Independent auditor's report

To the members of HT Mobile Solutions Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of HT Mobile Solutions 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, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Other Information

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

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a

manner that achieves fair presentation.

9. 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.

10. 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.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. 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), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

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) 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 does not have any pending litigations as at March 31, 2019 which would impact its financial position.

   ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Anupam Dhawan
Partner
Membership Number: 084451

Place: New Delhi
Date: May 08, 2019

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, no physical verification was carried out by the Management during the year.

(c) The Company does not own any immovable property. Therefore, the provisions of clause 3(i)(c) of the said Order are not applicable to Company.

ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

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. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees state insurance, income tax, duty of customs, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The provisions of Section 197 read with Schedule V to the Act are not applicable to the Company. Hence reporting under Clause 3(xi) of the Order are not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Anupam Dhawan
Partner
Membership Number: 084451

Date : May 08, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 (f) of the Independent Auditors' Report of even date to the members of HT Mobile Solutions Limited on the financial statements for the year ended March 31, 2019.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of HT Mobile Solutions Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 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

3. 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. 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 financial statements, whether due to fraud or error.

5. 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

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable

assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. 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 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.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026/ E- 300009

Anupam Dhawan
Partner
Membership Number :084451

Place : New Delhi
Date : May 08, 2019

HT Mobile Solutions Limited
Balance sheet as at March 31, 2019

	Particulars	Notes	As at March 31, 2019 (Rs. in '000)	As at March 31, 2018 (Rs. in '000)
I	**ASSETS**			
1)	**Non-current assets**			
	(a) Property, plant and equipment	3	722	1,946
	(b) Intangible assets	4	548	838
	(c) Financial assets			
	(i) Loans	5A	150	-
	(ii) Other financial assets	5B	-	1,500
	(d) Deferred Tax assets	15	57,093	-
	(e) Income tax assets (Net)	6	41,282	80,246
	Total Non- current Assets		**99,795**	**84,530**
2)	**Current assets**			
	(a) Financial assets			
	(i)Trade receivables	7A	110,189	135,161
	(ii)Cash and cash equivalents	7B	57,012	44,226
	(iii)Bank balances other than (ii) above	7C	22,500	-
	(iv)Loans	5A	-	3,613
	(v) Other financial assets	5B	18,184	14,778
	(b) Contract assets	8	1,893	-
	(c) Other current assets	9	77,337	64,377
	Total Current assets		**287,115**	**262,155**
	Total Assets		**386,910**	**346,685**
II	**EQUITY AND LIABILITIES**			
1)	**Equity**			
	(a) Equity share capital	10	354,586	354,586
	(b) Other equity	11	(168,215)	(250,430)
	Total equity		**186,371**	**104,156**
2)	**Liabilities**			
	Non-current liabilities			
	(a) Provisions	13	298	1,143
	Total Non-current Liabilities		**298**	**1,143**
	Current liabilities			
	(a) Financial liabilities			
	(i)Trade Payables			
	(a) total outstanding due of micro, small and medium enterprises	12	137	-
	(b) total outstanding due other than (i)(a) above	12	197,829	236,571
	(b) Provisions	13	86	34
	(c) Other current liabilities	14	2,189	4,781
	Total current liabilities		**200,241**	**241,386**
	Total liabilities		**200,539**	**242,529**
	Total Equity and liabilities		**386,910**	**346,685**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009

For and on behalf of the Board of Directors of HT Mobile Solutions Limited

Anupam Dhawan
Partner
Membership No. 084451

Piyush Gupta
Director
(DIN: 03155591)

Umesh Sharma
Director
(DIN: 01490553)

Zairus Master
Chief Executive Officer

Nupur Bansal
Chief Financial Officer

Place: New Delhi
Date: May 08, 2019

Arjit Gupta
Company Secretary

HT Mobile Solutions Limited
Statement of Profit and Loss for the year ended March 31, 2019

	Particulars	Notes	Year ended March 31, 2019 (Rs. in '000)	Year ended March 31, 2018 (Rs. in '000)
I	**Income**			
a)	Revenue from operations	16	181,274	365,667
b)	Other Income	17	8,015	3,150
	Total Income		**189,289**	**368,817**
II	**Expenses**			
a)	Employee benefits expense	18	9,825	89,750
b)	Finance costs	19	53	406
c)	Depreciation and amortization expense	20	1,472	7,689
d)	Net impairment losses on financial assets		(475)	12,207
e)	Other expenses	21	153,496	352,038
	Total expenses		**164,371**	**462,090**
III	**Profit/ (loss) before tax (I-II)**		24,918	(93,273)
IV	**Tax expense:**			
	(1) Current tax	15	-	-
	(2) Deferred tax credit	15	(57,093)	-
	Total tax expense		(57,093)	-
V	**Profit/ (Loss) after tax (III-V)**		**82,011**	**(93,273)**
VI	**OTHER COMPREHENSIVE INCOME**			
	Items that will not to be reclassified to profit or loss			
	- Remeasurement gain/(loss) of the defined benefit plans	22	204	2,248
	- Income tax effect		-	-
	Other comprehensive income for the year, net of tax		**204**	**2,248**
VII	**Total Comprehensive Income for the year, net of tax (V+VI)**		**82,215**	**(91,025)**
VIII	**Earnings/ (loss) per equity share**			
	Basic (Nominal value of shares Rs. 10/-)	23	2.31	(3.00)
	Diluted (Nominal value of shares Rs. 10/-)	23	2.31	(3.00)

The accompanying notes are an integral part of the financial statements
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009

For and on behalf of the Board of Directors of HT Mobile Solutions Limited

Anupam Dhawan
Partner
Membership No. 084451

Piyush Gupta
Director
(DIN: 03155591)

Umesh Sharma
Director
(DIN: 01490553)

Zairus Master
Chief Executive Officer

Nupur Bansal
Chief Financial Officer

Place: New Delhi
Date: May 08, 2019

Arjit Gupta
Company Secretary

HT Mobile Solutions Limited
Cash Flow Statement for the year ended March 31, 2019

Particulars	March 31, 2019 (Rs. in '000)	March 31, 2018 (Rs. in '000)
Cash from operating activities		
Profit before tax	24,918	(93,273)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization	1,472	7,689
Loss/ (Gain) on disposal of property, plant and equipment/ intangible assets	(2)	6,093
Interest Income from investments and others	(2,157)	(1,984)
Unclaimed balances/unspent liabilities written back	(1,700)	-
Net impairment losses on financial assets	(475)	12,207
Operating profit before working capital changes	**22,056**	**(69,268)**
Working capital adjustments:		
(Increase)/Decrease in trade receivables	29,837	(10,794)
(Increase) in other bank balances	(22,500)	-
Decrease in loans & advances	773	2,209
(Increase)/Decrease in other current and non-current assets	(12,960)	(15,352)
(Increase)/Decrease in other current and non-current financial assets	(1,576)	52,972
Increase in contract assets	(1,893)	-
Increase/ (Decrease) in trade payables	(38,605)	98,060
Decrease in other liabilities	(2,592)	(38,016)
Decrease in provisions	(588)	(2,088)
Total cash from operations	**(28,048)**	**17,723**
(Income tax paid)/Refund	38,964	(8,834)
Net cash flows from operating activities (A)	**10,916**	**8,889**
Investing activities		
Proceeds from sale of property, plant and equipment	44	-
Purchase of property, plant and equipment	-	(134)
Interest received	1,826	1,984
Net cash flows used in investing activities (B)	**1,870**	**1,850**
Financing activities	-	-
Net cash flows from/(used in) financing activities (C)	**-**	**-**
Net increase in cash and cash equivalents (D= A+B+C)	12,786	10,739
Cash and cash equivalents at the beginning of the year (E)	44,226	33,487
Cash and cash equivalents at year end (D+E)	**57,012**	**44,226**

Particulars	March 31, 2019 (Rs. in '000)	March 31, 2018 (Rs. in '000)
Component of cash and cash equivalent as at end of the year		
Balances with banks		
- on current accounts	12	226
- on deposit accounts	57,000	44,000
Total Cash and cash equivalents	**57,012**	**44,226**

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009

For and on behalf of the Board of Directors of HT Mobile Solutions Limited

Anupam Dhawan
Partner
Membership No. 084451

Piyush Gupta
Director
(DIN: 03155591)

Umesh Sharma
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(DIN: 01490553)

Zairus Master
Chief Executive Officer

Nupur Bansal
Chief Financial Officer

Place: New Delhi
Date: May 08, 2019

Arjit Gupta
Company Secretary

HT Mobile Solutions Limited
Statement of changes in equity for the year ended March 31, 2019

A. EQUITY SHARE CAPITAL (Refer Note 10)

Equity Shares of Rs. 10 each issued, subscribed and fully paid up

Particulars	Equity share Capital	
	Number	(Rs. in '000)
Balance as at April 1, 2017	**29,175,347**	**291,753**
Equity shares issued during the year - OCCPS	654,903	6,549
Equity shares issued during the year - on account of FEVL acquisition	5,628,348	56,284
Balance as at March 31, 2018	**35,458,598**	**354,586**
Change during the year	-	-
Balance as at March 31, 2019	**35,458,598**	**354,586**

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE (Refer Note 10)

(a) Optionally Convertible Cumulative Preference Shares of Re 0.10 each issued, subscribed and fully paid up

Particulars	Number	(Rs. in '000)
Balance as at April 1, 2017	**3,000,000**	**300**
Conversion into Equity	(3,000,000)	(300)
Balance as at March 31, 2018	**-**	**-**
Change during the year	-	-
Balance as at March 31, 2019	**-**	**-**

(b) Shares pending allotment to be issued pursuant to scheme of arrangement (Refer Note 33)

Particulars	Number	(Rs. in '000)
Balance as at March 31, 2017	**5,628,348**	**56,283**
Equity shares issued during the year - on account of FEVL acquisition	(5,628,348)	(56,283)
Balance as at March 31, 2018	**-**	**-**
Change during the year	-	-
Balance as at March 31, 2019	-	-

C. OTHER EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (Refer Note 11)

Particulars	Reserve & Surplus		Share based payment reserve	Capital Reserve	Total (Rs. in '000)
	Securities premium reserve	Retained earnings/ General Reserve			
Balance as at March 31, 2017	**30,160**	**(182,725)**	**652**	**(1,243)**	**(153,156)**
Change during the year	(6,249)	(93,273)	-	-	(99,522)
Other comprehensive income	-	2,248	-	-	2,248
Balance as at March 31, 2018	**23,911**	**(273,750)**	**652**	**(1,243)**	**(250,430)**
Change during the year	-	82,011	(652)	-	81,359
Share Based Payment reserve (Refer Note 26)		652	-	-	652
Other comprehensive income	-	204	-	-	204
Balance as at March 31, 2019	**23,911**	**(190,883)**	**-**	**(1,243)**	**(168,215)**

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For and on behalf of the Board of Directors of HT Mobile Solutions Limited

Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009

Anupam Dhawan
Partner
Membership No. 084451

Piyush Gupta
Director
(DIN: 03155591)

Umesh Sharma
Director
(DIN: 01490553)

Zairus Master
Chief Executive Officer

Nupur Bansal
Chief Financial Officer

Place: New Delhi
Date: May 08, 2019

Arjit Gupta
Company Secretary

1. Corporate information

HT Mobile Solutions Limited ("The Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India having investment through HT Digital Media Holdings Limited to carry out mobile marketing, social media marketing, advertising, mobile CRM and loyalty campaigns, mobile music content and ring tones and integrates with other media campaigns and strategies.

The registered office of the Company is located at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi-110001.

Information on other related party relationships of the Company is provided in Note 29.

The financial statements of the Company for the year ended 31st March, 2019 were authorised for issue in accordance with a resolution of the Board of Directors on May 08, 2019.

2. Significant accounting policies followed by the company

2.1Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Defined benefit plans - plan assets measured at fair value;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands as per the requirement of Schedule III, unless otherwise stated. Rounding of errors has been ignored.

2.2Summary of significant accounting policies

a) Current versus non- current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- 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.
The operating cycle is the time between the display of advertisement on website and delivery of content and their realization in cash and cash equivalent. The Company has identified 12 months as its operating cycle.

b) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

c) Fair value measurement

The Company measures certain financial instruments such as, derivatives and certain investments at fair value at each reporting/ balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d) Revenue recognition

Effective April 1, 2018 the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up up transition method which is applied to contracts that were not completed as of April 1, 2018.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangement against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Goods and Service tax / Service tax is not received by the Company on its own account. Rather, it is tax collected on value of the services by the service provider on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from services
Revenue from rendering of services is based on the stage of completion determined with reference to date as a percentage of total services to be performed.

Revenue from SMS pushes/voice calls
Revenue is recognised after the delivery of SMS pushes/voice calls and is measured at the fair value of the consideration received or receivable, net of allowances, trade discounts and volume rebates, if any

Revenue from Content
Revenue is recognised basis of log records of operators and is measured at the fair value of the consideration received or receivable, net of allowances, trade discounts and volume rebates, if any.

Revenue from Digital Services/Social Media
Revenue from social media is recognised based on actual output delivered in a month to the client as per the terms of the RO/email from client/agreement.

Interest income
Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

e) Taxes

Current income tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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 liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

GST / value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales / value added taxes/ goods and service tax paid paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

f) Property, plant and equipment

Property, plant and equipment and Capital Work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Cost comprises the purchase price, borrowing costs (if any) if capitalization criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Recognition:

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

a) it is probable that future economic benefits associated with the item will flow to the entity;
and
b) The cost of the item can be measured reliably.

All other expenses on existing assets, including day-to day- repairs and maintenance expenditure and cost of replacing arts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Value for individual assets acquired under Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956, from 'HT Media Limited' (the holding company) and 'Hindustan Media Ventures Limited' during the previous year are measured at book value and are depreciated over the remaining useful life of the asset.

Depreciation on fixed assets is provided on a Straight Line Method over its economic useful lives of the assets as follows:

Fixed asset	Useful lives estimated by management (Years)
General plant and machinery	3 – 6
Office equipment	2-5
Leasehold improvements	amortized over the lease period

Depreciation on property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013. For Property, Plant and Equipment which are added/disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion.

Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Value for individual assets acquired under Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956, from 'HT Media Limited' (the holding company) and 'Hindustan Media Ventures Limited' during the previous year are measured at book value and are amortized over the remaining useful life of the asset.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

Intangible assets with finite lives are amortised on straight line basis using the estimated life as follows:

Intangible Assets	**Useful Life (in Years)**
Software Licenses	6
Non- compete fees	Amortized over the agreement period

Software licenses acquired from the holding company, which are estimated to have lower residual lives than that envisaged above, are amortised over such estimated lower residual lives.

h) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

i) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Company's or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

j) Retirement and other employee benefits

Short term employee benefits and defined contribution plans:

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc. are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats leaves expected to be carried forward for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non- current liability.

k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, Debt instruments are measured at amortised cost.

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance
b) Lease receivables under Ind-AS 17
c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 11 and Ind-AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows ‘simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of IND AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head ‘other expenses' in the Profit and Loss. The balance sheet presentation for various financial instruments is described below:
Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss. The Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables and bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the ElR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The ElR amortization is included as finance costs in the Statement of Profit and Loss and interest accrued is recognised as interest payable separately from borrowings. This category generally applies to borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l) Leases

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

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

m) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalent consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

n) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense**.**

o) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

p) Earnings Per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:

-the profit attributable to equity holders of the Company
-by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The Company has availed option under Ind-AS 101, to apply intrinsic value method to the options already vested before the date of transition and applied Ind-AS 102 Share-based payment to equity instruments that remain unvested as of transition date.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The areas involving critical estimates or judgment are as below:

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Share Based Payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 26

Defined benefit plans (gratuity benefits)

"The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

"The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation."

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of Non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent markets transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

Note 3 : Property, Plant and Equipment

(Rs. in '000)

Particulars	Improvement to Leasehold Premises	Plant and Machinery	Furniture and Fixtures	Total
Gross Block				
As at 1 April, 2017	472	13,348	17	13,837
Additions	-	104	-	104
Disposals	-	-	-	**-**
As at March 31, 2018	**472**	**13,452**	**17**	**13,941**
As at April 1, 2018	**472**	**13,452**	**17**	**13,941**
Additions	-	-	-	-
Disposals	-	234	0	**234**
As at March 31, 2019	**472**	**13,218**	**17**	**13,707**
Amortization				
As at 1 April , 2017	445	7,569	4	8,018
Charge for the year	4	3,971	2	3,977
Disposals	-	-	-	**-**
As at March 31, 2018	**449**	**11,540**	**6**	**11,995**
As at April 1, 2018	**449**	**11,540**	**6**	**11,995**
Charge for the year	4	1,176	2	1,182
Disposals	-	192	-	**192**
As at March 31, 2019	**453**	**12,524**	**8**	**12,985**
Net Block				
As at March 31, 2019	**19**	**694**	**9**	**722**
As at March 31, 2018	**23**	**1,912**	**11**	**1,946**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

Note 4 : Intangible Assets

(Rs. in '000)

Particulars	Software Licenses	Non Compete fees	Total
Gross Block			
As at March 31, 2017	**20,539**	**1,391**	**21,930**
Additions	30	-	**30**
Disposals	9,139	-	**9,139**
As at March 31, 2018	**11,430**	**1,391**	**12,821**
As at April 1, 2018	**11,430**	**1,391**	**12,821**
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	**11,430**	**1,391**	**12,821**
Amortization			
As at March 31, 2017	**9,930**	**1,387**	**11,317**
Charge for the year	3,713	-	**3,713**
Disposals	3,047	-	**3,047**
As at March 31, 2018	**10,596**	**1,387**	**11,983**
As at April 1, 2018	**10,596**	**1,387**	**11,983**
Charge for the year	290	-	**290**
Disposals	-	-	-
As at March 31, 2019	**10,886**	**1,387**	**12,273**
Net Block			
As at March 31, 2019	**544**	**4**	**548**
As at March 31, 2018	**834**	**4**	**838**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

Note 5A : Loans **(Rs. in '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured considered good at amortised cost		
Security Deposit	150	3,613
Total Loans	**150**	**3,613**
Current	-	3,613
Non - Current	150	-

Note 5B : Other Financial Assets **(Rs. in '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Other financial assets (at amortised cost)		
Balance with Banks :		
- Margin money (held as security)*	-	1,500
Interest accrued on fixed deposits	331	-
Income accrued but not due (Refer Note 34)	-	5,536
Other Receivables from related party (Refer Note 29A)	17,853	9,242
Total Other Financial Assets	**18,184**	**16,278**
Current	18,184	14,778
Non - Current	-	1,500
Total Financial Assets	**18,334**	**19,891**
Current	18,184	18,391
Non - Current	150	1,500

* Represents deposit receipts pledged with banks and held as margin money of Rs 1,500 thousand in previous year

Note 6 : Income tax assets (Net) **(Rs. in '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax assets	41,282	80,246
Current	**-**	**-**
Non-Current	**41,282**	**80,246**

Note 7A : Trade Receivables **(Rs. in '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	17,092	48,997
Receivables from related parties (Note 29A)	93,097	86,164
Total Trade Receivables	**110,189**	**135,161**

(Rs. in '000)

Trade Receivables	As at March 31, 2019	As at March 31, 2018
Secured, considered good	-	-
Unsecured, considered good	110,189	135,161
Unsecured, considered doubtful	9,092	22,048
Total	**119,281**	**157,209**
Provision for doubtful receivables	**9,092**	22,048
Total Trade Receivables	**110,189**	**135,161**

No trade receivable is due from directors or other officers of the Company either severally or jointly with any other person. For details of amount due from other Related Parties refer note 29A. For terms and conditions relating to related party receivables, refer Note 29. Trade receivables are non-interest bearing and are generally credit period generally falls in range of 0 to 90 days.

Note 7B : Cash and cash equivalents **(Rs. in '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with banks :		
- On current accounts	12	226
- Deposits with original maturity of less than three months	57,000	44,000
Total	**57,012**	**44,226**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Note 7C : Other Bank balances **(Rs. in '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with banks :		
- Deposits with original maturity of more than three months but less than 12 months	22,500	-
Total	**22,500**	**-**

Note 8 : Contract assets **(Rs. in '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Income accrued but not due (refer note 34)	1,893	-
Total	**1,893**	**-**
Current	**1,893**	**-**
Non - Current	**-**	**-**

Note 9 : Other current assets **(Rs. in '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	-	450
Advances to vendors (includes Rs. 576 thousand (PY - Rs.10,032 thousand) advance given to related parties) (Refer Note 29A)	18,054	27,151
Balance with government authorities	59,283	36,776
Total	**77,337**	**64,377**

Break up of financial assets carried at amortised cost

(Rs. in '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables (Note 7A)	110,189	135,161
Cash and cash equivalents (Note 7B)	57,012	44,226
Other Bank Balances (Note 7C)	22,500	-
Loans (Note 5A)	150	3,613
Other financial assets (Note 5B)	18,184	16,278
Total financial assets carried at amortised cost	**208,035**	**199,278**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

Note 10 : Share Capital

Authorised Share Capital

(A) Equity Share Capital

Particulars	No. of shares	(Rs. in '000)
At March 31, 2017	**41,000,000**	**410,000**
Increase/(decrease) during the year	-	-
At March 31, 2018	**41,000,000**	**410,000**
Increase/(decrease) during the year	-	-
At March 31, 2019	**41,000,000**	**410,000**

Terms/ rights attached to equity shares
The Company has only one class of equity share having par value of Rs.10 each per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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. The distribution will be in proportion to the number of equity shares held by the shareholders

(B) Instruments entirely equity in nature
Optionally Convertible Cumulative Preference Shares (OCCPS) of Rs. 0.10 each*

Particulars	No. of shares	(Rs. in '000)
At March 31, 2017	**50,000,000**	**5,000**
Increase/(decrease) during the year	-	-
At March 31, 2018	**50,000,000**	**5,000**
Increase/(decrease) during the year	-	-
At March 31, 2019	**50,000,000**	**5,000**

Terms/ rights attached to Preference shares
Each convertible preference share has a par value of Rs 0.10 and is redeemable at a pre-determined price or convertible at the option of the shareholders into the Equity shares of the Company anytime within the 5 years from the date of issue/ allotment at a predetermined price on the basis of one equity share for every one preference share held. Each holder of OCCPS is entitled to one vote per share only on resolutions placed before the Company which directly effects the rights attached to OCCPS.

The preference shares carry a dividend of 0.1% per annum. The dividend rights are on cumulative basis.

* Based on fair valuation of the above OCCPS by an independent valuer and considering the revenue, cash flow projections and the terms of conversion/ redemption, the above OCCPS are expected to be converted into fixed number of equity shares at 1:1 proportion to redemption amount pre-determined at the inception and only vary over time, accordingly, the management has determined that the aforesaid instrument meets the 'fixed to fixed' condition and therefore has been classified as equity in entirety.

Issued and Subscribed Capital

(A) Equity shares capital

Equity shares of Rs. 10 each issued, subscribed & fully paid	No. of shares	(Rs. in '000)
Balance as at March 31, 2017	**29,175,347**	**291,753**
Equity shares issued during the year - OCCPS	654,903	6,549
Equity shares issued during the year - on account of FEVL acquisition (Refer Note 33)	5,628,348	56,284
Balance as at March 31, 2018	**35,458,598**	**354,586**
Equity shares issued during the year	**-**	-
Balance as at March 31, 2019	**35,458,598**	**354,586**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

(B) Instruments entirely equity in nature

Optionally Convertible Cumulative Preference Shares (OCCPS) of Rs. 0.10 each issued & fully paid up	No. of shares	(Rs. in '000)
At March 31, 2017	**3,000,000**	**300**
Conversion into Equity Shares	(3,000,000)	(300)
At March 31, 2018	**-**	**-**
Changes during the period	-	-
At March 31, 2019	**-**	**-**

Reconciliation of the equity shares outstanding at the beginning and at the end of the year :

Particulars	March 31, 2019		March 31, 2018	
	No. of shares	Amount (Rs. in '000)	No. of shares	Amount (Rs. in '000)
Shares outstanding at the beginning of the year	35,458,598	354,586	29,175,347	291,753
Equity shares issued during the year - OCCPS	-	-	654,903	6,549
Equity shares issued during the year - on account of FEVL acquisition (Refer Note 33)	-	-	5,628,348	56,284
Shares outstanding at the end of the year	**35,458,598**	**354,586**	**35,458,598**	**354,586**

Reconciliation of the OCCPS outstanding at the beginning and at the end of the year :

Particulars	March 31, 2019		March 31, 2018	
	No. of shares	Amount (Rs. in '000)	No. of shares	Amount (Rs. in '000)
Shares outstanding at the beginning of the year	-	-	3,000,000	300
Shares converted in to equity shares during the year	-	-	(3,000,000)	(300)
Shares outstanding at the end of the year	**-**	**-**	**-**	**-**

Shares held by holding/ ultimate holding Company and/ or their subsidiaries/ associates
Out of equity and preference shares issued by the Company, shares held by its holding Company, ultimate holding Company and their subsidiaries/ associates are as below:

Particulars	31-Mar-19 (Rs. in '000)	31-Mar-18 (Rs. in '000)
Equity Shares of Rs. 10 each of fully paid:		
HT Digital Media Holdings Limited	321,712	321,712
# 3,21,71,157 (March 31,2018 - # 3,21,71,157) equity shares of Rs. 10 each fully paid		
HT Media Limited, Ultimate Holding Company		
# 29,90,653 (March 31,2018 - # 29,90,653) equity shares of Rs. 10 each fully paid	29,907	29,907

Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2019		March 31, 2018	
	No. of shares	% holding in the No in class	No. of shares	% holding in the No in class
Equity Shares with voting rights:				
HT Digital Media Holdings Limited	32,171,157	90.73%	32,171,157	90.73%
# 3,21,71,157 (March 31,2018 - # 3,21,71,157) equity shares of Rs. 10 each fully paid				
HT Media Limited, Ultimate Holding Company	2,990,653	8.43%	2,990,653	8.43%
# 29,90,653 (March 31,2018 - # 29,90,653) equity shares of Rs. 10 each fully paid				

As per records of the Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	31-Mar-19 No. of shares	31-Mar-18 No. of shares
197,850 number of equity shares and 98,926 number of equity shares with voting rights were allotted during year ended March 31, 2014 and year ended March 31, 2015 respectively as fully paid-up pursuant to contracts for consideration other than cash	296,776	296,776

Shares reserved for issue under options
For details of equity shares reserved for the issue under Employee Stock Options (ESOP) of the Company refer note 26.

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

Note 11 : Other Equity **(Rs. in '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Security Premium	23,911	23,911
Capital Reserve	(1,243)	(1,243)
Retained Earnings & General Reserves	(190,883)	(273,750)
Share Based Payment Reserve	-	652
Total	**(168,215)**	**(250,430)**

Share Premium

Particulars	(Rs. in '000)
At March 31, 2017	**30,160**
Change during the year	(6,249)
At March 31, 2018	**23,911**
Change during the year	-
At March 31, 2019	**23,911**

Retained Earnings & General Reserves **(Rs. in '000)**

Particulars	Retained earnings	General reserves	Total
At March 31, 2017	**(182,759)**	**34**	**(182,725)**
Net (loss)/ Profit for the year	(93,273)	-	**(93,273)**
Add: Other comprehensive income	2,248	-	**2,248**
At March 31, 2018	**(273,784)**	**34**	**(273,750)**
Net (loss)/ Profit for the year	82,011	-	**82,011**
Add : Share Based Payment Reserve (Refer Note 26)	652		**652**
Add: Other comprehensive income	204	-	**204**
At March 31, 2019	**(190,917)**	**34**	**(190,883)**

Share Based Payment Reserve

Particulars	(Rs. in '000)
At 31 March 2017	**652**
Changes during the period	-
At 31 March 2018	**652**
Changes during the period (Refer Note 26)	(652)
At 31 March 2019	**-**

Capital Reserve (Refer Note 33)

Particulars	(Rs. in '000)
At 31 March 2017	**(1,243)**
Changes during the period	-
At 31 March 2018	**(1,243)**
Changes during the period	-
At 31 March 2019	**(1,243)**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

Note 12 : Trade Payables **(Rs. in '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Payables		
- Micro, Small and Medium Enterprises (Refer Note 32)	137	-
-Related Parties (Refer Note 29A)	104,650	123,746
-Others	93,179	112,825
Total	**197,966**	**236,571**
Current	**197,966**	**236,571**
Non- Current	**-**	**-**

Break up of financial liabilities carried at amortised cost **(Rs. in '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables (Refer Note 12)	197,966	236,571
Total financial liabilities carried at amortised cost	**197,966**	**236,571**

Note 13 : Provisions **(Rs. in '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Provision for Leave Benefits (Refer Note 25)	81	210
Provision for Gratuity (Refer Note 25)	303	967
Total Provisions	**384**	**1,177**
Current	**86**	**34**
Non- Current	**298**	**1,143**

Note 14 : Other current liabilities **(Rs. in '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Unearned Revenue (Refer Note 34)	-	1,031
Customers and agents balances (includes Rs.235 thousand (PY - Rs. 231 thousand) pertaining to related parties) (Refer Note 29A)	1,449	2,921
Statutory dues	740	829
Total	**2,189**	**4,781**

Note 15 : Income Tax
The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are :

Statement of profit and loss :

(Rs. in '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Current income tax	-	-
Deferred tax credit	(57,093)	-
Income tax expense reported in the statement of profit and loss	**(57,093)**	**-**

Reconciliation of deferred tax assets (net):

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance as of 1 April 2018	-	-
Tax income/(expense) during the year recognised in profit or loss	57,093	-
Closing balance	**57,093**	**-**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

(Rs. in '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Accounting profit before tax	24,918	(93,273)
Accounting profit before income tax	**24,918**	**(93,273)**
At India's statutory income tax rate of 26%	**6,479**	**(24,251)**
Effects of		
Unrecognised deferred tax (net for the year ended 31 March)	-	24,251
Deferred tax recognised on Brought forward losses & Unabsorbed depreciation	(45,503)	-
Deferred tax recognosed on temporary differences pertaining to previous years	(15,727)	-
Current year tax loss on which deferred tax is recognised	(2,342)	
	(57,093)	**-**

Deferred tax relates to the following:

(Rs. in '000)

Particulars	March 31, 2019	March 31, 2018
Temporary differences arising on:		
Unabsorbed brought forward losses	28,264	-
Provision for defined benefit obligation	100	-
Unabsorbed depreciation carried forward	17,239	-
Impairment of doubtful debts and advances	2,364	-
Difference in WDV of tangible and intangible fixed assets as per books of account and tax books	2,747	-
Effect of expenditure debited to Statement of profit and loss in the current year but allowed for tax purposes in following year	6,379	-
Deferred tax Asset (net)	**57,093**	**-**

Deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognised in the balance sheet as on 31 March 19:

(Rs. in '000)

Particulars	March 31, 2019	March 31, 2018
Temporary differences arising on:		
Unabsorbed brought forward losses	93,626	124,715
Provision for defined benefit obligation	-	306
Unabsorbed depreciation carried forward	-	15,907
Impairment of doubtful debts and advances	-	5,732
Difference in WDV of tangible and intangible fixed assets as per books of account and tax books	-	3,233
Deferred tax Asset (net)	**93,626**	**149,893**

Deferred tax assets have been recognised in respect of brought forward losses, unabsorbed depreciation and other deductible temporary differences, as Company has been profit making from current year, and there are tax planning opportunities or other evidence of recoverability in the near future.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

Note 16 : Revenue from operations **(Rs. in '000)**

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Sales of services - Digital services	181,274	365,667
Total	**181,274**	**365,667**

Note 17 : Other Income **(Rs. in '000)**

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Interest income on		
- Bank deposits	2,157	1,984
- income tax refund	3,554	-
Other non - operating income		
Unclaimed balances/unspent liabilities written back (net)	1,700	-
Net gain on disposal of property, plant and equipment	2	-
Foreign exchange flutuation income	475	-
Miscellaneous income	127	1,166
Total	**8,015**	**3,150**

Note 18 : Employee benefits expense **(Rs. in '000)**

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Salaries, wages and bonus	9,249	85,475
Contribution to provident and other funds	351	2,723
Gratuity expense (Refer Note 25)	176	469
Workmen and Staff welfare expenses	49	1,083
Total	**9,825**	**89,750**

Note 19 : Finance costs **(Rs. in '000)**

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Bank charges	53	406
Total	**53**	**406**

Note 20 : Depreciation and amortization expense **(Rs. in '000)**

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Depreciation of tangible assets (Refer Note 3)	1,182	3,977
Amortization of intangible assets (Refer Note 4)	290	3,712
Total	**1,472**	**7,689**

Note 21 : Other expenses **(Rs. in '000)**

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Power and fuel	7	370
Advertising and sales promotion	-	77,149
Rent	1,840	16,978
Rates and taxes	271	1,616
Insurance	30	961
Repairs and maintenance:		
- Plant and machinery	844	749
- Building	55	62
Travelling and conveyance	1,749	4,862
Communication costs	970	4,157
Legal and professional fees	1,255	14,510
Payment to auditor (refer details below)	1,100	1,111
Exchange differences (net)	-	202
Loss on sale/discard of Fixed assets/Intangibles	-	6,093
Services for mobile content and media buying	142,140	213,562
Miscellaneous expenses	3,235	9,656
Total	**153,496**	**352,038**

Payment to auditors **(Rs. in '000)**

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
As auditor :		
- Audit fee	800	800
- Limited Review	-	61
- Tax audit fee	200	200
- Reimbursement of expenses	100	50
Total	**1,100**	**1,111**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

Note 22 : Other Comprehensive Income

The disaggregation of changes to OCI by each type of reserve in equity is shown below :

During the year ended March 31, 2019

(Rs. in '000)

Particulars	Retained earnings	Total
Remeasurement gains(losses) on defined benefit plans (Refer Note 25)	204	204
Total	**204**	**204**

During the year ended March 31, 2018

(Rs. in '000)

Particulars	Retained earnings	Total
Remeasurement gains(losses) on defined benefit plans (Refer Note 25)	2,248	2,248
Total	**2,248**	**2,248**

Note 23 : Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(Rs. in '000 except earnings per share)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Profit/ (loss) attributable to equity holders for basic earnings	82,011	(93,273)
Profit attributable to equity holders adjusted for the effect of dilution	**82,011**	**(93,273)**
Weighted average number of Equity shares for basic EPS* (No.)	35,458,598	31,055,642
Weighted average number of Equity shares adjusted for the effect of dilution * (No.)	**35,458,598**	**31,055,642**
Earning/ (loss) per share		
Basic EPS (Rs.)	**2.31**	**(3.00)**
Diluted EPS (Rs.)	**2.31**	**(3.00)**

Note 24 : Segment information

The Company's operations comprise of only one segment i.e. "Rendering of Digital Services". The management also reviews and measures the operating results taking the whole business as one segment and accordingly make decision about the resources allocation. In view of the same, separate segment information is not required to be given as per the requirement of Ind-AS 108 on "Operating Segments"

The analysis of geographical segment is based on the geographical location of the customers. The Company renders its services primarily Outside India with insignificant income from India and does not have any operations in economic environments with different risks and returns and hence, it has been considered as to be operating in a single geographical segment.

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

Note 25 : Gratuity

(Rs. in '000)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Gratuity	303	967
Total	**303**	**967**
Current	**5**	**20**
Non- Current	**298**	**947**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on separation at 15 days salary (last drawn salary) for each completed year of service. The liability is provided as per actuarial valuation.

The gratuity plan is governed by the Payment of Gratuity Act, 1972.

The following table summarizes the components of net benefit expenses recognized in the Profit and Loss Account and the liability amount recognized in the Balance Sheet.

(A) Defined Benefit gratuity Plan

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2019 :

Present value of Obligation **(Rs. in '000)**

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Opening Balance	967	4,241
Current Service Cost	99	190
Interest Expense or cost	77	279
Transferred from FEVL pursuant to the scheme of arrangement (refer note 33)	-	(512)
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	8	(83)
- experience variance (i.e. Actual experience vs assumptions)	(212)	(2,165)
Benefits Paid	(636)	(983)
Total	**303**	**967**

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Discount Rate	7.85%	8.00%
Salary Growth Rate	7.50%	7.50%
Withdrawal Rate		
Up to 30 years	3.00%	3.00%
31 - 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

(Rs. in '000)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Defined Benefit Obligation (Base)	303	967

Impact on defined benefit obligation **(Rs. in '000)**

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
Assumptions	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate (-/+ 1%)	59	48	176	(144)
Salary Growth Rate (-/+ 1%)	(48)	(59)	146	(175)
Attrition Rate (-/+ 50%)	1	1	3	(3)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following represents the maturity profile of the defined benefit plan in future years:

(Rs. in '000)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Within the next 12 months (next annual reporting period)	5	20
Between 2 and 5 years	31	110
Between 6 and 10 years	47	136
Beyond 10 years	1,374	4,003
Total expected payments	**1,457**	**4,269**

Average duration of the defined benefit plan obligation is 17 years (Previous year- 19 years)

(B) Defined Contribution Plan

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Contribution to Provident and Other funds		
Charged to Statement of Profit and Loss	351	2,723

Leave Encashment (unfunded)

The Company recognises the leave encashment expenses in the Statement of Profit & Loss based on actuarial valuation.
The expenses recognised in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year :

(Rs. in '000)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Liability at the beginning of the year	210	1,272
Provided during the year	(129)	(1,062)
Liability at the end of the year	**81**	**210**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

Note 26 : Share-based payments

In accordance with Ind AS 102 Share-based Payment, the scheme detailed below is managed and administered, compensation benefits in respect of the scheme is assessed and accounted by the company . To have an understanding of the scheme, relevant disclosures are given below.

A. Details of Options granted as on March 31, 2019 are given below:

Type of Arrangment	Date of Grant	Number of options granted	Fair Value per share on the date of Grant (In Rs)	Vesting conditions	Weighted average remaining contractual life (in years)	Method of Settlement
Employee Stock Option	November 04, 2013	983,475	4.74	33% on the date of grant and 33% 12 months from the date of grant 34% 24 months from the date of grant	NA	Equity

B. Summary of activity under the plans is given below :

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
	Number of options	Weighted Average Exercise Price(Rs.)	Number of options	Weighted Average Exercise Price(Rs.)
Outstanding at the beginning of the year	137,500	10.00	137,500	10
Granted during the year	-		0	
Forfeited during the year	(137,500)	10.00	0	
Exercised during the year	-		-	
Expired during the year	-		-	
Outstanding at the end of the period	-	-	137,500	10
Exercisable at the end of the period	-	-	137,500	10
Weighted average remaining contractual life (in years)	-		9.5	

As no stock options have been granted during the current year and Previous Year, the disclosures regarding estimated fair value are not provided.

C. The details of exercise price for stock options outstanding at the end of the year ended March 31, 2019 are:
A stock option gives an employee, the right to purchase equity shares of the Company at a fixed price within a specific period of time. The details of exercise price for stock options outstanding at the end of the year are as under:

Year	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (Rs.)
2018-19	-	-	-	-
2017-18	Rs.10	137,500	9.50	Rs.10

Options granted are exercisable for a maximum period of 10 years after the scheduled vesting date as per the Scheme.

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

Note 27 : Commitments and contingencies

(a) Leases

Operating lease commitments - Company as lessee
i) The Company has taken office premises under operating lease agreement. These are cancellable lease and are renewable on expiry of the lease period subject to mutual agreement.
ii) The company has paid Rs. 1,840 thousand (March 31, 2018: Rs. 16,978 thousand) during the year towards minimum lease payment.

Note 28 : Fair values

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

Note 29: Related party transactions

i) List of Related Parties and Relationships:-

Name of related parties where control exists whether transactions have occurred or not.	HT Media Limited (Ultimate Holding Company)
	#The Hindustan Times Limited
	HT Digital Media Holdings Limited (Holding Company)
	##Earthstone Holding (Two) Private Limited (Formerly known as Earthstone Holding (Two) Limited)
Fellow Subsidiaries (with whom transactions have occurred during the year)	Firefly e-Ventures Limited
	HT Digital Streams Limited
	HT Learning Centers Limited
	Hindustan Media Ventures Limited
	Topmovies Entertainment Limited

The Hindustan Times Limited (HTL) does not hold any direct investment in the Company. However, HTL's subsidiary HT Media Limited holds shares in the Company.
Earthstone Holding (Two) Private Limited (Formerly know as Earthstone Holding (Two) Limited) is the holding Company of The Hindustan Times Limited.

ii) Transactions with related parties
Refer Note 29A

iii) Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

iv) Transaction with Key Management Personnel or their relatives
No transactions have taken place during the year.

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

Note 29A : Related party transactions

(Rs. in '000)

Particulars	Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
INCOME								
Sales of services - Mobile content/ Marketing services	-	26,256	-	-	-	1,327	**-**	**27,583**
EXPENSE								
Office rent and other expenses	1,840	5,954	-	-	-	120	**1,840**	**6,074**
OTHERS								
Issue of Equity Shares	-	29,907	-	32,926	-	-	**-**	**62,833**
Reimbursement of expenses incurred on behalf of the Company	631	13,534	-	-	6,922	70	**7,553**	**13,604**
Reimbursement of expenses incurred on behalf of the parties by company	867	5,262	-	-	-	-	**867**	**5,262**
BALANCE OUTSTANDING								
Equity Shares Capital	29,907	29,907	321,712	321,712	-	-	**351,619**	**351,619**
Net trade and other receivable* (Net trade and other payable)*	(12,369)	(8,070)	-	-	19,011	(10,469)	**6,642**	**(18,538)**

*The above Transactions include those related to HT Campus business which have been transferred from Firefly e-ventures Limited under the Scheme of Arrangement approved by NCLT (refer note 33).
The related balance till October 27, 2017 (effective date) are included in Firefly e-ventures Limited only.

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

Note 30: Financial risk management objectives and policies
The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.
This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Company’s exposure to foreign currency changes for all other currencies is not material.

(Rs. in '000)

Particulars	Change in USD rate		Effect on profit before tax	
	Year ended 31st March 2019	Year ended 31st March 2018	Year ended 31st March 2019	Year ended 31st March 2018
Change in USD rate				
Trade receivables	+/(-) 1%	+/(-) 1%	148	137
Unbilled revenue	+/(-) 1%	+/(-) 1%	-	-
Trade payables	+/(-) 1%	+/(-) 1%	-	0.25

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and foreign
Trade receivables
An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 7A. The Company does not hold collateral as security.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in

Liquidity risk
The Company monitors its risk of a shortage of funds using a liquidity planning tool.
The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, preference shares.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.
(Rs. in '000)

	With in 1 year	More than 1 years	Total
Year ended			
31-Mar-19			
Trade and other payables	197,966	-	197,966
Year ended			
31-Mar-18			
Trade and other payables	236,571	-	236,571

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

Note 31: Capital management
For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital and net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(Rs. in '000)

Particulars	**Year ended 31st March 2019**	**Year ended 31st March 2018**
Trade payables (Note 12)	197,966	236,571
Other payables	2,573	5,958
Less: cash and cash equivalents (Note 7B)	(57,012)	(44,226)
Less: Other bank balances (Note 7C)	(22,500)	-
Net debt	**121,027**	**198,303**
Equity & Other Equity	186,371	104,156
Total capital	**186,371**	**104,156**
Capital and net debt	**307,398**	**302,459**
Gearing ratio	**39%**	**66%**

Note 32: Based on the information available with the Company, details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006 :

(Rs. in '000)

Particulars	**Year ended 31st March 2019**	**Year ended 31st March 2018**
Principal Amount	137	-
Interest due thereon at the end of the accounting year	-	-
The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period for delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006.	-	-

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2019

Note 33:
The Board of Directors and Shareholders of Firefly e-ventures Ltd, HT Digital Media Holding Limited and HT Mobile Solutions Limited approved a Composite Scheme of Capital Reduction and Arrangement under Sections 100 to 104 of the Companies Act 1956, along with Section 52 of the Companies Act 2013 and Sections 391-394 of Companies Act, 1956 (the Scheme), among Firefly, HT Digital and HT Mobile (the Companies) and their respective shareholders and creditors, subject to requisite approval(s) and sanction by the Hon'ble National Company Law Tribunal (NCLT). The Scheme, inter-alia, envisaged demerger of HT Campus Undertaking (Demerged Undertaking) of Firefly and transfer and vesting thereof into HT Mobile w.e.f. from June 30, 2016 (the Appointed Date).

During the previous year ended March 31, 2018, NCLT sanctioned the Scheme vide its order dated October 17, 2017. Consequent upon filing of the order passed by NCLT with the Registrar of Companies, the Scheme became effective from October 27, 2017 (closing hours) ('Effective Date').
National Company Law Tribunal (NCLT) has approved the Scheme with appointed date of June 30, 2016 as compared to the acquisition date of April 1, 2016 (the beginning of preceding year in the financial statements) as per Ind AS 103. The appointed date as approved by NCLT has been considered as the Acquisition Date as per "Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 12".

Pursuant to scheme:
a) HTMS has recorded net assets of HT Campus business at values appearing in books of Firefly as on the Appointed Date.
b) The acquisition of HT Campus was settled by issue of 5,628,348 equity shares of 10 each fully paid up to the shareholders of FEVL with consequential adjustment to the Capital Reserve
c) HTMS has recorded debit balance of "Profit & Loss Account" pertaining to HT Campus undertaking.
d) The excess of "Purchase Consideration" over net assets of HT Campus undertaking and debit balance in "Profit & Loss Account" is being debited to "Capital Reserve"
Details of assets and liabilities acquired from Firefly as on the Appointed Date are as below:-

(Rs. in '000)

Particulars	
Non-current assets	
Property, plant and equipment	4,228
Intangible assets	171
Income Tax Assets (Net)	10,322
Current assets	
a) Financial Assets	
i) Trade Receivables	6,852
ii) Cash and Cash equivalents*	64,500
iii) Others financial assets	9,185
b) Other Current Assets	525
Total Assets(A)	95,783
Non-current liabilities	
Provisions	513
Current Liabilities	
a) Financial liabilities	
(i) Trade Payables	30,913
b) Other Current Liabilities	20,000
Total Liabilities(B)	51,426
Net assets acquired by the Company (A-B)	44,357
Add: Debit balance of "Profit & Loss Account" pertaining to HT Campus undertaking	10,684
	55,041
Amount Payable as Purchase Consideration	56,284
Capital Reserve (excess of "Amount Payable" over net assets of HT Campus undertaking and debit balance in "Profit & Loss Account")	1,243

**Cash and Cash Equivalent as on 30 June 2016 taken over as "Other Receivable" by the Company.*

Note 34 Disclosure: Ind AS 115 Revenue from Contracts with Customers

Transition disclosure

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method applicable to contracts to be completed as on April 1, 2018. Accordingly, the comparative figures in the above results have not been adjusted retrospectively. The effect of adoption of Ind AS 115 on the above financial results is insignificant.

Contract Assets and Contract Liabilities

The Company has changed the presentation of certain amounts in the balance sheet to reflect terminology of Ind AS 115:

a) Contract assets recognized in current year represents income accrued but not due amounting to Rs 1,893 thousands as at March 31, 2019. In year ended March 31, 2018, income accrued but not due was presented as part of Other financial assets amounting to Rs. 5,536 thousands. The same has been reclassified to contract assets as on April 1,2018 (transition date to Ind AS 115).

b) There are no contract liabilities recognized in current year that represents unearned revenue as at March 31, 2019. In year ended March 31, 2018, unearned revenue was presented as part of Other current liabilities amounting to Rs. 1,031 thousands. The same has been reclassified to Contract liabilities as on April 1,2018 (transition date to Ind AS 115). The entire Rs. 1,031 thousands has been recognized as revenue in the current reporting period.

Note 35 Standards issued but not effective
As on the date of approval of these accounts there are no standards which have been issued but not effective, except as given below.

A. Ind AS 116 Leases

MCA has issued Ind AS 116 Leases on March 30, 2019 effective from annual periods beginning on or after April 01, 2019. Ind AS 116 will supersede the existing Ind AS 17.

The new standard requires lessees to recognize most leases on their balance sheets. Lessees will have a single accounting model for all leases, with two exemptions (low value assets and short term leases). Lessor accounting is substantially unchanged as compared to existing Lease Standard Ind AS 17. There will be additional disclosure requirements. Either a so called full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 1, 2019.

The Company is in the process of finalising its analysis at the date of issuing of these financial statements. The Company would disclose the known or reasonably estimable information relevant to assessing the possible impact that application of Ind AS 116 will have on their financial statements in the period of initial application.

B. Companies (Indian Accounting Standards) Second Amendment Rules, 2019 notified on March 30, 2019 brings the following amendments to Ind AS. The amendments are effective from accounting periods beginning on or after 1 April 2019

- Appendix C to Ind AS 12, Income Taxes has been inserted. The appendix provides accounting for uncertainty over income tax treatments. The appendix corresponds to FRIC 23, Uncertainty over Income Tax Treatments issued by the IFRS Interpretations Committee. Appendix C explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. The Company is assessing the potential effect of the above mentioned amendment on its financial statements.

- **Paragraph 57A has been added to Ind AS 12** to clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits were recognized.This amendment is not applicable to the Company.

- **Amendment to Ind AS 19, Employee Benefits** requires an entity to: (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and (ii) recognize in profit loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not prviously recognized because of the impact of the asset ceiling.The application of this amendment is not expected to have a material impact on the Company's financial statements.

- Amendment to Ind AS 23, Borrowing Costs to clarify that if a specific borrowing remains outstanding after a qualifying asset is ready for its intended use or sale, it becomes part of general borrowings. The application of this amendment is not expected to have a material impact on the Company's financial statements.This amendment is not applicable to the Company.

- Amendment to Ind AS 28, Investments in Associates and Joint Ventures clarifies that long-term interests in an associate or joint venture to which the equity method is not applied should be accounted for using Ind AS 109, Financial Instruments. This amendment is not applicable to the Company.

- **Amendment has been made to Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements** to clarify measurement of previously held interest in obtaining control/ joint control over a joint operation: (i) On obtaining control of a business that is a joint operation, previously held interest in joint operation is re-measured at fair value at the acquisition date; (ii) A party obtaining joint control of a business that is joint operation shall not re-measure its previously held interest in the joint operation.This amendment is not applicable to the Company.

- **Amendment to Ind AS 109** enables entities to measure at amortized cost some pre-payable financial assets with negative compensation.

Note 36: Figures for the previous year have been regrouped wherever necessary.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009

For and on behalf of the Board of Directors of
HT Mobile Solution Limited

Anupam Dhawan
Partner
Membership No. 084451

Piyush Gupta
Director
(DIN: 03155591)

Umesh Sharma
Director
(DIN: 01490553)

Zairus Master
Chief Executive Officer

Nupur Bansal
Chief Financial Officer

Place: New Delhi
Date: May 08, 2019

Arjit Gupta
Company Secretary