

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

Annexure - 15B

To the Board of Directors of Hathway Broadband Private Limited

Report on the Interim Financial Statements

We have audited the accompanying interim financial statements of Hathway Broadband Private Limited ("the Company"), which comprise the balance sheet as at September 30, 2015, the statement of profit and loss and the cash flow statement for the half year then ended and a summary of significant accounting policies and other explanatory information.

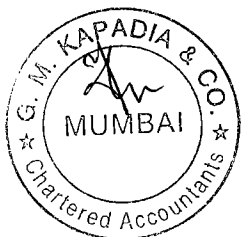
Management's Responsibility for the Interim Financial Statements

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 interim financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standards (AS) 25, Interim Financial Reporting as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim 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 interim 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 there under.

We conducted our audit 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 financial statements are free from material misstatement.



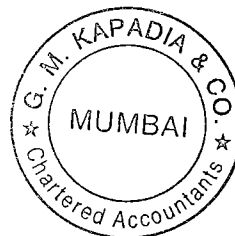
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the interim financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the interim 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 interim financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with AS 25- Interim Financial Reporting of the state of affairs of the Company as at September 30, 2015, and its profits and its cash flows for the half year ended on that date.

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



A handwritten signature in black ink, appearing to read "Yagnesh Mehta".

Yagnesh Mehta
Partner

Membership No. 034275

Mumbai
Dated: December 7, 2015

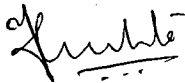
HATHWAY BROADBAND PRIVATE LIMITED**BALANCE SHEET AS AT SEPTEMBER 30, 2015****CIN :U74999MH2014PTC257407**

	Notes	As at Sep 30,	As at Mar 31,
		2015	2015
		Rupees	Rupees
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2.01	250,00,000	250,00,000
Reserves and Surplus	2.02	8,62,666	74,065
Current Liabilities			
Other Current Liabilities	2.03	13,000	13,000
Short-Term Provisions	2.04	2,82,690.00	39,218.00
		261,58,356	251,26,283
<u>ASSETS</u>			
Current Assets			
Cash and Bank Balances	2.05	8,82,644	9,99,944
Short-Term Loans & Advances	2.06	252,75,712	241,26,339
		261,58,356	251,26,283

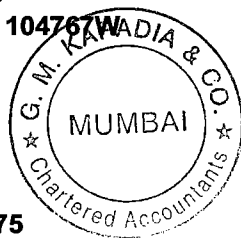
As per our report of even date

For GM Kapadia & Co
Chartered Accountants

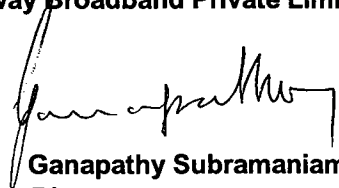
Firm Registration No. : 104767W

Yagnesh Mehta
Partner

Membership No : 034275

For and on behalf of the Board of Directors
of Hathway Broadband Private LimitedVineet Garg
Director

DIN :06935347

Ganapathy Subramaniam
Director

DIN : 00013281

Mumbai

Dated : Dec 07,2015

Mumbai

Dated : Dec 07,2015

Mumbai

Dated :Dec 07,2015


STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED SEPTEMBER 30, 2015

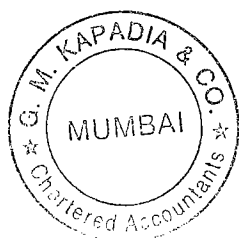
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	Notes	Period From Apr,2015 to Sep,2015	Period From Aug, 21 2014 to Sep,2014	Period From Aug 21,2014 to Mar 31,2015
		Rupees		Rupees
INCOME				
Other Income	3.01	12,03,288	-	6,64,111
		12,03,288	-	6,64,111
EXPENDITURE				
Other Expenses	3.02	26,764	-	4,84,416
		26,764	-	4,84,416
Net Profit / (Loss) before Tax		11,76,524	-	1,79,695
Tax Expense:				
Income Tax		3,87,923	-	1,05,630
Net Profit / (Loss) for the Year from Continuing Operations		7,88,601	-	74,065
Earnings per equity share (nominal value of share Rs. 10 each) from Continuing and Total operation				
Weighted Average Number of Shares		25,00,000	25,00,000	25,00,000
Earning / (Loss) Per Share (In Rs.) - Basic		0.32	0.00	0.03
Weighted Average Number of Shares - Diluted		25,00,000	25,00,000	25,00,000
Earning / (Loss) Per Share (In Rs.) - Diluted		0.32	0.00	0.03
Summary of Significant Accounting Policies	1.00			
Refer accompanying notes. These notes are integral part of the financial statements.				

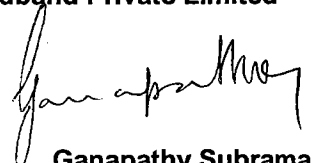
As per our report of even date
For GMK Kapadia & Co
 Chartered Accountants
 Firm Registration No. : 104767W

**For and behalf of the Board of Directors of
 Hathway Broadband Private Limited**


Yagnesh Mehta
 Partner
 Membership No : 034275




Vineet Garg
 Director
 DIN : 06935347


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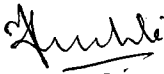
CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2015

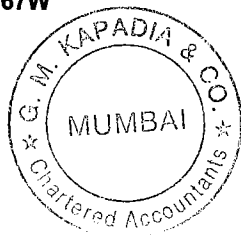
CIN : U74999MH2014PTC257407

Particulars	Period from Apr 1,2015 to Sep 30,2015	Period from Aug 21, 2014 to Mar 31, 2015
	Rupees	Rupees
1 CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT / (LOSS) BEFORE TAX & PRIOR PERIOD ADJUSTMENTS	11,76,524	1,79,695
A Adjustment for :		
i Non Cash Charges	-	
Incorporation Expenses	-	4,71,360
ii Item Considered Separately		
Interest Income from Loan	(12,03,288)	(6,64,111)
Interest expense on taxes	-	-
Operating Profit Before Working Capital	(26,764)	(13,056)
B Changes in Working Capital		
(Increase)/Decrease in short term loans & advances	53,915	6,64,111
(Increase)/Decrease in short term provisions	(27,151)	
Net Cash Used in Working Capital		13,000
Cash Generated from Operations	-	6,64,055
Taxes paid (Net)	1,17,300	66,412
Net Cash from Operation Activities (A)	(1,17,300)	5,97,643
2 CASH FLOW FROM INVESTING ACTIVITIES:		
Loans and Advances Given	-	(241,26,339)
Interest on Loan Given	-	-
Net cash flow from/ (used in) Investing activity (B)	-	(241,26,339)
2 CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital (Including Premium)	-	250,00,000
Share Issue Expenses	-	(4,71,360)
Net cash Realised from Financing Activities (C)	-	245,28,640
Net increase in Cash and Cash equivalent (A+B+C)	(1,17,300)	9,99,944
Cash & Cash equivalents at the beginning of year	9,99,944	-
Cash & Cash equivalents at the end of year	8,82,644	9,99,944
Components of cash and cash equivalents		
Balances with banks:		
In Current Accounts	8,82,644	9,99,944
Cash in hand	-	-
Total cash and cash equivalents	8,82,644	9,99,944

Note:
1) Above Statement has been prepared by using Indirect method as per AS-3 on Cash Flow Statements.

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

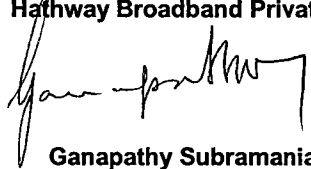

Yagnesh Mehta
Partner
Membership No : 034275




Vineet Garg
Director
DIN : 06935347

Mumbai
Dated: Dec 07,2015

For and on behalf of the Board of Directors of
Hathway Broadband Private Limited


Ganapathy Subramaniam
Director
DIN : 00013281

Mumbai
Dated : Dec 07, 2015

HATHWAY BROADBAND PRIVATE LIMITED

Significant accounting policies and notes on accounts

Company overview

Hathway Broadband Private Limited is a Private Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013 on August 21, 2014.

1.00 Summary of significant accounting policies

1.01 METHOD OF ACCOUNTING AND BASIS OF PREPARATION

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, on the basis of going concern under the historical cost convention and also on accrual basis. The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act, 2013 (the Act), read together with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. In accordance with first proviso to section 129(1) of the Act and clause 6 of the General Instructions given in Schedule III to the Act, the terms used in these financial statements are in accordance with the Accounting Standards as referred to herein.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. 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.

The same accounting policies are followed in the interim financial Statements as those are followed in the most recent FY- 14-15

1.02 USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

1.03 FIXED ASSETS

There is no fixed assets in the Company in Period ending on 30th Sep 2015

1.04 DEPRECIATION / AMORTISATION

Since there is no fixed asset (tangible/intangible) in the company, there is no depreciation/amortization for the period.

1.05 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- a) A Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are reviewed on each balance sheet date and are adjusted to effect the current best estimation.
- b) Contingent liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in case of:
 - (i) a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - (ii) a possible obligation, unless the probability of outflow of resources is remote.
- c) Contingent Assets are neither recognized nor disclosed.

1.06 REVENUE RECOGNITION

Income from Loan is recognized on accrual basis on agreements / arrangements with the concerned parties

1.08 TAXATION

HATHWAY BROADBAND PRIVATE LIMITED

Significant accounting policies and notes on accounts

Provision for Current Tax is made on the basis of taxable profits computed for the current accounting year in accordance with the Income Tax Act, 1961.

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 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 IMPAIRMENT

The Company assesses at each balance sheet whether there is any indication that assets may be impaired. If any such indications exist, the Company estimates the recoverable amount of the assets or the cash-generating unit and if the same is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.



NOTES TO THE FINANCIAL STATEMENTS

2.01 SHARE CAPITAL	As at Sep 30,		As at Mar 31,	
	2015		2015	
	Rupees		Rupees	
SHARE CAPITAL				
Authorised Capital 30,00,000 (30,00,000) Equity Shares of Rs. 10 each		300,00,000		300,00,000
		300,00,000		300,00,000
Issued, Subscribed and Paid up Capital 25,00,000 (25,00,000) Equity Shares of Rs. 10 each fully paid-up		250,00,000		250,00,000
		250,00,000		250,00,000

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

	As at Sep 30,		As at Mar 31,	
	2015		2015	
	Number	Amount	Number	Amount
Equity Shares of Rs.10 each				
Shares Outstanding at the beginning of the year	25,00,000	25,00,000	-	-
Shares Issued during the year	-	-	25,00,000	250,00,000
Shares Issued during the year under Preferential allotment	-	-	-	-
Shares Bought back/ Other movements during the year	-	-	-	-
Shares Outstanding at the end of the year	25,00,000	25,00,000	25,00,000	250,00,000

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

	As at Sep 30,		As at Mar 31,	
	2015		2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Rs. 10 each Hathway Cable and Datacom Limited	25,00,000	100.00%	25,00,000	100.00%

c) 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.

2.02 RESERVES & SURPLUS	As at Sep 30,		As at Mar 31,	
	2015		2015	
	Rupees		Rupees	
Surplus/ (Deficit) In the Statement of Profit and Loss				
Balance at the beginning of the year		74,065		-
Add : Net Profit/ (Loss) for the year		7,88,601		74,065
Less : Appropriations		-		-
Surplus in the Statement of Profit and Loss		8,62,666		74,065
		8,62,666		74,065

NOTES TO THE FINANCIAL STATEMENTS

2.03 OTHER CURRENT LIABILITIES	Current	Current
	As at Sep 30,	As at Mar 31,
	2015	2015
Other Liabilities	13,000	13,000
	13,000.00	13,000

2.04 SHORT TERM PROVISIONS	Short - Term	Short - Term
	As at Sep 30,	As at Mar 31,
	2015	2015
Provision for expenses	15,097	-
Income Tax Provision (Net of Advance Tax)	2,67,593	39,218
	2,82,690.00	39,218.00

2.05 CASH AND BANK BALANCES	Current	Current
	As at Sep 30,	As at Mar 31,
	2015	2015
Cash & Cash Equivalents		
Balances with banks:		
In Current Accounts	8,82,644	9,99,944
Cash in hand	-	-
	8,82,644	9,99,944

2.06 LOANS AND ADVANCES	Short - Term	Short - Term
	As at Sep 30,	As at Mar 31,
	2015	2015
<u>LOANS AND ADVANCES TO RELATED PARTIES</u>		
Unsecured, considered good unless stated otherwise		
Loans Given	240,00,000	241,26,339
Interest on loan	12,09,300	
<u>OTHER LOANS AND ADVANCES</u>		
Advance Tax (Net of Provision for Tax)	66,412	-
	252,75,712	241,26,339

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NOTES TO THE FINANCIAL STATEMENTS

3.01 OTHER INCOME	Sep 30,	Mar 31,
	2015	2015
Interest on Loans	12,03,288	6,64,111
	12,03,288	6,64,111

3.02 OTHER EXPENSES	Sep 30,	Mar 31,
	2015	2015
Audit Fees	12,000	13,000
Telephone Expenses	3,097	
Bank Charges	-	56
Incorporation Expenses	-	4,71,360
Interest on Taxes	11,667	
	26,764	4,84,416

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HATHWAY BROADBAND PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

4.1 Contingent Liabilities & Commitments to the Extent not Provided for:

Particulars	Period from April, 1 2015 to Sep, 30 2015	Period from August 21, 2014 to March 31, 2015
	Rupees	Rupees
Contingent Liabilities	Nil	Nil
Claims against the Company not acknowledged, as debt	Nil	Nil
Capital & Other Commitments	Nil	Nil

4.2 Related Party Disclosure:

List of Related Parties:

Controlled By:

Hathway Cable & Datacom Limited

Transactions with Related Party:

Particulars	Period from April, 1 2015 to Sep, 30 2015	Period from August 21, 2014 to March 31, 2015
	Rupees	Rupees
<u>INCOME</u>		
<u>Interest Income</u>		
Hathway Cable and Datacom Limited	12,03,288	6,64,111
	12,03,288	6,64,111
<u>TRANSACTION DURING THE YEAR</u>		
<u>Loans & Advances</u>		
Hathway Cable & Datacom Limited	-	240,00,000
	-	240,00,000
<u>CLOSING BALANCES</u>		
Hathway Cable & Datacom Limited	252,09,297	241,26,339
	252,09,297	241,26,339

Details of Debits \ Credits in the nature of reimbursement are not included in the above statement

4.3 Employee Benefits:

The Company does not have any employee. Accordingly, no disclosure in terms of AS 15 (Revised) on the Employee Benefits is required.


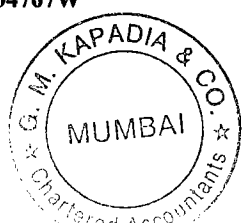

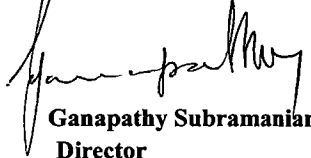
4.4 The Company does not have any leasing arrangements in terms of Accounting Standard on "Leases" (AS19)

4.5 As the Company's business activity falls within a single Primary Business Segment and one Geographical Segment, as per Accounting Standard 17 on 'Segment Reporting' disclosure requirements are not applicable.

4.6 TRANSFER OF BROADBAND BUSINESS FROM PARENT COMPANY

The respective Board of Directors of the Parent Company, Hathway Cable & Datacom Limited and the Company have given its in - principal approval to demerge, transfer and vest the ISP / broadband business into Hathway Broadband Private Limited, subject to requisite approvals from the Shareholders, Creditors, High Court(s), Department of Telecommunications, Stock Exchanges, Securities and Exchange Board of India and other applicable regulatory/governmental authorities.

4.7 Previous year figures have been rearranged and regrouped wherever necessary.

As per our report attached For GMK Kapadia & Co. Chartered Accountants Firm Registration No. : 104767W  Yagnesh Mehta Partner Membership No : 034275 Mumbai Dated : Dec 07,2015		For and on behalf of the Board of Directors of Hathway Broadband Private Limited  Vineet Garg Director DIN : 06935347 Mumbai Dated : Dec 07,2015	 Ganapathy Subramaniam Director DIN : 00013281 Mumbai Dated : Dec 07,2015
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