INDEPENDENT AUDITOR'S REPORT

To the Members of HT Mobile Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HT Mobile Solutions Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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 ("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 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's 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.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 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.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 in the financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors 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.

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

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

Other Matter

We draw your attention to the fact that corresponding figures for the year ended 31 March 2019 are based on previously issued financial statements of the Company that were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements dated 8 May 2019.

Our opinion on the financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

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

2. (A) 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 the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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 31 March 2020 which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, there are no directors to whom remuneration is paid / payable in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R and Associates**
Chartered Accountants
Firm's Registration No.: 128901W

Rajesh Arora
Partner
Membership No. : 076124
UDIN: 20076124AAAABQ2879

Place: Gurugram
Date: 25 June 2020

Annexure A referred to in our Independent Auditor's Report to the members of HT Mobile Solutions Limited on the financial statements for the year ended 31 March 2020

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification by management is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified during the year. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the Company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable.

(i) The Company is in the business of rendering services and does not hold inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

(ii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loans given or investments made by the Company which are not in compliance with Section 185 and 186 of the Companies Act, 2013. There are no guarantees given or securities provided by the Company as specified under Section 185 and 186 of the Companies Act, 2013.

(iv) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.

(v) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

(vi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, goods and services tax, duty of customs, cess, professional tax and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, service tax, employees' state insurance, duty of excise and value added taxes.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and services tax, duty of customs, cess, professional tax and other statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, service tax, goods and services tax, sales tax, value added tax and duty of customs which have not been deposited by the Company with the appropriate authorities on account of any dispute as at 31 March 2020

(vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or borrowings from financial institutions, banks and government and has not issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.

(viii) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(x) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no directors to whom remuneration is paid / payable in accordance with the provisions of Section 197 of the Act. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

(xi) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the current year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xiv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xv) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **B S R and Associates**
Chartered Accountants
Firm's Registration No.: 128901W

Rajesh Arora
Partner
Membership No. : 076124
UDIN: 20076124AAAABQ2879

Place: Gurugram
Date: 25 June 2020

Annexure B to the Independent Auditor's report on the financial statements of HT Mobile Solutions Limited for the year ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of HT Mobile Solutions Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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

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

For **B S R and Associates**
Chartered Accountants
Firm's Registration No.: 128901W

Rajesh Arora
Partner
Membership No. : 076124
UDIN: 20076124AAAABQ2879

Place: Gurugram
Date: 25 June 2020

HT Mobile Solutions Limited
Balance sheet as at March 31, 2020

		Notes	As at March 31, 2020 (Rs. in '000)	As at March 31, 2019 (Rs. in '000)
I	**ASSETS**			
1)	**Non-current assets**			
	(a) Property, plant and equipment	3	469	722
	(b) Intangible assets	4	299	548
	(c) Financial assets			
	(i) Investments	5A	6,000	-
	(d) Deferred tax assets (net)	15	50,141	57,093
	(e) Income tax assets (Net)	6	44,544	41,282
	Total non- current assets		**101,453**	**99,645**
2)	**Current assets**			
	(a) Financial assets			
	(i)Trade receivables	7A	4,423	110,189
	(ii)Cash and cash equivalents	7B	23,333	57,012
	(iii)Bank balances other than (ii) above	8	-	22,500
	(iv)Loans	5B	30,150	150
	(v)Other financial assets	5C	44,129	20,077
	(b) Other current assets	9	119,969	77,337
	Total current assets		**222,004**	**287,265**
	TOTAL ASSETS		**323,457**	**386,910**
II	**EQUITY AND LIABILITIES**			
1)	**Equity**			
	(a) Equity share capital	10	354,586	354,586
	(b) Other equity	11	(153,341)	(168,215)
	Total equity		**201,245**	**186,371**
2)	**Liabilities**			
	Non-current liabilities			
	(a) Provisions	13	472	298
	Total Non-current liabilities		**472**	**298**
	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables			
	a) Total outstanding dues of micro enterprises and small enterprises	12A	-	137
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	12A	111,035	196,583
	(ii) Other financial liabilities	12B	8,141	1,246
	(b) Provisions	13	96	86
	(c) Other current liabilities	14	2,468	2,189
	Total current liabilities		**121,740**	**200,241**
	Total liabilities		**122,212**	**200,539**
	TOTAL EQUITY AND LIABILITIES		**323,457**	**386,910**
	Summary of significant accounting policies	**2**		

See accompanying notes to the financial statements.
In terms of our report of even date attached

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

For B S R and Associates
Chartered Accountants
(ICAI Firm registration Number: 128901W)

Rajesh Arora
Partner
Membership No. 076124

Piyush Gupta
Director
(DIN: 03155591)

Umesh Sharma
Director
(DIN: 01490553)

Place: New Delhi
Date: June 25, 2020

Zairus Master
Chief Executive Officer

Rahul Garg
Chief Financial Officer

HT Mobile Solutions Limited
Statement of Profit and Loss for the year ended March 31, 2020

	Particulars	Notes	Year ended March 31, 2020 (Rs. in '000)	Year ended March 31, 2019 (Rs. in '000)
I	**Income**			
a)	Revenue from operations	16	227,548	181,274
b)	Other Income	17	7,139	8,490
	Total Income		**234,687**	**189,764**
II	**Expenses**			
a)	Employee benefits expense	18	8,914	9,825
b)	Finance costs	19	125	53
c)	Depreciation and amortization expense	20	346	1,472
d)	Other expenses	21	203,421	153,496
	Total expenses		**212,806**	**164,846**
III	**Profit before tax (I-II)**		**21,881**	**24,918**
IV	**Earnings before interest, tax, depreciation and amortization (EBITDA) [III+II(b)+II(c)]**		**22,352**	**26,442**
V	**Tax expense:**			
	(1) Current tax	15	-	-
	(2) Deferred tax charge/(credit)	15	6,966	(57,093)
	[Adjustment of deferred charge/(credit) tax related to earlier years of INR 1,017 thousands {Previous Year-Nil}]			
	Total tax expense		6,966	(57,093)
VI	**Profit for the year and attributable to owners (III-V)**		**14,915**	**82,011**
VII	**OTHER COMPREHENSIVE INCOME**			
	Items that will not to be reclassified subsequently to profit or loss			
	- Remeasurement of defined benefit plans	22	(55)	204
	- Income tax effect		14	-
	Other comprehensive income for the year and attributable to owners, net of tax		**(41)**	**204**
VIII	**Total Comprehensive Income for the year and attributable to owners, net of tax (VI+VII)**		**14,874**	**82,215**
IX	**Earnings per equity share**			
	Basic (Nominal value of shares Rs. 10/-)	23	0.42	2.31
	Diluted (Nominal value of shares Rs. 10/-)	23	0.42	2.31
	Summary of significant accounting policies	2		

See accompanying notes to the financial statements.
In terms of our report of even date attached

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

For B S R and Associates
Chartered Accountants
(ICAI Firm registration Number: 128901W)

Rajesh Arora
Partner
Membership No. 076124

Piyush Gupta
Director
(DIN: 03155591)

Umesh Sharma
Director
(DIN: 01490553)

Place: New Delhi
Date: June 25, 2020

Zairus Master
Chief Executive Officer

Rahul Garg
Chief Financial Officer

HT Mobile Solutions Limited
Cash Flow Statement for the year ended March 31, 2020

Particulars	Year ended March 31, 2020 (Rs. in '000)	Year ended March 31, 2019 (Rs. in '000)
Cash flows from operating activities:		
Profit before tax	21,881	24,918
Adjustments for:		
Depreciation and amortization	346	1,472
Loss/(gain) on disposal of property, plant and equipment	133	(2)
Interest income from investments and others	(2,684)	(2,157)
Loss on account of fair value of investments classified at FVTPL	1,000	-
Unclaimed balances/unspent liabilities written back	(4,042)	(1,700)
Net impairment loss/(gain) on financial assets	534	(475)
Operating profit before working capital changes	**17,168**	**22,056**
Working capital adjustments:		
Decrease in trade receivables	105,232	29,837
(Increase)/ decrease in current and non-current financial assets and other current and non-current assets	(44,305)	(38,156)
Increase/ (decrease) in current and non-current financial liabilities and other current and non-current liabilities and provisions	(74,337)	(41,785)
Decrease in other bank balances	22,500	(22,500)
Increase in loans & advances	-	773
(Increase)/Decrease in other current and non-current assets	(42,632)	(12,960)
(Increase)/Decrease in other current and non-current financial assets	(24,172)	(1,576)
Decrease in inventories	-	-
Increase in contract assets	-	(1,893)
Increase/ (Decrease) in trade payables	(74,747)	(38,605)
Decrease in other liabilities	279	(2,592)
Increase/ (Decrease) in other financial liabilities		
Increase in provisions	131	(588)
Total cash from operations	**3,758**	**(28,048)**
(Income taxes paid)/refund	(3,262)	38,964
Net cash flows from operating activities (A)	**496**	**10,916**
Cash flows from investing activities:		
Proceeds from sale of property, plant and equipment	21	44
Purchase of investments	(7,000)	-
Inter corporate deposits given	(30,000)	-
Interest received on inter corporate deposit given	23	-
Interest received on deposits	2,781	1,826
Net cash flows used in investing activities (B)	**(34,175)**	**1,870**
Cash flows from financing activities:	-	-
Net cash flows from / (used in) financing activities (C)	**-**	**-**
Net increase in cash and cash equivalents (D= A+B+C)	(33,679)	12,786
Cash and cash equivalents at the beginning of the year (E)	57,012	44,226
Cash and cash equivalents at year end (D+E)	**23,333**	**57,012**

Particulars	March 31, 2020 (Rs. in '000)	March 31, 2019 (Rs. in '000)
Component of cash and cash equivalent as at end of the year		
Balances with banks		
- on current accounts	833	12
- on deposit accounts	22,500	57,000
Total Cash and cash equivalents	**23,333**	**57,012**

See accompanying notes to the financial statements.
In terms of our report of even date attached

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

For B S R and Associates
Chartered Accountants
(ICAI Firm registration Number: 128901W)

Rajesh Arora
Partner
Membership No. 076124

Piyush Gupta
Director
(DIN: 03155591)

Umesh Sharma
Director
(DIN: 01490553)

Place: New Delhi
Date: June 25, 2020

Zairus Master
Chief Executive Officer

Rahul Garg
Chief Financial Officer

HT Mobile Solutions Limited
Statement of changes in equity for the year ended March 31, 2020

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 March 31, 2018	**35,458,598**	**354,586**
Change during the year	-	-
Balance as at March 31, 2019	**35,458,598**	**354,586**
Change during the year	-	-
Balance as at March 31, 2020	**35,458,598**	**354,586**

B. 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, 2018	**23,911**	**(273,750)**	**652**	**(1,243)**	**(250,430)**
Change during the year	-	82,011	(652)	-	81,359
Forfeiture of outstanding share based option	-	652	-	-	652
Items of gain of other comprehensive income recognised directly in retained earnings					
- Remeasurements of defined benefits obligation, net of tax	-	204	-	-	204
Balance as at March 31, 2019	**23,911**	**(190,883)**	**-**	**(1,243)**	**(168,215)**
Change during the year	-	14,915	-	-	14,915
Items of gain of other comprehensive income recognised directly in retained earnings					
- Remeasurements of defined benefits obligation, net of tax	-	(41)	-	-	(41)
Balance as at March 31, 2020	**23,911**	**(176,009)**	**-**	**(1,243)**	**(153,341)**

See accompanying notes to the financial statements.

In terms of our report of even date attached

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

For B S R and Associates
Chartered Accountants
(ICAI Firm registration Number: 128901W)

Rajesh Arora
Partner
Membership No. 076124

Piyush Gupta
Director
(DIN: 03155591)

Umesh Sharma
Director
(DIN: 01490553)

Place: New Delhi
Date: June 25, 2020

Zairus Master
Chief Executive Officer

Rahul Garg
Chief Financial Officer

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 26.

The financial statements of the Company for the year ended 31st March, 2020 were authorised for issue in accordance with a resolution of the Board of Directors on June 25, 2020.

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 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 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 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 — Valuation techniques for which inputs are unobservable inputs for the asset or liability

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 based on the transaction price, which is the consideration, adjusted for allowances, trade discounts, volume rebates, if any, as specified in the contract with the customer. Revenue excludes taxes collected from customers. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Goods and Service tax / Service tax is not received by the Company on its own account. Accordingly, it is excluded from revenue.

Contract asset and unbilled receivables

Contract asset represents the Company’s right to consideration in exchange for services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time.

When there is unconditional right to receive cash, and only passage of time is required to do invoicing, the same is presented as unbilled receivable.

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

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

Revenue from services
Revenue from services is recognised basis music and video content monetised during the month through various publishers (websites).

Revenue from SMS pushes/voice calls
Revenue is recognised after the delivery of SMS pushes/voice calls.

Revenue from Content
Revenue is recognised basis of log records of operators.

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 other income in the statement of profit and loss.

e) Taxes

The Government of India, on September 20, 2019, vide Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAB in the Income Tax Act, 1961, which gives option to the Company to pay Income Tax at reduced rates as per the provisions/ conditions defined in the said section. The Company is in the process of evaluating the impact of this Ordinance.

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.

Appendix C to Ind AS 12, Income Taxes dealing with accounting for uncertainty over income tax treatments is applicable from accounting periods beginning on or after 1 April 2019. It does not have any material impact on financial statements of the Company.

Deferred tax

Deferred tax is provided considering 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 except:

• When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

• In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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, except:

• When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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 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 taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

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

- When receivables and payables are stated with the amount of tax included

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 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.

Depreciation on property, plant and equipment is provided on a Straight Line Method over its economic useful lives of the assets as follows:

Type of asset	Useful lives estimated by management (Years)
General plant and machinery	3 – 6
Furniture and fixtures	2-10
Leasehold improvements	amortized over the lease period

The Company, based on technical assessment made by the management depreciates certain assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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.

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

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) 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.

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

Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

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 (Other than trade receivable which is recognised at transaction price as per Ind AS 115) 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) 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 115 (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;

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, 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 mainly include trade and other payables.

Subsequent measurement

Trade and other payables are subsequently measured at amortised cost using the effective interest method.

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

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

<u>Company as a lessee</u>

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

As a practical expedient a lessee (the company) has elected, by class of underlying asset, not to separate lease components from any associated non-lease components. A lessee (the company) accounts for the lease component and the associated non-lease components as a single lease component.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information. As on April 1, 2019, the Company has recognized a right of use asset at an amount equivalent to the lease liability and consequently there is no adjustment to the opening balance of retained earnings as on April 1, 2019. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Identification of lease:

- The Company has *reassessed* whether a contract is, or contains, a lease at the date of initial application.

Leases previously classified as operating leases:

- The Company has *recognised* a lease liability at the date of initial application for leases previously classified as an operating lease applying Ind AS 17 (other than those which does not satisfy the lease definition criteria under Ind AS 116). The Company has *measured* lease liability at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at the date of initial application.

- The Company has *recognised* a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying Ind AS 17 (other than those which does not satisfy the lease definition criteria under Ind AS 116). The Company has *opted to measure* right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

- The Company has relied on its assessment of whether leases are onerous applying Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, immediately before the date of initial application as an alternative to performing an impairment review.

- The Company has *opted* not to apply the above transition requirements to leases for which the lease term ends within 12 months of the date of initial application.

Leases previously classified as finance leases:

- For leases that were classified as finance leases applying Ind AS 17, the carrying amount of the right-of-use asset and the lease liability at the date of initial application is the carrying amount of the lease asset and lease liability immediately before that date measured applying Ind AS 17.

There is no impact on transition as on 1 April 2019.

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.

q) 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.

Further details on taxes are disclosed in Note 15.

Defined benefit plans

The cost of the defined benefit gratuity plan 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.

Further details about gratuity obligations are given in Note 24.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. For more information refer Note 25.

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, 2020

Note 3 : Property, plant and equipment

(Rs. in '000)

Particulars	Improvement to leasehold premises	Plant and machinery	Furniture and fixtures	Total
Cost				
As at April 1, 2018	**472**	**13,452**	**17**	**13,941**
Additions during the year	-	-	-	-
Less : Disposals/ adjustments	-	234	-	**234**
As at March 31, 2019	**472**	**13,218**	**17**	**13,707**
As at April 1, 2019	**472**	**13,218**	**17**	**13,707**
Additions during the year	-	-	-	-
Less : Disposals/ adjustments	-	3,560	-	**3,560**
As at March 31, 2020	**472**	**9,658**	**17**	**10,147**
Accumulated Depreciation / Impairment				
As at April 1, 2018	**449**	**11,540**	**6**	**11,995**
Charge for the year	4	1,176	2	1,182
Less : Disposals/ adjustments	-	192	-	**192**
As at March 31, 2019	**453**	**12,524**	**8**	**12,985**
As at April 1, 2019	**453**	**12,524**	**8**	**12,985**
Charge for the year	**4**	**92**	**2**	**97**
Less : Disposals/ adjustments		**3,405**		**3,405**
As at March 31, 2020	**457**	**9,211**	**10**	**9,678**
Net Block				
As at March 31, 2020	**15**	**447**	**7**	**469**
As at March 31, 2019	**19**	**694**	**9**	**722**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2020

Note 4 : Intangible assets

(Rs. in '000)

Particulars	Software licenses	Non compete fees	Total
Gross carrying amount			
As at April 1, 2018	**11,430**	**1,391**	**12,821**
Additions during the year	-	-	-
Less : Disposals/ adjustments	-	-	-
As at March 31, 2019	**11,430**	**1,391**	**12,821**
As at April 1, 2019	**11,430**	**1,391**	**12,821**
Additions during the year	-	-	-
Less : Disposals/ adjustments	-	-	-
As at March 31, 2020	**11,430**	**1,391**	**12,821**
Accumulated Amortization / Impairment			
As at April 1, 2018	**10,596**	**1,387**	**11,983**
Charge for the year	290	-	**290**
As at March 31, 2019	**10,886**	**1,387**	**12,273**
As at April 1, 2019	**10,886**	**1,387**	**12,273**
Charge for the year	249	-	**249**
As at March 31, 2020	**11,135**	**1,387**	**12,522**
Net carrying amount			
As at March 31, 2020	**295**	**4**	**299**
As at March 31, 2019	**544**	**4**	**548**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2020

Note 5A : Investments (Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Investments at fair value through profit and loss		
Unquoted		
Investment in equity instruments and warrants (refer note 25)	6,000	-
Total investments	**6,000**	**-**
Current	**-**	**-**
Non - current	**6,000**	**-**

Note 5B :Loans (Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured considered good at amortised cost		
Inter- corporate loan given (refer note 26A) (also refer note 32)	30,000	-
Security deposit	150	150
Total Loans	**30,150**	**150**
Current	30,150	150
Non - Current	-	-

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, considered good	-	-
Unsecured, considered good	30,150	150
Total	**30,150**	**150**

Note 5C : Other financial assets (Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Other financial assets (at amortised cost)		
Interest accrued on fixed deposits	-	331
Interest accrued on inter-company deposits (refer note 26A)	211	-
Unbilled revenue	24,196	1,893
Other receivables from related party (refer note 26A)	19,722	17,853
Total Other Financial Assets	**44,129**	**20,077**
Current	44,129	20,077
Non - Current	-	-

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

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax assets (net) [related to current tax]	44,544	41,282
Current	**-**	**-**
Non-Current	**44,544**	**41,282**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	4,234	17,092
Receivables from related parties (refer note 26A)	189	93,097
Total trade receivables	**4,423**	**110,189**
Current	**4,423**	**110,189**
Non - Current	**-**	**-**

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, considered good	-	-
Unsecured, considered good	4,423	110,189
Unsecured, considered doubtful	9,614	9,092
Total	**14,037**	**119,281**
Loss allowance for bad & doubtful debts	**9,614**	**9,092**
Total trade receivables	**4,423**	**110,189**

No trade receivable is due from directors or other officers of the Company either severally or jointly with any other person.

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

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with banks :		
- On current accounts	833	12
- Deposit with original maturity of three months or less	22,500	57,000
Total	**23,333**	**57,012**

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 8 : Other Bank balances (Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Bank balances other than (7B) above		
- Deposits with original maturity of more than three months but less than 12 months	-	22,500
Total	**-**	**22,500**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Advances to vendors (includes Rs. Nil (PY - Rs. 576 thousand) advance given to related parties) (refer note 26A)	33,617	18,054
Balance with statutory/government authorities	86,352	59,283
Total	**119,969**	**77,337**

Break up of financial assets carried at amortised cost

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables (Note 7A)	4,423	110,189
Cash and cash equivalents (Note 7B)	23,333	57,012
Other bank balances (Note 8)	-	22,500
Loans (Note 5B)	30,150	150
Other financial assets (Note 5C)	44,129	20,077
Total financial assets carried at amortised cost	**102,035**	**209,927**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2020

Note 10 : Share capital

Authorised share capital

Equity share capital

Particulars	No. of shares	(Rs. in '000)
At March 31, 2018	**41,000,000**	**410,000**
Increase/(decrease) during the year	-	-
At March 31, 2019	**41,000,000**	**410,000**
Increase/(decrease) during the year	-	-
At March 31, 2020	**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, 2018	**50,000,000**	**5,000**
Increase/(decrease) during the year	-	-
At March 31, 2019	**50,000,000**	**5,000**
Increase/(decrease) during the year	-	-
At March 31, 2020	**50,000,000**	**5,000**

Issued and subscribed capital

Equity shares capital

Equity shares of Rs. 10 each issued, subscribed & fully paid	No. of shares	(Rs. in '000)
Balance as at March 31, 2018	**35,458,598**	**354,586**
Changes during the year	**-**	-
Balance as at March 31, 2019	**35,458,598**	**354,586**
Changes during the year	**-**	-
Balance as at March 31, 2020	**35,458,598**	**354,586**

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

Particulars	March 31, 2020		March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
		(Rs. in '000)		(Rs. in '000)
Shares outstanding at the beginning of the year	35,458,598	354,586	35,458,598	354,586
Equity shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**35,458,598**	**354,586**	**35,458,598**	**354,586**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2020

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-20 (Rs. in '000)	31-Mar-19 (Rs. in '000)
Equity Shares of Rs. 10 each of fully paid:		
HT Digital Media Holdings Limited	321,712	321,712
# 32,171,158 (March 31,2019 - # 32,171,157) equity shares of Rs. 10 each fully paid		
HT Media Limited, Holding Company of HT Digital Media Holdings Limited		
# 2,990,653 (March 31,2019 - # 2,990,653) equity shares of Rs. 10 each fully paid	29,907	29,907

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

Particulars	As at 'March 31, 2020		As at 'March 31, 2019	
	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	32,171,158	90.73%	32,171,157	90.73%
# 32,171,158 (March 31,2019 - # 32,171,157) equity shares of Rs. 10 each fully paid				
HT Media Limited, Ultimate Holding Company	2,990,653	8.43%	2,990,653	8.43%
# 2,990,653 (March 31,2018 - # 2,990,653) 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-20 No. of shares	31-Mar-19 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

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2020

Note 11 : Other equity (Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium	23,911	23,911
Capital reserve	(1,243)	(1,243)
Retained earnings & general reserves	(176,009)	(190,883)
Share based payment reserve	-	-
Total	**(153,341)**	**(168,215)**

Securities premium

Particulars	(Rs. in '000)
At March 31, 2018	**23,911**
Changes during the year	-
At March 31, 2019	**23,911**
Changes during the year	-
At March 31, 2020	**23,911**

Retained earnings & general reserves (Rs. in '000)

Particulars	Retained earnings	General reserves	Total
At March 31, 2018	**(273,784)**	**34**	**(273,750)**
Net Profit for the year	82,011	-	**82,011**
Forfeiture of outstanding share based options	652		**652**
Items of gain of other comprehensive income recognised directly in retained earnings			
- Remeasurements of defined benefits obligation, net of tax	204	-	**204**
At March 31, 2019	**(190,917)**	**34**	**(190,883)**
Net Profit for the year	14,915	-	**14,915**
Items of gain of other comprehensive income recognised directly in retained earnings			
- Remeasurements of defined benefits obligation, net of tax	(41)	-	**(41)**
At March 31, 2020	**(176,043)**	**34**	**(176,009)**

Share based payment reserve

Particulars	(Rs. in '000)
At 31 March 2018	**652**
Forfeiture of outstanding share based options	(652)
At 31 March 2019	**-**
Changes during the year	**-**
At 31 March 2020	**-**

Capital reserve*

Particulars	(Rs. in '000)
At 31 March 2018	**(1,243)**
Changes during the year	-
At 31 March 2019	**(1,243)**
Changes during the year	-
At 31 March 2020	**(1,243)**

* In relation to merger of HT Campus undertaking of Firefly e-Ventures Limited.

HT Mobile Solutions Limited

Notes to financial statements for the year ended March 31, 2020

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

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 30)	-	137
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
- payable to related parties (refer note 26A)	-	104,650
- Payable to others	111,035	91,933
Total	**111,035**	**196,720**
Current	**111,035**	**196,720**
Non- Current	**-**	**-**

Note 12B : Other financial liabilities **(Rs. in '000)**

Particulars	As at March 31, 2020	As at March 31, 2019
Other financial liabilities at amortised cost		
Employee payables	1,141	1,246
Security deposit	7,000	-
Total financial liabilities carried at amortised cost	**8,141**	**1,246**
Current	**8,141**	**1,246**
Non- Current	**-**	**-**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Provision for compensated absences (refer note 24)	90	81
Provision for gratuity (refer note 24)	478	303
Total Provisions	**568**	**384**
Current	**96**	**86**
Non- current	**472**	**298**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Customers and agents balances (includes Rs. Nil thousand (PY - Rs. 235 thousand) pertaining to related parties) (refer note 26A)	1,689	1,449
Statutory dues	779	740
Total other current liabilities	**2,468**	**2,189**
Current	**2,468**	**2,189**
Non- Current	**-**	**-**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2020

Note 15 : Income Tax
The major components of income tax expense for the year ended March 31, 2020 and March 31, 2019 are :

Statement of profit and loss :

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Current income tax	-	-
Deferred tax charge/(credit)	5,949	(57,093)
Adjustments in respect of previous year	1,017	-
Income tax expense reported in the statement of profit and loss	**6,966**	**(57,093)**

OCI section :
Deferred tax related to items recognised in OCI during in the year ended March 31, 2020:

(INR Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax credit on remeasurements of defined benefit plans	(14)	-
Income tax charged to OCI	**(14)**	**-**

Reconciliation of deferred tax assets (net):

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	57,093	-
Tax income/(expense) during the year recognised in profit or loss	(6,952)	57,093
Closing balance	**50,141**	**57,093**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Accounting profit before tax	21,881	24,918
Accounting profit before income tax	**21,881**	**24,918**
At India's statutory income tax rate of 26%	**5,688**	**6,479**
Effects of		
Unrecognised deferred tax (net for the year ended 31 March)	260	-
Deferred tax recognised on Brought forward losses & Unabsorbed depreciation	-	(45,503)
Deferred tax recognised on temporary differences pertaining to previous years	-	(15,727)
Current year tax loss on which deferred tax is recognised	-	(2,342)
Adjustments in respect of previous year	1,017	-
	6,965	**(57,093)**

Deferred tax relates to the following:

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Temporary differences arising on:		
Unabsorbed brought forward losses	22,774	28,264
Provision for defined benefit obligation	147	100
Unabsorbed depreciation carried forward	17,239	17,239
Impairment of doubtful debts and advances	2,500	2,364
Difference in WDV of tangible and intangible fixed assets as per books of account and tax books	2,119	2,747
Effect of expenditure debited to Statement of profit and loss in the current year but allowed for tax purposes in following year	5,362	6,379
Deferred tax Asset (net)	**50,141**	**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 2020:

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Temporary differences arising on:		
Unabsorbed brought forward losses	90,097	93,626
Fair value of investment through profit and loss	260	
Provision for defined benefit obligation	-	-
Unabsorbed depreciation carried forward	-	-
Impairment of doubtful debts and advances	-	-
Difference in WDV of tangible and intangible fixed assets as per books of account and tax books	-	-
Deferred tax Asset (net)	**90,357**	**93,626**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2020

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sales of services - digital services	227,548	181,274
Total	**227,548**	**181,274**

Note 17 : Other income (Rs. in '000)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on EIR method		
- Bank deposits	2,451	2,157
- Interest on inter corporate deposit	234	-
- Income tax refund	-	3,554
Other non - operating income		
Unclaimed balances/unspent liabilities written back (net)	4,042	1,700
Net impairment gain on financial assets	-	475
Net gain on disposal of property, plant and equipment	-	2
Foreign exchange fluctuation income	412	475
Miscellaneous income	-	127
Total	**7,139**	**8,490**

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	8,455	9,249
Contribution to provident and other funds (refer note 24)	323	351
Gratuity expense (refer note 24)	121	176
Workmen and staff welfare expenses	15	49
Total	**8,914**	**9,825**

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Bank charges	125	53
Total	**125**	**53**

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment (Refer Note 3)	97	1,182
Amortization of intangible assets (Refer Note 4)	249	290
Total	**346**	**1,472**

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Power and fuel	-	7
Rent	-	1,840
Rates and taxes	1,163	271
Insurance	87	30
Repairs and maintenance:		
- Plant and machinery	364	844
- Building	-	55
Travelling and conveyance	2,235	1,749
Communication costs	504	970
Legal and professional fees	1,413	1,255
Payment to auditor (refer details below)	900	1,100
Net impairment loss on financial assets	534	-
Loss on sale/discard of property, plant and equipment	133	-
Services for mobile and music content	194,741	142,140
Loss on account of fair value of investments classified at FVTPL	1,000	-
Miscellaneous expenses	347	3,235
Total	**203,421**	**153,496**

Payment to auditors (Rs. in '000)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As auditor :		
- Audit fee	700	800
- Tax audit fee	150	200
- Reimbursement of expenses	50	100
Total	**900**	**1,100**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2020

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, 2020

(Rs. in '000)

Particulars	Retained earnings	Total
Re- measurement gains(losses) on defined benefit plans	(55)	(55)
Income tax relating to items that will not be reclassified to profit or loss	14	14
Total	**(41)**	**(41)**

During the year ended March 31, 2019

(Rs. in '000)

Particulars	Retained earnings	Total
Re- measurement gains(losses) on defined benefit plans	204	204
Income tax relating to items that will not be reclassified to profit or loss	-	-
Total	**204**	**204**

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 March 31, 2020	Year ended March 31, 2019
Profit / (loss) attributable to equity holders for basic earnings	14,915	82,011
Profit attributable to equity holders adjusted for the effect of dilution	**14,915**	**82,011**
Weighted average number of equity shares for basic EPS (No.)	35,458,598	35,458,598
Weighted average number of equity shares adjusted for the effect of dilution (No.)	**35,458,598**	**35,458,598**
Earning per share		
Basic EPS (Rs.)	**0.42**	**2.31**
Diluted EPS (Rs.)	**0.42**	**2.31**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2020

Note 24 : Employee Benefits

A. Define Benefit Plan: Gratuity **(Rs. in '000)**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Gratuity	478	303
Total	**478**	**303**
Current	**7**	**5**
Non- current	**471**	**298**

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 Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset.

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet for the respective plans:

Gratuity Plan
Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2020 :

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Balance	303	967
Current Service Cost	97	99
Interest Expense or cost	24	77
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	74	8
- experience variance (i.e. Actual experience vs assumptions)	(20)	(212)
Benefits Paid	-	(636)
Total	**478**	**303**

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Discount Rate	6.85%	7.85%
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 2020 is as shown below:
(Rs. in '000)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Defined Benefit Obligation (Base)	478	303

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

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
Assumptions	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate (-/+ 1%)	91	74	59	48
Salary Growth Rate (-/+ 1%)	(74)	(90)	(48)	(59)
Attrition Rate (-/+ 50%)	7	7	1	1

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 March 31, 2020	Year ended March 31, 2019
Within the next 12 months (next annual reporting period)	7	5
Between 2 and 5 years	41	31
Between 6 and 10 years	61	47
Beyond 10 years	1,689	1,374
Total expected payments	**1,798**	**1,457**

Average duration of the defined benefit plan obligation is 18 years (Previous year- 17 years)

B. Defined Contribution Plan

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contribution to Provident and Other funds		
Charged to Statement of Profit and Loss	323	351

C. 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 March 31, 2020	Year ended March 31, 2019
Liability at the beginning of the year	81	210
Provided during the year	9	(129)
Liability at the end of the year	**90**	**81**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2020

Note 25 : Fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the companies financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(Rs. in '000)

Particulars	Carrying Value March 31, 2020	Carrying Value March 31, 2019	Fair value March 31, 2020	Fair value March 31, 2019	Fair value mechanism Hierarchy
Financial assets measured at fair value through profit and loss (FVTPL)					
Investment in equity instruments and warrants - Unquoted (refer note 5A)	6,000	-	6,000	-	Level 3

The management assessed that fair value of loans given, trade receivables, cash and cash equivalents, other bank balances, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:
- The fair value of the investment in unquoted equity shares has been estimated using a Discounted Cash Flow (DCF) model and/or comparable investment price such as last round of funding made in the investee Company. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments.

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2020 is shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Impact of Increase in inputs to fair value(INR Lakhs)	Impact of Decrease in inputs to fair value(INR Lakhs)
Investment in equity instruments and warrants Unquoted at Level 3 (refer note below)	Discounted cash flow/Option Pricing Model	Volatility (+/- 5%)	43.8%	3	(2)
		Environment Risk (+/- 5%)	15%	(4)	4

Reconciliation of fair value measurement of investment in unquoted equity shares measured at FVTPL (Level III) :

Particulars	Total (Rs. in '000)
As at March 31, 2018	**-**
Purchases	-
Impact of fair value movement	-
Transfers*	-
As at March 31, 2019	**-**
Purchases	7,000
Impact of fair value movement	(1,000)
Transfers*	-
As at March 31, 2020	**6,000**

*During the year an Investment having book value of INR Nil (previous year Nil) has been transferred from Level 2 to Level 3

Note 26: Related party transactions

i) List of Related Parties and Relationships:-

Parties having direct or indirect control over the Company (Holding Company)	Earthstone Holding (Two) Private Limited (Ultimate controlling party is the Promoter Group)
	The Hindustan Times Limited#
Holding Company of HT Digital Media Holdings Limited	HT Media Limited
Holding Company	HT Digital Media Holdings Limited
Fellow Subsidiaries (with whom transactions have occurred during the year)	HT Learning Centers 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.

ii) Transactions with related parties
Refer Note 26A

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 (other than Inter-corporate Deposit refer note 5B).

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2020

Note 26A : Related party transactions

(Rs. in '000)

Particulars	Holding Company of HT Digital Media Holdings Limited		Holding Company		Fellow Subsidiaries		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
INCOME								
Interest earned on inter corporate loan	-	-	-	-	234	-	**234**	**-**
EXPENSE								
Office rent and other expenses	-	1,840	-	-	-	-	**-**	**1,840**
Advertising and Sales Promotion	844						**844**	**-**
OTHERS								
Reimbursement of expenses incurred on behalf of the Company	201	631	-	-	-	6,922	**201**	**7,553**
Reimbursement of expenses incurred on behalf of the parties by company		867	-	-	-	-	**-**	**867**
Inter corporate deposit given by the company	-	-	-	-	30,000	-	**30,000**	**-**
BALANCE OUTSTANDING								
Equity Share Capital	29,907	29,907	321,712	321,712	-	-	**351,619**	**351,619**
Inter corporate deposit given & interest accrued on it	-	-	-	-	30,211	-	**30,211**	**-**
Trade and other receivable	179	-	-	-	19,733	19,505	**19,912**	**19,505**
Trade payable and other liabilities	-	12,369	-	-	-	494	**-**	**12,863**

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2020

Note 27: 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 investments, loans given, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

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 equity price risk.
The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019.
The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations and provisions.
The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

(i) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(ii) 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 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.

(Rs. in '000)

Particulars	Change in USD rate		Effect on profit before tax	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Change in USD rate				
Trade receivables	+/(-) 1%	+/(-) 1%	-	148
Unbilled revenue	+/(-) 1%	+/(-) 1%	222	-

(iii)Equity price risk
The Company invests in listed and non-listed equity securities which are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Investment Committee reviews and approves all equity investment decisions.

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 exchange transactions.

Trade receivables and other financial assets
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 and Note 5C. The Company does not hold collateral as security.

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

Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made as per guidelines and within limits approved by Board of Directors. Board of Directors/ Management reviews and update guidelines, time to time as per requirement. The guidelines are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk
The Company monitors its risk of a shortage of funds using a liquidity planning tool.

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
As at March 31, 2020			
Trade and other payables (refer note 12A)	111,035	-	111,035
Other financial liabilities (refer note 12B)	8,141	-	8,141
As at March 31, 2019			
Trade and other payables (refer note 12A)	196,720	-	196,720
Other financial liabilities (refer note 12B)	1,246	-	1,246

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2020

Note 28 : 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"

Information about major customers:
There are certain customers which represent 10% or more of the Company's total revenue with total amounting to Rs. 214,348 thousands and Rs. 167,206 thousands for the year ended March 31, 2020 and March 31, 2019 respectively.

Note 29: 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 through equity funding and it's own operations. It does not have any debt.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

Note 30: 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	March 31, 2020	March 31, 2019
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.	-	-

Note 31 : Scheme of amalgamation between Firefly e-Ventures Limited (FEVL), HT Digital Media Holdings Limited (HTDH), HT Education Liited (HTEL), HT Learning Centers Limited (HTLC), India Education Services Privale Limited (IESPL), Topmovies Entertainment Limited (TMEL) with HT Mobile Solutions Limited (HTMSL)

A scheme of amalgamation u/s 230-232 of the Companies Act, 2013 which provides for merger of Firefly e-Ventures Limited (FEVL), HT Digital Media Holdings Limited (HTDMH), HT Education Limited (HTEL), HT Learning Centers Limited (HTLC), India Education Services Private Limited (IESPL) and Topmovies Entertainment Limited (TMEL) with HT Mobile Solutions Limited (HTMS) ("Scheme"), has been approved by the respective Board of Directors of companies at their meetings held on March 18, 2020.
Pending filing of the Scheme with Hon'ble NCLT, New Delhi Bench, impact thereof has not been considered in HTMS's standalone results for FY 19-20.

On effectiveness of the Scheme, the loan given by HTMS to HTLC will get eliminated in the books of accounts of HTMS.

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2020

Note 32 Disclosure required under section 186(4) of the Companies Act, 2013

Included in loans and advances, loan to fellow subsidiary the particulars of which are disclosed in below as required by Sec 186(4) of Companies Act 2013:

(Rs. in '000)

Name of the Loanee	Rate of Interest	Due Date	Secured / Unsecured	Purpose of Loan	March 31, 2020	March 31, 2019
HT Learning Centers Limited (Fellow Subsidiary)	9.60% p.a. compounded annually	Repayable on demand	Unsecured	To meet the business requirements and other general corporate purposes.	30,000	-

For further details of loans and advances provided to related parties, refer note 5B.

Note 33 Standards issued but not effective
"Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020."

Note 34: Management has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of assets of the Company. In developing the assumptions relating to the possible future uncertainties because of this pandemic, the Company, as at the date of adoption of these financial results has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects that the carrying amount of assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of adoption of audited financial statements for the year ended 31 March 2020.

Note 35: Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year classification.

See accompanying notes to the financial statements.

In terms of our report of even date attached

For B S R and Associates
Chartered Accountants
(ICAI Firm registration Number: 128901W)

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

Rajesh Arora
Partner
Membership No. 076124

Piyush Gupta
Director
(DIN: 03155591)

Umesh Sharma
Director
(DIN: 01490553)

Place: New Delhi
Date: June 25, 2020

Zairus Master
Chief Executive Officer

Rahul Garg
Chief Financial Officer