

INDEPENDENT AUDITOR'S REPORT ON STANDALONE IND AS FINANCIAL STATEMENTS

To the Members of GTPL Hathway Limited
(formerly known as 'GTPL Hathway Private Limited')

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Standalone Ind AS financial statements of GTPL Hathway Limited (formerly known as 'GTPL Hathway Private Limited') ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flows Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements are free from material misstatement.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the

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aforesaid Standalone Ind AS 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, 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to note 40 of the Statement, wherein it is stated that, of the total investments, the Company has equity investment aggregating ₹ 1,358 million in certain subsidiary companies whose corresponding net-worth is lower than the Company's equity investment in said subsidiaries. Based on the valuation done by an independent valuer and the assessment carried out by the Company having regard to the long-term investments and other strategic plans, a provision of ₹49 million is made towards impairment in investment and other receivables exposure in said subsidiaries, which in view of the management is adequate and no further provision is considered necessary. Further, of the above subsidiaries, the Company is in the process of merging twelve Subsidiaries, in which, the Company is having equity investments aggregating ₹572 million and other receivables of ₹443 million. Our opinion is not modified in respect of this matter.

OTHER MATTER

The Standalone Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another auditor who expressed an unmodified opinion on those statements on August 1, 2017.

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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 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 Statement of Changes in Equity and Cash Flow Statement and dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements - Refer Note 35(E) to the Standalone Ind AS financial statements.

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- ii. The Company had made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 35 (D) to the Standalone Ind AS financial statements.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018
- iv. The disclosure requirement in the Standalone Ind AS financial statements

as envisaged in Notification G.S.R 308(E) dated March 30, 2017 as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 is relating to F.Y 2016-17 and hence not applicable for F.Y 2017-18 - Refer note 29 to the Standalone Ind AS financial statements

For **Khimji Kunverji & Co.**

Chartered Accountants

Firm's Registration No: 105146W

Ahmedabad
May 25, 2018

Gautam V Shah
Partner (F – 117348)

Annexure A to the Independent Auditors' Report of even date on the Standalone Ind AS financial statements of GTPH Hathway Limited

- i. (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets except in case of certain network equipment like cables and Set top boxes and other line equipment. As explained to us the nature of some of the assets like cables & set top boxes are such that maintaining location wise details is impractical.
- (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years other than set top boxes installed at customer premises and those in transit or lying with local cable operators and distributing equipment comprising overhead and underground cables because of nature and location of these assets. According to information and explanation given to us existence of set top boxes at customer premises is verified based on 'active user' status in the system. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, some of the immovable properties of the company are still in the Company's earlier name i.e. Gujarat Telelink Private Limited, which the Company is in the process of changing to its current name i.e. GTPH Hathway Limited. Except as mentioned above, all the title deeds of immovable properties are held in the name of the Company
- ii. In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification
- iii. In our opinion and according to the information and explanations given to us, 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) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans given, investments made, guarantees given and security provided.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditor's Report (Contd...)

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise and Value added tax which have not been deposited as on 31 March 2018 on account of disputes are given below:

(₹ in million)

| Name of the statute | Nature of Dues | Forum where the dispute is pending | Year to which it pertains (FY) | Amount unpaid against the same |
|------------------------------|-------------------|---|--------------------------------|--------------------------------|
| Maharashtra VAT Act | Value Added Tax | Deputy Commissioner of Sales Tax | 2009-10 | 0.31 |
| West Bengal VAT Act | Value Added Tax | Directorate of Commercial Taxes | 2012-13 | 16.94 |
| Maharashtra Land Revenue Act | Entertainment Tax | Bombay High Court | 2013-14 & 2014-2015 | 41.36 |
| Entertainment Tax, Patna | Entertainment Tax | The Commissioner of Commercial Tax- Patna | 2013 – 2014 | 14.96 |

- viii. According to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, government and dues to debenture holders.
- ix. In our opinion, and according to the information and explanations given to us money raised by way of initial public offer have been utilized for the purpose for which money raised by the company and term loans have been applied for the purpose for which they were obtained by the company during the year.
- x. 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 course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations 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 Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, 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(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **Khimji Kunverji & Co.**

Chartered Accountants

Firm's Registration No: 105146W

Ahmedabad
May 25, 2018

Gautam V Shah
Partner (F – 117348)

Annexure B to the Independent Auditors' Report of even date on the Standalone Ind AS financial statements

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

We have audited the internal financial controls over financial reporting of GTPL Hathway Limited (formerly known as 'GTPL Hathway Private Limited') ("the Company") as at March 31, 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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 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 the 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.

AUDITORS' 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 Ind AS 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 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:

- (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) 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
- (c) 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.

Annexure B to the Independent Auditor's Report (Contd...)

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

According to the information and explanation given to us, the Company has framed process document and risk control matrix for certain key processes relating

to internal financial controls system over financial reporting. In our opinion, considering the internal control over financial reporting criteria established by the Company and the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI and to justify existence and operative effectiveness of the said controls, the Company need to strengthen the documentation of identified risk & controls to make it commensurate with the size of the Company and nature of its business.

For **Khimji Kunverji & Co.**

Chartered Accountants

Firm's Registration No: 105146W

Ahmedabad

May 25, 2018

Gautam V Shah

Partner (F – 117348)