

**G. M. KAPADIA & CO.**  
(REGISTERED)

CHARTERED ACCOUNTANTS

1007, RAHEJA CHAMBERS, 213, NARIMAN POINT, MUMBAI 400 021. INDIA

PHONE : (91-22) 6611 6611 FAX : (91-22) 6611 6600

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Hathway Broadband Private Limited  
Report on the Standalone Financial Statements**

**Opinion**

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

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

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were



addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is Director's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

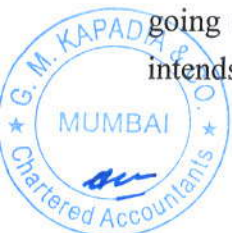
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially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

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

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

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





do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to



the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Cash Flows and the Statement of Changes in





Equity dealt with by this Report are in agreement with the relevant books of account;

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- g) Since the Company is a private limited company, the provisions of section 197 of the Act are not applicable. Accordingly, no reporting is required with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigation which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For G. M. Kapadia & Co.**

Chartered Accountants

Firm's Registration No:104767W



*Atul Shah*

**Atul Shah**

Partner

Membership No: 039569

Mumbai

Date: April 4, 2019

**Annexure A - referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of the Company on the financial statements for the year ended March 31, 2019**

- i. The Company does not hold any property, plant and equipment. Accordingly, the provision of sub clause (a), (b) and (c) of clause (i) of paragraph 3 of the Order regarding maintenance of records, physical verification and title deeds of fixed assets is not applicable;
- ii. The Company's nature of operations does not require it to hold inventories. Accordingly, clause (ii) of paragraph 3 of the Order regarding physical verification of inventories and maintenance of records is not applicable;
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, requirement of sub clauses (a), (b) and (c) of clause (iii) of paragraph 3 of the Order are not applicable;
- iv. The company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Accordingly, clause (iv) of paragraph 3 of the order is not applicable to the company;
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions contained in sections 73 to 76 or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal;
- vi. The Company is not engaged in production, processing, manufacturing or mining activities. Therefore, the provisions of clause (vi) of paragraph 3 of the Order relating to maintenance of cost records are not applicable;
- vii. Based on the records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues such as Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax, Custom Duty, Good and Service Tax, Value Added Tax, cess and other applicable statutory dues with the appropriate authorities. There are no amounts in arrears as at March 31, 2019 which were due for more than six months from the date they became payable;





- viii. According to the information and explanations given to us, there are no outstanding disputed dues payable by the Company in case of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as on March 31, 2019;
- ix. The Company has not taken any loans from Banks, Financial institutions, Government during the year. Further, the Company has not issued any debentures. Accordingly, clause (viii) of paragraph 3 of the Order is not applicable;
- x. The Company has not raised any money by way of Initial Public Offer or further Public Offer (including debt instruments) nor any term loans during period under audit. Accordingly, provision of clause (ix) of paragraph 3 of the order is not applicable to the Company;
- xi. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;
- xii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided managerial remuneration. Accordingly, clause (xi) of paragraph 3 of the Order is not applicable;
- xiii. The Company is not Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable;
- xiv. In respect of transactions with related parties, the Company has complied provisions of section 188 of the Act wherever applicable. Necessary disclosures relating to related party transactions have been made in the financial statements as required by the applicable accounting standard. Provisions of section 177 of the Act are not applicable to the Company;
- xv. Based on the audit procedure performed and information and explanations given by the management, the Company has not made any preferential allotment or private placements of shares or partly convertible debentures during the year. Accordingly, clause (xiv) of paragraph 3 of the Order are not applicable to the Company;
- xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable; and



G. M. KAPADIA & CO.

- xvii. The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

**For G. M. Kapadia & Co.**

Chartered Accountants

Firm's Registration No:104767W



**Atul Shah**

Partner

Membership No: 039569

Mumbai

Date: April 4, 2019



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

**Opinion**

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

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

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI.



Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

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

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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





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statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For G. M. Kapadia & Co.**

Chartered Accountants

Firm's Registration No:104767W



**Atul Shah**

Partner

Membership No: 039569

Mumbai




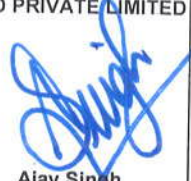
Date: April 4, 2019

# HATHWAY BROADBAND PRIVATE LIMITED

CIN : U74999MH2014PTC257407

## BALANCE SHEET AS AT March 31, 2019

( ₹ in Lakhs unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Deferred Tax Assets (Net)	2.01	0.24	0.24
<b>Total Non-Current Assets</b>		<b>0.24</b>	<b>0.24</b>
<b>Current Assets</b>			
(a) Financial Assets			
Cash and Cash Equivalents	2.02	1.22	39.82
Bank balance other than above	2.02	35.00	-
Loans	2.03	283.20	261.60
Others	2.04	0.71	-
(b) Current Tax Assets (Net)	2.05	0.11	0.30
(c) Other Current Assets			
<b>Total Current Assets</b>		<b>320.24</b>	<b>301.72</b>
<b>Total Assets</b>		<b>320.48</b>	<b>301.96</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	2.06	250.00	250.00
(b) Other Equity	2.07	69.35	51.13
<b>Total Equity</b>		<b>319.35</b>	<b>301.13</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
Other Financial Liabilities	2.08	1.13	0.83
(b) Other Current Liabilities			
(c) Provisions			
(c) Current Tax Liabilities (Net)	2.09	-	-
<b>Total Current Liabilities</b>		<b>1.13</b>	<b>0.83</b>
<b>Total Equity and Liabilities</b>		<b>320.48</b>	<b>301.96</b>
<b>Summary of Significant Accounting Policies</b>	1.00		
Refer accompanying notes. These notes are integral part of the financial statements.			
As per our report of even date For G. M. Kapadia & Co. Chartered Accountants Firm Registration No. : 104767W		For and on behalf of the Board HATHWAY BROADBAND PRIVATE LIMITED	
 Atul Shah Partner Membership No : 039569		 Dulal Banerjee Director DIN : 02455932	 Ajay Singh Director DIN : 06899567
Mumbai Dated : April 04, 2019		Mumbai Dated : April 04, 2019	



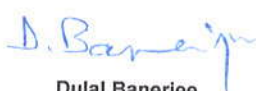



# HATHWAY BROADBAND PRIVATE LIMITED

CIN : U74999MH2014PTC257407

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED March 31, 2019

( ₹ in Lakhs unless otherwise stated)

	Notes	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>INCOME</b>			
Other Income	3.01	24.80	24.00
		<b>24.80</b>	<b>24.00</b>
<b>EXPENDITURE</b>			
Other Expenses	3.02	0.31	0.84
		<b>0.31</b>	<b>0.84</b>
<b>Net Profit before Tax</b>		<b>24.49</b>	<b>23.16</b>
Tax Expense:	3.03		
Current Tax		6.27	5.72
Short Provision for Income tax of earlier years		-	0.84
Deferred Tax		-	0.34
<b>Net Profit for the Year(A)</b>		<b>18.22</b>	<b>16.26</b>
<b>Other Comprehensive Income for the year, net of Tax (B)</b>			
<b>Total Comprehensive Income for the year, net of Tax (A+B)</b>		<b>18.22</b>	<b>16.26</b>
Earnings per equity share			
Weighted Average No. of Shares		25,00,000	25,00,000
1) Basic (₹)		0.73	0.65
2) Diluted (₹)		0.73	0.65
<b>Summary of Significant Accounting Policies</b>			
Refer accompanying notes. These notes are integral part of the financial statements.			
As per our report of even date For G. M. Kapadia & Co. Chartered Accountants Firm Registration No. : 104767W		For and on behalf of the Board HATHWAY BROADBAND PRIVATE LIMITED	
 Atul Shah Partner Membership No : 039569		 Dulal Banerjee Director DIN : 02455932	 Ajay Singh Director DIN : 06899567
Mumbai Dated : April 04, 2019		Mumbai Dated : April 04, 2019	

# HATHWAY BROADBAND PRIVATE LIMITED

CIN : U74999MH2014PTC257407

## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2019

( ₹ in Lakhs unless otherwise stated)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>1 CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	24.49	23.16
<b>a. Adjustment for :</b>		
Item Considered Separately:		
Interest Income from Loan	(24.00)	(24.00)
Interest on Fixed Deposit	(0.80)	-
<b>Operating Profit Before Working Capital</b>	(0.31)	(0.84)
<b>b. Changes in Working Capital</b>		
(Increase)/Decrease in Other Current Financial Assets	(0.71)	-
Increase/(Decrease) in Other Current Financial Liabilities	0.30	0.32
<b>Cash Generated from Operations</b>	(0.71)	(0.52)
Taxes paid (Net)	6.07	5.73
<b>Net Cash from Operating Activities (A)</b>	(6.80)	(6.25)
<b>2 CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Loans and Advances (Given)/Repayment	(21.60)	(0.00)
Interest received on Loan Given	24.00	24.00
Interest accrued on fixed Deposit made during the year	0.80	-
Fixed Deposit made during the year	(35.00)	-
<b>Net cash flow from/ (used in) Investing activity (B)</b>	(31.80)	24.00
<b>3 CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net cash Realised from Financing Activities (C)</b>	-	-
<b>Net increase in cash and cash equivalent (A+B+C)</b>	(38.60)	17.75
Cash & cash equivalents at the beginning of year	39.82	22.07
Cash & cash equivalents at the end of year	1.22	39.82
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>		
Balances with banks:		
In Current Accounts	1.22	39.82
Cash in hand	-	-
<b>Balance as per the cash flow statement</b>	1.22	39.82

**Note:**

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

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

For and on behalf of the Board  
**HATHWAY BROADBAND PRIVATE LIMITED**

*Atul Shah*

**Atul Shah**  
 Partner  
 Membership No : 039569



*D. Banerjee*

**Dulal Banerjee**  
 Director  
 DIN : 02455932

*Ajay Singh*

**Ajay Singh**  
 Director  
 DIN : 06899567

Mumbai  
 Dated : April 04, 2019

Mumbai  
 Dated : April 04, 2019



# HATHWAY BROADBAND PRIVATE LIMITED

CIN : U74999MH2014PTC257407

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

( ₹ in Lakhs unless otherwise stated)


### A Equity Share Capital:

Particulars	Amount
Balance as at April 01, 2017	250.00
Changes in Equity Share Capital in financial year 2017-18	-
Balance as at March 31, 2018	250.00
Changes in Equity Share Capital in financial year 2018-19	-
Balance as at March 31, 2019	250.00

### B Other Equity:

Particulars	Retained Earnings
Balance as at April 01, 2017	34.87
Net Profit for the year	16.26
Balance as at March 31, 2018	51.13
Net Profit for the year	18.22
Balance as at March 31, 2019	69.35

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

  
Atul Shah  
Partner  
Membership No : 039569



Mumbai  
Dated : April 04, 2019

For and on behalf of the Board  
HATHWAY BROADBAND PRIVATE LIMITED

  
Dulal Banerjee  
Director  
DIN : 02455932

  
Ajay Singh  
Director  
DIN : 06899567

Mumbai  
Dated : April 04, 2019

# HATHWAY BROADBAND PRIVATE LIMITED

## Significant accounting policies and notes on accounts

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### Background

Hathway Broadband Private Limited is a company limited by shares domiciled in India and incorporated under the provisions of the Companies Act, 1956 having registered office at 805/806, Windsor, 8th Floor, Off CST Road, Kalina, Santacruz (East) Mumbai Maharashtra 400098. The Company is in the business of providing of Internet Service.

### Authorization of financial statements

The financial statements were authorized for issue in accordance with a resolution of the directors on April 04, 2019.

### Significant accounting policies

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

#### 1.01 Basis of Preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

#### 1.02 Current Versus Non-Current Classification

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

- a) Expected to be realised or intended to sold or consumed in normal operating cycle
  - b) Held primarily for the purpose of trading
  - c) Expected to be realised within twelve months after the reporting period, or
  - d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of operations, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

#### 1.03 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 evaluate these estimates and assumptions based on the most recently available information.

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

Key sources of estimation uncertainty

- a) Financial instruments; (Refer note 4.04)

#### 1.04 Cash and Cash Equivalents

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



## 1.05 Financial Instruments

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

### Initial Recognition and Measurement – Financial Assets and Financial Liabilities

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

### Classification and Subsequent Measurement: Financial Assets

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

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

#### Amortised Cost:

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

- 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.

### Impairment of Financial Assets

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

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

### Classification and Subsequent measurement: Financial Liabilities

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

#### Financial Liabilities at FVTPL:

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

#### Other Financial Liabilities:

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

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

### Derecognition of Financial Assets and Financial Liabilities:

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

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

**Offsetting Financial Instruments:**

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

**1.06 Provisions, Contingent Liabilities and Contingent Assets.**

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

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.

**1.07 Revenue Recognition****Income from Interest on Loans**

Interest income generally is recognized on the accrual basis except where the investment is in default or otherwise presumed to be in doubt. In such cases, interest is recognized at the time of receipt.

**1.08 Taxes on Income****Current Tax:**

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

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

**Deferred tax:**

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

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

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

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

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

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

**1.09 Earnings Per Share (EPS)**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.10 Rounding Of Amounts**

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



# HATHWAY BROADBAND PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

( ₹ in Lakhs unless otherwise stated)

2.01 DEFERRED TAX ASSETS (NET)	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets on Unamortised Preliminary Expenses as per Income Tax	0.24	0.24
<b>NET DEFERRED TAX ASSETS</b>	<b>0.24</b>	<b>0.24</b>

2.02 CASH AND CASH EQUIVALENTS	As at March 31, 2019	As at March 31, 2018
Balances with banks: In Current Accounts	1.22	39.82
	<b>1.22</b>	<b>39.82</b>

2.02 BANK BALANCE OTHER THAN ABOVE	As at March 31, 2019	As at March 31, 2018
Balances with banks: Fixed Deposits	35.00	-
	<b>35.00</b>	<b>-</b>

2.03 LOANS	As at March 31, 2019	As at March 31, 2018
Loans to Related Parties Unsecured, considered good unless stated otherwise		
Loans Given	240.00	240.00
Interest on loan	43.20	21.60
	<b>283.20</b>	<b>261.60</b>

2.04 OTHER ASSETS	As at March 31, 2019	As at March 31, 2018
Interest accrued but not due	0.71	-
	<b>0.71</b>	<b>-</b>

2.05 CURRENT TAX ASSETS (NET)	As at March 31, 2019	As at March 31, 2018
Current tax assets: Advance Income Tax (Net of Provision for tax)	0.11	0.30
	<b>0.11</b>	<b>0.30</b>

2.06 SHARE CAPITAL	As at March 31, 2019	As at March 31, 2018
<b>Authorised Capital</b>		
30,00,000 ( March 31, 2018 : 30,00,000) Equity shares of face value of Rs.10 each	300.00	300.00
	<b>300.00</b>	<b>300.00</b>
<b>Issued, Subscribed and Paid up Capital</b>		
25,00,000 ( March 31, 2018 : 25,00,000) Equity shares of face value of Rs.10 each,	250.00	250.00
	<b>250.00</b>	<b>250.00</b>

**HATHWAY BROADBAND PRIVATE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

( ₹ in Lakhs unless otherwise stated)

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

Particulars	As at		As at	
	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
<b>Equity Shares of Rs.10 each</b>				
Shares Outstanding at the beginning of the year	25,00,000	250.00	25,00,000	250.00
Shares Issued during the year	-	-	-	-
Shares Outstanding at the end of the year	25,00,000	250.00	25,00,000	250.00

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

Particulars	As at		As at	
	March 31, 2019		March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares of Rs. 10 each</b>				
Hathway Cable and Datacom Limited (Holding Co.)	25,00,000	100.00%	25,00,000	100.00%

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

Particulars	As at		As at	
	March 31, 2019		March 31, 2018	
	No. of Shares held	Amount	No. of Shares held	Amount
<b>Equity Shares of Rs. 10 each</b>				
Hathway Cable and Datacom Limited - Holding Co.	25,00,000	250.00	25,00,000	250.00

**d) Rights, Preference and restrictions attached to Shares;**

**Terms/ Rights attached to Equity Shares:**

The Company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

2.07 OTHER EQUITY	As at March 31, 2019	As at March 31, 2018
<b>Surplus/ (Deficit) In the Statement of Profit and Loss</b>		
Balance at the beginning of the year	51.13	34.87
Add : Net Profit/ (Loss) for the year	18.22	16.26
Surplus in the Statement of Profit and Loss	69.36	51.13

2.08 OTHER FINANCIAL LIABILITIES	As at March 31, 2019	As at March 31, 2018
<b>Other Liabilities</b>		
	1.13	0.83
	1.13	0.83

2.09 CURRENT TAX LIABILITIES (NET)	As at March 31, 2019	As at March 31, 2018
<b>Provision for Income Tax (Net of Advance Tax)</b>		
	-	-
	-	-



**HATHWAY BROADBAND PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

(₹ in Lakhs unless otherwise stated)

3.01 OTHER INCOME	Year Ended	Year Ended
	March 31, 2019	March 31, 2018
Interest on Loans	24.00	24.00
Interest on Fixed Deposit with Banks	0.80	-
	<b>24.80</b>	<b>24.00</b>

3.02 OTHER EXPENSES	Year Ended	Year Ended
	March 31, 2019	March 31, 2018
Statutory Audit Fees	0.30	0.31
Interest on advance tax	-	0.52
Bank Charges	0.01	0.01
	<b>0.31</b>	<b>0.84</b>

3.03 Tax Expense	Year Ended	Year Ended
	March 31, 2019	March 31, 2018
Current Tax	6.27	5.72
Deferred Tax	-	0.34
<b>Total Tax Expense</b>	<b>6.27</b>	<b>6.06</b>

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

Particulars	Year Ended	Year Ended
	March 31, 2019	March 31, 2018
Profit before tax	24.49	23.16
Enacted tax rate in India	26.00%	25.75%
<b>Expected income tax expense at statutory tax rate</b>	<b>6.37</b>	<b>5.96</b>
Add/(Less): Expenses Allowable as deduction	(0.10)	(0.24)
<b>Current Tax Provision (A)</b>	<b>6.27</b>	<b>5.72</b>
Change in Deferred Tax Asset on account of Unamortised Preliminary Expenses as per Income Tax	-	0.34
<b>Deferred Tax provision (B)</b>	<b>-</b>	<b>0.34</b>
<b>Total (A+B)</b>	<b>6.27</b>	<b>6.06</b>

# HATHWAY BROADBAND PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

( ₹ in Lakhs unless otherwise stated)

4.01 There are no contingent liabilities, commitments or claims against the Company acknowledged as debts.

### 4.02 RELATED PARTY DISCLOSURE:

List of Related Parties:

Controlled By:

Hathway Cable and Datacom Limited - Holding Company

Transactions with Related Party:

	Year Ended	Year Ended
<b>TRANSACTION DURING THE YEAR</b>		
<b>Interest Income</b>		
Hathway Cable and Datacom Limited	24.00	24.00
	24.00	24.00
	<b>Year Ended</b>	<b>As at March</b>
<b>CLOSING BALANCES</b>		
Hathway Cable and Datacom Limited - Loan	240.00	240.00
Hathway Cable and Datacom Limited - Interest	43.20	21.60
	283.20	261.60

### 4.03 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves. 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 Company has not taken any borrowings and accordingly has no externally imposed capital restrictions.

### 4.04 FINANCIAL INSTRUMENTS : ACCOUNTING CLASSIFICATIONS, FAIR VALUE MEASUREMENTS, FINANCIAL RISK

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

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

The carrying amounts of cash and cash equivalents and short term loans are considered to be the same as their fair values, due to their short-term nature.

#### (ii) Categories of financial instruments and fair value hierarchy

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

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

Level 2: inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or

Level 3: unobservable inputs from assets and liability

Particulars	March 31, 2019		March 31, 2018	
	Carrying values	Fair value	Carrying values	Fair value
<b>Financial assets</b>				
Measured at amortised cost				
Loans to related parties (Current)	283.20	283.20	261.60	261.60
Cash and cash equivalents	1.22	1.22	39.82	39.82
Bank Balances	35.00	35.00	-	-
Other	0.71	0.71	-	-
<b>Financial liabilities</b>				
Measured at amortised cost				
Other financial liabilities	1.13	1.13	0.83	0.83

#### (iii) Financial Risk Management

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

##### Liquidity risk

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

Management monitors rolling forecasts of the group's liquidity position 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.

As at March 31, 2019	less than 1 year	1 to 5 year	Total
<b>Non-Derivatives</b>			
Other financial liabilities	1.13	-	1.13
<b>Total</b>	<b>1.13</b>	<b>-</b>	<b>1.13</b>

As at March 31, 2018	less than 1 year	1 to 5 year	Total
<b>Non-Derivatives</b>			
Other financial liabilities	0.83	-	0.83
<b>Total</b>	<b>0.83</b>	<b>-</b>	<b>0.83</b>

4.05 As the Company's business activity falls within a single business segment in terms of Ind AS 108 on "Operating Segments" and the revenue substantially being from the domestic market, the financial statements are reflective of the information required by Ind AS 108


**4.06 EMPLOYEE BENEFITS:**

The Company does not have any employee. Accordingly, no disclosure in terms of Ind AS 19 on the Employee Benefits is required.

4.07 The Company does not have any leasing arrangements in terms of Indian Accounting Standard on "Leases" (Ind AS 17).

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

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

  
**Atul Shah**  
Partner  
Membership No : 039569

Mumbai  
Dated : April 04, 2019



**For and on behalf of the Board**  
**HATHWAY BROADBAND PRIVATE LIMITED**

  
**Dulal Banerjee**  
Director  
DIN : 02455932

  
**Ajay Singh**  
Director  
DIN : 06899567

Mumbai  
Dated : April 04, 2019