

# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF HT MOBILE SOLUTIONS LIMITED

#### Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. 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, 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Ind AS Financial Statements

2. 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 to 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 the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including 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.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. 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

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Emphasis of Matter

9. We draw attention to Note 32 to the Ind AS financial statements in respect of a composite scheme of capital reduction and arrangement between Firefly e-Ventures Limited, HT Digital Media Holdings, HT Mobile Solutions Limited and their respective shareholders and creditors under section 100 to 104 of the Companies Act, 1956 along with section 52 of the Companies Act, 2013 and sections 391 to 394 of the Companies Act, 1956 read with the Companies (Court) Rules, 1959 sanctioned by the Hon'ble National Company Law Tribunal. The Scheme, inter-alia, envisages demerger of HT Campus Undertaking (Demerged Undertaking) of Firefly e-Ventures Limited and transfer and vesting thereof into HT Mobile Solutions Limited w.e.f. from June 30, 2016 (the Appointed Date) as compared to the acquisition date of April 1, 2016 as per the applicable Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder. Our opinion is not qualified in respect of this matter.

### Other Matter

10. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 16, 2017, expressed an unmodified opinion on those Ind AS financial statements. Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.



A handwritten signature in black ink, consisting of a stylized letter 'Q' followed by a vertical line.

12. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to the Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position.
  - ii. The Company has long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
  - iv The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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



Anupam Dhawan  
Partner  
Membership Number: 084451

Place: New Delhi  
Date: April 30, 2018



## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of HT Mobile Solutions Limited on the Ind AS financial statements for the year ended March 31, 2018

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### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of HT Mobile Solutions Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of HT Mobile Solutions Limited on the Ind AS financial statements for the year ended March 31, 2018

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### Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

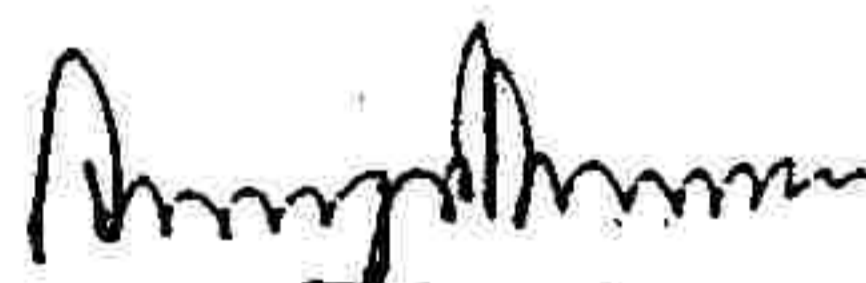
### Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Anupam Dhawan  
Partner  
Membership Number: 084451

Place: New Delhi  
Date: April 30, 2018



## Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HT Mobile Solutions Limited on the Ind AS financial statements as of and for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
  
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.  
  
(c) The Company does not own any immovable property. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of service tax, equalization levy tax and income tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund and goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.



**Annexure B to Independent Auditors' Report**

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HT Mobile Solutions Limited on the financial statements for the year ended March 31, 2018  
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- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are not applicable to the company. Hence reporting under Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

New Delhi  
April 30, 2018

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



Anupam Dhanan  
Partner  
Membership Number 084451



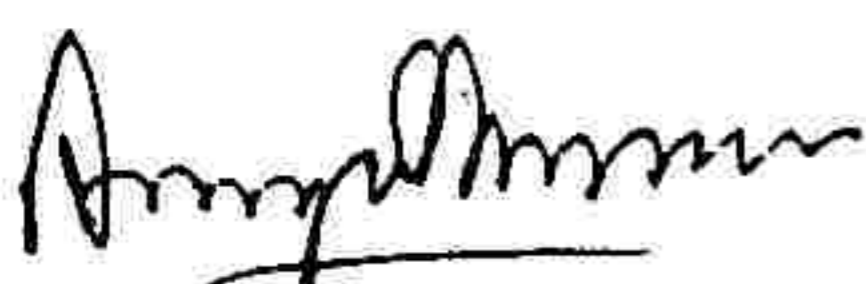
**HT Mobile Solutions Limited**  
**Balance sheet as at March 31, 2018**

Particulars	Notes	As at	As at
		March 31, 2018 (Rs. in '000)	March 31, 2017 (Rs. in '000) (Restated)
<b>I ASSETS</b>			
<b>1) Non-current assets</b>			
(a) Property, plant and equipment	73	11,946	15,819
(d) Intangible assets	74	1,838	10,613
(f) Financial assets			
(i) Loans	75A	-	2,788
(ii) Other financial assets	75B	1,500	1,500
(h) Income tax assets (Net)	76	80,246	71,412
<b>Total Non-current Assets</b>		<b>84,530</b>	<b>92,132</b>
<b>2) Current assets</b>			
(a) Financial assets			
(i) Trade receivables	77A	135,161	136,574
(ii) Cash and cash equivalents	77B	44,226	33,487
(iii) Loans	78A	3,613	3,034
(iv) Other financial assets	78B	14,778	67,749
(b) Other current assets	78	64,377	49,025
<b>Total Current assets</b>		<b>262,155</b>	<b>289,869</b>
<b>Total Assets</b>		<b>346,685</b>	<b>382,001</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
(a) Equity share capital	79	354,586	291,753
(b) Instruments entirely equity in nature (56583 + 300) = 56583	9	-	56,583
(c) Other equity	10	(250,430)	(153,156)
<b>Total equity</b>		<b>104,156</b>	<b>195,180</b>
<b>2) Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Provisions	12	1,143	5,402
<b>Total Non-current Liabilities</b>		<b>1,143</b>	<b>5,402</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade Payables	11	236,571	138,511
(b) Provisions	12	34	111
(c) Other current liabilities	13	4,781	2,797
<b>Total current liabilities</b>		<b>241,386</b>	<b>181,419</b>
<b>Total liabilities</b>		<b>242,529</b>	<b>186,821</b>
<b>Total Equity and liabilities</b>		<b>346,685</b>	<b>382,001</b>

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

  
 Anupam Dhawan  
 Partner  
 Membership No. 084451



Place: Gurgaon  
 Date: 30 April, 2018

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

  
 Karamjit Singh  
 Company Secretary  
 A28506

  
 Zaidus Master  
 Chief Executive Officer

  
 Nupur Bansal  
 Chief Financial Officer

  
 Bendy Roychowdhury  
 Director  
 (DIN: 00816822)

  
 Rajiv Verma  
 Director  
 (DIN: 00017110)

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HT Mobile Solutions Limited  
Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Notes	Year ended March 31, 2018 (Rs. in '000)	Year ended March 31, 2017 (Rs. in '000) (Restated)
<b>I Income</b>			
a) Revenue from operations	15	₹65,667	₹26,891
b) Other Income	16	₹3,150	₹4,641
<b>Total Income</b>		<b>₹68,817</b>	<b>₹31,532</b>
<b>II Expenses</b>			
a) Employee benefits expense	17	₹89,750	₹95,323
b) Finance costs	18	₹406	₹284
c) Depreciation and amortization expense	19	₹7,689	₹9,404
d) Other expenses	20	₹364,245	₹431,988
<b>Total expenses</b>		<b>₹462,090</b>	<b>₹636,999</b>
<b>III Profit/ (loss) before tax (I-II)</b>		<b>₹(93,273)</b>	<b>₹(105,467)</b>
<b>IV Tax expense:</b>			
Current tax	4		
<b>Total tax expense</b>			
<b>V Profit/ (Loss) after tax (III-V)</b>		<b>₹(93,273)</b>	<b>₹(105,467)</b>
<b>VI OTHER COMPREHENSIVE INCOME</b>			
Items that will not to be reclassified to profit or loss			
- Remeasurement gain/(loss) of the defined benefit plans	21	₹248	₹977
- Income tax effect			
<b>Other comprehensive income for the year, net of tax</b>		<b>₹2,248</b>	<b>₹977</b>
<b>VII Total Comprehensive Income for the year, net of tax (V+VI)</b>		<b>₹(91,025)</b>	<b>₹(104,490)</b>
<b>VIII Earnings/ (loss) per equity share</b>			
Basic (Nominal value of shares Rs. 10/-)	22	₹(3.00)	₹(3.75)
Diluted (Nominal value of shares Rs. 10/-)	22	₹(3.00)	₹(3.75)

The accompanying notes are an integral part of the financial statements

As per our report of even date


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


  
Anupam Dhawan  
Partner  
Membership No. 084451





Place: Gurgaon  
Date: 30 April, 2018


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

  
Karamjit Singh  
Company Secretary  
A28506

  
Nupur Bansal  
Chief Financial Officer

  
Benoy Roychowdhury  
Director  
(DIN: 00816822)

  
Zairus Master  
Chief Executive Officer

  
Rajiv Verma  
Director  
(DIN: 00017110)

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HT Mobile Solutions Limited  
Cash Flow Statement for the year ended March 31, 2018

Particulars	Notes	31-Mar-18 (Rs. in '000)	31-Mar-17 (Rs. in '000) (Restated)
<b>Cash from operating activities</b>			
Profit before tax		(93,273)	(105,467)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation and amortization		7,689	9,404
Employee stock option scheme expense		-	(3,192)
Loss/ (Gain) on disposal of property, plant and equipment		6,093	101
Interest Income from investments and others		(1,984)	(4,257)
Bad debts written off/ Impairment for doubtful debts and advances		12,207	11,024
<b>Operating profit before working capital changes</b>		<b>(69,268)<sup>1</sup></b>	<b>(92,387)<sup>1</sup></b>
<i>Working capital adjustments:</i>			
(Increase)/Decrease in trade receivables		(10,794)	6,103
(Increase)/Decrease in loans & advances		2,209	1,335
(Increase)/Decrease in other current and non-current assets		(15,352)	(11,055)
(Increase)/Decrease in other current and non-current financial assets		52,972	44,872
Increase/ (Decrease) in trade payables		98,060	(44,491)
Increase/ (Decrease) in other liabilities		(38,016)	10,404
Increase/ (Decrease) in provisions		(2,088)	762
<b>Total cash from operations</b>		<b>17,723<sup>1</sup></b>	<b>(84,457)<sup>1</sup></b>
Income tax paid		(8,834)	(23,123)
<b>Net cash flows from operating activities (A)</b>		<b>8,889<sup>1</sup></b>	<b>(107,580)<sup>1</sup></b>
<b>Investing activities</b>			
Proceeds from sale of property, plant and equipment		-	39
Purchase of property, plant and equipment		(134)	(410)
Interest received		1,984	4,258
<b>Net cash flows used in investing activities (B)</b>		<b>1,850<sup>1</sup></b>	<b>3,887<sup>1</sup></b>
<b>Financing activities</b>			
Proceeds from issue of equity shares		-	30,000
<b>Net cash flows from/(used in) financing activities (C)</b>		<b>-</b>	<b>30,000<sup>1</sup></b>
<b>Net increase in cash and cash equivalents (D= A+B+C)</b>		<b>10,739</b>	<b>(73,693)</b>
Cash and cash equivalents at the beginning of the year (E)		33,487	107,180
<b>Cash and cash equivalents at year end (D+E)</b>		<b>44,226<sup>1</sup></b>	<b>33,487<sup>1</sup></b>



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Particulars	Notes	March 31, 2017 (Rs. in '000)	March 31, 2016 (Rs. in '000)
<b>Component of cash and cash equivalent as at end of the year</b>			
Balances with banks			
- on current accounts		226	33,487
- on deposit accounts		44,000	
<b>Cash and cash equivalents as per Cash Flow Statement</b>		<b>44,226</b>	<b>33,487</b>

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

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

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

  
Anupam Dhanwan  
Partner  
Membership No. 084451



Place: Gurgaon  
Date: 30 April, 2018

  
Karamjit Singh  
Company Secretary  
A28506

  
Zahir Master  
Chief Executive Officer

  
Nupur Bansal  
Chief Financial Officer

  
Benoy Roychowdhury  
Director  
(DIN: 00816822)

  
Rajiv Verma  
Director  
(DIN: 00017110)

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HT Mobile Solutions Limited  
Statement of changes in equity for the year ended March 31, 2018

A. EQUITY SHARE CAPITAL (Refer Note 9)

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

Particulars	Equity share Capital	
	Number	(Rs. in '000)
Balance as at April 1, 2016	23,175,347	231,753
Change during the year	6,000,000	60,000
Balance as at March 31, 2017	29,175,347	291,753
Change during the year		
Equity shares issued during the year - OCCPS	654,903	6,549
Equity shares issued during the year - on account of FEVL acquisition	5,628,348	56,284
Balance as at March 31, 2018	35,458,598	354,586

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

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

Particulars	Number		(Rs. in '000)
Balance as at April 1, 2016	3,000,000		300
Change during the year			
Balance as at March 31, 2017	3,000,000		300
Conversion into Equity	(3,000,000)		(300)
Balance as at March 31, 2018			

(b) Shares pending allotment to be issued pursuant to scheme of arrangement (Refer Note 32)

Particulars	Number		(Rs. in '000)
Opening Balance as at April 1, 2016			
Change during the year	5,628,348		56,283
Balance as at March 31, 2017	5,628,348		56,283
Equity shares issued during the year - on account of FEVL acquisition	(5,628,348)		(56,283)
Balance as at March 31, 2018			

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

Particulars	Reserve & Surplus		Share based payment reserve	Capital Reserve	Total (Rs. in '000)
	Securities premium reserve	Retained earnings/ General Reserve			
Balance as at April 1, 2016	30,160	(67,551)	3,844	-	(33,547)
Change during the year	-	(77,179)	(3,192)	-	(80,371)
Transfer from FEVL as on 30 June 2016 (refer Note 32)	-	(10,684)	-	(1,243)	(11,927)
Change during the year in relation to FEVL (refer Note 32)	-	(28,288)	-	-	(28,288)
Other comprehensive income	-	454	-	-	454
Add: Other comprehensive income transferred pursuant to scheme of arrangement	-	523	-	-	523
Balance as at March 31, 2017	30,160	(182,725)	652	(1,243)	(153,156)
Change during the year	(6,249)	(93,273)	-	-	(99,522)
Other comprehensive income	-	2,248	-	-	2,248
Balance as at March 31, 2018	23,911	(273,750)	652	(1,243)	(250,430)

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

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

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

Aneesh Dhasan  
Partner  
Membership No. 084451

Karanjit Singh  
Company Secretary  
A28506

Nagesh Bansal  
Chief Financial Officer

Rajiv Verma  
Director  
(DIN: 0816822)

Rajiv Verma  
Chief Executive Officer

Rajiv Verma  
Director  
(DIN: 00017110)

Place: Gurgaon  
Date: 30 April, 2018

May 14/18

## 1. Corporate information

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

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

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

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2018 were authorised for issue in accordance with a resolution of the Board of Directors on April 30, 2018.

## 2. Significant accounting policies followed by the company

### 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 Standards) Rules, 2015 (as amended).

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

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

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

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

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



## 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 and non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

### b) Foreign currencies

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

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

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

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

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



c) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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



**d) Revenue recognition**

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

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

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

**Revenue from services**

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

**Revenue from SMS pushes/voice calls**

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

**Revenue from Content**

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

**Revenue from 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.



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e) Taxes

**Current income tax**

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

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

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

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

**Deferred tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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



*D*

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

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

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

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

**f) Property, plant and equipment**

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

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

**Recognition:**

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

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

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

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

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

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



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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. For Property, Plant and Equipment which are added/disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion.

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

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

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

**g) Intangible assets**

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

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

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

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

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

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

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



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

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

#### h) Provisions

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

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

#### i) Impairment of non-financial assets

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

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

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



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

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

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

#### **j) Retirement and other employee benefits**

Short term employee benefits and defined contribution plans:

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

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

#### **Gratuity**

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

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

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



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

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

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

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

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

### Compensated Absences

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

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

### k) Financial instruments

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

#### Financial assets

##### *Initial recognition and measurement*

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

##### *Subsequent measurement*

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

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



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

### Derecognition

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

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

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

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

### Impairment of financial assets

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

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

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

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

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



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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss. The Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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

## Financial liabilities

### *Initial recognition and measurement*

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

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

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

### *Subsequent measurement*

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



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

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

#### Loans and borrowings

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

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

#### De-recognition

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

#### 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.

#### **l) Leases**

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

#### *Company as a lessee*

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

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

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

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

#### **m) Cash and cash equivalents**

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

#### **n) Measurement of EBITDA**

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



**o) Contingent Liabilities**

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

**p) Earnings Per Share**

**Basic earnings per share**

Basic earnings per share are calculated by dividing:

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

**Diluted earnings per share**

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

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**Equity-settled transactions**

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

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



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

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

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

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

#### **Significant accounting judgments, estimates and assumptions**

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

The areas involving critical estimates or judgment are as below:

#### **Assessment of lease contracts**

Significant judgment 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 judgment 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.

#### **Taxes**

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



prevailing in the respective domicile of the Companies.

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

### Share Based Payments

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



HT Mobile Solutions Limited  
Notes forming part of financial statements

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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, 2018

Note 3 : Property, Plant and Equipment

(Rs. in '000)

Particulars	Improvement to Leasehold Premises	Plant and Machinery	Furniture and Fixtures	Total
<b>Gross Block</b>				
As at 1 April, 2016	472	9,026	17	9,515
-Transfer pursuant to scheme of arrangement (refer Note 32)	-	4,228	-	4,228
Additions	-	410	-	410
Disposals/ Adjustments	-	316	-	316
As at March 31, 2017	472	13,348	17	13,837
As at April 1, 2017	472	13,348	17	13,837
Additions	-	104	-	104
Disposals/ Adjustments	-	-	-	-
As at March 31, 2018	472	13,452	17	13,941
<b>Amortization</b>				
As at 1 April, 2016	441	3,205	2	3,648
Charge for the year	4	2,823	2	2,829
Charge for the year	-	1,717	-	1,717
-Transfer pursuant to scheme of arrangement (refer Note 32)	-	-	-	-
Disposals	-	176	-	176
As at March 31, 2017	445	7,569	4	8,018
As at March 31, 2017	445	7,569	4	8,018
Charge for the year	4	3,971	2	3,977
Disposals	-	-	-	-
As at March 31, 2018	449	11,540	6	11,995
<b>Net Block</b>				
As at March 31, 2018	23	1,912	11	1,946
As at March 31, 2017	27	5,779	13	5,819



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HT Mobile Solutions Limited  
Notes to financial statements for the year ended March 31, 2018

Note 4 : Intangible Assets

(Rs. in '000)

Particulars	Software Licenses	Non Compete fees	Total
<b>Gross Block</b>			
As at March 31, 2016	20,368	1,391	21,759
- Transfer pursuant to scheme of arrangement (refer Note 32)	171	-	171
Disposals/ Adjustments	-	-	-
Discontinued Operations	-	-	-
Exchange differences	-	-	-
As at March 31, 2017	20,539	1,391	21,930
As at March 31, 2017	20,539	1,391	21,930
Additions	30	-	30
Disposals/ Adjustments	9,139	-	9,139
As at March 31, 2018	11,430	1,391	12,821
<b>Amortization</b>			
As at March 31, 2016	5,071	1,387	6,458
Charge for the year	4,688	-	4,688
- Charge pursuant to scheme of arrangement (refer Note 32)	171	-	171
As at March 31, 2017	9,930	1,387	11,317
As at March 31, 2017	9,930	1,387	11,317
Charge for the year	3,713	-	3,713
Disposals	3,047	-	3,047
As at March 31, 2018	10,596	1,387	11,983
<b>Net Block</b>			
As at March 31, 2018	834	4	838
As at March 31, 2017	10,609	4	10,613



*[Handwritten Signature]*



ITF Mobile Solutions Limited  
Notes to financial statements for the year ended March 31, 2018

Note 5A : Loans

(Rs. in '000)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Unsecured considered good at amortised cost		
Security Deposit	3,613	5,822
Total Loans	3,613	5,822
Current	3,613	3,034
Non - Current	-	2,788

Note 5B : Other Financial Assets

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Other financial assets (at amortised cost)		
Balance with Banks :		
- Margin money (held as security)*	1,500	1,500
Interest accrued on fixed deposits		54
Other Receivables from related party	9,242	50,491
Unbilled revenue**	5,536	17,204
Total Other Financial Assets	16,278	69,249
Current	14,778	67,749
Non - Current	1,500	1,500
Total Financial Assets	19,891	75,071
Current	18,391	70,783
Non - Current	1,500	4,288

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

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

Note 6 : Income tax assets (Net)

(Rs. in '000)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Income tax assets (represents current tax)	80,246	71,412
Current	80,246	71,412
Non-Current	-	-

Note 7A : Trade Receivables

(Rs. in '000)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Trade receivables	48,997	129,868
Receivables from related parties (Note 28A)	86,164	6,706
Total Trade Receivables	135,161	136,574

Trade Receivables	As at	As at
	March 31, 2018	March 31, 2017
Secured, considered good		
Unsecured, considered good	135,161	136,573
Unsecured, considered doubtful	22,048	19,030
Total	157,209	155,603
Provision for doubtful receivables	22,048	19,029
Total Trade Receivables	135,161	136,574

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.

Note 7B : Cash and cash equivalents

(Rs. in '000)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Balance with banks :		
- On current accounts	226	33,487
- Deposits with original maturity of less than three months	64,000	-
Total	64,226	33,487

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

Note 8 : Other current assets

(Rs. in '000)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Prepaid expenses	450	2,501
Advances to vendors (includes Rs 10,032 thousand advance given to related parties)	27,151	27,220
Balance with government authorities	36,776	19,304
Total	64,377	49,025

Break up of financial assets carried at amortised cost

(Rs. in '000)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Trade receivables (Note 7A)	135,161	136,574
Cash and cash equivalents (Note 7B)	64,226	33,487
Loans (Note 5A)	3,613	5,822
Other financial assets (Note 5B)	16,278	69,249
Total financial assets carried at amortised cost	199,278	245,132



*[Handwritten signature]*

Note 9 : Share Capital

Authorised Share Capital

(A) Equity Share Capital

Particulars	No. of shares	(Rs. in '000)
At April 1, 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
Increase/(decrease) during the year	-	-
At March 31, 2018	4,10,00,000	4,10,000

Terms/ rights attached to equity shares

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

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

(B) Instruments entirely equity in nature

Optionally Convertible Cumulative Preference Shares (OCCPS) of Rs. 0.10 each\*

Particulars	No. of shares	(Rs. in '000)
At April 1, 2016	5,00,00,000	5,000
Increase/(decrease) during the year	-	-
At March 31, 2017	5,00,00,000	5,000
Increase/(decrease) during the year	-	-
At March 31, 2018	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 5 years from the date of issue/ allotment at a predetermined price on the basis of one equity share for every one preference share held. Each holder of OCCPS is entitled to one vote per share only on resolutions placed before the Company which directly effects the rights attached to OCCPS.

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

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

Issued and Subscribed Capital

(A) Equity shares capital

Equity shares of Rs. 10 each issued, subscribed & fully paid	No. of shares	(Rs. in '000)
Balance as at April 1, 2016	23,175,347	231,753
Equity shares issued during the year	6,000,000	60,000
Balance as at March 31, 2017	29,175,347	291,753
Equity shares issued during the year - OCCPS	654,903	6,549
Equity shares issued during the year - on account of FEVL acquisition (Refer Note 32)	5,628,348	56,284
Balance as at March 31, 2018	35,458,598	354,586

(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, 2016	3,000,000	300
Changes during the period		
At March 31, 2017	3,000,000	300
Conversion into Equity Shares	(3,000,000)	(300)
At March 31, 2018		

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

Particulars	March 31, 2018		March 31, 2017	
	No. of shares	Amount (Rs. in '000)	No. of shares	Amount (Rs. in '000)
Shares outstanding at the beginning of the year	29,175,347	291,753	23,175,347	231,753
Equity shares issued during the year - OCCPS	654,903	6,549	6,000,000	60,000
Equity shares issued during the year - on account of FEVL acquisition (Refer Note 32)	5,628,348	56,284		
Shares outstanding at the end of the year	35,458,598	354,586	29,175,347	291,753

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

Particulars	March 31, 2018		March 31, 2017	
	No. of shares	Amount (Rs. in '000)	No. of shares	Amount (Rs. in '000)
Shares outstanding at the beginning of the year	3,000,000	300	3,000,000	300
Shares converted in to equity shares during the year	(3,000,000)	(300)		
Shares outstanding at the end of the year			3,000,000	300

HT Mobile Solutions Limited  
Notes to financial statements for the year ended March 31, 2018

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

Particulars	31-Mar-18	31-Mar-17
	(Rs. in '000)	(Rs. in '000)
<b>Equity Shares of Rs. 10 each of fully paid:</b>		
HT Digital Media Holdings Limited	321,712	288,786
# 3,21,71,157 (March 31, 2017 - # 2,88,78,571) equity shares of Rs. 10 each fully paid		
HT Media Limited, Ultimate Holding Company	29,907	
# 29,90,653 (March 31, 2017 - # NIL) equity shares of Rs. 10 each fully paid		
<b>Optionally convertible cumulative preference shares of Re. 0.10 each fully paid up</b>		
HT Media Limited, Ultimate Holding Company		300
Nil. (30,00,000 March 31, 2016) preference shares of Rs. 0.10 each fully paid		

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

Particulars	March 31, 2018		March 31, 2017	
	No. of shares	% holding in the No. in class	No. of shares	% holding in the No. in class
<b>Equity Shares with voting rights:</b>				
HT Digital Media Holdings Limited	321,711,570	90.73%	288,785,710	98.98%
# 3,21,71,157 (March 31, 2017 - # 2,88,78,571) equity shares of Rs. 10 each fully paid				
HT Media Limited, Ultimate Holding Company	29,906,530	8.43%		0.00%
<b>Optionally convertible cumulative preference shares of Re. 0.10 each fully paid up</b>				
HT Media Limited, Ultimate Holding Company			3,000,000	100%
Nil. (3,000,000, March 31, 2016) 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	31-Mar-18	31-Mar-17
	No. of shares	No. of shares
1,97,850 number of equity shares and 98,926 number of equity shares with voting rights were allotted during the year ended March 31, 2014 and year ended March 31, 2015, respectively as fully paid up pursuant to contract for consideration other than Cash	296,776	296,776

Shares reserved for issue under options

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

Note 10 : Other Equity (Rs. in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Security Premium	23,911	30,160
Capital Reserve	(1,243)	(1,243)
Retained Earnings	(273,750)	(182,725)
Share based payment reserve	652	652
<b>Total</b>	<b>(250,430)</b>	<b>(153,156)</b>

Particulars	(Rs. in '000)
At April 1, 2016	30,160
Add : OCPPS 3,000,000 shares issued at a Premium @ Rs. 9.9 per share	30,160
At March 31, 2017	30,160
Change during the year	6,249
At March 31, 2018	23,911

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

Particulars	At March 31, 2016	At March 31, 2017	At March 31, 2018
Retained earnings	(67,585)	(182,758.7)	(273,784)
General reserves	(67,551)	(93,273)	2,248
<b>Total</b>	<b>(135,136)</b>	<b>(276,031.7)</b>	<b>(271,536)</b>
Net Loss for the year	(77,179)	(93,273)	2,248
Add: Other comprehensive income	454	(28,288)	(28,288)
Add: Other comprehensive income transferred pursuant to scheme of arrangement (refer Note 32)	523	(10,684)	(10,684)
Add: Other comprehensive income transferred pursuant to scheme of arrangement (refer Note 32)	523	(10,684)	(10,684)
Change during the year in relation to FEVL (refer Note 32)	(28,288)	(28,288)	(28,288)
At March 31, 2017	(182,758.7)	(182,758.7)	(182,725)
Net loss for the year	(93,273)	(93,273)	(93,273)
Add: Other comprehensive income	2,248	2,248	2,248
At March 31, 2018	(273,784)	(273,784)	(273,750)

Particulars	(Rs. in '000)
Share based payment reserve	652
At 31 March 2016	3,844
Changes during the period	(3,192)
At 31 March 2017	652
Changes during the period	-
At 31 March 2018	652

Particulars	(Rs. in '000)
Capital Reserve	(1,243)
At 1 April 2016	(1,243)
Changes during the period - in relation to acquisition of FEVL (refer Note 32)	(1,243)
At 31 March 2017	(1,243)
Changes during the period	-
At 31 March 2018	(1,243)

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IT Mobile Solutions Limited  
Notes to financial statements for the year ended March 31, 2018

Note 11 : Trade Payables

(Rs. in '000)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Trade Payables (refer note 31 for details of dues to micro and small enterprises)	112,825	102,781
Trade Payables to related parties	123,746	35,730
<b>Total</b>	<b>236,571</b>	<b>138,511</b>
Current	236,571	138,511
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
	March 31, 2018	March 31, 2017
Trade payables (Note 11)	236,571	138,511
<b>Total financial liabilities carried at amortised cost</b>	<b>236,571</b>	<b>138,511</b>

Note 12 : Provisions

(Rs. in '000)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Provision for employee benefits		
Provision for Leave Benefits (refer Note No. 24)	210	1,272
Provision for Gratuity (refer Note No. 24)	967	4,241
<b>Total Provisions</b>	<b>1,177</b>	<b>5,513</b>
Current	347	111
Non-Current	1,143	5,402

Note 13 : Other current liabilities

(Rs. in '000)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Advances from Customers (including deferred revenue)	1,031	10,938
Customers and agents balances (includes Rs.231 thousand pertaining to related parties)	2,921	26,646
Statutory dues	829	5,213
<b>Total</b>	<b>4,781</b>	<b>42,797</b>

Note 14 : Income Tax

The major components of income tax expense for the year ended March 31, 2018 and March 31, 2017 are :

Statement of profit and loss :

(Rs. in '000)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Current income tax		
Deferred tax		
<b>Income tax expense reported in the statement of profit and loss</b>		

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31 March 2017:

(Rs. in '000)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Accounting profit before tax	(93,273)	(105,467)
Accounting profit before income tax	(93,273)	(105,467)
At India's statutory income tax rate of 26% (31 March 2017: 30.90%)	(24,251)	(32,589)
<b>Effects of</b>		
Unrecognised deferred tax (net for the year ended 31 March)	24,251	32,589

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

(INR '000)

Particulars	March 31, 2018	March 31, 2017
	Temporary differences arising on:	
Unabsorbed brought forward losses	124,715	128,452
Provision for defined benefit obligation	306	1,704
Unabsorbed depreciation carried forward	15,907	18,786
Impairment of doubtful debts and advances	5,732	5,880
Difference in WDV of tangible and intangible fixed assets as per books of account and tax books	3,233	1,481
<b>Deferred tax Asset (net)</b>	<b>149,893</b>	<b>156,283</b>

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.



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HT Mobile Solutions Limited

Notes to financial statements for the year ended March 31, 2018

Note 15 : Revenue from operations

(Rs. in '000)

Particulars	March 31, 2018	March 31, 2017
Sales of services - Mobile content/ Marketing services	365,667	526,891
<b>Total</b>	<b>365,667</b>	<b>526,891</b>

Note 16 : Other Income

(Rs. in '000)

Particulars	March 31, 2018	March 31, 2017
Interest income on		
- Bank deposits	1,984	4,257
Other non - operating income		
Miscellaneous income	1,166	384
<b>Total</b>	<b>3,150</b>	<b>4,641</b>

Note 17 : Employee benefits expense

(Rs. in '000)

Particulars	March 31, 2018	March 31, 2017
Salaries, wages and bonus	85,475	188,350
Contribution to provident and other funds	2,723	6,554
Employee Stock Option Scheme (Refer Note 25)	-	(4,642)
Gratuity expense (Refer Note 24)	469	2,036
Workmen and Staff welfare expenses	1,083	3,025
<b>Total</b>	<b>89,750</b>	<b>195,323</b>

Note 18 : Finance costs

(Rs. in '000)

Particulars	March 31, 2018	March 31, 2017
Bank charges	406	284
<b>Total</b>	<b>406</b>	<b>284</b>

Note 19 : Depreciation and amortization expense

(Rs. in '000)

Particulars	March 31, 2018	March 31, 2017
Depreciation of tangible assets (note 3)	3,977	4,545
Amortization of intangible assets (note 4)	3,712	4,859
<b>Total</b>	<b>7,689</b>	<b>9,404</b>

Note 20 : Other expenses

(Rs. in '000)

Particulars	March 31, 2018	March 31, 2017
Power and fuel	370	842
Advertising and sales promotion	77,149	44,366
Rent	16,978	14,908
Rates and taxes	1,616	4,782
Insurance	961	1,377
Repairs and maintenance:		
- Plant and machinery	749	725
- Building	62	140
- Others	-	17
Travelling and conveyance	4,862	26,611
Communication costs	4,157	8,779
Legal and professional fees	14,510	20,504
Payment to auditor (refer details below)	1,111	1,204
Exchange differences (net)	202	339
Impairment for doubtful debts and advances	12,207	11,024
Loss on sale/discard of Fixed assets/Intangibles	6,093	101
Services for mobile content and media buying	213,562	279,422
Miscellaneous expenses	9,656	16,847
<b>Total</b>	<b>364,245</b>	<b>431,988</b>

Payment to auditors

(Rs. in '000)

Particulars	March 31, 2018	March 31, 2017
As auditor :		
- Audit fee	800	1,000
- Limited Review	61	-
- Tax audit fee	200	204
- Reimbursement of expenses	50	-
<b>Total</b>	<b>1,111</b>	<b>1,204</b>



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HT Mobile Solutions Limited  
Notes to financial statements for the year ended March 31, 2018

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, 2018

Particulars	(Rs. in '000)	
	Retained earnings	Total
Remeasurement gains(losses) on defined benefit plans	2,248	2,248
Total	2,248	2,248

During the year ended March 31, 2017

Particulars	(Rs. in '000)	
	Retained earnings	Total
Remeasurement gains(losses) on defined benefit plans	977	977
Total	977	977

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:

Particulars	(Rs. in '000 except earnings per share)	
	As at March 31, 2018	As at March 31, 2017
Profit/ (loss) attributable to equity holders for basic earnings	(93,273)	(105,467)
Profit attributable to equity holders adjusted for the effect of dilution	(93,273)	(105,467)
Weighted average number of Equity shares for basic EPS* (No.)	31,055,642	28,131,511
Effect of dilution :		
Equity share to be issued under share options (No.)*	-	6,047
Convertible preference shares (No.)*	-	3,000,000
Weighted average number of Equity shares adjusted for the effect of dilution * (No.)	31,055,642	31,137,558
Earning/ (loss) per share		
Basic EPS (Rs.)	(3.00)	(3.75)
Diluted EPS (Rs.)	(3.00)	(3.75)

\* 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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ITF Mobile Solutions Limited  
Notes to financial statements for the year ended March 31, 2018

Note 24 : Gratuity

Particulars	(Rs. in '000)	
	As at March 31, 2018	As at March 31, 2017
Gratuity plan	967	4,241
Total	967	4,241
Current	20	42
Non-Current	947	4,199

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, 2018 :

Particulars	(Rs. in '000)	
	31-Mar-18	31-Mar-17
Opening Balance	4,241	3,864
Current Service Cost	190	1,294
Interest Expense or cost	469	743
Transferred from FEVL pursuant to the scheme of arrangement (refer note 32)	(512)	512
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	(83)	155
- experience variance (i.e. Actual experience vs assumptions)	(2,165)	(1,132)
Benefits Paid	(983)	(1,195)
Total	967	4,241

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

Particulars	31-Mar-18	31-Mar-17
Discount Rate	8.00%	7.50%
Salary Growth Rate	7.50%	7.50%
Withdrawal Rate		
Up to 30 years	3.00%	3.00%
31 - 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

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

Particulars	31-Mar-18	31-Mar-17
Defined Benefit Obligation (Base)	967	4,241

Impact on defined benefit obligation

Particulars	(Rs. in '000)			
	March 31, 2018		March 31, 2017	
Assumptions	Decrease	Increase	Decrease	Increase
Discount Rate (+/- 1%)	176	(144)	710	(574)
Salary Growth Rate (+/- 1%)	146	(175)	(565)	683
Attrition Rate (+/- 50%)	3	(3)	53	(52)

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	31-Mar-18	31/3/2017
Within the next 12 months (next annual reporting period)	20	42
Between 2 and 5 years	110	309
Between 6 and 10 years	136	538
Beyond 10 years	4,003	15,558
Total expected payments	4,269	16,447

\* No restatement on account of ITF Campus Business acquisition.

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

Defined Contribution Plan

Particulars	31-Mar-18	31-Mar-17
Contribution to Provident and Other funds		
Charged to Statement of Profit and Loss	2,723	6,554

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)	
	31-Mar-18	31-Mar-17
Liability at the beginning of the year	1,272	1,352
Benefits paid during the year		(103)
Acquisition adjustment		68
Transfer pursuant to scheme of arrangement (Note 32)		130
Provided during the year	(1,062)	(175)
Liability at the end of the year	210	1,272



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Note 25: Share-based payments

In accordance with Ind AS 102 Share-based Payment, the scheme detailed below is managed and administered, co-operation benefits in respect of the scheme is assumed 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, 2018 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	983,475	4.74	33% on the date of grant and 33% 17 months from the date of grant and 34% 24 months from the date of grant	9.5	Equity

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

	March 31, 2018		March 31, 2017	
	Number of options	Weighted Average Exercise Price (Rs.)	Number of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	137,300	10.00	810,891	10
Granted during the year			675,391	10
Forfeited during the year				
Expired during the year				
Outstanding at the end of the period	137,300	10.00	137,500	10
Exercisable at the end of the period	137,300	10.00	137,500	10
Weighted average remaining contractual life (in years)	9.5		10.3	

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, 2018 are:

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

Year	Range of exercise price	Number of options outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price (Rs.)
2017-18	Rs 10	137,300	10.30	Rs 10
2016-17	Rs 10	137,500	10.00	Rs 10

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



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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. 16,978 thousand (March 31, 2017: Rs. 14,908 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
Fellow Subsidiaries (with whom transactions have occurred during the year)	HT Digital Media Holdings Limited
	##Earthstone Holding (Two) Private Limited (Formerly known as Earthstone Holding (Two) Limited)
	Firefly e-Ventures Limited
	HT Digital Streams Limited
	HT Learning Centers Limited
	Hindustan Media Ventures Limited
	Topmovies Entertainment Limited

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

## Earthstone Holding (Two) Private Limited (Formerly know as Earthstone Holding (Two) Limited) is the holding Company of The Hindustan Times Limited.

ii) Transactions with related parties

Refer Note 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.



HT Mobile Solutions Limited  
 Note 28A: Transactions during the year with Related parties

(Rs. in '000)

Nature*	Ultimate Holding		Holding Company		Fellow Subsidiary										Total	
	HT Media Limited		HT Digital Media		Firefly e-Ventures		IIT Digital Streams		HT Learning Centers		Topmovies		Hindustan Media		March 31, 2018	March 31, 2017
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017		
Revenue Transactions																
Income																
Sales of services - Mobile content/ Marketing services	26,256	39,310	-	-	707	2,137	-	2,510	343	202	120	1	157	2,399	27,583	46,559
Expense																
Office rent and other expenses	5,954	2,822	-	-	-	-	-	-	-	-	120	-	-	-	6,074	2,822
Advertising and Sales Promotion	-	297	-	-	-	-	-	-	-	-	-	-	-	35	-	332
Others																
Issue of Equity Shares	29,907	-	32,926	60,000	-	-	-	-	-	-	-	-	-	-	62,833	60,000
Reimbursement of expenses incurred on behalf of the company	13,534	327	-	-	-	126	70	-	-	-	-	-	-	-	13,660	453
Amount paid to vendor for related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount paid by related parties to vendors for the Company	5,262	-	-	-	-	-	-	-	-	-	-	-	-	-	5,262	-

Note 1: Related party disclosures have not been restated for previous year ended March 31, 2017 in relation to accounting of HT Campus business w.e.f June 30, 2016.

Note 2: The Company has received letter of support from HTML to enable it to continue its operations.

\*The above Transactions includes those related to HT Campus business which has been transferred from Firefly e-ventures limited under the scheme of arrangement approved by NCLT (refer note 20A).  
 The related balance till Oct 27, 2017 (effective date) are included in Firefly e-ventures limited only.



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HT Mobile Solutions Limited

Note 28A: Transactions during the year with Related parties (cont'd)

(Rs. in '000)

Nature	Ultimate Holding Company		Holding Company		Fellow Subsidiary								Total			
	HT Media Limited		HT Digital Media Holdings		Firefly e-Ventures Limited		HT Digital Stream		HT Learning Centers		Topmovies Entertainment		Hindustan Media Ventures			
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017		
Balance outstanding																
Equity Shares Capital	29,907	-	321,712	288,786	-	-	-	-	-	-	-	-	-	-	351,619	288,786
Preference Shares Capital	-	300	-	-	-	-	-	-	-	-	-	-	-	-	-	300
Net trade and other receivable/ (trade and other payable)*	(6,760)	35,525	-	-	9,242	1,927	(750)	29	2,253	-	-	-	(22,523)	108	(18,538)	37,588

Note 1 Related party disclosures have not been restated for previous year ended March 31, 2017 in relation to accounting of HT Campus business w.e.f June 30, 2016.

Note 2 The Company has received letter of support from HTML, to enable it to continue its operations.

Note 3 The above Transactions includes those related to HT Campus business which has been transferred from Firefly e-ventures limited under the scheme of arrangement approved by NCLT (refer note 32). The related balance till Oct 27, 2017 (effective date) are included in Firefly e-ventures limited only.

\* The above balances includes the effect of amount paid and collected on behalf of related parties



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**Note 29: Financial risk management objectives and policies**

The company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The company also enters into derivative transactions.

**Market risk**

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

This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

**Foreign currency risk**

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

**Foreign currency sensitivity**

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

Particulars	Change in USD rate		Effect on profit before tax	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Change in USD rate				
Trade receivables	+/(-) 1%	+/(-) 1%	137	178
Unbilled revenue	+/(-) 1%	+/(-) 1%	-	3
Trade payables	+/(-) 1%	+/(-) 1%	0.25	0.26

**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.

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	With in 1 year		Total
	More than 1 year		
31-Mar-18			
Trade and other payables	236,571		236,571
31-Mar-17			
Convertible preference shares		300	300
Trade and other payables	138,511		138,511

Note: Financial risk management disclosures have not been restated for previous year ended March 31, 2017 in relation to accounting of HT Campus business w.e.f June 30, 2016.



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**HT Mobile Solutions Limited**

**Notes to financial statements for the year ended March 31, 2018**

**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 maximize the shareholder value.

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

(Rs. in '000)

Particulars	March 31, 2018	March 31, 2017
Trade payables (Note 7A)	236,571	138,511
Less: cash and cash equivalents (Note 7B)	(44,226)	(33,487)
<b>Net debt</b>	<b>192,345</b>	<b>105,024</b>
Equity & Other Equity	104,156	195,180
<b>Total capital</b>	<b>104,156</b>	<b>195,180</b>
<b>Capital and net debt</b>	<b>296,501</b>	<b>300,204</b>
<b>Gearing ratio</b>	<b>65%</b>	<b>35%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

The aforesaid disclosures of SBN's have been compiled taking the management stated policy, direct bank confirmation and compilation of pay in slips.

**Note 31 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, 2018 is Rs. Nil ( As at March 31, 2017: Rs. Nil). Further, no interest during the year has been paid or is payable under the terms of the Act.



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**HT Mobile Solutions Limited**  
Notes to financial statements for the year ended March 31, 2018

**Note 32:**

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

During the year ended March 31, 2018, NCLT sanctioned the Scheme vide its order dated October 17, 2017. Consequent upon filing of the order passed by NCLT with the Registrar of Companies, the Scheme became effective from October 27, 2017 (closing hours) ('Effective Date').

National Company Law Tribunal (NCLT) has approved the scheme with appointed date of June 30, 2016 as compared to the acquisition date of April 1, 2016 (the beginning of preceding year in the financial statements) as per Ind AS 103. The appointed date as approved by NCLT has been considered as the acquisition Date as per "Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 12".

**Pursuant to scheme:**

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

Details of assets and liabilities acquired from Firefly as on the appointed date are as below:-

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

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





The comparatives for FY 2016-17 have been restated to include revenues and expenses in relation to HT Campus business for the period w.e.f from June 30, 2016 ('Appointed Date') upto March 31, 2017. The details are as follows-

(Rs in '000)	
Particulars	From June 30, 2016 to March 31, 2017
<b>Total Income</b>	111,294
<b>Expenses</b>	
Employee benefits expense	53,353
Finance Costs	70
Depreciation and amortization expense	1,834
Other expenses	84,325
<b>Total Expenses</b>	139,582
<b>Profit / (loss) before Tax</b>	(28,288)
<b>Other Comprehensive Income</b>	( 523)
Tax Expense/(Credit)	
<b>Net Profit / (loss) for the period</b>	(27,765)

The revenues and expenses in relation to HT Campus business for the period beginning with April 1, 2017 upto October 27, 2017 ('Effective Date') were transferred to the Company by Firefly and recorded by the Company. The details are as follows-

(Rs in '000)	
Particulars	From April 1, 2017 to October 27, 2017
<b>Total Income</b>	117,011
<b>Expenses</b>	
Employee benefits expense	28,782
Finance Costs	264
Depreciation and amortization expense	1,060
Other expenses	131,705
<b>Total Expenses</b>	161,811
<b>Profit / (loss) before Tax</b>	(44,800)
Tax Expense/(Credit)	
<b>Net Profit / (loss) for the period</b>	(44,800)



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**ITT Mobile Solutions Limited**

Notes to financial statements for the year ended March 31, 2018

**Note 33: Specified Bank Notes (SBNs)**

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

The aforesaid disclosure is as follows:

Particulars	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

**Note 34: Standards issued but not yet effective**

**Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This Standard is effective for accounting periods beginning on or after 1 April, 2018.

Either a so called full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018.

During 2017-18, the Company performed a preliminary assessment of Ind AS 15. The initial application of Ind AS 115 is not expected to have material impact on the Company's financial statements.

**Amendments to Ind AS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference related to unrealised losses. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. This amendment is applicable retrospectively for annual periods beginning on or after 1 April, 2018.

During 2017-18, the Company performed a preliminary assessment of this amendment. The application of this amendment is not expected to have material impact on the Company's financial statements.

**Ind AS 21 Foreign Currency Transactions and Advance Consideration**

The amendment clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

The amendment is applicable for accounting periods beginning on or after 1 April 2018 (retrospective application is permitted).

Since the Company's current practice is in line with the amendment, the Company does not expect any effect on its financial statements.

**Note 35:**

Previous year figures have been restated pursuant to scheme of arrangement.



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

As per our report of even date

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

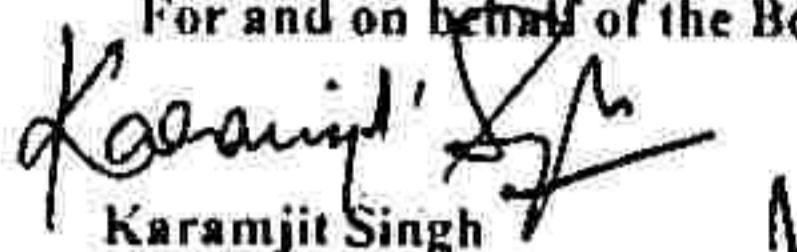


Anupam Dhawan  
Partner  
Membership No. 084451



Place: Gurgaon  
Date: 30 April, 2018

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



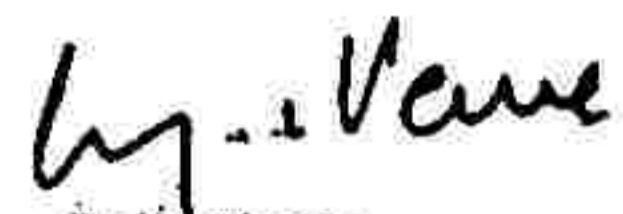
Karamjit Singh  
Company Secretary  
A28506

Nupur Bansal  
Chief Financial Officer

Benoy Roychowdhury  
Director  
(DIN: 00816822)



Zairus Master  
Chief Executive Officer



Rajiv Verma  
Director  
(DIN: 00017110)

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