INDEPENDENT AUDITOR'S REPORT

To the Members of Firefly e-Ventures Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of Firefly e-Ventures Limited, which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, 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 significant accounting policies and other explanatory information (hereinafter referred to as the Ind AS financial statements)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 Companies Act, 2013 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the year ended March 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We do not observed any Key Audit Matters that, in our professional judgment, were of most significance on our audit of Ind AS Financial Statements of the year ended March 31, 2020.

Other Information

The Company's Board of Directors is responsible for the other information. The Other Information comprises the information included in the other reports, 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. Based on the work we have performed, we conclude that there is a no material misstatement of this other information.

Responsibility of Management for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order

1. 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

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

f) On the basis of the information and explanation provided to us by the Company the internal financial control framework, in our opinion, the Company has, in all material aspects, adequate internal financial controls systems in place and such controls are operating effectively as at 31st March 2020. A separate report on this clause has been attached as Annexure B to this report as prescribed by the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations 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, required to be transferred to the investor Education and Protection Fund by the Company.

For MRKS AND ASSOCIATES
Chartered Accountants
(ICAI Registration No. 023711N)

Saurabh Kuchhal
Partner
Membership No. 512362
Date: May 28, 2020
Place: New Delhi
UDIN: 20512362AAAAFT3959

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Firefly e-Ventures Limited for the year ended March 31, 2020

Report on the statement of matters specified in paragraphs 3 and 4 of the Order.

(i) The Company own Fixed Assets; accordingly, the provisions of clause 3 (i) of the Order are applicable to the Company.

a.) The Company maintains proper records showing full particulars including details of quantity & Situation of Fixed Assets.

b.) Physical verification of the Fixed Assets is conducted by the management at reasonable interval.

c.) No material discrepancies were noticed on physical verification.

(ii) The Company does not have any inventories; accordingly, the provisions of clause 3 (ii) of the Order are not applicable to the Company.

(iii) According to information and explanations given to us, the Company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause (iii) (a), (b), (c) of the order is not applicable to the company.

(iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, in respect of loans, investments, guarantees and security as applicable.

(v) According to information and explanations given to us, the Company has not accepted any deposits during the year. Accordingly, the provisions of clause 3 (v) are not applicable to the Company.

(vi) According to the information and explanations given to us, the company is not required to maintained cost records as specified by central government under sub-section (1) of section 148 Companies Act, 2013. Accordingly, the provisions of clause 3(vi) are not applicable to the Company.

(vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities, to the extent applicable to it. There are no arrears of outstanding statutory dues as at March 31, 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, the Company does not have any dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax or cess which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, the Company does not have any loan or borrowing from financial institution, bank, government and does not issued debentures, Accordingly, the provisions of clause 3 (viii) are not applicable to the Company.

(ix) According to the information and explanations given to us, the Company has not raised moneys by way of public issue, follow-on offer (including debt instruments) and raised any term loan during the year under audit.

(x) In our opinion and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company by its officers/ employees has been noticed or reported during the year, that ultimately causes the financial statements to be materially misstated.

(xi) According to the information and explanations given to us, the provisions of clause (xi) in relation to managerial remuneration are not applicable to the company.

(xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) are not applicable to the Company.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 to the extent applicable and the details have been disclosed in the Financial Statements as required by the accounting standards and Companies Act, 2013.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them and hence provisions of Section 192 of the companies Act is not applicable to the company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For MRKS AND ASSOCIATES
Chartered Accountants
(ICAI Registration No. 023711N)

Saurabh Kuchhal
Partner
Membership No. 512362
Date: May 28, 2020
Place: New Delhi
UDIN: 20512362AAAAFT3959

Annexure B to the Independent Auditor's Report of even date on The Financial Statements of Firefly e-ventures Limited for the year ended March 31, 2020

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Firefly e-ventures Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(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 authorizations of Management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For MRKS AND ASSOCIATES
Chartered Accountants
(ICAI Registration No. 023711N)

Saurabh Kuchhal
Partner
Membership No. 512362
Date: May 28, 2020
Place: New Delhi
UDIN: 20512362AAAAFT3959

Firefly e-Ventures 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) Income Tax Assets (Net)	3	1,117	1,069
	Total Non-current Assets		**1,117**	**1,069**
2)	**Current assets**			
	(a) Financial assets			
	(i) Cash and cash equivalents	4	9,423	10,080
	(ii) Loans	5	50	50
	(iii) Others financial assets	6	6,360	6,229
	(b) Other current assets	7	2,905	1,445
	Total current assets		**18,738**	**17,804**
	TOTAL ASSETS		**19,855**	**18,873**
II	**EQUITY AND LIABILITIES**			
1)	**Equity**			
	(a) Equity share capital	8	1,243	1,243
	(b) Other equity	9	(2,440)	(2,412)
	Total Equity		**(1,197)**	**(1,169)**
2)	**Liabilities**			
	Non-current liabilities			
	(a) Long-term provisions	10	6	6
	Total non-current liabilities		**6**	**6**
3)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables			
	(a) total outstanding due of micro, small and medium enterprises	11	-	-
	(b) total outstanding due other than (i)(a) above	11	1,310	775
	(ii) Other financial liabilities	11A	19,722	17,853
	(b) Short-term provisions	10	6	6
	(c) Other current liabilities	12	8	1,402
	Total Current liabilities		**21,046**	**20,036**
	Total Liabilities		**21,052**	**20,042**
	TOTAL EQUITY AND LABILITIES		**19,855**	**18,873**

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 Firefly e-Ventures Limited

For MRKS And Associates
Chartered Accountants
ICAI Firm Registration Number: 023711N

Saurabh Kuchhal
Partner
Membership No. 512362
UDIN : 20512362AAAAFT3959

Pervez Diniar Bajan
Director
(DIN: 07474238)

Anup Sharma
Director
(DIN: 08709461)

Place: New Delhi
Date: May 28, 2020

Firefly e-Ventures 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)	Other Income	13	2,046	503
	Total Income		**2,046**	**503**
II	**Expenses**			
a)	Employee benefits expense	14	396	179
b)	Finance costs	15	5	12
c)	Other expenses	16	1,673	580
	Total expenses		**2,074**	**771**
III	**Loss before tax (I-II)**		**(28)**	**(268)**
IV	Tax Expense relating to continuing operations	17		
	(1) Current tax		-	-
	(2) Deferred tax charge/(credit)		-	-
	Total tax expense		-	-
V	**Loss for the year after tax (III-IV)**		**(28)**	**(268)**
VI	**Earnings/(Loss) per equity share**			
	Basic (Nominal value of shares Rs. 10/-)	18	(0.23)	(2.15)
	Diluted (Nominal value of shares Rs. 10/-)	18	(0.23)	(2.15)

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 Firefly e-Ventures Limited

For MRKS And Associates
Chartered Accountants
ICAI Firm Registration Number: 023711N

Saurabh Kuchhal
Partner
Membership No. 512362
UDIN : 20512362AAAAFT3959

Pervez Diniar Bajan
Director
(DIN: 07474238)

Anup Sharma
Director
(DIN: 08709461)

Place: New Delhi
Date: May 28, 2020

Firefly e-Ventures Limited
Cash Flow Statement for the year ended March 31, 2020

(Rs. in '000)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Cash from operating activities:		
Loss before tax	**(28)**	**(268)**
Adjustments for:		
Employee stock compensation credits	-	(59)
Interest income from bank deposits	(478)	(503)
Unclaimed balances/unspent liabilities written back (net)	(1,563)	-
Working capital adjustments:		
Decrease in trade receivables	-	38
Increase current financial assets and other current assets	(1,591)	(7,600)
Increase in current financial liabilities and other current and non-current liabilities and provisions	2,573	6,404
Total cash from operations	**(1,087)**	**(1,988)**
Income tax paid	(48)	(313)
Net cash flows from operating activities (A)	**(1,135)**	**(2,301)**
Investing activities		
Interest received on deposits	478	503
Net cash flows used in investing activities (B)	**478**	**503**
Net increase in cash and cash equivalents (C= A+B)	**(657)**	**(1,798)**
Cash and cash equivalents at the beginning of the year	10,080	11,878
Cash and cash equivalents at year end	**9,423**	**10,080**
Component of cash and cash equivalent as at end of the year		
Balances with banks		
- on current accounts	423	580
- on deposit accounts	9,000	9,500
Cash and cash equivalents as per Cash Flow Statement	**9,423**	**10,080**

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 Firefly e-Ventures Limited

For MRKS And Associates
Chartered Accountants
ICAI Firm Registration Number: 023711N

Saurabh Kuchhal
Partner
Membership No. 512362
UDIN : 20512362AAAAFT3959

Pervez Diniar Bajan
Director
(DIN: 07474238)

Anup Sharma
Director
(DIN: 08709461)

Place: New Delhi
Date: May 28, 2020

Firefly e-Ventures Limited
Statement of changes in equity for the year ended March 31, 2020.

A. Equity Share Capital (refer note 8)

(Rs. in '000)

Particulars	No. of Shares	Amount
Equity Shares of Rs. 10 each issued, subscribed and fully paid up		
Balance as at March 31, 2018	**124,343**	**1,243**
Issued during the year	-	-
Balance as at March 31, 2019	**124,343**	**1,243**
Issued during the year	-	-
Balance as at March 31, 2020	**124,343**	**1,243**

B. Other Equity (refer Note 9)
Attributable to equity shareholders of Firefly e-Ventures Limited.

Particulars	Reserve & Surplus Retained earnings	Share Based Payment Reserve	(Rs. in '000) Total Amount
Balance as at March 31, 2018	**(2,761)**	**676**	**(2,085)**
Net loss for the year	(268)	-	(268)
Change during the year	-	(59)	(59)
Balance as at March 31, 2019	**(3,029)**	**617**	**(2,412)**
Net loss for the year	(28)	-	(28)
Balance as at March 31, 2020	**(3,057)**	**617**	**(2,440)**

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 Firefly e-Ventures Limited

For MRKS And Associates
Chartered Accountants
ICAI Firm Registration Number: 023711N

Saurabh Kuchhal
Partner
Membership No. 512362
UDIN : 20512362AAAAFT3959

Pervez Diniar Bajan
Director
(DIN: 07474238)

Anup Sharma
Director
(DIN: 08709461)

Place: New Delhi
Date: May 28, 2020

1. Corporate information

Firefly e-Ventures Limited ("FEVL" or "the Company") is a public company domiciled in India and is incorporated on June 11, 2007 under the provisions of the Companies Act applicable in India having investment through HT Digital Media Holdings Limited to carry on internet related business for providing educational services. The Company operates and runs internet business in the name of www.htcampus.com for providing educational services.

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

Information on related party relationship of the Company is provided in Note 25.

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 May 28, 2020.

2. Significant accounting policies

2.1 Basis 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 Standard) Rules, 2015 (as amended).

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') and all values are rounded off to the nearest thousand as per the requirement of Schedule III, unless otherwise stated .

2.2 Summary of significant accounting policies

a) Current versus non- current classification

The Company presents assets and liabilities in the balance sheet based on current/ 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 getting delivery orders and making delivery of required projects and its realisation in cash and cash equivalents. The Company has identified twelve 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 financial instruments 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 re-assessing 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

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.

GST is not received by the Company on its own account, rather, it is tax collected on value of the services by the service provider on behalf of the government. Accordingly, it is excluded from revenue.

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 is recognized when persuasive evidence of an arrangement exists, service has been rendered, the sales prices are fixed or determinable and collection is probable. Revenues associated with multiple element contracts are allocated based on the fair value of the services included in the contract.

Revenue from sale of Leads on www.htcampus.com is recognized at the time of delivery of the leads to the customer.

Revenue from online advertising on www.htcampus.com and www.mycollegesabroad.com by display of internet advertisements are typically contracted for a period of one month to twelve months. Revenue in this respect is recognized over the period of the contract, in accordance with the established principles of accrual accounting. Unearned revenues are reported on the balance sheet as deferred revenue.

The Company collects service tax/GST on behalf of the government and, therefore, it is not an economic benefits flowing to the Company. Hence, it is excluded from revenue.

Interest income

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

Interest income on bank deposit is recognised on time proportion basis taking into account on the amount outstanding & the applicable interest rate. Interest income is included under the head “Other income” in the statement of profit & 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 is 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 using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

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

Expenses and assets are recognised net of the amount of GST/ value added taxes 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 sales 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) Discontinued operations

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,

- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

g) Property, plant and equipment

The Company has applied for one time transition option of considering the carrying cost of Property, Plant and Equipment on the transition date i.e. April 1, 2015 as the deemed cost under Ind-AS.

Property, plant and equipment is 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 if the recognition criteria are met.

Cost comprises the purchase price, borrowing costs 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 is calculated on a straight-line basis over the economic useful lives of the assets as follows:

Type of asset	Useful lives estimated by management (Years)
Plant and Machinery	15-20
Computers (included in Plant and Machinery)	3
Office Equipment	3
Furniture and Fittings	8

Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013. 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.

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.

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.

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.

h) 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 amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

On transition to Ind-AS, the Company has elected to continue with the carrying value of all of its Intangible assets recognised as at April 1, 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the Intangible assets.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, 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 de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Website development costs

Costs incurred in the planning or conceptual development of the web site are expensed as incurred. Once the planning or conceptual development of a web site has been achieved, and the project has reached the application development stage, the Company capitalizes all costs related to web site application and infrastructure development including costs relating to the graphics and content development stages. Training and routine maintenance costs are expensed as incurred.

Internal Website Development Costs - Internal website development costs consist primarily of salaries of internal employees and consulting fees for developing software platforms, if any, for sale to or use by customers in Internet domain. capitalization of costs related to the development of software products, as all of the products are to be used as an integral part of a product or process to be sold or leased, such cost are capitalized. Once technological feasibility has been reached and development for the components of the products has been completed.

Website development costs are amortized over the estimated useful life of three years from the date of completion of website development on a straight line basis.

i) 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.

Company as a lessee

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.

j) 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.

k) 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.

l) 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

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

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 accumulated leave expected to be carried forward beyond twelve months, as long- term employee benefit for measurement purposes. Such long- term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent 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.

m) Financial instruments

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

Financial assets
Initial recognition and measurement

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

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

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

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

De-recognition

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, 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 11 and Ind-AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows ‘simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

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.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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. Upon consideration of the fact that there has been no material history of defaults, the company does not estimate any provision on its outstanding trade receivable.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head ‘other expenses' in the P&L. 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 payables, as appropriate.

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Loans and borrowings

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

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

De-recognition

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

Offsetting of financial instruments

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

n) 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 equivalents consist 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.

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) Measurement of EBITDA

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

q) Earnings Per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:

-the profit attributable to owners 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 adjust 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.

r) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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 judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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 judgement are as below:

Fair value measurement of financial instruments

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements 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 judgment is required in establishing fair values. Judgements include consideration 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.

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 judgement 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 17.

Share Based Payment

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 24.

Defined benefit plans (gratuity benefits)

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 20.

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.

Firefly e-Ventures Limited
Notes to financial statements for the year ended March 31, 2019.

Notes 3 : Income tax assets (net) **(Rs. in '000)**

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax assets (net)	1,117	1,069
Total	**1,117**	**1,069**

Notes 4 : Cash and cash equivalents **(Rs. in '000)**

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with banks :		
- On current accounts	423	580
- Deposits with original maturity of less than three months	9,000	9,500
Total	**9,423**	**10,080**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following: **(Rs. in '000)**

	As at March 31, 2020	As at March 31, 2019
Balance with banks :		
- On current accounts	423	580
- Deposits with original maturity of less than three months	9,000	9,500
Total	**9,423**	**10,080**

Notes 5 : Loans **(Rs. in '000)**

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposit	50	50
	50	**50**

Notes 6 : Other Financial Assets **(Rs. in '000)**

Particulars	As at March 31, 2020	As at March 31, 2019
Receivables from related parties (refer note 25A)	6,360	6,229
Total Other Financial Assets	**6,360**	**6,229**

Notes7 : Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019
	Rs.	**Rs.**
Advance to vendors	66	40
Balance with Government authorities	2,839	1,405
Total	**2,905**	**1,445**

Break up of financial assets carried at amortised cost

(Rs. in '000)

Particulars	March 31, 2020	March 31, 2019
Cash and cash equivalents (Note 4)	9,423	10,080
Loans (Note 5)	50	50
Other financial assets (Note 6)	6,360	6,229
Total	**15,833**	**16,359**

Firefly e-Ventures Limited
Notes to financial statements for the year ended March 31, 2020

Notes 8 : Share Capital

a) Autorised Share Capital
i) Equity Share Capital

Particulars	No. of Shares	(Rs in '000)
At 31 March 2018	**40,000,000**	**400,000**
Increase/(decrease) during the year	-	-
At 31 March 2019	**40,000,000**	**400,000**
Increase/(decrease) during the year	-	-
At 31 March 2020	**40,000,000**	**400,000**

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends 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.

ii) Instruments entirely equity in nature

0.1% Optionally Convertible Cumulative Preference Shares (OCCPS) of Rs 0.10 each

Particulars	No. of Shares	(Rs in '000)
At 31 March 2018	**2,000,000,000**	**200,000**
Changes during the period	-	-
At 31 March 2019	**2,000,000,000**	**200,000**
Changes during the period	-	-
At 31 March 2019	**2,000,000,000**	**200,000**

Terms of conversion/ redemption of OCCPS

OCCPS carry cumulative dividend @ 0.1% p.a. Each holder of OCCPS is entitled to one vote per share only on resolutions placed before the Company which directly effects the rights attached to OCCPS. Each holder of OCCPS can opt to redeem its preference shares or convert its preference shares into equity shares anytime during the period of 5 years from the date of issue at a pre-determined price.

Issued and subscribed capital

Equity share capital

Equity shares of INR 10 each issued, subscribed and fully paid	No. of Shares	(Rs in '000)
At 31 March 2018	**124,343**	**1,243**
Increase/(decrease) during the year	-	-
At 31 March 2019	**124,343**	**1,243**
Increase/(decrease) during the year	-	-
At 31 March 2020	**124,343**	**1,243**

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

Particulars	31st March, 2020		31st March, 2019	
	No. of shares	(Rs in '000)	No. of shares	(Rs in '000)
Shares outstanding at the beginning of the year	124,343	1,243	124,343	1,243
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**124,343**	**1,243**	**124,343**	**1,243**

Firefly e-Ventures 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 & Preference share issued by the company, share held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

(Rs.in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity share of Rs 10 each of fully paid:		
HT Digital Media Holdings Limited, the Holding Company		
1,24,337 Equity Share of Rs 10/- each (April 1, 2018- 1,24,337 equity shares of Rs 10/- each)	1,243	1,243
	1,243	**1,243**

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

Particulars	31st March, 2020		31st March, 2019	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of Rs 10 each fully paid up				
HT Digital Media Holdings Limited, Holding Company	124,337	99.99%	124,337	99.99%

As per records of the company, including its register of shareholders/member and other declaration received from the shareholders regarding beneficial interest, the above shareholding represnts both legal and beneficial ownership of shares .

Shares reserved for issue under options
For details of equity shares reserved for the issue under Employee Stock Options (ESOP) of the Company refer note 24.

Firefly e-Ventures Limited
Notes to financial statements for the year ended March 31, 2020

Notes 9 : Other Equity **(Rs. in '000)**

Particulars	As at March 31, 2020	As at March 31, 2019
Share based payment reserve	617	617
Retained earnings	(3,057)	(3,029)
Total	**(2,440)**	**(2,412)**

Share based payment reserve **(Rs. in '000)**

Particulars	Amount
At 31 March, 2018	**676**
Change during the year	(59)
At 31 March, 2019	**617**
Change during the year	-
At 31 March, 2020	**617**

Retained earnings **(Rs. in '000)**

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	(3,029)	(2,761)
Net loss for the year	(28)	(268)
Closing Balance	**(3,057)**	**(3,029)**

Firefly e-Ventures Limited
Notes to financial statements for the year ended March 31, 2020

Note 10 : 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 19)	6	6
Provision for gratuity (refer note 19)	6	6
Total Provisions	**12**	**12**
Current	**6**	**6**
Non- Current	**6**	**6**

Notes 11 : 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 20)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
'- payable to related parties (refer note 25A)	-	32
'- payable to others	1,310	743
Total	**1,310**	**775**
Current	**1,310**	**775**
Non- Current	**-**	**-**

Notes 11A : Other financial liabilities (Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Payables to related party (refer note 25A)	19,722	17,853
Total	**19,722**	**17,853**

Notes 12 : Other current liabilities (Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Customers and agents balances	-	1,396
Statutory dues	8	6
Total	**8**	**1,402**

Break up of financial liabilities carried at amortised cost

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables (Note 11)	1,310	775
Payables to related party (Note 11A)	19,722	17,853
Total financial liabilities carried at amortised cost	**21,032**	**18,628**

Firefly e-Ventures Limited
Notes to financial statements for the year ended March 31, 2020

Notes 13 : Other Income **(Rs. in '000)**

Particulars	As at March 31, 2020	As at March 31, 2019
Interest income on		
- Bank deposits	478	503
Unclaimed balances/unspent liabilities written back (net)	1,563	-
Miscellaneous income	5	-
Total for continuing operations	**2,046**	**503**

Notes 14 : Employee benefits expenses **(Rs. in '000)**

Particulars	As at March 31, 2020	As at March 31, 2019
Salaries, wages and bonus	363	260
Contribution to provident and other funds	29	11
Employee stock option scheme (refer note 24)	-	(59)
Gratuity expense (refer note 19)	-	(33)
Workmen and staff welfare expenses	4	-
Total Employee benefits expenses	**396**	**179**

Notes 15 : Finance costs **(Rs. in '000)**

Particulars	As at March 31, 2020	As at March 31, 2019
Bank charges	5	12
Total Finance Costs	**5**	**12**

Notes 16 : Other expenses **(Rs. in '000)**

Particulars	As at March 31, 2020	As at March 31, 2019
Advertising and sales promotion	701	-
Rates and taxes	58	221
Travelling and conveyance	104	31
Communication costs	7	20
Legal and professional fees	728	150
Payment to auditor (refer details below)	75	75
Miscellaneous expenses	-	83
Total Other Expenses	**1,673**	**580**

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

Particulars	As at March 31, 2020	As at March 31, 2019
As auditor :		
- Audit fee	75	75
- Tax audit fee	-	-
Total	**75**	**75**

Firefly e-Ventures Limited
Notes to financial statements for the year ended March 31, 2020

Note 17: 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	March 31, 2020	March 31, 2019
Current income tax	-	-
Deferred tax	-	-
Income tax expense reported in the statement of profit and loss	**-**	**-**

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

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Accounting profit before tax	(28)	(268)
Accounting profit before income tax	**(28)**	**(268)**
At India's statutory income tax rate of 26%	**(7)**	**(70)**
Effects of		
Unrecognised deferred tax (net for the year ended 31 March)	**7**	**70**

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:

(INR '000)

Particulars	March 31, 2020	March 31, 2019
Temporary differences arising on:		
Unabsorbed brought forward losses	-	-
Provision for defined benefit obligation	3	3
Impairment of doubtful debts and advances	-	-
Deferred tax Asset (net)	**3**	**3**

Deferred tax assets have not been recognised in respect of brought forward losses and other deductible temporary differences, as they may not be used to offset taxable profits, they have arisen as the Company has been loss making up to previous year, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

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

Firefly e-Ventures Limited
Notes to financial statements for the year ended March 31, 2020

Note 18 : Earnings per share (EPS)
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders 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 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 for number of shares)

Particulars	**March 31, 2020**	**March 31, 2019**
Loss attributable to equity holders	**(28)**	**(268)**
Weighted average number of Equity shares for basic and diluted EPS	**124,343**	**124,343**
Effect of dilution	-	-
Weighted average number of Equity shares adjusted for the effect of dilution	**124,343**	**124,343**
Earnings/ (loss) per share		
Basic EPS	(0.23)	(2.15)
Diluted EPS	(0.23)	(2.15)

Firefly e-Ventures Limited
Notes to financial statements for the year ended March 31, 2020.

Notes 19 : Gratuity

		(Rs. in '000)
Particulars	**As at March 31, 2020 (Rs. in '000)**	**As at March 31, 2019 (Rs. in '000)**
Gratuity	6	6
Leave Encashment	-	-
Total	**6**	**6**
Current	**-**	**0**
Non- Current	6	6

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

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

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

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

Present value of Obligation		**(Rs. in '000)**
Particulars	**March 31, 2020**	**March 31, 2019**
Opening Balance	6	39
Current Service Cost	-	(33)
Total	**6**	**6**

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

Particulars	**March 31, 2020 %**	**March 31, 2019 %**
Discount Rate	8.00%	8.00%
Salary Growth Rate	7.50%	7.50%
Withdrawal Rate		
Up to 30 years	3.00%	3.00%
31 - 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

India gratuity plan:

		(Rs. in '000)
Particulars	**March 31, 2020**	**March 31, 2019**
Defined Benefit Obligation (Base)	6	6

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

Particulars	**March 31, 2020**		**March 31, 2019**	
Assumptions	**1% decrease**	**1% increase**	**1% decrease**	**1% increase**
Discount Rate	9	(7)	9	(7)
Salary Growth Rate	(7)	9	(7)	9
Withdrawal Rate	0	0	0	0

The sensitivity analysis above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The following represents the maturity profile of Defined Benefit Obligations in future years:		**(Rs in '000)**
	March 31, 2020	**March 31, 2019**
Within the next 12 months (next annual reporting period)	0	0
Between 2 and 5 years	30	30
Between 6 and 10 years	-	-
Beyond 10 years	-	-
Total expected payments	**30**	**30**

Average duration of the defined benefit plan obligation

Particulars	**March 31, 2020**	**March 31, 2019**
Range of Duration	21 Year	21 Year

Defined Contribution Plan

Particulars	**March 31, 2020**	**March 31, 2019**
Contribution to provident and other funds		
Charged to statement of profit and loss	29	11

Compenstaed absences (unfunded)
The Company recognises the leave encashment expenses in the statement of profit and 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	**March 31, 2020**	**March 31, 2019**
Liability at the beginning of the year	6	11
Provided during the year	-	(5)
Liability at the end of the year	**6**	**6**

Firefly e-Ventures Limited
Notes to financial statements for the year ended March 31, 2020

Note 20. Details of dues to Micro, Small & Medium Enterprises as defined under the MSMED Act, 2006 are as follows:

Based upon the information available with the Company, the balance due to suppliers registered under “The Micro, Small and Medium Enterprises Development Act, 2006” as on March 31, 2020 is Rs. Nil (As at March 31, 2019: Rs. Nil). Further, no interest during the year has been paid or is payable under the terms of the Act.

Note 21 : Fair values

The management assessed that fair value of trade receivables, cash and cash equivalents, other bank balances, loans given (current), 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.

Note 22 : Segment Reporting

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

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

Note 23: Capital management

For the purpose of the companies capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the companies capital management is to maximise 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.

Firefly e-Ventures Limited
Notes to financial statements for the year ended March 31, 2020

Note 24 : Share-based payments

The Company provides share-based payment schemes to its employees, during the year ended 31st March 2020 an employee stock option plan (ESOP) was in existence.
The scheme detailed below is managed and administered, compensation benefits in respect of the scheme is assessed and accounted by the Company in accordance with Ind AS 102 (Share based payments).

The relevant details of the scheme and the grant are as below.

A. Details of Options granted as on March 31, 2020 are given below:

Type of Arrangment	Date of Grant	Number of options granted	Fair Value on the date of Grant (In Rs)	Vesting conditions	Weighted average remaining contractual life (in years)	Method of Settlement
Employee Stock Option (Plan A)	Friday, October 16, 2009	9,869,800	4.82	25% - 12 Month from the date of Grant, 25% - 24 Month from the date of Grant, 25% - 36 Month from the date of Grant, 25% - 48 Month from the date of Grant.	3.55	Equity

B-1. Summary of activity under the plans is given below : - Plan A

	31-Mar-20		31-Mar-19	
	Number of options	Weighted Average Exercise Price(Rs.)	Number of options	Weighted Average Exercise Price(Rs.)
Outstanding at the beginning of the year	6,168,025	10.00	6,760,249	10.00
Granted during the year	-	-	-	0
Forfeited during the year	-	-	592,224	10.00
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	0
Outstanding at the end of the period	6,168,025	10.00	6,168,025	10.00
Exercisable at the end of the period	6,168,025	10.00	6,168,025	10.00
Weighted average remaining contractual life (in years)	3.55		4.55	

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

Options granted are exercisable for a maximum period of 14 years after the scheduled vesting date as per the Scheme.

The Company has availed exemption under Ind-AS 101 in respect of Share-based payments that had been vested before the transition date. FEVL has elected to avail this exemption and accordingly, vested options have been measured at intrinsic value .

The employee compensation cost (accounting charge for the year) calculated using the intrinsic value of stock options is INR Nil (March 31, 2019: INR Nil)

Firefly e-Ventures Limited
Notes to financial statements for the year ended March 31, 2020

Note 25: Related party transactions

i) List of Related Parties and Relationships:-

Name of related parties where control exists (whether or not transactions have occurred during the year)	HT Media Limited (Ultimate Holding Company)
	The Hindustan Times Limited #
	HT Digital Media Holdings Limited (Holding Company)
	Earthstone Holding (Two) Private Limited (Ultimate controlling party is the Promoter Group)

The Hindustan Times Limited (HTL) does not hold any direct investment in the Company. However, HTL's subsidiary HT Media Limited holds is the Holding Company of HT Digital Media Holdings Limited.

ii) Transactions with related parties
Refer Note 25A

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.

iv) Transaction with key management personnel or their relatives
No transactions have occurred during the year.

Firefly e-Ventures Limited
Notes to financial statements for the year ended March 31, 2020

Note 25A : Related party transactions

(Rs in '000)

Particulars	**Ultimate Holding Company**		**Holding Company**		**Fellow Subsidiaries**				**Total**	
	HT Media Ltd.		**HT Digital Media Holdings Limited**		**Digicontent Limited**		**HT Mobile Solutions Limited**			
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
OTHERS										
Reimbursement of expenses incurred on behalf of the parties by company	3,818	1,673	-	-	-	3,743	-	6,922	3,818	12,338
Balance outstanding										
Trade and other payables	-	32	-	-	-	-	19,722	17,853	19,722	17,885
Trade and other receivables	6,360	1,887	-	-	-	4,342	-	-	6,360	6,229

(This space has intentionally been left blank)

Firefly e-Ventures Limited
Notes to financial statements for the year ended March 31, 2020

Note 26: Financial risk management objectives and policies

The companies principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the companies operations. The companies principal financial assets include loans, 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 other price risk, such as equity price risk and commodity risk.

This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019.

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 Company do not have any foireign currency receivable and payables as on March 31, 2020 and March 31, 2019.

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 and from its financing activities, including deposits with banks.

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)

	Within 1 year	More than 1 years	Total
Year ended			
31-Mar-20			
Trade and other payables (refer note 11)	1,310	-	1,310
Other financial liabilities (refer note 11A)	19,722	-	19,722
Year ended			
31-Mar-19			
Trade and other payables (refer note 11)	775	-	775
Other financial liabilities (refer note 11A)	17,853	-	17,853

Note 26A: 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)

The Board of Directors of FEVL, HTDH, HTEL, HTLC, IESPL, TMEL ("transferor Companies") and HTMSL (transferee Company), at their meeting held on March 18, 2020, has approved a Scheme of amalgamation under section 230-232 read with section 66 and other applicable provisions of the Companies Act, 2013. The Scheme provides for the amalgamation of all the transferor Companies with the transferee Company, with effect from the appointed date, i.e, April 1, 2020, at a consideration to be discharged by the transferor Company by way of issue and allottment of its equity shares to the shareholders of the transferor Companies (except where the Shareholder itself is the transferor Company being amalgamated with the transferee Company). The scheme is subject to the approval of the Hon'ble NCLT, New Delhi Branch, The Companies are in the process of filing the Scheme with the Hon'ble NCLT, New Delhi Branch . The scheme shall come into effect from the Appointed date or such other appointed date as may be approved by the Hon'ble NCLT, but shall be made operative from the effective date (i.e, the date on which the NCLT approved scheme is filed with the Registrar of Companies by the transferee Company and all the transferor Companies). Pending the approval of the Scheme by the Hon'ble NCLT, New Delhi Branch, the impact of the Scheme has not been considered by the transferor and transferee Companies.

Firefly e-Ventures Limited
Notes to financial statements for the year ended March 31, 2020

Note 27: 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 28: 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 and on behalf of the Board of Directors of Firefly e-Ventures Limited

For MRKS And Associates
Chartered Accountants
ICAI Firm Registration Number: 023711N

Saurabh Kuchhal	**Pervez Diniar Bajan**	**Anup Sharma**
Partner	Director	Director
Membership No. 512362	(DIN: 07474238)	(DIN: 08709461)
UDIN : 20512362AAAAFT3959		

Place: New Delhi
Date: May 28, 2020