

INDEPENDENT AUDITOR'S REPORT

To the Members of HT Mobile Solutions Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of HT Mobile Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account ;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (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 which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. As per books of account of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period



S.R. BATLIBOI & Co. LLP

Chartered Accountants

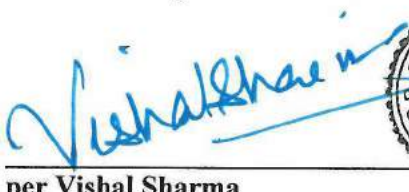

Other Matter

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounts) Rules, 2014 (as amended) audited by the predecessor auditor whose report for the year ended March 31, 2016 and March 31, 2015 dated 09th May, 2016 and 12th May, 2015 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Vishal Sharma**

Partner

Membership Number: 096766

Place of Signature: Gurgaon

Date: May 16, 2017

Annexure 1 referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: HT Mobile Solutions Limited ('the Company')

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i)(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (i)(c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, cess, duty of customs and other statutory dues applicable to it. The provisions relating to employees' state insurance, sales-tax, duty of excise, value added tax are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, cess, duty of customs and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, sales-tax, duty of excise, value added tax are not applicable to the Company.
- (vii)(c) According to the information and explanations given to us, there are no dues of provident fund, income tax, service tax, cess and duty of customs which have not been deposited on account of any dispute. The provisions relating to employees' state insurance, sales-tax, duty of excise, value added tax are not applicable to the Company.



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- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Vishal Sharma**

Partner

Membership Number: 096766

Place of Signature: Gurgaon

Date: May 16, 2017



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HT MOBILE SOLUTIONS LIMITED

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 HT Mobile Solutions Limited ("the Company") as of March 31, 2017 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 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



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(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, 2017, 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 **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Vishal Sharma**

Partner

Membership Number: 096766

Place of Signature: Gurgaon

Date: May 16, 2017



HT Mobile Solutions Limited
Balance sheet as at March 31, 2017

Particulars	Notes	As at March 31, 2017 (Rs. in '000)	As at March 31, 2016 (Rs. in '000)	As at April 1, 2015 (Rs. in '000)
I ASSETS				
1) Non-current assets				
(a) Property, plant and equipment	3	3,307	5,866	4,805
(b) Intangible assets	4	10,613	15,301	11,157
(c) Financial assets				
(i) Loans	5A	2,789	6,021	5,096
(ii) Other financial assets	5B	1,500	1,500	1,500
(d) Income tax assets (Net)	6	57,574	37,968	29,166
Total Non-current Assets		75,783	66,656	51,724
2) Current assets				
(a) Financial assets				
(i) Trade receivables	7A	140,361	146,849	100,479
(ii) Cash and cash equivalents	7B	33,487	107,180	42,607
(iii) Loans	5A	2,940	1,136	81
(iv) Other financial assets	5B	14,923	38,937	22,976
(b) Other current assets	8	40,282	37,445	46,742
Total Current assets		231,993	331,547	212,885
Total Assets		307,776	398,203	264,609
II EQUITY AND LIABILITIES				
1) Equity				
(a) Equity share capital	9	291,753	231,753	231,753
(b) Instruments entirely equity in nature	9	300	300	-
(c) Other equity	10	(113,464)	(3,547)	(77,327)
Total equity		178,589	228,506	154,426
2) Liabilities				
Non-current liabilities				
(a) Provisions	12	3,687	5,089	3,514
Total Non-current Liabilities		3,687	5,089	3,514
Current liabilities				
(a) Financial liabilities				
(i) Trade Payables	11	112,046	152,089	98,517
(b) Provisions	12	1,184	126	92
(c) Other current liabilities	13	12,270	12,393	7,760
Total current liabilities		125,500	164,608	106,669
Total liabilities		129,187	169,697	110,183
Total Equity and liabilities		307,776	398,203	264,609


Summary of significant accounting policies 2.1

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

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/ E300005

Vishal Sharma
per Vishal Sharma
Partner
Membership No. 96766



Karamjit Singh
Karamjit Singh
Company Secretary

Benoy Roychowdhury
Benoy Roychowdhury
Director
(DIN: 00816822)

Rajiv Verma
Rajiv Verma
Director
(DIN: 00017110)

Place: Gurgaon
Date: May 16, 2017

Place: New Delhi
Date: May 16, 2017

HT Mobile Solutions Limited
Statement of Profit and Loss for the year ended March 31, 2017


Particulars	Notes	Year ended March 31, 2017 (Rs. in '000)	Year ended March 31, 2016 (Rs. in '000)
I Income			
a) Revenue from operations	15	415,598	549,626
b) Other Income	16	4,641	4,139
Total Income		420,239	553,765
II Expenses			
a) Employee benefits expense	17	141,842	142,052
b) Finance costs	18	214	215
c) Depreciation and amortization expense	19	7,517	10,188
d) Other expenses	20	347,845	386,610
Total expenses		497,417	539,065
III Profit/ (loss) before tax (I-II)		(77,179)	14,700
IV Tax expense:			
Current tax	14	-	-
Total tax expense		-	-
V Profit/ (Loss) after tax (III-V)		(77,179)	14,700
VI OTHER COMPREHENSIVE INCOME			
<u>Items that will not be reclassified to profit or loss</u>			
- Remeasurement gain/(loss) of the defined benefit plans	21	454	165
- Income tax effect		-	-
Other comprehensive income for the year, net of tax		454	165
VII Total Comprehensive Income for the year, net of tax (VI+VII)		(76,725)	14,865
VIII Earnings/ (loss) per equity share			
Basic (Nominal value of shares Rs. 10/-)	22	(2.74)	0.63
Diluted (Nominal value of shares Rs. 10/-)	22	(2.74)	0.56

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

Vishal Sharma
per Vishal Sharma
Partner
Membership No. 96766



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

Karamjit Singh
Karamjit Singh
Company Secretary

Benoy Roychowdhury
Benoy Roychowdhury
Director
(DIN: 00816822)

Rajiv Verma
Rajiv Verma
Director
(DIN: 00017110)

Place: Gurgaon
Date: May 16, 2017

Place: New Delhi
Date: May 16, 2017

HT Mobile Solutions Limited
Cash Flow Statement for the year ended March 31, 2017

Particulars	Notes	March 31, 2017 (Rs. in '000)	March 31, 2016 (Rs. in '000)
Cash from operating activities			
Profit before tax		(77,179)	14,700
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation and amortization	19	7,517	10,188
Employee stock option scheme expense	17	(3,192)	(785)
Loss/ (Gain) on disposal of property, plant and equipment	20	101	(4)
Interest Income from investments and others	16	(4,257)	(3,614)
Bad debts written off/ Impairment for doubtful debts and advances	20	10,119	8,174
Operating profit before working capital changes		(66,891)	28,659
<i>Working capital adjustments:</i>			
(Increase)/Decrease in trade receivables	7A	(3,630)	(54,544)
(Increase)/Decrease in loans & advances	5A, 5B	1,429	(1,981)
(Increase)/Decrease in other current and non-current assets	6,8	(2,837)	9,297
(Increase)/Decrease in other current and non-current financial assets	5B	22,876	(15,007)
Increase/ (Decrease) in trade payables	11	(40,044)	53,272
Increase/ (Decrease) in other liabilities	13	(123)	4,633
Increase/ (Decrease) in provisions	12	111	1,773
Total cash from operations		(89,110)	26,103
Income tax paid	6	(19,607)	(8,802)
Net cash flows from operating activities (A)		(1,08,717)	17,301
Investing activities			
Proceeds from sale of property, plant and equipment	3	39	43
Purchase of property, plant and equipment	4	(410)	(15,431)
Interest received	5B	5,395	2,660
Net cash flows used in investing activities (B)		5,024	(12,728)
Financing activities			
Proceeds from issue of preference shares including security premium	9	-	30,000
Proceeds from issue of equity shares	9	30,000	-
Proceeds from share application money for equity shares	10	-	30,000
Net cash flows from/(used in) financing activities (C)		30,000	60,000
Net increase in cash and cash equivalents (D= A+B+C)		(73,693)	64,574
Cash and cash equivalents at the beginning of the year (E)	7B	1,07,180	42,607
Cash and cash equivalents at year end (D+E)		33,487	1,07,180



Particulars	Notes	March 31, 2017 (Rs. in '000)	March 31, 2016 (Rs. in '000)
Component of cash and cash equivalent as at end of the year			
Balances with banks			
- on current accounts		33,487	3,180
- on deposit accounts		-	104,000
Cash and cash equivalents as per Cash Flow Statement		33,487	107,180

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

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/ E300005

per Vishal Sharma
Partner
Membership No. 96766



Karamjit Singh
Karamjit Singh
Company Secretary

Benoy Roychowdhury
Benoy Roychowdhury
Director
(DIN: 00816822)

Rajiv Verma
Rajiv Verma
Director
(DIN: 00017110)

Place: Gurgaon
Date: May 16, 2017

Place: New Delhi
Date: May 16, 2017

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IT Mobile Solutions Limited
Statement of change in equity as on March 31, 2017

A. EQUITY SHARE CAPITAL (Refer Note 9)

Particulars	Equity share Capital Number	(Rs. in '000)
Balance as at April 1, 2015	231,753	231,753
Change during the year	-	-
Balance as at March 31, 2016	231,753	231,753
Change during the year	60,000	60,000
Balance as at March 31, 2017	291,753	291,753

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE (Refer Note 9)

Optionally Convertible Cumulative Preference Shares of Rs 0.10 each issued, subscribed and fully paid up

Particulars	Preference Shares Capital Number	(Rs. in '000)
Balance as at April 1, 2015	-	-
Change during the year	300	300
Balance as at March 31, 2016	300	300
Change during the year	-	-
Balance as at March 31, 2017	300	300

C. OTHER EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (Refer Note 10)

Particulars	Securities premium reserve	Reserve & Surplus	Retained earnings	Share based payment reserve	Share application money pending for allotment	Total (Rs. in '000)
Balance as at April 1, 2015	460	29,700	(82,449)	4,662	-	(77,327)
Change during the year	-	14,700	1,65	818	30,000	75,218
Other comprehensive income	-	-	165	-	-	165
Transferred to general reserve on option lapsed (refer Note 25)	-	34	-	-	-	34
Balance as at March 31, 2016	30,160	44,500	(80,784)	5,480	30,000	(5,547)
Change during the year	-	(77,179)	4,54	3,192	(30,000)	(103,987)
Other comprehensive income	-	-	4,54	-	-	454
Balance as at March 31, 2017	30,160	(32,679)	(76,240)	8,672	-	(111,464)

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

For S.R. Batliboi & Co. LLP
Chartered Accountants

Firm Registration No. 30/0063E/E300005



per Vishal Sharma
Partner
Membership No. 90766

Place: Gurgaon
Date: May 16, 2017

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

Karanjit Singh
Karanjit Singh
Company Secretary

Rajiv Verma
Rajiv Verma
Director
(DIN: 00017110)

Benoy Roychowdhury
Benoy Roychowdhury
Director
(DIN: 00010822)

Place: New Delhi
Date: May 16, 2017

1. Corporate information

HT Mobile Solutions Limited (“The Company”) is a public company domiciled in India and is incorporated on February 19, 2009 under the provisions of the Companies Act applicable in India having investment through HT Digital Media Holdings Limited to carry out mobile marketing, social media marketing, advertising, mobile CRM and loyalty campaigns, mobile music content and ring tones and integrates with other media campaigns and strategies.

The registered office of the Company is located at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi -110088.

Information on related party relationship of the Company is provided in Note 28.

The financial statements of the Company for the year ended 31st March, 2017 were authorised for issue in accordance with a resolution of the Board of Directors on May 16, 2017.

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).

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 ‘Indian GAAP’. These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind-AS. Refer to Note 32 on information on how the Company has adopted Ind-AS.

The accounting policies are applied consistently to all the periods presented in the financial statements. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind-AS Balance Sheet as at April 1, 2015 being the date of transition to Ind-AS.

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)

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand as per the requirement of Schedule III, unless otherwise stated.

The standalone financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency.



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 the display of advertisement on website and delivery of content and their realization in cash and cash equivalent. The Company has identified 12 months as its operating cycle.

b) Foreign currencies

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

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

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

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

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



c) Fair value measurement

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

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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



d) Revenue recognition

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

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

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

Revenue from services

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

Revenue from SMS pushes/voice calls

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

Revenue from Content

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

Revenue from Social Media

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

Interest income

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

e) Taxes

Current income tax

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

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

Current income tax assets and liabilities are measured at the amount expected to be recovered from



or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of deferred tax assets to be utilized. 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.

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

Expenses and assets are recognised net of the amount of sales/ value added taxes 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) 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 and Capital Work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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

Recognition:

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

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

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

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

Type of asset	Useful lives estimated by management (Years)
General plant and machinery	5
Laptops	3
Leasehold improvements	are amortized over the lease period

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.

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

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

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



g) Intangible assets

Intangible assets comprise of software licences & Non-compete fees. Intangible assets acquired separately are measured on initial recognition at cost. 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.

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.

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

- Internal software 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 mobile marketing and advertising campaigns. 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, are capitalized once technological feasibility has been reached and all development for the components of the product have been completed. The costs are amortized on a straight line basis over the estimated useful life of the related product,
- **Non- compete fees** – Non- compete fees paid at the time of acquisition of business are amortized over the period of agreement of non-compete fees.
- Software licenses acquired from the holding company, which are estimated to have lower residual lives than that envisaged above, are amortised over such estimated lower residual lives.



h) Provisions

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

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

i) Impairment of non-financial assets

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

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

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

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

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



carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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

j) Retirement and other employee benefits

Short term employee benefits and defined contribution plans:

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

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

Gratuity

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

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

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

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring cost

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

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income



Compensated Absences

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

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

k) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

- 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.

Derecognition

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

- The rights to receive cash flows from the asset have expired, or



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

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

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

Impairment of financial assets

In accordance with INDAS 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. 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; and
- All lease receivables resulting from transactions within the scope of IND AS 17

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

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

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

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.

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, payables or as appropriate.

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below: Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.



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

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.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of INDAS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in INDAS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

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.

1) Leases

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

Company as a lessee

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers



substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

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

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

Leasehold improvements represent expenses incurred towards civil works, interiors furnishings, etc. on the leased premises at various locations.

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

m) Cash and cash equivalents

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

n) 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.

o) Earnings Per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:

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

Diluted earnings per share

Diluted earnings per share 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.

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.



HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2017

Significant accounting judgements, 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. 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:

Assessment of lease contracts

Significant judgement is required to apply lease accounting rules under Appendix C to INDAS 17: determining whether an Arrangement contains a Lease. In assessing the applicability to arrangements entered into by the Company, management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to INDAS 17.

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.

Share Based Payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 25.



Defined benefit plans (gratuity benefits)

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

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

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

Impairment of financial assets

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

Impairment of non financial assets

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



HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2017

Note 3 : Property, Plant and Equipment

(Rs. in '000)

Particulars	Improvement to Leasehold Premises	Plant and Machinery	Furniture and Fixtures	Total
Cost or Valuation				
Deemed cost as at April 01, 2015	443	4,345	17	4,805
Additions	29	4,800	-	4,829
Disposals/ Adjustments	-	120	-	120
As at March 31, 2016	472	9,025	17	9,514
Additions	-	410	-	410
Disposals/ Adjustments	-	316	-	316
As at March 31, 2017	472	9,119	17	9,608
Depreciation				
As at April 01, 2015	-	-	-	-
Charge for the year	442	3,287	2	3,730
Disposals	-	82	-	82
As at March 31, 2016	442	3,205	2	3,649
Charge for the year	4	2,823	2	2,828
Disposals	-	176	-	176
As at March 31, 2017	445	5,852	4	6,301
Net Block				
As at March 31, 2017	27	3,268	13	3,307
As at March 31, 2016	30	5,820	15	5,866
As at April 01, 2015	443	4,345	17	4,805

Net Book Value	March 31,2017	March 31,2016	April 1,2015
Improvement to Leasehold Premises	27	30	443
Plant and Machinery	3,268	5,820	4,345
Furniture and Fixtures	13	15	17
Total	3,308	5,866	4,805

(I) 'Ind AS 101 Exemption : The Company has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried forward at the amount as determined under the Indian GAAP. Regarding the application of deemed cost, the Company has disclosed the cost as at April 01, 2015 net of accumulated depreciation. However, information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follows :

Particulars	Gross Block as at April 01, 2015	Accumulated depreciation as at April 01, 2015	Net Block as at April 01, 2015
Improvement to Leasehold Premises	1,212	769	443
Plant and Machinery	18,305	13,960	4,345
Furniture and Fixtures	397	380	17
Total	19,914	15,109	4,805



HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2017

Note 4 : Intangible Assets

Particulars	(Rs. in '000)		
	Software Licenses	Non Compete fees	Total
Cost or Valuation			
Deemed cost as at April 01, 2015	9,766	1,391	11,157
Additions	10,602	-	10,602
Disposals/ Adjustments	-	-	-
As at March 31, 2016	20,368	1,391	21,759
Additions	-	-	-
Disposals/ Adjustments	-	-	-
As at March 31, 2017	20,368	1,391	21,759
Amortization			
As at April 01, 2015	-	-	-
Charge for the year	5,071	1,387	6,458
As at March 31, 2016	5,071	1,387	6,458
Charge for the year	4,688	-	4,688
As at March 31, 2017	9,759	1,387	11,146
Net Block			
As at March 31, 2017	10,609	4	10,613
As at March 31, 2016	15,297	4	15,301
As at April 01, 2015	9,766	1,391	11,157

(I) 'Ind AS 101 Exemption : The Company has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried forwarded at the amount as determined under the Indian GAAP. Regarding the application of deemed cost, the Company has disclosed the cost as at April 01, 2015 net of accumulated depreciation. However, information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follows :

Particulars	(Rs. in '000)		
	Gross Block As at April 01, 2015	Accumulated depreciation As at April 01, 2015	Net Block As at April 01, 2015
Software Licenses	25,690	15,924	9,766
Non Compete fees	6,043	4,652	1,391
Total	31,733	20,576	11,157

(II) Capitalisation of expenditure

During the year ended March 31, 2016 the Company had capitalised Salary, wages and bonus (payroll cost) amounting to Rs 9,139 thousands under intangible asset under development. Consequently expenses disclosed under note 17 is net of aforesaid amount.



HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2017

Particulars	(Rs. in '000)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 5A : Loans			
Unsecured considered good at amortised cost			
Security Deposit	5,729	7,157	5,177
Total Loans	5,729	7,157	5,177
Current	2,940	1,136	81
Non - Current	2,789	6,021	5,096

Particulars	(Rs. in '000)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 5B : Other Financial Assets			
Other financial assets (at amortised cost)			
Balance with Banks :			
- Margin money (held as security)*	1,500	1,500	1,500
Interest accrued on fixed deposits	54	1,192	238
Unbilled revenue**	14,869	37,745	22,738
Total Other Financial Assets	16,423	40,437	24,476
Current	14,923	38,937	22,976
Non - Current	1,500	1,500	1,500
Total Financial Assets	22,152	47,594	29,653
Current	17,863	40,073	23,057
Non - Current	4,289	7,521	6,596

* Represents deposit receipts pledged with banks and held as margin money of Rs 1,500 thousand (March 31, 2016 Rs. 1,500 thousand & April 01, 2015 Rs. 1,500 thousand)

** Represents receivable on account of services rendered but not billed as per the terms of agreement with the customers.

Particulars	(Rs. in '000)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 6 : Income tax assets (Net)			
Income tax assets (net)	57,574	37,968	29,166
Current	-	-	-
Non-Current	57,574	37,968	29,166

Particulars	(Rs. in '000)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 7A : Trade Receivables			
Trade receivables	83,287	1,10,780	1,00,450
Receivables from related parties (Note 28A)	57,074	36,069	29
Total Trade Receivables	1,40,361	1,46,849	1,00,479

Particulars	(Rs. in '000)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Receivables			
Secured, considered good	-	-	-
Unsecured, considered good	1,40,361	1,46,849	1,00,479
Unsecured, considered doubtful	15,751	13,156	6,750
	1,56,111	1,60,005	1,07,229
Impairment of unsecured doubtful debts	15,751	13,156	6,750
Total Trade Receivables	1,40,361	1,46,849	1,00,479

No trade receivable is due from directors or other officers of the company either severally or jointly with any other person. For details of amount due from other Related Parties refer Note 28. For terms and conditions relating to related party receivables, refer Note 28. Trade receivables are non-interest bearing and are generally credit period generally falls in range of 0 to 90 days.

Particulars	(Rs. in '000)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 7B : Cash and cash equivalents			
Balance with banks :			
- On current accounts	33,487	3,180	9,607
- Deposits with original maturity of less than three months	-	1,04,000	33,000
Total	33,487	1,07,180	42,607

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

Particulars	(Rs. in '000)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 8 : Other current assets			
Prepaid expenses	2,220	1,620	1,492
Advances to vendors	24,950	33,816	45,030
Balance with government authorities	13,112	2,009	220
Total	40,282	37,445	46,742

Break up of financial assets carried at amortised cost

Particulars	(Rs. in '000)		
	As at March 31, 2017 (Rs. in '000)	As at March 31, 2016 (Rs. in '000)	As at April 1, 2015 (Rs. in '000)
Trade receivables (Note 7A)	1,40,361	1,46,849	1,00,479
Cash and cash equivalents (Note 7B)	33,487	1,07,180	42,607
Loans (Note 5A)	5,729	7,157	5,177
Other financial assets (Note 5B)	16,423	40,437	24,476
Total financial assets carried at amortised cost	1,96,000	3,01,623	1,72,739



HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2017

Note 9 : Share Capital

Authorized Share Capital

(A) Equity Share Capital

Particulars	No. of shares	(Rs. in '000)
At April 1, 2015	2,95,00,000	2,95,000
Increase/(decrease) during the year	(5,00,000)	(5,000)
At March 31, 2016	2,90,00,000	2,90,000
Increase/(decrease) during the year	1,20,00,000	1,20,000
At March 31, 2017	4,10,00,000	4,10,000

During the year ended March 31, 2016, pursuant to the resolution passed at meeting of the shareholders of the Company, the existing authorised share capital of the Company being INR 2,95,000.00 thousands, comprising of 29,500.00 thousands equity shares of INR 10.00 each, had been reclassified as 29,000.00 thousand equity shares of INR 10.00 each (aggregating to INR 295,000.00 thousands) and 50,000.00 thousand optionally convertible cumulative preference shares of INR 0.10 each (aggregating to INR 5,000.00 thousands).

During the year ended March 31, 2017 the authorised equity share capital was increased by Rs. 1,20,00,000 (in '000) i.e. 1,20,00,000 equity shares of Rs. 10 each

Terms/ rights attached to equity shares

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

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

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

Particulars	No. of shares	(Rs. in '000)
At April 1, 2015	-	-
Increase/(decrease) during the year	5,00,00,000	5,000
At March 31, 2016	5,00,00,000	5,000
Increase/(decrease) during the year	-	-
At March 31, 2017	5,00,00,000	5,000

Terms/ rights attached to Preference shares

Each convertible preference share has a par value of Rs 0.10 and is redeemable at a pre determined price or convertible at the option of the shareholders into the Equity shares of the company anytime within the 3 years from the date of issue/ allotment at a predetermined price on the basis of one equity share for every one preference share held. Each holder of OCCPS is entitled to one vote per share only on resolutions placed before the Company which directly effects the rights attached to OCCPS.

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

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

Issued and Subscribed Capital

(A) Equity shares capital

Particulars	No. of shares	(Rs. in '000)
Equity shares of Rs. 10 each issued, subscribed & fully paid	2,31,75,347	2,31,753
Balance as at April 1, 2015	-	-
Equity shares issued during the year	2,31,75,347	2,31,753
Balance as at March 31, 2016	-	-
	2,31,75,347	2,31,753



Equity shares issued during the year	60,00,000	60,000
Balance as at March 31, 2017	2,91,75,347	2,91,753

HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2017

(B) Instruments entirely equity in nature

Optionally Convertible Cumulative Preference Shares (OCCPS) of Rs. 0.10 each issued & fully paid up	No. of shares	(Rs. in '000)
At April 1, 2015	-	-
Changes during the period	30,00,000	300
At March 31, 2016	30,00,000	300
Changes during the period	-	-
At March 31, 2017	30,00,000	300

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

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	Amount (Rs. in '000)	No. of shares	Amount (Rs. in '000)	No. of shares	Amount (Rs. in '000)
Shares outstanding at the beginning of the year	2,31,75,347	2,31,753	2,31,75,347	2,31,753	2,31,75,347	2,31,753
Shares issued during the year	60,00,000	60,000	-	-	-	-
Shares outstanding at the end of the year	2,91,75,347	2,91,753	2,31,75,347	2,31,753	2,31,75,347	2,31,753

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

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	Amount (Rs. in '000)	No. of shares	Amount (Rs. in '000)	No. of shares	Amount (Rs. in '000)
Shares outstanding at the beginning of the year	30,00,000	300	-	-	-	-
Shares issued during the year	-	-	30,00,000	300	-	-
Shares outstanding at the end of the year	30,00,000	300	30,00,000	300	-	-



HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2017

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

Particulars	March 31, 2017 (Rs. in '000)	March 31, 2016 (Rs. in '000)	April 1, 2015 (Rs. in '000)
Equity Shares of Rs. 10 each of fully paid:			
HT Digital Media Holdings Limited	2,88,786	2,28,786	2,28,786
2,88,78,571 (March 31, 2016 - 2,28,78,571, April 01, 2015 - 2,28,78,571) equity shares of Rs. 10 each fully paid			
Optionally convertible cumulative preference shares of Re. 0.10 each fully paid up			
HT Media Limited, Ultimate Holding Company	300	300	-
30,00,000 (March 31, 2016 - 30,00,000, April 01, 2015 - Nil) preference shares of Rs. 0.10 each fully paid			

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

Particulars	March 31, 2017 No. of shares	% holding in the No in class	March 31, 2016 No. of shares	% holding in the No in class	April 1, 2015 No. of shares	% holding in the No in class
Equity Shares with voting rights:						
HT Digital Media Holdings Limited	2,88,78,571	98.98%	2,28,78,571	98.72%	2,28,78,571	98.72%
28,878,571 (March 31, 2016 - 22,878,571, April 01, 2015 - 22,878,571) equity shares of Rs. 10 each fully paid						
Optionally convertible cumulative preference shares of Re. 0.10 each fully paid up						
HT Media Limited, Ultimate Holding Company	30,00,000	100.00%	30,00,000	100.00%	-	0.00%
3,000,000 (March 31, 2016 - 3,000,000, April 01, 2015 - Nil) preference shares of Rs 0.10 each fully paid						

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

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

Particulars	March 31, 2017 No. of shares	March 31, 2016 No. of shares	April 1, 2015 No. of shares
Equity shares with voting rights allotted as fully paid-up pursuant to contracts for consideration other than cash	2,96,776	2,96,776	2,96,776

Shares reserved for issue under options

For details of equity shares reserved for the issue under Employee Stock Options (ESOP) of the Company refer note 25.



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HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2017

Note 10 : Other Equity

Particulars	(Rs. in '000)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Security Premium	30,160	30,160	460
Retained Earnings	(1,44,275)	(67,550)	(82,449)
Share based payment reserve	652	3,844	4,662
Share application money pending for allotment	-	30,000	-
Total	(1,13,464)	(3,547)	(77,327)

Share Premium

Particulars	(Rs. in '000)
At April 1, 2015	460
Add : OCCPS 3,000,000 shares issued at a Premium @ Rs. 9.9 per share	29,700
At March 31, 2016	30,160
Change during the year	-
At March 31, 2017	30,160

Retained Earnings

Particulars	(Rs. in '000)		
	Retained earnings	General reserves	Total
At April 1, 2015	(82,449)	-	(82,449)
Net Profit for the year	14,700	-	14,700
Add: Other comprehensive income	165	-	165
Add: Transferred to general reserve on options lapsed	-	34	34
At March 31, 2016	(67,584)	34	(67,550)
Net loss for the year	(77,179)	-	(77,179)
Add: Other comprehensive income	454	-	454
At March 31, 2017	(1,44,309)	34	(1,44,275)

* As the financial statement are presented in thousand, proposed dividend on Optionally Convertible Cumulative Preference Shares (OCCPS) amounting to Rs. 300 (previous year March 31, 2016 Rs. 162) and tax on the same for Rs 62 (previous year March 31, 2016 Rs. 33) have been rounded off.

Share based payment reserve

Particulars	(Rs. in '000)
At 1 April 2015	4,662
Changes during the period	(818)
At 31 March 2016	3,844
Changes during the period	(3,192)
At 31 March 2017	652

Share application money pending for allotment

Particulars	(Rs. in '000)
At 1 April 2015	-
Changes during the period	30,000
At 31 March 2016	30,000
Changes during the period	(30,000)
At 31 March 2017	-

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HT Mobile Solutions Limited

Notes to financial statements for the year ended March 31, 2017

Note 11 : Trade Payables

(Rs. in '000)

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Trade Payables (refer note 34 for details of dues to micro and small enterprises)	92,559	1,38,957	98,817
Trade Payables to related parties	19,486	13,132	-
Total	1,12,046	1,52,089	98,817
Current	1,12,046	1,52,089	98,817
Non- Current	-	-	-

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled as per agreed credit terms of 30 to 90 Days.

- For terms and conditions with related parties, refer to Note 28

For explanations on the company's credit risk management processes, refer to Note 29.

Break up of financial liabilities carried at amortised cost

(Rs. in '000)

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Trade payables (Note 11)	1,12,046	1,52,089	98,817
Total financial liabilities carried at amortised cost	1,12,046	1,52,089	98,817

Note 12 : Provisions

(Rs. in '000)

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Provision for employee benefits			
Provision for Leave Benefits	1,142	1,352	1,028
Provision for Gratuity (refer Note No. 24)	3,729	3,864	2,578
Total Provisions	4,871	5,215	3,606
Current	1,184	126	92
Non- Current	3,687	5,089	3,514

Note 13 : Other current liabilities

(Rs. in '000)

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Advances from Customers (including deferred revenue)	4,386	4,650	2,061
Customers and agents balances	2,593	1,969	1,327
Statutory dues	5,291	5,774	4,372
Total	12,270	12,393	7,760

Note 14 : Income Tax

The major components of income tax expense for the year ended March 31, 2017 and March 31, 2016 are :

Statement of profit and loss :

(Rs. in '000)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
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 2016 and 31 March 2017:

(Rs. in '000)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
Accounting profit before tax	(77,179)	14,700
Accounting profit before income tax	(77,179)	14,700
At India's statutory income tax rate of 30.90 % (31 March 2016: 33.063 %)	(23,848)	4,944
Effects of		
Unrecognised deferred tax (net)	23,848	(4,944)

Deferred tax

Deferred tax relates to the following:

(INR '000)

Particulars	March 31, 2017	March 31, 2016	1 st April, 2015
	Temporary differences arising on:		
Unabsorbed brought forward losses	21,106	2,260	11,509
Provision for defined benefit obligation	1,505	1,611	1,114
Unabsorbed depreciation carried forward	6,508	4,177	4,177
Impairment of doubtful debts and advances	4,867	4,065	2,086
Difference in WDV of tangible and intangible fixed assets as per books of account and tax books	1,689	1,666	1,512
Other temporary differences	8,916	7,104	5,078
Deferred tax liabilities (net)	44,591	20,883	25,476

Deferred tax assets have not been recognised in respect of brought forward losses, unabsorbed depreciation 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.



HT Mobile Solutions Limited

Notes to financial statements for the year ended March 31, 2017

Note 15 : Revenue from operations

(Rs. in '000)

Particulars	March 31, 2017	March 31, 2016
Sales of services - Mobile content/ Marketing services	4,15,598	5,49,626
Total	4,15,598	5,49,626

Note 16 : Other Income

(Rs. in '000)

Particulars	March 31, 2017	March 31, 2016
Interest income on		
- Bank deposits	3,998	2,531
- Others	259	1,083
Other non - operating income		
Net gain on disposal of property, plant and equipment	-	4
Unwinding of discount on security deposit	259	310
Miscellaneous income	125	211
Total	4,641	4,139

Note 17 : Employee benefits expense

(Rs. in '000)

Particulars	March 31, 2017	March 31, 2016
Salaries, wages and bonus	1,34,612	1,32,485
Contribution to provident and other funds	5,842	5,019
Employee Stock Option Scheme (Refer Note 25)	(3,192)	(785)
Gratuity expense (Refer Note 24)	1,928	1,650
Workmen and Staff welfare expenses	2,652	3,683
Total	1,41,842	1,42,052

Note 18 : Finance costs

(Rs. in '000)

Particulars	March 31, 2017	March 31, 2016
Interest on debts and borrowings	-	24
Bank charges	214	190
Total	214	215

Note 19 : Depreciation and amortization expense

(Rs. in '000)

Particulars	March 31, 2017	March 31, 2016
Depreciation of tangible assets (note 3)	2,828	3,730
Amortization of intangible assets (note 4)	4,689	6,458
Total	7,517	10,188

Note 20 : Other expenses

(Rs. in '000)

Particulars	March 31, 2017	March 31, 2016
Power and fuel	788	724
Services for mobile content and media buying	2,75,958	3,17,591
Rent	10,716	12,998
Rates and taxes	1,415	140
Insurance	847	-
Repairs and maintenance:		
- Plant and machinery	466	480
- Building	140	55
- Others	17	12
Travelling and conveyance	17,359	19,051
Communication costs	7,206	8,896
Legal and professional fees	6,045	6,677
Payment to auditor (refer details below)	1,204	1,261
Exchange differences (net)	331	199
Impairment for doubtful debts and advances	2,595	6,406
Loss on sale of fixed assets	101	-
Bad debts/ advances written off	7,524	1,768
Miscellaneous expenses	15,132	10,351
Total	3,47,845	3,86,609

Payment to auditors

(Rs. in '000)

Particulars	March 31, 2017	March 31, 2016
As auditor :		
- Audit fee	1,000	800
- Limited Review	-	376
- Tax audit fee	204	50
- Reimbursement of expenses	-	35
Total	1,204	1,261



HT Mobile Solutions Limited

Notes to financial statements for the year ended March 31, 2017

Note 21 : Other Comprehensive Income

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

During the year ended March 31, 2017

(Rs. in '000)

Particulars	Retained earnings	Total
Remeasurement gains(losses) on defined benefit plans	454	454
Total	454	454

During the year ended March 31, 2016

Particulars	Retained earnings	Total
Remeasurement gains(losses) on defined benefit plans	165	165
Total	165	165

Note 22 : Earnings per share (EPS)

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

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

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

(Rs. in '000 except earnings per share)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
Profit/ (loss) attributable to equity holders for basic earnings	(77,179)	14,700
Profit attributable to equity holders adjusted for the effect of dilution	(77,179)	14,700
Weighted average number of Equity shares for basic EPS* (No.)	2,81,31,511	2,31,75,347
Effect of dilution :		
Equity share to be issued under share options (No.)*	6,047	35,661
Convertible preference shares (No.)*	30,00,000	30,00,000
Weighted average number of Equity shares adjusted for the effect of dilution * (No.)	3,11,37,558	2,62,11,008
Earning/ (loss) per share		
Basic EPS (Rs.)	(2.74)	0.63
Diluted EPS (Rs.)	(2.74)	0.56

* The Company has reported net loss for the year ended March 31, 2017, and accordingly, 6,047 number of equity shares to be issued under the ESOP schemes of the Company and 30,00,000 number of convertible preference shares has not been considered for computation of diluted EPS for the year ended March 31, 2017 being anti-dilutive in nature.

Note 23 : Segment information

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.

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HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2017

Note 24 : Gratuity

Particulars	(Rs. in '000)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Gratuity plan	3,729	3,864	2,578
Total	3,729	3,864	2,578
Current	42	44	29
Non-Current	3,687	3,820	2,549

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

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

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

Defined Benefit gratuity Plan

Changes in the defined benefit obligation and fair value of plan assets as at 31 March, 2017 :

Particulars	(Rs. in '000)	
	March 31, 2017	March 31, 2016
Present value of Obligation		
Opening Balance	3,864	2,579
Current Service Cost	1,294	1,437
Interest Expense or cost	323	201
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	155	-
- experience variance (i.e. Actual experience vs assumptions)	(609)	(165)
Benefits Paid	(1,608)	(200)
Inter-group Adjustment	311	12
Total	3,729	3,864

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	Defined gratuity Plan	
	March 31, 2017	March 31, 2016
Investment in Funds managed by insurer	100%	100%

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

Particulars	March 31, 2017	March 31, 2016
Discount Rate	7.50%	7.75%
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 2017 is as shown below:

Particulars	(Rs. in '000)	
	March 31, 2017	March 31, 2016
Defined Benefit Obligation (Base)	3,729	3,864

Impact on defined benefit obligation

Particulars	(Rs. in '000)			
	March 31, 2017		March 31, 2016	
Assumptions	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	710	(574)	767	(616)
Salary Growth Rate (-/+ 1%)	(565)	683	(608)	741
Attrition Rate (-/+ 50%)	53	(52)	40	(42)

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

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

Particulars	(Rs. in '000)	
	March 31, 2017	March 31, 2016
Within the next 12 months (next annual reporting period)	42	39
Between 2 and 5 years	309	315
Between 6 and 10 years	538	563
Beyond 10 years	15,558	17,254
Total expected payments	16,447	18,171

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

Defined Contribution Plan

Particulars	March 31, 2017	March 31, 2016
Contribution to Provident and Other funds		
Charged to Statement of Profit and Loss	5,842	5,019

Leave Encashment (unfunded)

The Company recognises the leave encashment expenses in the Statement of Profit & Loss based on actuarial valuation.

The expenses recognised in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year :

Particulars	(Rs. in '000)	
	March 31, 2017	March 31, 2016
Liability at the beginning of the year	1,352	1,027
Benefits paid during the year	(103)	-
Acquisition Adjustment during the year	68	11
Provided during the year	(175)	314
Liability at the end of the year	1,142	1,352



Note 25 : Share-based payments

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

A. Details of Options granted as on March 31, 2017 are given below:

Type of Arrangement	Date of Grant	Number of options granted	Fair Value per share on the date of Grant (In Rs)	Vesting conditions	Weighted average remaining contractual life (in years)	Method of Settlement
Employee Stock Option	November 04, 2013	9,83,475	4.74	33% on the date of grant and 33% 12 months from the date of grant 34% 24 months from the date of grant	11	Equity

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

	March 31, 2017		March 31, 2016	
	Number of options	Weighted Average Exercise Price(Rs.)	Number of options	Weighted Average Exercise Price(Rs.)
Outstanding at the beginning of the year	8,10,891	10.00	9,83,475	10.00
Granted during the year	-	-	-	-
Forfeited during the year	6,73,391	10.00	1,72,584	10.00
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the period	1,37,500	10.00	8,10,891	10.00
Exercisable at the end of the period	1,37,500	10.00	8,10,891	10.00
Weighted average remaining contractual life (in years)	10.5		10	

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

C. The details of exercise price for stock options outstanding at the end of the year ended March 31, 2017 are:

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

	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (Rs.)
2016-17	Rs.10	1,37,500	10.50	Rs.10
2015-16	Rs.10	8,10,891	10.00	Rs.10

Options granted are exercisable for a maximum period of 10 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. The Company has elected to avail this exemption and accordingly, vested options have been measured at intrinsic value.

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HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2017

Note 26 : Commitments and contingencies

(a) Leases

Operating lease commitments - Company as lessee

- i) The Company has taken office premises under operating lease agreement. These are cancellable lease and are renewable on expiry of the lease period subject to mutual agreement.
- ii) The company has paid Rs. 10,716 thousand (March 31, 2016: Rs. 12,666 thousand) during the year towards minimum lease payment.

Note 27 : Fair values

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

Note 28: Related party transactions

i) List of Related Parties and Relationships:-

Name of related parties where control exists whether transactions have occurred or not.	HT Media Limited (Holding Company) The Hindustan Times Limited # HT Digital Media Holdings Limited Earthstone Holding (Two) Limited ##
Fellow Subsidiaries (with whom transactions have occurred during the year)	Firefly e-Ventures Limited HT Digital Streams Limited HT Learning Centers Limited Hindustan Media Ventures Limited Topmovies Entertainment Limited
Key Managerial Personnel*	Mrs. Shobhana Bhartia Mr. Shamit Bhartia Mr. Dinesh Mittal

* Represented here as the key management personnel of parent of the reporting entity

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

Earthstone Holding (Two) Limited is the holding Company of The Hindustan Times Limited.

ii) Transactions with related parties

Refer Note 28A

iii) Terms and conditions of transactions with related parties

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

iv) Transaction with Key Management Personnel or their relatives

No transactions have occurred during the year.

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HT Mobile Solutions Limited

Note 28A: Transactions during the year with Related parties

Nature	Ultimate Holding Company		Holding Company						Fellow Subsidiary						Total	
	HT Media Limited		HT Digital Media Holdings Limited		Firefly e-Ventures Limited		HT Digital Streams Limited		HT Learning Centers Limited		Topnoovies Entertainment Limited		Hindustan Media Ventures Limited		Total	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Revenue Transactions																
Income																
Sales of services - Mobile content/ Marketing services	39,310	61,330	-	-	2,137	1,735	2,510	-	202	727	1	-	2,399	602	44,049	64,395
Expense																
Office rent and other expenses	2,822	2,814	-	-	-	-	-	-	-	-	-	-	-	-	2,822	2,814
Advertising and Sales Promotion	297	495	-	-	-	-	-	-	-	-	-	-	35	10	332	505
Others																
Preference shares issued during the year including security premium amounting to Rs. 29,700 thousand)	-	30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	30,000
Share application money received	-	-	-	30,000	-	-	-	-	-	-	-	-	-	-	-	30,000
Issue of Equity Shares	-	-	60,000	-	-	-	-	-	-	-	-	-	-	-	60,000	-
Reimbursement of expenses incurred on behalf of the company	327	1,700	-	-	126	120	-	-	-	-	-	-	-	-	452	1,820
Amount paid for Collection on behalf of the parties by company	468	486	-	-	-	-	-	-	-	-	-	-	-	-	468	486
Amount received for collection on behalf of the company by parties	65	53	-	-	-	-	-	-	-	-	-	-	-	-	65	53



Note 29: 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. The company also enters into derivative transactions.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

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 companies exposure to the risk of changes in foreign exchange rates relates primarily to the companies operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency sensitivity

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

Particulars	Change in USD rate		Effect on profit before tax	
			(Rs. in '000)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Change in USD rate				
Trade receivables	+(-) 1%	+(-) 1%	180	19
Unbilled revenue	+(-) 1%	+(-) 1%	3	83
Advance from customers	+(-) 1%	+(-) 1%	2	1
Trade payables	+(-) 1%	+(-) 1%	0	99

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and foreign exchange transactions.

Trade receivables

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 7A. The Company does not hold collateral as security.

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

Liquidity risk

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

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, preference shares. Approximately 99.8% of the Company's debt will mature in less than one year at 31 March 2017 (31 March 2016: 99.8%, 1 April 2015: 100%) based on the carrying value of borrowings reflected in the financial statements.

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

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Year ended			(Rs. in '000)
	With in 1 year	More than 1 years	Total
31-Mar-17			
Convertible preference shares	-	300	300
Trade and other payables	1,12,046	-	1,12,046
Year ended 31-Mar-16			
Convertible preference shares	-	300	300
Trade and other payables	1,52,089	-	1,52,089
Year ended As at 1 April 2015			
Convertible preference shares	-	-	-
Trade and other payables	98,817	-	98,817

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HT Mobile Solutions Limited**Notes to financial statements for the year ended March 31, 2017****Note 30: Capital management**

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the company's capital management is to maximise the shareholder value.

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

Particulars	(Rs. in '000)		
	March 31, 2017	March 31, 2016	April 1, 2015
Trade payables (Note 11)	1,12,046	1,52,089	98,817
Less: cash and cash equivalents (Note 7B)	(33,487)	(1,07,180)	(42,607)
Net debt	78,558	44,909	56,211
Equity & Other Equity	1,78,589	2,28,506	1,54,426
Total capital	1,78,589	2,28,506	1,54,426
Capital and net debt	2,57,147	2,73,415	2,10,637
Gearing ratio	31%	16%	27%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

Note 31: Specified Bank Notes (SBNs)

Ministry Of Corporate Affairs issued an amendment to Schedule III of the Companies Act, 2013, regarding general instructions for preparation

The aforesaid disclosure is as follows:

Particulars	(Rs. in '000)		
	SBNs	Other denomination notes	Total
Closing cash in hand - November 8, 2016	-	-	-
+ Permitted receipts	-	-	-
- Permitted payments	-	-	-
- Amount deposited into banks	-	-	-
Closing cash in hand - December 30, 2016	-	-	-

Explanation: For the purposes of this clause, the term 'Specified Bank Notes'(SBN) shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

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HT Mobile Solutions Limited

Notes to financial statements for the year ended March 31, 2017

Note 32: First-time adoption of Ind AS

1 These financial statements, for the year ended March 31, 2017, are the first the company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the company's (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at April 1, 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

2 Exemptions applied

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind-AS.

A Ind AS optional exemptions

I Deemed Cost

- The company has elected to regard the carrying value of PPE and intangible assets as per Indian GAAP as its deemed cost at the date of the transition to Ind AS. This exemption is also used for intangible assets covered by Ind-AS 38.

II Leases

The company has been applied the transitional provision in Appendix C of Ind AS 17 Determining whether an arrangement contains a Lease and has assessed all arrangements based upon the conditions in place as at the date of transition .

III Fair value measurement of financial assets and liabilities

Under IGAAP the financial assets and liabilities were being carried at the transaction value.

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transaction, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated. The Company has measured its financial assets and liabilities at amortised cost or fair value.

IV Share Based Payment Transactions

- a) The Company has allowed to apply Ind-AS 102 Share-based payment to equity instruments that remain unvested as of transition date. The Company has elected to avail this exemption and apply the requirements of Ind-AS 102 to all employee stock options remaining unvested as of the transition date. Accordingly, these options have been measured at fair value as against intrinsic value previously under Indian GAAP
- b) The excess of stock compensation expense measured using fair value over the cost recognized under IGAAP using intrinsic value has been adjusted in 'Share Option Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date.

B Ind AS mandatory exemptions

Estimates

- a) The company's estimates in accordance with Ind AS at the date of transition to Ind AS are consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies) apart from the following items where application of Indian GAAP did not require estimation :

- Impairment of financial assets based on expected credit loss model

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions as at the transition date and as of March 31, 2016

- b) Ind AS 101 treats the information received after the date of transition to Ind AS as non-adjusting events. The entity shall not reflect that new information in its opening Ind AS Balance Sheet (unless the estimates need adjustment for any differences in accounting policies or there is objective evidence that the estimates were in error).

The presentation requirements under Indian GAAP differs from Ind-AS, and hence, Indian GAAP information has been regrouped for ease of reconciliation with Ind-AS. The Regrouped Indian GAAP information is derived from the Financial Statements of the Company prepared in accordance with Indian GAAP.

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HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2017

Note 32A: Reconciliation of equity as at April 1, 2015 (date of transition to Ind AS) (Rs. in '000)

Particulars	Footnotes	Regrouped Indian GAAP	Ind AS Adjustments	Ind AS
ASSETS				
Non-current assets				
(a) Property, plant and equipment		4,805	-	4,805
(b) Intangible assets		11,157	-	11,157
(c) Financial assets				
(i) Loans	3	5,113	(17)	5,096
(ii) Other financial assets		1,500	-	1,500
(d) Income tax assets (Net)		29,166	-	29,166
Total Non-current Assets		51,741	(17)	51,724
Current assets				
(a) Financial assets				
(i) Trade receivables		1,00,479	-	1,00,479
(ii) Cash and cash equivalents		42,607	-	42,607
(iii) Loans		81	-	81
(iv) Other financial assets		22,976	-	22,976
(b) Other current assets	3	46,726	16	46,742
Total Current assets		2,12,869	16	2,12,885
Total Assets		2,64,610	(1)	2,64,609
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		2,31,753	-	2,31,753
(b) Instruments entirely equity in nature		-	-	-
(c) Other equity	3,6	(76,838)	(489)	(77,327)
Total equity		1,54,915	(489)	1,54,426
Liabilities				
Non-current liabilities				
(a) Provisions		3,514	-	3,514
Total Non-current Liabilities		3,514	-	3,514
Current liabilities				
(a) Financial liabilities				
(i) Trade Payables		98,817	-	98,817
(b) Provisions		92	-	92
(c) Other current liabilities	6	7,272	488	7,760
Total current liabilities		1,06,181	488	1,06,669
Total liabilities		1,09,695	488	1,10,183
Total Equity and liabilities		2,64,610	(1)	2,64,609

Reconciliation of equity as at March 31, 2016 (Rs. in '000)

Particulars	Footnotes	Regrouped Indian GAAP	Ind AS Adjustments	Ind AS
ASSETS				
Non-current assets				
(a) Property, plant and equipment		5,866	-	5,866
(b) Intangible assets		15,301	-	15,301
(c) Financial assets				
(i) Loans	3	5,729	292	6,021
(ii) Other financial assets		1,500	-	1,500
(d) Income tax assets (Net)		37,968	-	37,968
Total Non-current Assets		66,364	292	66,656
Current assets				
(a) Financial assets				
(i) Trade receivables		1,46,849	-	1,46,849
(ii) Cash and cash equivalents		1,07,180	-	1,07,180
(iii) Loans		1,136	-	1,136
(iv) Other financial assets		38,937	-	38,937
(b) Other current assets	3	37,760	(315)	37,445
Total Current assets		3,31,862	(315)	3,31,547
Total Assets		3,98,226	(23)	3,98,203
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		2,31,753	-	2,31,753
(b) Instruments entirely equity in nature		300	-	300
(c) Other equity	3,6	(3,387)	(160)	(3,547)
Total equity		2,28,666	(160)	2,28,506
Liabilities				
Non-current liabilities				
(a) Provisions		5,089	-	5,089
Total Non-current Liabilities		5,089	-	5,089
Current liabilities				
(a) Financial liabilities				
(i) Trade Payables		1,52,089	-	1,52,089
(b) Provisions		126	-	126
(c) Other current liabilities	6	12,256	137	12,393
Total current liabilities		1,64,471	137	1,64,608
Total liabilities		1,69,560	137	1,69,697
Total Equity and liabilities		3,98,226	(23)	3,98,203



HT Mobile Solutions Limited
Notes to financial statements for the year ended March 31, 2017

Note 32B: Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

Particulars	Footnotes	Indian GAAP	IND AS Adjustments	Ind AS
I Income				
a) Revenue from operations	6	5,49,275	350	5,49,626
b) Other Income	3	3,829	310	4,139
Total Income		5,53,104	661	5,53,764
II Expenses				
a) Employee benefits expense	2,5	1,42,672	(620)	1,42,052
b) Finance costs		215	-	215
c) Depreciation and amortization expense		10,188	-	10,188
d) Other expenses	3	3,86,278	332	3,86,610
Total expenses		5,39,353	(288)	5,39,065
III Profit/ (loss) before tax (I-II)		13,751	949	14,700
Profit Before tax		13,751	949	14,700
IV Tax expense:		13,751	949	14,700
Current tax		-	-	-
Total tax expense		-	-	-
V Profit/ (Loss) after tax (III-V)		13,751	949	14,700
VI OTHER COMPREHENSIVE INCOME	4			
<u>Items that will not to be reclassified to profit or loss</u>				
- Remeasurement gain/(loss) of the defined benefit plans	4		165	165
- Income tax effect				-
				-
Other comprehensive income for the year, net of tax		-	165	165
VII Total Comprehensive Income for the year, net of tax (VI+VII)		13,751	1,114	14,865



HT Mobile Solutions Limited

Notes to financial statements for the year ended March 31, 2017

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2016

1. Proposed Dividend and tax thereon

Under Indian GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognized as a liability. Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of INR 162 as at March 31, 2016 (April 1, 2015 – INR NIL) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

2. Remeasurements of post-employment benefit obligations

Both under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [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 recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by INR 165 thousand with no tax impact and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

3. Fair value of security deposit

Under Indian GAAP all the security deposits given to the lessor are recorded at transaction value. Ind AS 109 requires financial assets which are classified as amortized cost to be initially measured at fair value and subsequently at amortized cost using the effective interest method (EIR).

4. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit and loss to profit and loss as per Ind AS. Further, Indian GAAP profit is reconciled to total comprehensive income as per Ind AS.

5. Share-based payments

Under Indian GAAP, the company recognized only the intrinsic value of the long term incentive plan as an expense, Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognized over the vesting period. An additional expense of INR 4255 thousand has been recognized in profit & loss for the year ended 31st March 2015.

6. Extended credit given

As per Ind AS if there is a significant lag between when the good or services are provided and the consideration is received the time value of money should also be taken into account. That is, deferred payments might indicate that there is both a sale and a financing transaction. If there is a financing element it is necessary to discount the consideration to present value in order to arrive at fair value. On the date of transition, impact of INR (-) 488 thousand in opening retained earnings as at April 1, 2015 and INR (+)350 thousand on retained earnings as at March 31, 2016.

Note 33

During the year, the Board of Directors and Shareholders of Firefly e-Ventures Limited (Firefly) (fellow subsidiary), HT Digital Media Holdings Limited (Holding company) and the company (HT Mobile Solutions Limited) approved a Composite Scheme of Capital Reduction and Arrangement (the Scheme) under Sections 100 to 104 of the Companies Act 1956, along with Section 52 of the Companies Act 2013 and Sections 391-394 of Companies Act, 1956, among Firefly, HT Digital and The Company and their respective shareholders and creditors, subject to requisite approval(s) and sanction by the Hon'ble Delhi High Court. The Scheme, inter-alia, provides for demerger of HT Campus Undertaking (Demerged Undertaking) of Firefly and transfer and vesting thereof into the HT Mobile w.e.f. June 30, 2016 (the Appointed Date). Pending sanction of the Scheme by Hon'ble Delhi High Court, the impact of Scheme is not considered in these Financial Statements.

Note 34 Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

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, 2017 is Rs. Nil (As at March 31, 2016: Rs. Nil). Further, no interest during the year has been paid or is payable under the terms of the Act.

Note 35

The financial statement for the previous year ended March 31, 2016 and year ended March 31, 2015 prepared in accordance with accounting standard notified under Section 133 of Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) were audited by the another firm of Chartered Accountants.



Note 36: Standards issued but not yet effective

MCA has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 which is effective from April 1, 2017. The new standard issued, but not yet effective up to the date of issuance of the Financial Statements is described below. The Group intends to adopt this standard when it becomes effective.

Amendment to Ind AS 7: Statement of Cash flows

The amendment to Ind AS 7 required the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balances sheet for liabilities arising from financing activities, to meet the disclosure requirements. The effect on the financial statements is being evaluated by the Company.

Amendment to Ind AS 102 :

The amendment to Ind AS 102 provides specific guidance to measurement of cash settled awards, modification of cash settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash settled awards is determined on a basis consistent with that used for equity settled awards. Market based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and services vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash settled share based payment transaction are modified with the result that it becomes an equity settled share based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The effect on the financial statements is being evaluated by the Company.

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/ E300005

per Vishal Sharma
Partner
Membership No. 96766



Place: Gurgaon
Date: May 16, 2017

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

Karamjit Singh
Company Secretary

Benny Roychowdhury
Director
(DIN: 00816822)

Place: New Delhi
Date: May 16, 2017

Rajiv Verma
Director
(DIN: 00017110)

(Handwritten mark)