,00,000	810.00

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

Particulars	As at		
	March 31,2017	March 31,2016	April 1,2015
	Number of shares	Number of shares	Number of shares
Hathway Cable & Datacom Limited (Holding Company)	20,20,000	20,20,000	20,20,000
Hathway Media Vision Private Limited (Wholly Owned subsidiary of Holding Company)	21,60,000	21,60,000	21,60,000
	41,80,000	41,80,000	41,80,000

### c) Rights, Preference and restrictions attached to Shares;

#### Terms/ Rights attached to Equity Shares

The Company has only one class of shares referred to as equityshares having a face value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share and proportionate amount of dividend if declared to the total number of shares. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by the share holders.

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

Name of Shareholder	As at		As at		As at	
	March 31,2017		March 31,2016		April 1,2015	
	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding
Hathway Cable & Datacom Limited	20,20,000	24.94%	20,20,000	24.94%	20,20,000	24.94%
Kuldeep Puri	5,04,339	6.22%	5,04,339	6.22%	5,04,339	6.22%
Hathway Media Vision Private Limited	21,60,000	26.67%	21,60,000	26.67%	21,60,000	26.67%

	As at		
	March 31,2017	March 31,2016	April 1,2015
Equity shares allotted as fully paid - up pursuant to contracts for consideration other than cash in the financial year 2014-15	1,00,000	1,00,000	1,00,000

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

### Notes to the Standalone Financial Statements

(₹ in lakhs unless otherwise stated)

2.10 Other equity	As at	As at
	March 31,2017	March 31,2016
Securities Premium	151.00	151.00
Retained earning	(1,344.56)	(1,248.99)
<b>Total</b>	<b>(1,193.56)</b>	<b>(1,097.99)</b>

**a) Retained earnings :**

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

**b) Securities Premium :**

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

2.11 Non Current Borrowings	Non Current portion			Current maturities of long term debts		
	As at			As at		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
<b>Secured</b>						
Term loan						
From Financial Institutions	-	-	0.76	-	-	2.83
(The above loan is secured against hypothecation of vehicles)	-		<b>0.76</b>	-		<b>2.83</b>
<b>Loans and Advances from Related Parties</b>						
<b>Unsecured</b>						
Loan From Holding Company	-	-	142.65	-	142.65	-
	-		<b>142.65</b>	-	<b>142.65</b>	-
Amount disclosed under the head 'Other Financial Liabilities' (Note No. 2.13)	-	-	-	-	142.65	2.83
<b>Net Amount</b>	-	-	<b>143.41</b>	-	-	-

**Nature of Security and terms of repayment for borrowings:**

Nature of Security	Terms of Repayment
<b>Secured Loan</b>	
Term loan from financial institution amounting to ₹ Nil (March 31, 2016 : ₹ Nil, April 1,2015 : ₹ 3.59) is secured by hypothecation of vehicles.	Loan fully repaid during financial year 2015-16
<b>Unsecured Loan</b>	
Loan from Holding company amounting to ₹ Nil (March 31, 2016: ₹ 142.65 , April 1, 2015 ₹ 142.65)	Loan fully repaid during the financial year 2016-17

2.12 Trade Payables	Current		
	As at		
	March 31,2017	March 31,2016	April 1,2015
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of suppliers other than micro enterprises and small enterprises	1,448.85	1,289.59	1,170.10
	<b>1,448.85</b>	<b>1,289.59</b>	<b>1,170.10</b>

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

### Notes to the Standalone Financial Statements

(₹ in lakhs unless otherwise stated)

2.13 Other Financial Liabilities	Current		
	As at		
	March 31,2017	March 31,2016	April 1,2015
Current Maturities of Long term borrowings (Refer Note 2.11)	-	142.65	2.83
Security Deposits	45.64	49.66	52.31
Payable for Property, Plant and Equipment	2.41	1.06	12.19
Salary and Employee benefits payable	22.94	18.57	33.85
Outstanding liabilities for expenses	25.83	23.03	22.58
	<b>96.82</b>	<b>234.97</b>	<b>123.76</b>

2.14 Provisions	Non - Current			Current		
	As at			As at		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
<b>Provision for employee benefits</b>						
Gratuity	17.70	19.37	10.12	0.53	0.60	0.57
Leave Encashment	5.79	5.72	5.57	0.57	0.58	0.44
	<b>23.49</b>	<b>25.09</b>	<b>15.69</b>	<b>1.10</b>	<b>1.18</b>	<b>1.01</b>

2.15 Deferred Tax Liabilities (Net)	As at		
	March 31,2017	March 31,2016	April 1,2015
<b>Deferred Tax Assets</b>			
Provision for Employee benefits	3.11	6.17	3.30
Other temporary differences	2.14	4.32	4.23
Carried forward Business Losses*	-	9.63	-
<b>(A)</b>	<b>5.25</b>	<b>20.12</b>	<b>7.53</b>
<b>Deferred Tax Liabilities</b>			
Property, Plant and Equipment	5.25	20.12	17.68
<b>(B)</b>	<b>5.25</b>	<b>20.12</b>	<b>17.68</b>
<b>Net Deferred Tax Liabilities (A-B)</b>	<b>-</b>	<b>-</b>	<b>10.15</b>

\* Refer Note no. 4.11 for Expiry schedule of deferred tax assets not recognised.

2.16 Other Liabilities	Current		
	As at		
	March 31,2017	March 31,2016	April 1,2015
Income received in advance	44.92	58.95	38.81
Statutory payables	6.49	16.87	15.75
	<b>51.41</b>	<b>75.82</b>	<b>54.56</b>

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

### Notes to the Standalone Financial Statements

( ₹ in lakhs unless otherwise stated)

3.01 Revenue from operations	Year ended	
	March 31, 2017	March 31, 2016
<b>Revenue from operations</b>		
Sale of services	1,254.16	1,666.74
Other operating revenues	0.03	58.51
	<b>1,254.19</b>	<b>1,725.25</b>

3.02 Other Income	Year ended	
	March 31, 2017	March 31, 2016
	Rupees	Rupees
<b>Interest Income</b>		
Interest income earned on financial assets :		
Interest on Fixed Deposit	4.11	4.30
Interest on Government Securities	0.14	0.14
Interest Income on Security Deposit	2.20	2.17
Interest on Income Tax Refund	3.33	3.72
<b>Other non operating income</b>		
Profit on Sale of Assets	-	0.08
Amount No Longer Payable Written Back	16.81	-
Miscellaneous Income	1.10	1.31
	<b>27.69</b>	<b>11.72</b>

3.03 Operational Expense	Year ended	
	March 31, 2017	March 31, 2016
Bandwidth & Lease Line Cost	37.78	102.51
Consultancy Charges	23.71	1.84
Commission	48.29	51.83
Repairs & Maintenances - Machinery	-	7.72
Rent	43.87	54.82
Digital Subscription Expense	63.32	63.11
Other Operating Expenses	17.42	74.11
	<b>234.39</b>	<b>355.94</b>

3.04 Employee Benefit Expense	Year ended	
	March 31, 2017	March 31, 2016
Salaries and wages	87.21	111.91
Contribution to Provident fund and other funds	9.53	18.59
Staff welfare expenses	3.16	5.13
	<b>99.90</b>	<b>135.63</b>

3.05 Finance Costs	Year ended	
	March 31, 2017	March 31, 2016
Interest Expenses & Finance Charges	2.66	19.52
	<b>2.66</b>	<b>19.52</b>

3.06 Depreciation and Amortisation Expense	Year ended	
	March 31, 2017	March 31, 2016
Depreciation on Property, Plant and Equipment	50.94	55.59
Amortisation of intangible assets	14.03	14.01
	<b>64.97</b>	<b>69.60</b>

**HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**  
**Notes to the Standalone Financial Statements**

( ₹ in lakhs unless otherwise stated)

<b>3.07 Other Expenses</b>	<b>Year ended</b>	
	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Allowance on doubtful debts ( Expected credit loss)	150.00	184.00
Services charges	59.68	43.33
Bad Debts	47.65	69.68
Less: Transfer from allowance on doubtful debts (Expected credit loss)	(47.65)	(69.68)
	-	-
Loss on Shortages of assets	36.45	-
Electricity charges	20.05	23.64
Conveyance	16.36	22.36
Legal & Professional charges	9.59	8.68
Printing and stationery	8.67	5.92
Communication charges	6.95	4.26
Repairs & Maintenances - Others	6.37	0.66
Office expenses	5.09	13.58
Business promotion expenses	3.82	6.27
Loss on Sale of assets	3.18	-
Insurance others	2.34	4.56
Rates and taxes	2.29	46.15
Managerial Remuneration		
Sitting Fees	1.61	1.54
Interest on Taxes	0.10	0.47
Advertisement & Promotion expenses	-	0.32
Miscellaneous Expenses	3.73	4.69
Auditor's Remuneration		
- Statutory Audit Fees	2.75	2.75
- Consolidation Fees	0.25	0.25
	<b>339.28</b>	<b>373.43</b>

<b>3.08 Exceptional Items</b>	<b>Year ended</b>	
	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Impairment in value of Investment in Joint venture	-	14.53
	<b>-</b>	<b>14.53</b>

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

### Notes to the Standalone Financial Statements

(₹ in lakhs unless otherwise stated)

4.01 Contingent Liabilities	March 31, 2017	March 31, 2016	April 1, 2015
(a) Claims against the Company not acknowledged, as debts.	-	21.00	21.00
(b) Outstanding Bank Guarantees	-	12.00	12.00

4.02 Capital And Other Commitments	March 31, 2017	March 31, 2016	April 1, 2015
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	-	-	-

#### 4.03 Employee Benefits

##### a) Defined Benefit Plans:

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

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit.
Interest Risk	A decrease in the bond interest rate will increase the plan liability.
Longevity Risk	This risk effects Past Retirement Benefit Plans, especially Pension and Medical Benefits. This Plan pays the benefit on Retirement, if not paid earlier, on account of resignation or death and hence the Longevity risk will not materially effect this Plan.
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.

Category	March 31, 2017 [Gratuity]	March 31, 2016 [Gratuity]	
<b>1. Expense recognised in the Statement of Profit and Loss</b>			
Current Service Cost	2.68	2.19	
Net Interest	1.42	0.83	
Actuarial (Gain) / Loss	(5.51)	7.94	
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>(1.41)</b>	<b>10.96</b>	
<b>2. Other Comprehensive Income (OCI)</b>			
Measurement of net defined benefit liability			
Actuarial (gains)/ losses arising from changes in financial assumption	1.05	6.46	
Actuarial (gains)/ losses arising from experience adjustments	(6.56)	1.48	
<b>Total Actuarial (Gain)/loss recognised in OCI</b>	<b>(5.51)</b>	<b>7.94</b>	
Category	March 31, 2017 [Gratuity]	March 31, 2016 [Gratuity]	April 1, 2015 [Gratuity]
<b>3. Change in benefit obligations:</b>			
Projected benefit obligations at beginning of the year	19.98	10.69	11.72
Current Service Cost	2.67	2.19	2.09
Interest Cost	1.42	0.83	1.06
Benefits Paid	(0.33)	(1.67)	(5.76)
Actuarial (Gain) / Loss	(5.51)	7.94	1.58
<b>Projected benefit obligations at end of the year</b>	<b>18.23</b>	<b>19.98</b>	<b>10.69</b>

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

### Notes to the Standalone Financial Statements

( ₹ in lakhs unless otherwise stated)

<b>4. Fair Value of Plan Asset</b>			
Fair Value of Plan Asset at the beginning	-	-	-
Contributions by Employer	(0.33)	1.67	5.76
Benefits Paid	0.33	(1.67)	(5.76)
<b>Fair Value of Plan Assets at end</b>	-	-	-
<b>5. Sensitivity Analysis</b>			
Increase/(decrease) on present value of benefit obligation at the end of the year			
50 basis point increase in discount rate	(19.45)	(21.40)	(11.72)
50 basis point decrease in discount rate	17.11	18.67	10.36
50 basis point increase in rate of salary Increase	19.42	21.37	11.73
50 basis point decrease in rate of salary increase	(17.14)	(18.69)	(10.36)
<b>6. Principal assumptions used for the purpose of actuarial Valuation</b>			
Mortality	IALM (2006-2008) UTI	IALM (2006-2008) UTI	IALM (2006-2008) UTI
Interest /discount rate	7.40%	7.90%	7.95%
Rate of increase in compensation	10.00%	10.00%	7.00%
Expected average remaining service	12.81	13.64	12.32
Employee Attrition Rate (Past service (PS))	5.00%	5.00%	5.00%

#### **b. Defined Contribution Plans:**

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

Amount of ₹5.44 (Previous year ₹7.63 ) is recognised as an expenses and included in Employee benefit expenses (Refer Note 3.04)

#### **4.04 Leases**

##### **Operating Lease (as a lessee)**

##### **Details of Cancellable Leases are as under:**

The Company's significant leasing arrangements in terms of INDAS 17 are in respect of Operating Leases for Premises. These leasing arrangements, which are cancellable in nature range between 11 months to 33 months and are renewable by mutual consent.

The treatment of the rental by the Company is as under:

Rental Expenses debited to the Statement of Profit and Loss ₹43.87 (March 31, 2016: ₹54.82).

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Standalone Financial Statements

( ₹ in lakhs unless otherwise stated)

### 4.05 Capital Management

The Company manages its capital structure to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders.

The principal source of funding of the Company has been, and is expected to continue from cash generated from its operations supplemented by funding from borrowings. The Company is not subject to any externally imposed capital requirements. There are no Borrowings / Debt outstanding as on March 31, 2017.

### 4.06 Financial Instruments

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

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

a) The carrying amounts of trade receivables, cash and cash equivalents, security deposits taken, trade payables, payable for Property Plant and Equipment, liability for expenses are considered to be the same as their fair values, due to their short-term nature.

b) The fair value for long term security deposits given is calculated based on cash flow discounted using current lending rate.

#### 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	March 31, 2017		March 31, 2016		April 1, 2015	
	Carrying values	Fair value	Carrying values	Fair value	Carrying values	Fair value
<b>Financial assets</b>						
Measured at amortised cost						
Investments	1.25	1.25	1.25	1.25	1.25	1.25
Trade receivables	299.91	299.91	369.68	369.68	363.03	363.03
Other financial assets	84.03	84.03	79.04	79.04	73.90	73.90
Cash and cash equivalents	180.59	180.59	141.40	141.40	152.01	152.01
<b>Financial liabilities</b>						
Measured at amortised cost						
Borrowings	-	-	-	-	143.41	143.41
Trade payables	1,448.85	1,448.85	1,289.59	1,289.59	1,170.10	1,170.10
Other financial liabilities	96.82	96.82	234.97	234.97	123.76	123.76

### 4.07 Financial Risk Management

The Company is not exposed to market risk and has insignificant credit and liquidity risk as explained below :

Risk	Exposure arising from	Measurement
1) Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis
2) Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

### Notes to the Standalone Financial Statements

( ₹ in lakhs unless otherwise stated)

#### 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 Company's exposure to credit risk arises mainly from the trade receivables. Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. The Company's major revenue streams arises from services provided to end use customers. The trade receivables on account of subscription income are typically un-secured and derived from sales made to large number of independent customers. There is no concentration of credit risk. The credit period provided by the Company to its end use customers generally ranges from 0 to 30 days. The Company follows a simplified approach (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring the lifetime ECL allowance for trade receivables, the Company uses a provision matrix which comprise a very large number of small balances grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not recoverable. Based on the industry practices and business environment in which the Company operates, management considers that the trade receivables are in default if the payment are more than 12 months past due.

Table showing age of gross trade receivables and movement in expected credit loss allowance:

Age of Receivable	As At		
	March 31, 2017	March 31, 2016	March 31, 2015
Within the credit period			
1-90 days past due	238.90	170.78	285.47
91-180 days past due	139.64	109.68	125.65
181-270 days past due	63.61	90.64	60.11
271-360 days past due	74.44	175.33	28.37
More than 365 days	305.84	243.41	169.27
	<b>822.43</b>	<b>789.84</b>	<b>668.87</b>

Movement in the expected credit loss allowance	Year ended	
	March 31, 2017	March 31, 2016
Balance at beginning of the year	420.16	305.84
Provided during the year	150.00	184.00
Write off during the year	(47.64)	(69.68)
Balance at end of the year	<b>522.52</b>	<b>420.16</b>

#### Liquidity risk

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

#### Maturities of financial liabilities

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

##### March 31, 2017

Particulars	less than 1 year	1 to 5 year	Total
<u>Non-Derivatives</u>			
Trade payables	1,448.85	-	1,448.85
Other financial liabilities	96.82	-	96.82
<b>Total</b>	<b>1,545.67</b>	<b>-</b>	<b>1,545.67</b>

##### March 31, 2016

Particulars	less than 1 year	1 to 5 year	Total
<u>Non-Derivatives</u>			
Trade payables	1,289.59	-	1,289.59
Other financial liabilities	234.97	-	234.97
<b>Total</b>	<b>1,524.56</b>	<b>-</b>	<b>1,524.56</b>

##### April 1, 2015

Particulars	less than 1 year	1 to 5 year	Total
<u>Non-Derivatives</u>			
Trade payables	1,170.10		1,170.10
Long term borrowings	-	143.41	143.41
Other financial liabilities	123.76		123.76
<b>Total</b>	<b>1,293.86</b>	<b>143.41</b>	<b>1,437.27</b>

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

### Notes to the Standalone Financial Statements

( ₹ in lakhs unless otherwise stated)

#### 4.08 Segmental Reporting

As the Company's business activity falls within a single business segment viz. Providing Cable Television services which is considered as the only reportable segment and the revenue substantially being in the domestic market, the financial statement are reflective of the information required by Ind AS 108 "Operating Segment".

#### 4.09 Related Party Disclosures

##### Particulars of Related Parties

##### A. Name of Related Parties and Related party Relationship

##### I. Controlled by:

Holding Company Hathway Cable & Datacom Ltd.

##### II. Joint Venture

Hathway Bhawani NDS Network Pvt. Ltd.

##### III. Key Managerial Personnel

a. Executive Directors Mr. Samson Jesudas - Managing Director & CEO (upto September 21, 2016)  
Mr. Sameer Joseph - Managing Director & CEO (from December 2, 2016)

b. Non Executive Directors

Independent Directors Mr. Dilip Worah  
Mr. L. K. Kannan

Non Independent Directors Mr. Vineet Garg  
Mr. Shyam P V

##### Compensation to Key Managerial Personnel :-

Particulars	F.Y. 2016-17	F.Y. 2015-16
(a) Short term employee benefits	-	-
(b) Post employment benefits	-	-
(c) Other long term benefits	-	-
(d) Sitting fees	1.61	1.54
<b>Total Compensation</b>	<b>1.61</b>	<b>1.54</b>

##### B. Related Party Transactions

Type of Transactions	Name of the Party	F.Y. 2016-17	F.Y. 2015-16
Other transactions/ Lease Rent CMTS	Hathway Cable & Datacom Ltd	460.63	572.20
Advertisement Revenue/ Carriage fees	Hathway Cable & Datacom Ltd	326.40	489.60
ISP Access Expenses reimbursement	Hathway Cable & Datacom Ltd	16.74	-
ISP Access Expenses - Hathway Cable & Datacom Ltd.	Hathway Cable & Datacom Ltd	1.03	25.99
Feed charges earned/consultancy charges earned	Hathway Bhawani NDS Network Pvt. Ltd.	27.37	33.48
Loan repaid	Hathway Cable & Datacom Ltd	142.65	-
Impairment in value of Investments	Hathway Bhawani NDS Network Pvt. Ltd.	-	14.53

Type of Balances	Name of the Party	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance as at year end				
Trade Receivable.	Hathway Bhawani NDS Network Pvt. Ltd.	13.56	40.84	49.27
Trade Payable	Hathway Cable & Datacom Ltd	421.53	368.87	689.95
Unsecured Loan	Hathway Cable & Datacom Ltd	-	142.65	142.65
Investments	Hathway Bhawani NDS Network Pvt. Ltd.	54.05	54.05	54.05
Impairment in value of Investments	Hathway Bhawani NDS Network Pvt. Ltd.	14.53	14.53	-

4.10 During the financial year 2015-16 and 2016-17, there has been no investment made, loan given, guarantee given and security made by the Company in terms of Section 186(4) of the Act.

4.11 In the absence of reasonable certainty of availability of taxable business income in near future against which the deferred tax assets can be adjusted, the Company has recognised deferred tax assets to the extent of deferred tax liability available. (Refer to Note 2.15)

##### Expiry schedule of deferred tax assets not recognised is as under :

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	Beyond 5 years	Indefinite	Total
<b>Tax Losses:</b>								
Business losses	-	-	-	-	-	18.78	-	18.78
Unabsorbed depreciation	-	-	-	-	-	-	50.89	50.89
Deductible temporary difference							49.13	49.13
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.78</b>	<b>100.01</b>	<b>118.79</b>

4.12 Supplementary statutory information required to be given pursuant to Schedule V of Regulation 34(3) of the SEBI (Listing obligation & Disclosure requirement) Regulations, 2015. - Nil

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

## Notes to the Standalone Financial Statements

( ₹ in lakhs unless otherwise stated )

### 4.13 First time Ind AS adoption reconciliation

#### a) Reconciliation between Previous GAAP and Ind AS

Particulars	Notes	March 31, 2016 (End of last period presented under previous GAAP)			April 1, 2015 (Date of transition)		
		Previous GAAP*	Adjustments	As per Ind AS Balance Sheet	Previous GAAP*	Adjustments	As per Ind AS Balance Sheet
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
Property, Plant and Equipment	3	354.70	-	354.70	366.41	-	366.41
Capital Work In Progress		1.46	-	1.46	0.95	-	0.95
Other Intangible Assets		49.87	-	49.87	63.30	-	63.30
Financial Assets					-		
Investments		40.77	-	40.77	55.30	-	55.30
Trade Receivables	2	26.37	-	26.37	31.94	-	31.94
Other financial assets	1	84.63	(8.56)	76.07	80.19	(10.72)	69.47
Other Non-current assets		105.98	8.06	114.04	181.70	10.72	192.42
<b>Total Non-current assets</b>		<b>663.78</b>	<b>(0.50)</b>	<b>663.28</b>	<b>779.79</b>	<b>-</b>	<b>779.79</b>
<b>Current assets</b>							
Financial Assets							
Trade Receivables	2	343.31	-	343.31	331.09	-	331.09
Cash and Cash Equivalents		141.40	-	141.40	152.01	-	152.01
Others financial assets	1	2.97	-	2.97	4.43	-	4.43
Current Tax Assets (Net)		71.50	-	71.50	15.18	-	15.18
Other current assets		116.20	-	116.20	104.62	-	104.62
<b>Total Current assets</b>		<b>675.38</b>	<b>-</b>	<b>675.38</b>	<b>607.33</b>	<b>-</b>	<b>607.33</b>
<b>Total Assets</b>		<b>1,339.16</b>	<b>(0.50)</b>	<b>1,338.66</b>	<b>1,387.12</b>	<b>-</b>	<b>1,387.12</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity Share Capital		810.00	-	810.00	810.00	-	810.00
Other Equity		(1,097.49)	(0.50)	(1,097.99)	(949.03)	7.47	(941.56)
<b>Total Equity</b>		<b>(287.49)</b>	<b>(0.50)</b>	<b>(287.99)</b>	<b>(139.03)</b>	<b>7.47</b>	<b>(131.56)</b>
<b>Non-Current Liabilities</b>							
Financial Liabilities							
Borrowings		-	-	-	143.41	-	143.41
Provisions	4	25.09	-	25.09	15.69	-	15.69
Deferred Tax Liabilities (Net)		-	-	-	10.15	-	10.15
<b>Total Non-Current Liabilities</b>		<b>25.09</b>	<b>-</b>	<b>25.09</b>	<b>169.25</b>	<b>-</b>	<b>169.25</b>
<b>Current Liabilities</b>							
Financial Liabilities							
Trade Payables		1,289.59	-	1,289.59	1,177.57	(7.47)	1,170.10
Other Financial Liabilities		234.97	-	234.97	123.76	-	123.76
Other Current Liabilities		75.82	-	75.82	54.56	-	54.56
Provisions	4	1.18	-	1.18	1.01	-	1.01
<b>Total Current Liabilities</b>		<b>1,601.56</b>	<b>-</b>	<b>1,601.56</b>	<b>1,356.90</b>	<b>(7.47)</b>	<b>1,349.43</b>
<b>Total Equity and Liabilities</b>		<b>1,339.16</b>	<b>(0.50)</b>	<b>1,338.66</b>	<b>1,387.12</b>	<b>-</b>	<b>1,387.12</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

### Notes to the Standalone Financial Statements

( ₹ in lakhs unless otherwise stated)

b) Reconciliation of Net profit/ (loss) as reported under previous GAAP vis- à- vis Ind AS is as below :

Particulars	Notes	Year Ended March 31,2016 (End of last period presented under previous GAAP)		
		Previous GAAP*	Adjustments	As per Ind AS
Revenue from Operations	1	1,725.25	-	1,725.25
Other Income		9.57	2.15	11.72
<b>Total Income</b>		<b>1,734.82</b>	<b>2.15</b>	<b>1,736.97</b>
<b>EXPENSES</b>				
Purchase of Stock-In-Trade				
Changes in inventories of stock-in-trade				
Pay Channel & Feed Charges		926.96		926.96
Operational Expenses	1	353.29	2.65	355.94
Employee Benefits Expense	4	143.57	(7.94)	135.63
Finance Cost		19.52	-	19.52
Depreciation and Amortization		69.60	-	69.60
Other Expenses		373.43	-	373.43
<b>Total Expenses</b>		<b>1,886.37</b>	<b>(5.29)</b>	<b>1,881.08</b>
<b>Profit / (loss) before exceptional items and tax</b>		<b>(151.55)</b>	<b>7.44</b>	<b>(144.11)</b>
Prior Period Adjustments (Net)		(7.47)	7.47	-
Exceptional Items		14.53	-	14.53
<b>Net Profit / (Loss) before Tax</b>		<b>(158.61)</b>	<b>(0.03)</b>	<b>(158.64)</b>
Tax Expense:				
Current tax		-	-	-
Deferred tax		(10.15)	-	(10.15)
<b>Profit / (loss) for the year</b>		<b>(148.46)</b>	<b>(0.03)</b>	<b>(148.49)</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

### Notes to the Standalone Financial Statements

( ₹ in lakhs unless otherwise stated )

**c) Reconciliation of total equity March 31, 2016 and April 1, 2015**

Particulars	Notes	March 31, 2016 (End of last period presented under previous GAAP)	April 1, 2015 (Date of transition)
<b>Total Equity under Previous GAAP</b>		(287.49)	(139.03)
<b>Increase / (Decrease):</b>			
Effect of measuring financial instruments at fair value	1	(0.50)	-
Restatement of Prior Period Adjustments		-	7.47
<b>Total Equity as reported under Ind AS</b>		<b>(287.99)</b>	<b>(131.56)</b>

**d) Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016**

The transition from previous GAAP to IND AS has no impact on the Statement of Cash Flow.

**Footnotes for Ind AS Adjustments**

**Note 1: Security deposits**

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the Company has fair valued these security deposits under Ind AS and the difference between the fair value and the transaction value of the security deposit has been recognised as prepaid rent.

**Note 2: Loss allowance on Trade receivables**

Under the previous GAAP, the Company has created provision for impairment of receivables consisting specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss Model (ECL) which has led to an increase in the amount of provision as on the date of transition.

**Note 3: Property, Plant and Equipment**

The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and Intangibles as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

**Note 4 : Defined benefit plans**

Both under the previous GAAP and Ind AS, the Group recognised costs related to its post employment defined benefit plans on an actuarial basis. Under previous GAAP the entire cost, including actuarial gains and losses are charged to the Statement of Profit and Loss. Under Ind AS, remeasurement (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income and the corresponding tax effect is also given in Other Comprehensive Income.

**Note 5 : Other Comprehensive Income**

Under previous GAAP, the Group has not presented Other Comprehensive Income separately.

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**

**Atul Shah**  
Partner  
Membership No. 39569

**Sameer Joseph**  
Managing Director  
Din: 07653870

**Vineet Garg**  
Director  
Din: 06935347

**Manoj Dere**  
Company Secretary  
FCS No. 7652

**Basant Haritwal**  
Chief Financial Officer

Place : Mumbai  
Dated: May 23, 2017

Place : Mumbai  
Dated: May 23, 2017

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of Hathway Bhawani Cabletel & Datacom Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Hathway Bhawani Cabletel & Datacom Limited** (hereinafter referred to as "the Holding Company") and its joint venture comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the the Holding Company including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act and read with the relevant rules issued thereunder. The respective Board of Directors of the Holding Company and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable pronouncements issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the

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auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor of the joint venture, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company, and its joint venture as at March 31, 2017, and their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### **Other Matters**

We did not audit the Holding Company's share of net profit after tax of ₹ 11.50 lakhs in respect of a joint venture for the year ended on March 31, 2017, as considered in the consolidated financial statements. This financial statements and other financial information have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on consideration of report of the other auditor of the joint venture, as noted in the "other matter" paragraph, we report to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account

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maintained for the purpose of preparation of the consolidated financial statements;

- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its joint venture incorporated in India, none of the directors of the Holding Company and its joint venture incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial control over financial reporting of the Holding Company and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' which is based on the auditor's report of the Holding Company and its joint venture incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's / joint venture's, incorporated in India, internal financial controls over financial reporting; and
- g. 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor of the joint venture, as noted in the "other matter" paragraph:
  - i. The Holding Company and its joint venture does not have any pending litigations, which would impact the financial position in its consolidated financial statements;
  - ii. The Holding Company and its joint venture did not have any material foreseeable losses on long term contracts including derivative contracts;
  - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its joint venture ; and
  - iv. The Holding Company and its joint venture have provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the relevant books of accounts maintained by the Holding Company and its joint venture. Refer Note 2.08 to the consolidated financial statements.

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

Place : Mumbai  
Dated : May 23, 2017

**Atul Shah**  
**Partner**  
**Membership No: 39569**

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## **"Annexure A" to the Independent Auditor's Report**

**Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report on even date to the members of Hathway Bhawani Cabletel & Datacom Limited ("the Holding Company") on the consolidated financial statements for the year ended March 31, 2017:**

### **Report on the Internal Financial Controls under Section 143(3)(i) of the Act**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **Hathway Bhawani Cabletel & Datacom Limited** (hereinafter referred to as 'the Holding Company') and its joint venture, which is company incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its joint venture, which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('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 the respective 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 Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI 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 issued by the Institute of Chartered Accountants of India. 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 over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, 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 and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial

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controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 Holding Company and its joint venture, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the joint venture, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

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

Place : Mumbai  
Dated : May 23, 2017

**Atul Shah**  
**Partner**  
**Membership No: 39569**

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

## Consolidated Balance Sheet As at March 31, 2017

(₹ in lakhs unless otherwise stated)

Particulars	Note No.	As at		
		March 31, 2017	March 31, 2016	April 1, 2015
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, Plant and Equipment	2.01	291.75	354.70	366.41
Capital work in progress		1.42	1.46	0.95
Other Intangible assets	2.02	37.17	49.87	63.30
Investment in Joint Venture	2.03	19.19	7.68	9.42
Financial assets				
Investments	2.04	1.25	1.25	1.25
Trade receivables	2.05	21.62	26.37	31.94
Other financial assets	2.06	81.46	76.07	69.48
Other non-current assets	2.07	94.89	114.04	192.42
<b>Total non-current Assets</b>		<b>548.75</b>	<b>631.44</b>	<b>735.17</b>
<b>Current Assets</b>				
Financial assets				
Trade receivables	2.05	278.29	343.31	331.09
Cash and cash equivalents	2.08	180.59	141.40	152.01
Other financial assets	2.06	2.57	2.97	4.43
Current tax assets (Net)	2.09	71.91	71.50	15.18
Other current Assets	2.07	135.67	116.20	104.61
<b>Total current Assets</b>		<b>669.03</b>	<b>675.38</b>	<b>607.32</b>
<b>Total Assets</b>		<b>1,217.78</b>	<b>1,306.82</b>	<b>1,342.49</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	2.10	810.00	810.00	810.00
Other Equity	2.11	(1,213.89)	(1,129.82)	(986.19)
<b>Total Equity</b>		<b>(403.89)</b>	<b>(319.82)</b>	<b>(176.19)</b>
<b>Non-current Liabilities</b>				
Financial liabilities				
Borrowings	2.12	-	-	143.41
Provisions	2.15	23.49	25.09	15.69
Deferred tax liabilities (Net)	2.16	-	-	10.15
<b>Total non-current Liabilities</b>		<b>23.49</b>	<b>25.09</b>	<b>169.25</b>
<b>Current Liabilities</b>				
Financial liabilities				
Trade payables	2.13	1,448.85	1,289.58	1,170.10
Other financial liabilities	2.14	96.82	234.97	123.76
Other current liabilities	2.17	51.41	75.82	54.56
Provisions	2.15	1.10	1.18	1.01
<b>Total Current Liabilities</b>		<b>1,598.18</b>	<b>1,601.55</b>	<b>1,349.43</b>
<b>Total Equity and Liabilities</b>		<b>1,217.78</b>	<b>1,306.82</b>	<b>1,342.49</b>
<b>Summary of Significant Accounting Policies</b>	<b>1</b>			
<b>Refer accompanying notes, These notes are an integral part of the financial statements</b>				
As per our report of even date				
<b>For G.M. KAPADIA &amp; CO.</b>		<b>For and on behalf of the Board</b>		
<b>Chartered Accountants</b>				
<b>Firm Registration No. 104767W</b>				
<b>Atul Shah</b>		<b>Sameer Joseph</b>	<b>Vineet Garg</b>	
<b>Partner</b>		<b>Managing Director</b>	<b>Director</b>	
Membership No. 39569		Din: 07653870	Din: 06935347	
		<b>Manoj Dere</b>	<b>Basant Haritwal</b>	
		<b>Company Secretary</b>	<b>Chief Financial Officer</b>	
		FCS NO 7652		
Place : Mumbai				
Dated: May 23, 2017				
Place : Mumbai				
Dated: May 23, 2017				

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

## Consolidated Statement of Profit & Loss for the year ended March 31, 2017

(₹ in lakhs unless otherwise stated)

Particulars	Note No.	Year ended	
		March 31, 2017	March 31, 2016
Revenue from Operations	3.01	1,271.00	1,725.25
Other Income	3.02	10.88	11.72
<b>Total Income</b>		<b>1,281.88</b>	<b>1,736.97</b>
<b>Expenses</b>			
Pay Channel & Feed Charges		641.76	926.96
Operational expenses	3.03	234.39	355.93
Employee benefit expenses	3.04	99.90	135.63
Finance Cost	3.05	2.66	19.52
Depreciation and amortisation expenses	3.06	64.97	69.60
Other expenses	3.07	339.28	373.43
<b>Total Expenses</b>		<b>1,382.96</b>	<b>1,881.07</b>
<b>(Loss) before exceptional items and tax</b>		<b>(101.08)</b>	<b>(144.10)</b>
Exceptional items		-	-
<b>(Loss) before tax</b>		<b>(101.08)</b>	<b>(144.10)</b>
<b>Share in Profit ( loss) of Joint venture</b>		<b>11.50</b>	<b>(1.74)</b>
<b>Profit / (loss) from Ordinary Activities before tax</b>		<b>(89.58)</b>	<b>(145.84)</b>
Tax Expense			
Current tax		-	-
Deferred tax		-	(10.15)
<b>(Loss) for the period</b>		<b>(89.58)</b>	<b>(135.69)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
<b>Share of other comprehensive Income (Loss) of joint venture</b>			
Re-measurements of defined benefit plans		5.51	(7.94)
Income tax relating to items that will not be reclassified to profit or loss		-	-
		<b>5.51</b>	<b>(7.94)</b>
<b>Total Comprehensive Income / (Loss) for the period</b>		<b>(84.07)</b>	<b>(143.63)</b>
Weighted Average Number of Shares		81,00,000	81,00,000
Earnings/(Loss) per equity share ( Face value of ₹ 10/- each )			
Basic and diluted (in ₹)		(1.11)	(1.68)
<b>Summary of Significant Accounting Policies</b>	1		
<b>Refer accompanying notes, These notes are an integral part of the financial statements</b>			
As per our report of even date			
<b>For G.M. KAPADIA &amp; CO.</b>		<b>For and on behalf of the Board</b>	
<b>Chartered Accountants</b>			
<b>Firm Registration No. 104767W</b>			
<b>Atul Shah</b>	<b>Sameer Joseph</b>	<b>Vineet Garg</b>	
<b>Partner</b>	<b>Managing Director</b>	<b>Director</b>	
Membership No. 39569	Din: 07653870	Din: 06935347	
	<b>Manoj Dere</b>	<b>Basant Haritwal</b>	
	<b>Company Secretary</b>	<b>Chief Financial Officer</b>	
	FCS NO 7652		
Place : Mumbai		Place : Mumbai	
Dated : May 23, 2017		Dated : May 23, 2017	

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

### Consolidated Statement of changes in equity for the year ended March 31, 2017

(₹ in lakhs unless otherwise stated)

#### A Equity Share Capital

Particulars	Amount
As at April 1, 2015	810.00
Changes in Equity Share Capital during the year	-
<b>Balance at March 31, 2016</b>	<b>810.00</b>
Changes in Equity Share Capital during the year	-
<b>Balance at March 31, 2017</b>	<b>810.00</b>

#### B Other Equity:

Particulars	Reserves and Surplus		Total
	Security Premium	Retained earnings	
<b>Balance as at April 1, 2015</b>	<b>151.00</b>	<b>(1,137.19)</b>	<b>(986.19)</b>
(Loss) for the year	-	(135.69)	(135.69)
Other Comprehensive Income for the year	-	(7.94)	(7.94)
<b>Balance as at March 31, 2016</b>	<b>151.00</b>	<b>(1,280.82)</b>	<b>(1,129.82)</b>
(Loss) for the year	-	(89.58)	(89.58)
Other Comprehensive Income for the year	-	5.51	5.51
<b>Balance as at March 31, 2017</b>	<b>151.00</b>	<b>(1,364.89)</b>	<b>(1,213.89)</b>

Summary of Significant Accounting Policies (Refer Note No.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 Registration No. 104767W**

**For and on behalf of the Board**

**Atul Shah**

**Partner**

Membership No. 39569

**Sameer Joseph**

**Managing Director**

Din: 07653870

**Vineet Garg**

**Director**

Din: 06935347

**Manoj Dere**

**Company Secretary**

FCS NO 7652

**Basant Haritwal**

**Chief Financial Officer**

Place : Mumbai

Dated : May 23, 2017

Place : Mumbai

Dated : May 23, 2017

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

## Consolidated Cash Flow Statement for the Year ended March 31, 2017

( ₹ in lakhs unless otherwise stated)

Particulars	Year ended			
	March 31, 2017		March 31, 2016	
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
<b>NET PROFIT / (LOSS) BEFORE TAX</b>		(89.58)		(145.84)
Adjustment for :				
Non Cash Charges				
Depreciation and Amortisation Expenses	64.97		69.60	
Share of (profit)/loss of Hathway Bhawani NDS Network Pvt. Ltd. (JV)	(11.50)		1.74	
Impairment loss on trade Receivable	150.00		184.00	
Provision no longer required written back			-	
(Profit) / Loss on disposal of Property Plant & Equipments	39.64		(0.08)	
Interest Income	(4.25)		(4.43)	
Provision for Gratuity and Leave Encashment	3.82		1.63	
Interest Expense	2.66	245.33	19.52	271.98
Operating Profit Before Change in Working Capital		155.75		126.14
<b>Change in Assets &amp; Liabilities</b>				
(Increase) / Decrease in Trade Receivable	(80.23)		(190.65)	
(Increase) / Decrease in Other Financial Assets	(2.37)		(10.35)	
(Increase) / Decrease in Other Assets	(17.14)		(8.93)	
(Increase) / Decrease in Trade Payable	159.27		119.48	
Increase / (Decrease) in Other Financial Liabilities	3.16		(17.49)	
Increase / (Decrease) in Other Current Liabilities	(24.41)	38.28	21.27	(86.68)
Cash Generated from Operations		194.03		39.46
Taxes Paid (Net) - (Net of Refund)		16.41		19.41
Net Cash flow from Operating activity		210.44		58.87
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Interest received	1.63		9.65	
Proceeds from Sale of Property, Plant and Equipment	3.30		0.08	
Payments for acquisition of Property, Plant and Equipment	(30.87)		(56.09)	
Net Cash Flow from / (used in) Investing Activity		(25.94)		(46.37)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Long Term Borrowing Repaid	(142.65)		(3.59)	
Interest Charges	(2.66)		(19.52)	
Net Cash Flow from / (used in) Financing Activity		(145.31)		(23.11)
Net Increase in Cash and Cash Equivalent		39.19		(10.61)
Cash & Cash Equivalents at the Beginning of Year		141.40		152.01
Cash & Cash Equivalents at the End of Year		180.59		141.40
<b>Net Increase / (Decrease) in Cash &amp; Cash equivalents</b>		39.19		(10.61)
<b>Reconciliation of cash and cash equivalents as per Cash Flow Statement</b>				
<b>Cash and cash equivalents</b>				
Balances with banks:				
In Current Accounts		171.28		137.97
Cash in Hand		9.31		3.43
<b>Total cash and cash equivalents</b>		<b>180.59</b>		<b>141.40</b>
Note - Above Statement has been prepared by using Indirect method as per Ind AS 7 on Cash Flow Statements.				
As per our report of even date				
<b>For G.M. KAPADIA &amp; CO.</b>		<b>For and on behalf of the Board of Directors of</b>		
<b>Chartered Accountants</b>				
<b>Firm Registration No. 104767W</b>				
<b>Atul Shah</b>		<b>Sameer Joseph</b>	<b>Vineet Garg</b>	
<b>Partner</b>		<b>Managing Director</b>	<b>Director</b>	
Membership No. 39569		Din: 07653870	Din: 06935347	
		<b>Manoj Dere</b>	<b>Basant Haritwal</b>	
		<b>Company Secretary</b>	<b>Chief Financial Officer</b>	
		FCS NO 7652		
Place : Mumbai		Place : Mumbai		
Dated: May 23, 2017		Dated: May 23, 2017		

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## **HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**

### **Significant Accounting Policies and Notes to the Consolidated Financial Statements BACKGROUND**

Hathway Bhawani Cabletel & Datacom Limited is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having registered office at 'Rahejas', 4th Floor, Corner of Main Avenue and V.P Road, Santacruz (West) Mumbai Maharashtra 400054. The Company is engaged in Cable TV business. Its equity shares are listed on Bombay Stock Exchange (BSE) in India.

#### **Authorisation of consolidated financial statements**

The consolidated financial statements were authorized for issue in accordance with a resolution of the directors on May 23, 2017.

### **1.00 SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the presentation of these consolidated financial statements. The financial statements are of the Holding Company and its Joint Venture. The standalone financial statements were authorized for issue in accordance with a resolution of the directors on May 2017.

#### **1.01 BASIS OF PREPARATION**

##### **(i) Compliance with Ind AS**

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

The consolidated financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) ("previous GAAP") and other relevant provisions of the Act.

These consolidated financial statements are the first consolidated financial statements of the 'Holding Company and its Joint Venture under Ind AS. Refer note 4.12 for an explanation of how the transition from previous GAAP to Ind AS has affected the 'Holding Company and its Joint Venture's financial position, financial performance and cash flows. The date of transition to Ind AS is April 1, 2015."

##### **(ii) Historical cost convention**

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities is measured at fair value.

#### **1.02 ROUNDING OF AMOUNTS**

All amounts disclosed in the consolidated financial statements and notes have been rounded

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off to the nearest lakhs, except where otherwise indicated.

### **1.03 CURRENT VERSUS NON-CURRENT CLASSIFICATION**

The ' Holding Company and it's Joint Venture presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classifies as current if:

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

All other assets are classified as non-current. A liability is classified as current if:

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

All other liabilities are classified as non-current.

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

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

### **1.04 USE OF JUDGEMENTS, ESTIMATES & ASSUMPTIONS**

While preparing consolidated 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 recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the

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most significant effect on the amounts recognized in the consolidated financial statements are as below:

**Key sources of estimation uncertainty**

- (I) Financial instruments; (Refer note 4.06)
- (ii) Useful lives of Property, Plant and Equipment and intangible assets; (Refer note 1.06)
- (iii) Obligations relating to employee benefits; (Refer note 4.02)
- (iv) Evaluation of recoverability of deferred tax assets; (Refer note 4.11) and
- (v) Contingencies (Refer note 4.03).

**Critical accounting judgements**

The Holding Company has equity stake in Hathway Bhawani NDS Network Pvt. Ltd. ("HBNDS") for strategic reasons concerning its operation. The relationship with HBND has been determined based on principles laid down in Ind AS 111 – Joint Arrangements. Accordingly, HBND is considered as Joint venture.

**1.05 Principles of consolidation and equity accounting**

**(i) Joint Venture**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Holding Company has only one joint venture.

Interests in joint venture are accounted for using the equity method (see (ii) below), after initially being recognised at cost in the consolidated balance sheet.

**(ii) Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Holding Company's share of the post-acquisition profits or losses of the investee in statement of profit and loss, and the Holding Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment.

When the Holding Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Holding Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Holding Company and joint venture are eliminated to the extent of the ' Holding Company's interest in this entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Holding Company.

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The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1.08 below.

#### **1.06 PROPERTY, PLANT AND EQUIPMENT**

- (i) Property, Plant and Equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price, 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. 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 Holding Company and its Joint Venture and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.
- (iii) 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 the disposal or retirement 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.
- (iv) The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.
- (v) Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Holding Company and its Joint Venture has assessed the estimated useful lives of its Property, Plant & Equipment and has adopted the useful lives and residual value as prescribed in Schedule II.
- (vi) In case of additions or deletions during the year, depreciation is computed from the month in which such assets are put to use and up to previous month of sale, disposal or held for sale as the case may be. In case of impairment, depreciation is provided on the revised carrying amount over its remaining useful life.
- (vii) All assets costing up to ₹ 5,000/- are fully depreciated in the year of capitalisation.

#### **1.07 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.

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### **Intangible Assets acquired separately**

Intangible assets comprises of Cable Television Franchise and Softwares. Cable Television Franchisee 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 recognized only if they are separately identifiable and the Holding Company and it's Joint Venture expects to receive future economic benefits arising out of them. Such assets are stated at cost less accumulated amortization and impairment losses.

### **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 indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets with finite useful lives are amortized 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.
- Cable Television Franchise are amortised over the contract period and in absence of such tenor, over twenty 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.

## **1.08 IMPAIRMENT OF ASSETS**

Carrying amount of Tangible assets, Intangible assets, Investments in Joint Venture (which are accounted under equity method) 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

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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 Holding Company and its Joint Venture's assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **1.09 CASH AND CASH EQUIVALENTS**

For the purpose of Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with banks or financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### **1.10 FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised when a Holding Company and its Joint Venture 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) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

#### **Classification and Subsequent Measurement: Financial Assets**

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

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

#### **Amortised Cost:**

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are

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solely payments of principal and interest on the principal amount outstanding.

**FVTOCI:**

A financial asset is classified and measured at FVTOCI if both of the following conditions are met:- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**FVTPL:**

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

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

**Impairment of Financial Assets**

The Holding Company and its Joint Venture assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Holding Company and its Joint Venture applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**Classification and Subsequent measurement: Financial Liabilities**

The 'Holding Company and its Joint Venture's financial liabilities include trade and other payables, loans and borrowings.

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or losses on financial liabilities held for trading are recognised in the Statement of Profit and Loss.

**Other Financial Liabilities:**

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

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

**Derecognition of Financial Assets and Financial Liabilities:**

The Holding Company and its Joint Venture derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to

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receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. If the Holding Company and its Joint Venture enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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

**Offsetting Financial Instruments:**

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

**1.11 BORROWING COSTS**

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

**1.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

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

**Contingent liabilities are disclosed in the case of:**

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

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

**1.13 GRATUITY AND OTHER POST-EMPLOYMENT BENEFITS**

**(i) Short-term obligations**

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Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of profit & loss of the year in which the related services are rendered.

**(ii) Post-employment obligations**

The Holding Company and its Joint Venture operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund

**Gratuity obligations**

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

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

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

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

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

**Defined contribution plans**

The Holding Company and its Joint Venture pays provident fund contributions to publicly administered provident funds as per local regulations. The Holding Company and its Joint Venture 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

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services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

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

**(iv) Bonus Plans**

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

## **1.14 REVENUE RECOGNITION**

**(i) Income from Rendering of services**

Subscription income includes subscription from Subscribers / Cable Operators relating to cable TV and Internet business and income from placement of channels. Revenue from Operations is recognized on accrual basis based on underlying subscription plan or agreements with the concerned subscribers / parties.

Subscription Income from Cable TV Operators, is accrued monthly based on number of connections declared by the said operators to the Holding Company and its Joint Venture. In cases where revision of number of connections and / or rate is under negotiations at the time of recognition of revenue, the Holding Company and its Joint Venture recognizes revenue as per invoice raised. Adjustments for the year, if any, arising on settlement is adjusted against the Revenue. Other cases are reviewed by the management periodically.

Advertisement revenue is accrued on release of the advertisement for public viewing.

Income from service does not include Service Tax (ST).

The Holding Company and its Joint Venture collects VAT, service tax and entertainment tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Holding Company and its Joint Venture. Hence, it is excluded from revenue.

**(ii) Interest Income**

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

## **1.15 TAXES ON INCOME**

**Current Tax:**

Tax on income for the current period is determined on the basis on estimated taxable income

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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 Holding Company and its Joint Venture have a legally enforceable right to set-off assets against liabilities.

## **1.16 EARNINGS PER SHARE (EPS)**

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

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

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number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## **1.17 LEASES**

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

### **As a Lessee**

#### **Operating Lease**

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

### **As a Lessor**

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

## **1.18 FIRST TIME ADOPTION - MANDATORY EXCEPTIONS, OPTIONAL EXEMPTIONS**

### **Overall principle**

The Holding Company and its Joint Venture has prepared the opening consolidated Balance Sheet as per Ind AS as of the transition date by

- recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and
- applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Holding Company and its Joint Venture as detailed below.

### **Deemed cost for Property, Plant and Equipment and intangible assets**

The Holding Company and its Joint Venture has elected to continue with the carrying value of all of its Property, Plant and Equipment and intangible assets recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## Hathway Bhawani Cabletel & Datacom Limited

CIN : L65910MH1984PLC034514

### Notes to Consolidated Financial Statement for the year ended March 31, 2017

( ₹ in lakhs unless otherwise stated)

#### 2.01 Property, plant and equipment :

	Gross Carrying Amount			Depreciation		Net Block	
	As at April 1, 2016	Addition	Disposal	As at March 31, 2017	For the Year on disposal	As at March 31, 2017	As at March 31, 2016
<b>Own Assets:</b>							
Plant and Machinery	365.97	29.51	36.84	358.64	44.55	83.31	275.33
Air conditioners	4.12	-	0.68	3.44	0.90	1.20	1.93
Structural fittings	0.07	-	-	0.07	-	0.02	0.05
Furniture & Fixtures	14.88	0.81	4.52	11.17	0.90	1.81	9.40
Mobile & Telephone	2.47	-	0.46	2.01	0.39	0.77	1.24
Computers	9.28	0.31	1.25	8.34	2.11	4.47	3.87
Office Equipments	1.30	0.29	0.85	0.74	0.08	0.51	0.23
Electrical Fittings	0.38	-	0.38	-	-	-	-
Motor Vehicles	11.53	-	11.38	0.15	1.91	0.09	0.12
<b>Total</b>	<b>410.00</b>	<b>30.92</b>	<b>56.36</b>	<b>384.56</b>	<b>50.93</b>	<b>92.81</b>	<b>291.75</b>
							<b>354.70</b>

	Gross Carrying Amount			Depreciation		Net Block	
	Deemed cost as at April 1, 2015	Addition	Disposal	As at March 31, 2016	For the Year on disposal	As at March 31, 2016	As at April 1, 2015
<b>Own Assets:</b>							
Plant and Machinery	327.59	38.67	0.29	365.97	45.42	45.13	320.84
Air conditioners	3.32	0.80	-	4.12	1.20	1.20	2.92
Structural fittings	0.07	-	-	0.07	0.02	0.02	0.05
Furniture & Fixtures	14.15	0.73	-	14.88	1.81	1.81	13.07
Mobile & Telephone	0.33	2.14	-	2.47	0.39	0.39	2.08
Computers	7.97	1.31	-	9.28	2.69	2.69	6.59
Office Equipments	1.07	0.23	-	1.30	0.71	0.71	0.59
Electrical Fittings	0.38	-	-	0.38	0.09	0.09	0.29
Motor Vehicles	11.53	-	-	11.53	3.26	3.26	8.27
<b>Total</b>	<b>366.41</b>	<b>43.88</b>	<b>0.29</b>	<b>410.00</b>	<b>55.59</b>	<b>55.30</b>	<b>354.70</b>
							<b>366.41</b>

## Hathway Bhawani Cabletel & Datacom Limited

CIN : L65910MH1984PLC034514

### Notes to Consolidated Financial Statement for the year ended March 31, 2017

( ₹ in lakhs unless otherwise stated)

#### 2.02 Other Intangible Assets :

	Gross Carrying Amount			Amortisation			Net Block	
	As at April 1, 2016	As at Addition	Disposal	As at March 31, 2017	As at April 1, 2016	For the Year	As at March 31, 2017	As at March 31, 2016
Cable Television Franchise	60.36	-	-	60.36	13.17	13.17	34.02	47.19
Softwares	3.52	1.33	-	4.85	0.84	0.86	3.15	2.68
<b>Total</b>	<b>63.88</b>	<b>1.33</b>	<b>-</b>	<b>65.21</b>	<b>14.01</b>	<b>14.03</b>	<b>37.17</b>	<b>49.87</b>

	Gross Carrying Amount			Amortisation			Net Block	
	Deemed cost as at April 1, 2015	As at Addition	Disposal	As at March 31, 2016	As at April 1, 2015	For the Year	As at March 31, 2016	As at April 1, 2015
Cable Television Franchise	60.36	-	-	60.36	13.17	13.17	47.19	60.36
Softwares	2.94	0.58	-	3.52	0.84	0.84	2.68	2.94
<b>Total</b>	<b>63.30</b>	<b>0.58</b>	<b>-</b>	<b>63.88</b>	<b>14.01</b>	<b>14.01</b>	<b>49.87</b>	<b>63.30</b>

Range of remaining period of amortisation of other Intangible Assets is as below:

	0 to 5 years	Total WDV
Cable Television Franchise	34.02	34.02
Softwares	3.15	3.15
	<b>37.17</b>	<b>37.17</b>

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

## Consolidated Notes to Financial Statement for the year ended March 31, 2017

(₹ in lakhs unless otherwise stated)

2.03 Investment in Joint Venture accounted under Equity method	As at		As at		As at	
	March 31,2017		March 31,2016		April 1,2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Investments in Equity Instruments: Unquoted Investment in Joint Venture Hathway Bhawani NDS Network Pvt. Ltd. (Face Value ₹ 500)	15,810	19.19	15,810	7.68	15,810	9.42
		19.19		7.68		9.42
Aggregate Amount of Unquoted Investments		19.19		7.68		9.42
2.04 Non- current Investments	As at					
	March 31,2017		March 31,2016		April 1, 2015	
	Amount		Amount		Amount	
Investments in Government securities measured at amortised cost - Unquoted National Saving Certificates (Pledged with Government Authorities) Total carrying value						
	1.25		1.25		1.25	
	1.25		1.25		1.25	
Aggregate Amount of Unquoted Investments	1.25		1.25		1.25	
Aggregate Impairment in value of Investments	-		-		-	

2.05 Trade Receivables	Non- current			Current		
	As at			As at		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
Unsecured, considered good	-	-	-	278.29	343.31	331.09
Doubtful	544.14	446.53	337.78	-	-	-
	544.14	446.53	337.78	278.29	343.31	331.09
Less: Allowance for doubtful debts (expected credit loss)	522.52	420.16	305.84	-	-	-
	21.62	26.37	31.94	278.29	343.31	331.09

2.06 Other Financial Assets	Non- current			Current		
	As at			As at		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
Security Deposits	25.40	23.72	23.01	-	-	-
	25.40	23.72	23.01	-	-	-
Fixed Deposit with Bank with maturity more than 12 months (Refer Note No. 2.08)	51.46	50.78	41.13	-	-	-
Interest Accrued	4.60	1.57	5.34	2.57	2.97	4.43
	56.06	52.35	46.47	2.57	2.97	4.43
	81.46	76.07	69.48	2.57	2.97	4.43

2.07 Other Assets	Non- current			Current		
	As at			As at		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
Unsecured, considered good unless stated otherwise						
Advance Income Tax Paid (Net of Provision for tax)	89.16	105.97	181.70	-	-	-
Prepaid expenses	5.73	8.07	10.72	1.62	1.71	3.70
Staff Advances	-	-	-	3.45	9.56	10.11
Service tax Claimable	-	-	-	103.44	55.26	26.22
Cenvat Receivable	-	-	-	27.16	49.67	64.58
	94.89	114.04	192.42	135.67	116.20	104.61

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

### Consolidated Notes to Financial Statement for the year ended March 31, 2017

(₹ in lakhs unless otherwise stated)

2.08 Cash and Cash Equivalents	Non- current			Current		
	As at			As at		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
<b>Balances with Banks</b>						
In current Accounts	-	-	-	171.28	137.97	144.40
Cash on hand	-	-	-	9.31	3.43	7.61
<b>Other Bank Balances</b>						
Fixed Deposit with Bank with maturity more than 12 months	51.46	50.78	41.13	-	-	-
	<b>51.46</b>	<b>50.78</b>	<b>41.13</b>	<b>180.59</b>	<b>141.40</b>	<b>152.01</b>
Less: Amount disclosed under Other financial assets (Refer Note No.2.06)	51.46	50.78	41.13	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>180.59</b>	<b>141.40</b>	<b>152.01</b>

Out of the above Fixed deposits with Bank of Maharashtra, deposits of ₹ 8.57 (Previous year ₹ 7.89) is given as security against outstanding bank Guarantees and deposits of ₹42.89 (Previous year ₹ 42.89) is given as security against cash credit limit with the said bank.

#### Disclosure on Specified Bank Notes (SBN)

The details of SBNs held and transacted during the period November 8, 2016 to December 30, 2016, pursuant to MCA notification no G.S.R. 308(E) dated March 30, 2017 are as under :

Summary	SBNs	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	13,54,000	1,06,138	14,60,138
(+) Withdrawal from Banks	-	8,00,000	8,00,000
(+) Permitted receipts	-	83,07,769	83,07,769
(-) Permitted payments	-	9,34,286	9,34,286
(-) Amount deposited in Banks	13,54,000	75,37,032	88,91,032
Closing cash in hand as on December 30, 2016	<b>-</b>	<b>7,42,589</b>	<b>7,42,589</b>

Explanation : The term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

2.09 Current tax assets	As at		
	March 31,2017	March 31,2016	April 1,2015
Advance Income Taxes (Net of Provision)	71.91	71.50	15.18
	<b>71.91</b>	<b>71.50</b>	<b>15.18</b>

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2.10 Equity Share Capital	As at		
	March 31,2017	March 31,2016	April 1,2015
<b><u>EQUITY SHARE CAPITAL</u></b>			
<b>Authorised Capital</b> 1,00,00,000 (March 31, 2016: 1,00,00,000, April 1, 2015: 1,00,00,000) Equity Shares of ₹ 10 each	1,000.00	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued, Subscribed(fully paid) &amp; Paid up Capital</b> 81,00,000 (March 31, 2016: 81,00,000, April 1, 2015 81,00,000) Equity Shares of ₹ 10 each fully paid up	810.00	810.00	810.00
	<b>810.00</b>	<b>810.00</b>	<b>810.00</b>

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

Particulars	As at		As at		As at	
	March 31,2017		March 31,2016		April 1,2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	81,00,000	810.00	81,00,000	810.00	81,00,000	810.00
Shares outstanding at the end of the year	<b>81,00,000</b>	<b>810.00</b>	<b>81,00,000</b>	<b>810.00</b>	<b>81,00,000</b>	<b>810.00</b>

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

Particulars	As at		
	March 31,2017	March 31,2016	April 1,2015
	No. of shares	No. of shares	No. of shares
Hathway Cable & Datacom Limited (Holding Company)	20,20,000	20,20,000	20,20,000
Hathway Media Vision Private Limited (Wholly Owned subsidiary of Holding Company)	21,60,000	21,60,000	21,60,000
	<b>41,80,000</b>	<b>41,80,000</b>	<b>41,80,000</b>

**c) Rights, Preference and restrictions attached to Shares:**

**Terms/ Rights attached to Equity Shares**

The Company has only one class of shares referred to as equityshares having a face value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share and proportionate amount of dividend if declared to the total number of shares. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by the share holders.

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

Name of Shareholder	As at		As at		As at	
	March 31,2017		March 31,2016		April 1,2015	
	No. of shares	% of Holding	No. of shares	% of Holding	No. of shares	% of Holding
Hathway Cable & Datacom Limited	20,20,000	24.94%	20,20,000	24.94%	20,20,000	24.94%
Kuldeep Puri	5,04,339	6.22%	5,04,339	6.22%	5,04,339	6.22%
Hathway Media Vision Private Limited	21,60,000	26.67%	21,60,000	26.67%	21,60,000	26.67%

**e) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the Balance Sheet date**

	As at		
	March 31,2017	March 31,2016	April 1,2015
Equity shares allotted as fully paid - up pursuant to contracts for consideration other than cash in the financial year 2014-15.	1,00,000	1,00,000	1,00,000

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2.11 Other equity	As at	As at
	March 31,2017	March 31,2016
Securities Premium	151.00	151.00
Retained earnings	(1,364.89)	(1,280.82)
<b>Total</b>	<b>(1,213.89)</b>	<b>(1,129.82)</b>

**a) Retained earnings :**

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

**b) Securities Premium :**

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

2.12 Non-Current Borrowings	Non-Current portion			Current maturities of long term debts		
	As at			As at		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
<b>Secured</b>						
Term Loan						
From Financial Institutions	-	-	0.76	-	-	2.83
(The above loan is secured against hypothecation of vehicles)	-		0.76	-		2.83
<b>Loans and advances from related parties</b>						
<b>Unsecured</b>						
Loan From Holding Company	-	-	142.65	-	142.65	-
	-		142.65	-	142.65	-
Amount disclosed under the head 'Other Financial Liabilities' (Note No. 2.14)	-	-	-	-	142.65	2.83
<b>Net Amount</b>	<b>-</b>	<b>-</b>	<b>143.41</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Nature of Security and terms of repayment for borrowings:**

Nature of Security	Terms of Repayment
<b>Secured Loan</b>	
Term loan from financial institution amounting to ₹ Nil (March 2016: ₹ Nil; April 1, 2015: ₹ 3.59) is secured by hypothecation of vehicles.	Loan fully repaid during the financial year 2015-16
<b>Unsecured Loan</b>	
Loan from Holding company amounting to ₹ Nil (March 31, 2016: ₹ 142.65, April 1, 2015 ₹ 142.65 )	Loan repaid during the financial year 2016-17

2.13 Trade Payables	Current		
	As at		
	March 31,2017	March 31,2016	April 1,2015
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of suppliers other than micro enterprises and small enterprises	1,448.85	1,289.58	1,170.10
	<b>1,448.85</b>	<b>1,289.58</b>	<b>1,170.10</b>

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2.14 Other Financial Liabilities	Current		
	As at		
	March 31,2017	March 31,2016	April 1,2015
Current Maturities of Long term borrowings (Refer Note 2.12)	-	142.65	2.83
Security Deposits	45.64	49.66	52.31
Payable for Property, Plant and Equipment	2.41	1.06	12.19
Salary and Employee benefits payable	22.94	18.57	33.85
Outstanding liabilities for expenses	25.83	23.03	22.58
	<b>96.82</b>	<b>234.97</b>	<b>123.76</b>

2.15 Provisions	Non - Current			Current		
	As at			As at		
	March 31,2017	March 31,2016	April 1,2015	March 31,2017	March 31,2016	April 1,2015
<b>Provision for employee benefits</b>						
Gratuity	17.70	19.37	10.12	0.53	0.60	0.57
Leave Encashment	5.79	5.72	5.57	0.57	0.58	0.44
	<b>23.49</b>	<b>25.09</b>	<b>15.69</b>	<b>1.10</b>	<b>1.18</b>	<b>1.01</b>

2.16 Deferred Tax Liabilities (Net)	As at		
	March 31,2017	March 31,2016	April 1,2015
<b>Deferred Tax Assets</b>			
Provision for Employee benefits	3.11	6.17	3.30
Other temporary differences	2.14	4.32	4.23
Carried forward Business Losses*	-	9.63	-
(A)	<b>5.25</b>	<b>20.12</b>	<b>7.53</b>
<b>Deferred Tax Liabilities</b>			
Property, Plant and Equipment	5.25	20.12	17.68
(B)	<b>5.25</b>	<b>20.12</b>	<b>17.68</b>
<b>Net Deferred Tax Liabilities (A-B)</b>	<b>-</b>	<b>-</b>	<b>10.15</b>

Refer Note no. 4.11 for Expiry schedule of deferred tax assets not recognised.

2.17 Other Liabilities	Current		
	As at		
	March 31,2017	March 31,2016	April 1,2015
Income received in advance	44.92	58.95	38.81
Statutory payables	6.49	16.87	15.75
	<b>51.41</b>	<b>75.82</b>	<b>54.56</b>

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### Consolidated Notes to Financial Statement for the year ended March 31, 2017

(₹ in lakhs unless otherwise stated)

3.01 Revenue from operations	Year ended	
	March 31, 2017	March 31, 2016
<b>Revenue from operations</b>		
Sale of services	1,254.16	1,666.74
Other operating revenues	16.84	58.51
	<b>1,271.00</b>	<b>1,725.25</b>

3.02 Other Income	Year ended	
	March 31, 2017	March 31, 2016
<b>Interest income</b>		
Interest income earned on financial assets:		
Interest on Fixed Deposit	4.11	4.30
Interest on Government Securities	0.14	0.14
Interest Income on Security Deposit	2.20	2.17
Interest on Income Tax Refund	3.33	3.72
<b>Other non-operating income</b>		
Profit on Sale of Assets	-	0.08
Miscellaneous Income	1.10	1.31
	<b>10.88</b>	<b>11.72</b>

3.03 Operational Expense	Year ended	
	March 31, 2017	March 31, 2016
Bandwidth & Lease Line Cost	37.78	102.51
Consultancy Charges	23.71	1.84
Commission	48.29	51.83
Repairs & Maintenances - Machinery	-	7.72
Rent	43.87	54.82
Digital Subscription Expense	63.32	63.11
Other Operating Expenses	17.42	74.10
	<b>234.39</b>	<b>355.93</b>

3.04 Employee Benefit Expense	Year ended	
	March 31, 2017	March 31, 2016
Salaries and wages	87.21	111.91
Contribution to Provident fund and other funds	9.53	18.59
Staff welfare expenses	3.16	5.13
	<b>99.90</b>	<b>135.63</b>

3.05 Finance Costs	Year ended	
	March 31, 2017	March 31, 2016
Interest Expenses & Finance Charges	2.66	19.52
	<b>2.66</b>	<b>19.52</b>

3.06 Depreciation and Amortization Expense	Year ended	
	March 31, 2017	March 31, 2016
Depreciation on Property, Plant and Equipment	50.94	55.59
Amortisation of intangible assets	14.03	14.01
	<b>64.97</b>	<b>69.60</b>

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3.07 Other Expenses	Year ended	
	March 31, 2017	March 31, 2016
Allowance on doubtful debts ( Expected credit loss)	150.00	184.00
Services charges	59.68	43.33
Bad Debts	47.65	69.68
Less: Transfer from allowance on doubtful debts (Expected credit loss)	(47.65)	(69.68)
	-	-
Loss on Shortage of assets	36.45	-
Electricity charges	20.05	23.64
Conveyance	16.36	22.36
Legal & Professional charges	9.59	8.68
Printing and stationery	8.67	5.92
Communication charges	6.95	4.26
Repairs & Maintenances - Others	6.37	0.66
Office expenses	5.09	13.58
Business promotion expenses	3.82	6.27
Loss on Sale of assets	3.18	-
Insurance others	2.34	4.56
Rates and taxes	2.29	46.15
Managerial Remuneration		
Sitting Fees	1.61	1.54
Interest on Taxes	0.10	0.47
Advertisement & Promotion expenses	-	0.32
Miscellaneous Expenses	3.73	4.69
Auditor's Remuneration		
- Statutory Audit Fees	2.75	2.75
- Consolidation Fees	0.25	0.25
	<b>339.28</b>	<b>373.43</b>

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### 4.01 Leases

#### Operating Lease (as a lessee)

##### Details of Cancellable Leases are as under:

The Holding Company's significant leasing arrangements in terms of IND AS 17 are in respect of Operating Leases for Premises. These leasing arrangements, which are cancellable in nature range between 11 months to 33 months and are renewable by mutual consent.

The treatment of the rental by the Holding Company is as under:

Rental Expenses debited to the Statement of Profit and Loss ₹ 43.87 (March 31, 2016: ₹ 54.82).

### 4.02 Employee Benefits

#### a) Defined Benefit Plans:

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

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit.
Interest Risk	A decrease in the bond interest rate will increase the plan liability.
Longevity Risk	This risk effects Past Retirement Benefit Plans, especially Pension and Medical Benefits. This Plan pays the benefit on Retirement, if not paid earlier, on account of resignation or death and hence the Longevity risk will not materially effect this Plan.
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.

Particular	March 31, 2017 [Gratuity]	March 31, 2016 [Gratuity]
<b>1. Expense recognised in the Statement of Profit and Loss</b>		
Current Service Cost	2.68	2.19
Net Interest	1.42	0.83
Actuarial (Gain) / Loss	(5.51)	7.94
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>(1.41)</b>	<b>10.96</b>
<b>2. Other Comprehensive Income (OCI)</b>		
Measurement of net defined benefit liability		
Actuarial (gains)/ losses arising from changes in financial assumption	1.05	6.46
Actuarial (gains)/ losses arising from experience adjustments	(6.56)	1.48
<b>Total Actuarial (Gain)/loss recognised in OCI</b>	<b>(5.51)</b>	<b>7.94</b>

Category	March 31, 2017 [Gratuity]	March 31, 2016 [Gratuity]	April 1, 2015 [Gratuity]
<b>3. Change in benefit obligations:</b>			
Projected benefit obligations at beginning of the year	19.98	10.69	11.72
Current Service Cost	2.68	2.19	2.10
Interest Cost	1.42	0.83	1.06
Benefits Paid	(0.33)	(1.67)	(5.76)
Actuarial (Gain) / Loss	(5.51)	7.94	1.58
<b>Projected benefit obligations at end of the year</b>	<b>18.23</b>	<b>19.98</b>	<b>10.69</b>
<b>4. Fair Value of Plan Asset</b>			
Fair Value of Plan Asset at the beginning	-	-	-
Contributions by Employer	(0.33)	1.67	5.76
Benefits Paid	0.33	(1.67)	(5.76)
<b>Fair Value of Plan Assets at end</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>5. Sensitivity Analysis</b>			
Increase/(decrease) on present value of benefit obligation at the end of the year			
50 basis point increase in discount rate	(19.45)	(21.40)	(11.72)
50 basis point decrease in discount rate	17.11	18.67	10.36
50 basis point increase in rate of salary increase	19.42	21.37	11.73
50 basis point decrease in rate of salary increase	(17.14)	(18.69)	(10.36)

<b>6. Principal assumptions used for the purpose of actuarial valuation</b>			
Mortality	IALM (2006-2008) UTI	IALM (2006-2008) UTI	IALM (2006-2008) UTI
Interest /discount rate	7.40%	7.90%	7.95%
Rate of increase in compensation	10%	10.00%	7.00%
Expected average remaining service	12.81	13.64	12.32
Employee Attrition Rate ( Past service(PS) )	5.00%	5.00%	5.00%

#### b. Defined Contribution

##### Plans:

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

Amount of ₹ 4.97 (Previous year ₹ 7.03 ) is recognised as an expenses and included in Employee benefit expenses (Refer Note 3.04).

### 4.03 Contingent Liabilities

- (a) Claims against the Company not acknowledged, as debts.  
(b) Outstanding Bank Guarantees

March 31, 2017	March 31, 2016	April 1, 2015
-	21.00	21.00
-	12.00	12.00

### 4.04 Capital And Other Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for

March 31, 2017	March 31, 2016	April 1, 2015
-	-	-

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#### 4.05 Capital Management

The holding company manages its capital structure to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders.

The principal source of funding of the Group has been, and is expected to continue from cash generated from its operations supplemented by funding from borrowings. The Group is not subject to any externally imposed capital requirements. There are no Borrowings / Debt outstanding as on March 31, 2017.

#### 4.06 Financial Instruments

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

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

- a) The carrying amounts of trade receivables, cash and cash equivalents, security deposits taken, trade payables, payable for property, plant and equipment, liability for expenses are considered to be the same as their fair values, due to their short-term nature.
- b) The fair value for long term security deposits given is calculated based on cash flows discounted using current lending rate.

##### ii) Categories of financial instruments

The holding 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	March 31, 2017		March 31, 2016		April 1, 2015	
	Carrying values	Fair value	Carrying values	Fair value	Carrying values	Fair value
<b>Financial assets</b>						
Measured at amortised cost						
Investments	1.25	1.25	1.25	1.25	1.25	1.25
Trade receivables	299.91	299.91	369.68	369.68	363.03	363.03
Other financial assets	84.03	84.03	79.04	79.04	73.91	73.91
Cash and cash equivalents	180.59	180.59	141.40	141.40	152.01	152.01
<b>Financial liabilities</b>						
Measured at amortised cost						
Borrowings	-	-	-	-	143.41	143.41
Trade payables	1,448.85	1,448.85	1,289.58	1,289.58	1,170.10	1,170.10
Other financial liabilities	96.82	96.82	234.97	234.97	123.76	123.76

#### 4.07 Financial Risk Management

The holding company is not exposed to market risk and has insignificant credit and liquidity risk as explained below :

Risk	Exposure arising from	Measurement
1) Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings
2) Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts

##### 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 Company's exposure to credit risk arises mainly from the trade receivables. Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. The Company's major revenue streams arises from services provided to end use customers. The trade receivables on account of subscription income are typically un-secured and derived from sales made to large number of independent customers. There is no concentration of credit risk. The credit period provided by the Company to its end use customers generally ranges from 0 to 30 days. The Company follows a simplified approach (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring the lifetime ECL allowance for trade receivables, the Company uses a provision matrix which comprise a very large number of small balances grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not recoverable. Based on the industry practices and business environment in which the Company operates, management considers that the trade receivables are in default if the payment are more than 12 months past due.

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Table showing age of gross trade receivables and movement in expected credit loss allowance:

<u>Age of receivables</u>	As At		
	March 31, 2017	March 31, 2016	March 31, 2015
Within the credit period			
1-90 days past due	238.90	170.78	285.47
91-180 days past due	139.64	109.68	125.65
181-270 days past due	63.61	90.64	60.11
271-360 days past due	74.44	175.33	28.37
More than 365 days	305.84	243.41	169.27
	<b>822.43</b>	<b>789.84</b>	<b>668.87</b>

Movement in the expected credit loss allowance	Year ended	
	March 31, 2017	March 31, 2016
Balance at beginning of the year	420.16	305.84
Provided during the year	150.00	184.00
Write off during the year	(47.65)	(69.68)
Balance at end of the year	<b>522.51</b>	<b>420.16</b>

#### Liquidity risk

Liquidity risk is defined as the risk that the Holding Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management monitors rolling forecasts of the Holding Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

#### Maturities of financial liabilities

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

##### March 31, 2017

Particulars	less than 1 year	1 to 5 year	Total
<u>Non-Derivatives</u>			
Trade payables	1,448.85	-	1,448.85
Other financial liabilities	96.82	-	96.82
<b>Total</b>	<b>1,545.67</b>	<b>-</b>	<b>1,545.67</b>

##### March 31, 2016

Particulars	less than 1 year	1 to 5 year	Total
<u>Non-Derivatives</u>			
Trade payables	1,289.58	-	1,289.58
Other financial liabilities	234.97	-	234.97
<b>Total</b>	<b>1,524.56</b>	<b>-</b>	<b>1,524.56</b>

##### April 1, 2015

Particulars	less than 1 year	1 to 5 year	Total
<u>Non-Derivatives</u>			
Trade payables	1,170.10	-	1,170.10
Long term borrowings	-	143.41	143.41
Other financial liabilities	123.76	-	123.76
<b>Total</b>	<b>1,293.86</b>	<b>143.41</b>	<b>1,437.27</b>

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(₹ in lakhs unless otherwise stated)

#### 4.08 Segmental Reporting

As the Holding Company and its Joint Venture's business activity falls within a single business segment viz. Providing Cable Television services which is considered as the only reportable segment and the revenue substantially being in the domestic market, the financial statement are reflective of the information required by Ind AS 108 "Operating Segment".

#### 4.09 Related Party Disclosures

##### Particulars of Related Parties

##### A. Names of Related Parties and Related Party Relationship

##### I. Controlled by:

Holding Company Hathway Cable & Datacom Ltd.

##### II. Joint Venture

Hathway Bhawani NDS Network Pvt. Ltd.

##### III. Key Managerial Personnel

a. Executive Directors Mr. Samson Jesudas - Managing Director & CEO (upto September 21, 2016)  
Mr. Sameer Joseph - Managing Director & CEO (from December 2, 2016)

b. Non Executive Directors

Independent Directors Mr. Dilip Worah  
Mr. L. K. Kannan

Non Independent Directors Mr. Vineet Garg  
Mr. Shyam P V

##### Compensation to Key Managerial Personnel :-

Particulars	F.Y 2016-17	F.Y 2015-16
(a) Short term employee benefits	-	-
(b) Post employment benefits	-	-
(c) Other long term benefits	-	-
(d) Sitting fees	1.61	1.54
<b>Total Compensation</b>	<b>1.61</b>	<b>1.54</b>

##### B. Related party transactions

Type of Transactions	Name of the Party	F.Y 2016-17	F.Y 2015-16
Other transactions/ Lease Rent CMTS	Hathway Cable & Datacom Ltd.	460.63	572.20
Advertisement Revenue/ Carriage fees	Hathway Cable & Datacom Ltd.	326.40	489.60
ISP Access Expenses reimbursement	Hathway Cable & Datacom Ltd.	16.74	-
ISP Access Expenses - Hathway Cable & Datacom Ltd.	Hathway Cable & Datacom Ltd.	1.03	25.99
Feed charges earned/consultancy charges earned	Hathway Bhawani NDS Network Pvt. Ltd.	27.37	33.48
Loan Repaid	Hathway Cable & Datacom Ltd.	142.65	-
Impairment in value of Investment	Hathway Bhawani NDS Network Pvt. Ltd.	-	14.53

Type of Balances	Name of the Party	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Balance as at year end</b>				
Trade Receivable	Hathway Bhawani NDS Network Pvt. Ltd.	13.56	40.84	49.27
Trade Payable	Hathway Cable & Datacom Ltd.	421.53	368.87	689.95
Unsecured Loan	Hathway Cable & Datacom Ltd.		142.65	142.65
Investments	Hathway Bhawani NDS Network Pvt. Ltd.	54.05	54.05	54.05
Impairment in value of Investment	Hathway Bhawani NDS Network Pvt. Ltd.	14.53	14.53	-

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

### Consolidated Notes to Financial Statement for the year ended March 31, 2017

(₹ in lakhs unless otherwise stated)

#### 4.10 Interest in other entities

##### a) Interest in Joint Venture

Below is the joint venture of the Holding Company as at March 31, 2017 considered for consolidation.

Name of the entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount		
					March 31, 2017	March 31, 2016	April 1, 2015
Hathway Bhawani NDS Network Private Limited	India	51 %	Joint Venture	Equity Method	19.19	7.68	9.42

##### Reconciliation of carrying amounts

	March 31, 2017	March 31, 2016
Opening net assets	15.07	18.48
Profit / (Loss) for the year	22.56	(3.41)
Other comprehensive income	-	-
<b>Closing net assets</b>	<b>37.63</b>	<b>15.07</b>
Holding Company's share in %	51%	51%
Holding Company's in INR	19.19	7.68
Goodwill	-	-
<b>Carrying amount</b>	<b>19.19</b>	<b>7.68</b>

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Aggregate carrying amount of individually immaterial joint venture	19.19	7.68	9.43
Aggregate amounts of the Holding Company's share of:			
Profit/(loss) from continuing operations	11.50	(1.74)	-
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	<b>11.50</b>	<b>(1.74)</b>	<b>-</b>

- 4.11 In the absence of reasonable certainty of availability of taxable business income in near future against which the deferred tax assets can be adjusted, the Holding Company has recognised deferred tax assets to the extent of deferred tax liability available. (Refer to Note 2.16)

##### Expiry schedule of deferred tax assets not recognised is as under :

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	Beyond 5 years	Indefinite	Total
<b>Tax Losses:</b>								
Business losses	-	-	-	-	-	18.78	-	18.78
Unabsorbed depreciation	-	-	-	-	-	-	50.89	50.89
Deductible temporary difference	-	-	-	-	-	-	49.13	49.13
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.78</b>	<b>100.02</b>	<b>118.80</b>

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

## Consolidated Notes to Financial Statement for the year ended March 31, 2017

( ₹ in lakhs unless otherwise stated)

### 4.12 First time Ind AS adoption reconciliation

#### a) Reconciliation between Previous GAAP and Ind AS

Particulars	Notes	March 31, 2016 (End of last period presented under previous GAAP)			April 1, 2015 (Date of transition)		
		Previous GAAP*	Adjustments	As per Ind AS Balance Sheet	Previous GAAP*	Adjustments	As per Ind AS Balance Sheet
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
Property, Plant and Equipment	3	354.70	-	354.70	366.41		366.41
Capital Work In Progress		1.46		1.46	0.95		0.95
Other Intangible Assets		49.87	-	49.87	63.30		63.30
Investment in Joint Venture	4	-	7.68	7.68	9.42		9.42
Financial Assets					-		
Investments		1.25		1.25	1.25		1.25
Trade Receivables	2	26.37		26.37	31.94		31.94
Other financial assets	1	84.63	(8.56)	76.07	80.20	(10.72)	69.48
Other non - current assets	1	105.98	8.06	114.04	181.70	10.72	192.42
<b>Total Non-Current Assets</b>		<b>624.26</b>	<b>7.18</b>	<b>631.44</b>	<b>735.17</b>	<b>-</b>	<b>735.17</b>
<b>Current Assets</b>							
Financial Assets							
Trade Receivables	2	343.31		343.31	331.09		331.09
Cash and Cash Equivalents		141.40		141.40	152.01		152.01
Others financial assets		2.97		2.97	4.43	-	4.43
Current Tax Assets (Net)		71.50		71.50	15.18		15.18
Other current assets		116.20		116.20	104.61		104.61
<b>Total Current Assets</b>		<b>675.38</b>		<b>675.38</b>	<b>607.32</b>	<b>-</b>	<b>607.32</b>
<b>Total Assets</b>		<b>1,299.64</b>	<b>7.18</b>	<b>1,306.82</b>	<b>1,342.49</b>	<b>-</b>	<b>1,342.49</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity Share Capital		810.00		810.00	810.00		810.00
Other Equity		(1,137.08)	7.26	(1,129.82)	(993.66)	7.47	(986.19)
<b>Total Equity</b>		<b>(327.08)</b>	<b>7.26</b>	<b>(319.82)</b>	<b>(183.66)</b>	<b>7.47</b>	<b>(176.19)</b>
<b>Non-Current Liabilities</b>							
Financial Liabilities							
Borrowings		-			143.41		143.41
Provisions	5	25.09		25.09	15.69		15.69
Deferred Tax Liabilities (Net)		-			10.15		10.15
<b>Total Non-Current Liabilities</b>		<b>25.09</b>	<b>-</b>	<b>25.09</b>	<b>169.25</b>	<b>-</b>	<b>169.25</b>
<b>Current Liabilities</b>							
Financial Liabilities							
Trade Payables		1,289.58		1,289.58	1,177.57	(7.47)	1,170.10
Other Financial Liabilities		235.05	(0.08)	234.97	123.76		123.76
Other Current Liabilities		75.82		75.82	54.56		54.56
Provisions	5	1.18		1.18	1.01		1.01
<b>Total current liabilities</b>		<b>1,601.63</b>	<b>(0.08)</b>	<b>1,601.55</b>	<b>1,356.90</b>	<b>(7.47)</b>	<b>1,349.43</b>
<b>Total Equity and Liabilities</b>		<b>1,299.64</b>	<b>7.18</b>	<b>1,306.82</b>	<b>1,342.49</b>	<b>-</b>	<b>1,342.49</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

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### Consolidated Notes to Financial Statement for the year ended March 31, 2017

(₹ in lakhs unless otherwise stated)

**b) Reconciliation of Net profit/ (loss) as reported under previous GAAP vis- à- vis Ind AS is as below :**

Particulars	Notes	Year Ended March 31, 2016 (End of last period presented under previous GAAP)		
		Previous GAAP*	Adjustments	As per Ind AS
Revenue from Operations	4	1,725.25	-	1,725.25
Other Income	1	9.56	2.16	11.72
<b>Total Income</b>		<b>1,734.81</b>	<b>2.16</b>	<b>1,736.97</b>
<b>EXPENSES</b>				
Pay Channel & Feed Charges	4	926.96		926.96
Operational Expenses	1	353.28	2.65	355.93
Employee Benefits Expense	5	143.57	(7.94)	135.63
Finance Cost	4	19.52	-	19.52
Depreciation and Amortization	3	69.60		69.60
Other Expenses	4	373.43	-	373.43
<b>Total Expenses</b>		<b>1,886.36</b>	<b>(5.29)</b>	<b>1,881.07</b>
<b>Profit / (loss) before exceptional items and tax</b>		<b>(151.55)</b>	<b>7.45</b>	<b>(144.10)</b>
Prior Period Adjustments (Net)		(7.47)	7.47	-
Exceptional Items			-	-
<b>Profit / (Loss) before Tax</b>		<b>(144.08)</b>	<b>(0.02)</b>	<b>(144.10)</b>
Share of loss of Hathway Bhawani NDS Network Pvt. Ltd. (JV)		(9.49)	7.75	(1.74)
<b>Profit / (loss) from Ordinary Activities before tax</b>		<b>(153.57)</b>	<b>7.73</b>	<b>(145.84)</b>
Tax Expense:				
Current tax		-	-	-
Deferred tax		(10.15)	-	(10.15)
<b>Profit / (loss) for the year</b>		<b>(143.42)</b>	<b>7.73</b>	<b>(135.69)</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**c) Reconciliation of Total Equity as reported under previous GAAP vis- à- vis Ind AS is as below :**

Particulars	Notes	March 31, 2016 (End of last period presented under previous GAAP)	April 1, 2015 (Date of transition)
Total Equity under Previous GAAP		(327.08)	(183.66)
Discounting/unwinding of financial assets	1	(0.50)	-
Share in reversal of goodwill amortisation of joint venture	4	7.76	-
Restatement of Prior Period Adjustments		-	7.47
<b>Total Adjustment to Equity</b>		<b>7.26</b>	<b>7.47</b>
<b>Total Equity under Ind AS</b>		<b>(319.82)</b>	<b>(176.19)</b>

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## HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

CIN : L65910MH1984PLC034514

### Consolidated Notes to Financial Statement for the year ended March 31, 2017

( ₹ in lakhs unless otherwise stated)

#### Footnotes for Ind AS Adjustments

##### Note 1: Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the Holding Company has fair valued these security deposits under Ind AS and the difference between the fair value and the transaction value of the security deposit has been recognised as prepaid rent.

##### Note 2: Loss allowance on Trade receivables

Under the previous GAAP, the Holding Company has created provision for impairment of receivables consisting specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss Model (ECL) which has led to an increase in the amount of provision as on the date of transition.

##### Note 3: Property, Plant and Equipment

The Holding Company and it's Joint Venture has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and Intangibles as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

##### Note 4: Subsidiaries consolidated under previous GAAP classified as Joint venture

Based on control assessment carried out under Ind AS 110 Consolidated Financial Statements, an entity is considered as to be joint venture of the Holding Company under Ind AS which under the previous GAAP was considered as subsidiary, because the Holding Company does not have the power and exposure to variable returns and concluded that it has a joint control over such entity.

##### Note 5 : Defined benefit plans

Both under the previous GAAP and Ind AS, the Holding Company recognised costs related to its post employment defined benefit plans on an actuarial basis. Under previous GAAP the entire cost, including actuarial gains and losses are charged to the Statement of Profit and Loss. Under Ind AS, remeasurement (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income and the corresponding tax effect is also given in Other Comprehensive Income.

##### Note 6 : Other Comprehensive Income

Under previous GAAP, the Holding Company has not presented Other Comprehensive Income separately.

# HATHWAY BHAWANI CABLETEL & DATACOM LIMITED

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## Consolidated Notes to Financial Statement for the year ended March 31, 2017

( ₹ in lakhs unless otherwise stated)

### 4.13 Additional Information, as required under Schedule III to the Companies Act,2013 ,of entities consolidated as Joint Venture

March 31, 2017 :

Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b> Hathway Bhawani Cabletel & Datacom Limited	104.75%	(423.09)	112.84%	(101.08)	100.00%	5.51	113.68%	(95.57)
<b>Joint Venture (Investment as per equity method)</b> <b>Indian</b> Hathway Bhawani NDS Network Private Limited	-4.75%	19.19	-12.84%	11.50	0.00%	-	-13.68%	11.50
<b>Total</b>	<b>100.00%</b>	<b>(403.89)</b>	<b>100.00%</b>	<b>(89.58)</b>	<b>100.00%</b>	<b>5.51</b>	<b>100.00%</b>	<b>(84.07)</b>

March 31, 2016 :

Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b> Hathway Bhawani Cabletel & Datacom Limited	102.40%	(327.50)	98.72%	(133.95)	100.00%	(7.94)	98.79%	(141.89)
<b>Joint venture (Investment as per equity method)</b> <b>Indian</b> Hathway Bhawani NDS Network Private Limited	-2.40%	7.68	1.28%	(1.74)	0.00%	-	1.21%	(1.74)
<b>Total</b>	<b>100.00%</b>	<b>(319.82)</b>	<b>100.00%</b>	<b>(135.69)</b>	<b>100.00%</b>	<b>(7.94)</b>	<b>100.00%</b>	<b>(143.63)</b>

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

**Atul Shah**  
Partner  
Membership No. 39569

**Sameer Joseph**  
Managing Director  
Din: 07653870

**Vineet Garg**  
Director  
Din: 06935347

**Manoj Dere**  
Company Secretary  
FCS NO 7652

**Basant Haritwal**  
Chief Financial Officer

Place : Mumbai  
Dated: May 23, 2017

Place : Mumbai  
Dated: May 23, 2017

## ATTENDANCE SLIP

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

***hathw@ybhawani***

Hathway Bhawani Cabletel & Datacom Limited  
CIN: L65910MH1984PLC034514

**Rahejas, 4<sup>th</sup> Floor, Corner of Main Avenue & V. P. Road Road, Santacruz (West), Mumbai - 400054.**

Tel: +91-22-26001306 • Fax: +91-22-26001307

Website: [www.hathwaybhawani.com](http://www.hathwaybhawani.com) • E-mail: [investors.bhawani@hathway.net](mailto:investors.bhawani@hathway.net)

Registered Folio No./DP ID No. / Client ID No.;	
<b>Name and address of the Member(s)</b>  <b>Joint Holder 1</b> <b>Joint Holder 2</b>	
Number of Shares held:	

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 33rd Annual General Meeting of the Company at Ground Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai 400 098 on Tuesday, 26th September, 2017 at 3.00 p.m.

\_\_\_\_\_  
**Name of the member / proxy**

\_\_\_\_\_  
**Signature of member / proxy**

*Note:*

- Please fill up the attendance slip and hand it over at the entrance of the meeting hall.*
- Members are requested to bring their copies of the Annual Report to the AGM.*

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.

<b>EVSN (Electronic Voting Sequence Number)</b>
<b>170824002</b>

Note: Please read the instructions printed in the Notice of 33rd Annual General Meeting dated 3rd August, 2017. The Voting period starts from Saturday, 23rd September, 2017 at 10.00 am and ends on Monday, 25th September, 2017 at 5.00 pm. The voting module shall be disabled by CDSL for voting thereafter.

***hathw@ybhawani*****Hathway Bhawani Cabletel & Datacom Limited**

CIN: L65910MH1984PLC034514

**Rahejas, 4th Floor, Corner of Main Avenue Road, V. P. Road, Santacruz (West) Mumbai - 400 054.**

Tel: +91-22-26001306 • Fax: +91-22-26001307 Website: www.hathwaybhawani.com • E-mail: investors.bhawani@hathway.net

**MGT - 11****PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]  
**33rd Annual General Meeting - 26th September 2017**

<b>Name of the Member(s) :</b>	
<b>Registered Address :</b>	
<b>Email Id :</b>	
<b>Folio No. / Client ID :</b>	
<b>DP ID :</b>	

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_ **or failing him**
2. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_ **or failing him**
3. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Tuesday, 26th September, 2017 at 3.00 p.m. at Ground Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai 400 098 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	Voting		
		For	Against	Abstain
	<b>Ordinary Business</b>			
1	To receive, consider and adopt the audited standalone & Consolidated Financial Statements of the Company for the year ended 31 <sup>st</sup> March, 2017 comprising of Balance Sheet as at 31 <sup>st</sup> March, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Reports of Directors and Auditors thereon.			
2	Re-appointment of Mr. Vineet Garg, (DIN 06935347), who retires by rotation and being eligible, offers himself for re-appointment, as a Director of the Company.			
3	To appoint M/s. Nayan Parikh & Co., Chartered Accountants as the Statutory Auditors of the Company for a term of 5 (Five) years till the conclusion of 38th Annual General Meeting.			
	<b>Special Business</b>			
4	To appoint Mr. Sameer Joseph (DIN: 07653870) as a Director, who was appointed as an Additional Director with effect from 2nd December, 2016, pursuant to provisions of Section 161 of the Companies Act, 2013 (the Act) read with rules thereunder and in accordance with the Articles of Association of the Company, to hold office up to the date of the ensuing Annual General Meeting of the Company			
5	Pursuant to the provisions of Sections 196, 197, 198, 203 of the Companies Act, 2013 read with Schedule V thereto and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 to appoint Mr. Sameer Joseph (DIN: 07653870) as the Managing Director & CEO of the Company, for a term of 3 (three) years beginning from 02nd December, 2016 to 01st December, 2019			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix revenue  
Stamp of  
Re. 1/-

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



## **HATHWAY BHAWANI CABLETEL & DATACOM LIMITED**

'Rahejas', 4<sup>th</sup> Floor, Corner of Main Avenue & V. P. Road,  
Santacruz (West), Mumbai - 400054

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