

HT Mobile Solutions Limited

Special purpose audit

31 December 2020

B S R and Associates

Chartered Accountants

Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase – II,
Gurugram – 122 002, India

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Independent Auditor's Report

To the Board of Directors of HT Mobile Solutions Limited

Report on Special Purpose Financial Information

Opinion

We have audited the accompanying special purpose financial information of HT Mobile Solutions Limited ("the Company"), which comprises the special purpose balance sheet as at 31 December 2020, the special purpose statement of profit and loss (including other comprehensive income), the special purpose statement of cash flows and the special purpose statement of changes in equity for the period 1 April 2020 to 31 December 2020, and a summary of the significant accounting policies and other explanatory information (together herein after referred to as "special purpose financial information").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial information is prepared, in all material respects, in accordance with the basis of preparation as set out in Note 2.1 to the special purpose financial information.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('Act'). Our responsibilities under those SAs are further described in the *Auditors' Responsibilities for the Audit of the Special Purpose Financial Information* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the special purpose financial information under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the special purpose financial information.

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to Note 2.1 to the special purpose financial information, which describes the basis of accounting, including the approach to and purpose of preparing them. The special purpose financial information has been prepared by the management solely for the purpose of filing with stock exchanges (NSE and BSE) pursuant to the scheme of merger of the Company with HT Media Limited. As a result, the special purpose financial information may not be suitable for another purpose.

Our report is issued solely for the aforementioned purpose and accordingly may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party



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Nesco IT Park 4, Nesco Center, Western Express Highway,
Goregaon (East), Mumbai – 400063, India

without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person, except as stated above, to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Information

Management is responsible for the preparation of the special purpose financial information in accordance with basis described in Note 2.1 of the special purpose financial information, and for such internal control as management determines is necessary to enable the preparation of special purpose financial information that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Special Purpose Financial Information

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

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

- Identify and assess the risks of material misstatement of the special purpose financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report



B S R and Associates

to the related disclosures in the special purpose financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

For **B S R and Associates**

Chartered Accountants

Firm's Registration No.:128901W



Rajesh Arora

Partner

Membership No.: 076124

UDIN: 21076124AAAAAS3800

Place: Gurugram

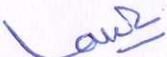
Date: 23 February 2021

HT Mobile Solutions Limited
Special Purpose Balance Sheet as at December 31, 2020

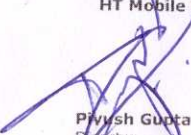
	Notes	As at December 31, 2020 (Rs. in '000)
I ASSETS		
1) Non-current assets		
(a) Property, plant and equipment	3	424
(b) Intangible assets	4	112
(c) Financial assets		
(i) Investments	5A	6,108
(ii) Loans	5B	112,000
(d) Deferred tax assets (net)	15	35,575
(e) Income tax assets (Net)	6	4,587
Total non-current assets		158,806
2) Current assets		
(a) Financial assets		
(i) Trade receivables	7	29,113
(ii) Cash and cash equivalents	8	47,101
(iii) Loans	5B	30,150
(iv) Other financial assets	5C	24,152
(b) Other current assets	9	63,098
Total current assets		193,614
TOTAL ASSETS		352,420
II EQUITY AND LIABILITIES		
1) Equity		
(a) Equity share capital	10	354,586
(b) Other equity	11	(120,186)
Total equity		234,400
2) Liabilities		
Non-current liabilities		
(a) Provisions	13	595
Total Non-current liabilities		595
Current liabilities		
(a) Financial liabilities		
(i) Trade payables	12A	106,019
(ii) Other financial liabilities	12B	8,965
(b) Provisions	13	232
(c) Other current liabilities	14	2,209
Total current liabilities		117,425
Total liabilities		118,020
TOTAL EQUITY AND LIABILITIES		352,420
Summary of significant accounting policies	2	

See accompanying notes to the special purpose financial information.
In terms of our report of even date attached

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


Rajesh Arora
Partner
Membership No. 076124

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


Piyush Gupta
Director
(DIN: 03155591)



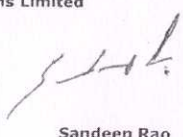



Sandeep Rao
Director
(DIN: 08711910)


Zairus Master
Chief Executive Officer


Rahul Garg
Chief Financial Officer

Place: Gurugram
Date: February 23, 2021

Place: New Delhi
Date: February 23, 2021

HT Mobile Solutions Limited Special Purpose Statement of Profit and Loss for nine months ended December 31, 2020		
Particulars	Notes	Nine months ended December 31, 2020 (Rs. in '000)
I Income		
a) Revenue from operations	16	246,976
b) Other Income	17	28,730
Total Income		275,706
II Expenses		
a) Employee benefits expense	18	6,457
b) Finance costs	19	105
c) Depreciation and amortization expense	20	209
d) Other expenses	21	221,173
Total expenses		227,944
III Profit before tax (I-II)		47,762
IV Earnings before finance cost, tax, depreciation and amortization (EBITDA) [III+II(b)+II(c)]		48,076
V Tax expense:		
(1) Current tax	15	-
(2) Deferred tax charge	15	14,577
Total tax expense		14,577
VI Profit for the period (III-V)		33,185
VII OTHER COMPREHENSIVE INCOME		
Items that will not to be reclassified subsequently to profit or loss		
- Remeasurement of defined benefit plans	22	(41)
- Income tax effect		11
Other comprehensive income for the period, net of tax		(30)
VIII Total Comprehensive Income for the period, net of tax (VI+VII)		33,155
IX Earnings per equity share		
Basic (Nominal value of shares Rs. 10/-)	23	0.94
Diluted (Nominal value of shares Rs. 10/-)	23	0.94
Summary of significant accounting policies	2	
See accompanying notes to the special purpose financial information. In terms of our report of even date attached		
<div> <div> For B S R and Associates Chartered Accountants (ICAI Firm registration Number: 128901W)  Rajesh Arora Partner Membership No. 076124 </div> <div> For and on behalf of the Board of Directors of HT Mobile Solutions Limited <div>  Piyush Gupta Director (DIN: 03155591) </div> <div>  Sandeep Rao Director (DIN: 08711910) </div> <div>  Zafar Master Chief Executive Officer </div> <div>  Rahul Garg Chief Financial Officer </div> </div> </div>		
<div> Place: Gurugram Date: February 23, 2021 </div> <div> Place: New Delhi Date: February 23, 2021 </div>		


HT Mobile Solutions Limited
Special Purpose Cash Flow Statement for nine months ended December 31, 2020

Particulars	Notes	Nine months ended December 31, 2020 (Rs. in '000)
Cash flows from operating activities:		
Profit before tax		47,762
Adjustments for:		
Depreciation and amortization		209
Loss on disposal of property, plant and equipment		24
Interest income from deposits and others		(9,177)
Loss on account of fair value of investments classified at FVTPL		3,192
Unclaimed balances/liabilities written back		(19,131)
Impairment for doubtful debts and advances/ (Reversal of impairment against doubtful debts and advances)		(422)
Cash flows from operating activities before changes in following assets and liabilities		22,457
Changes in operating assets and liabilities:		
(Increase)/decrease in trade receivables		(24,268)
(Increase)/decrease in current and non-current financial assets and other current and non-current assets		81,179
Increase/(decrease) in current and non-current financial liabilities and other current and non-current liabilities and provisions		14,897
Total cash from operations		94,265
(Income taxes paid)/refund		43,163
Net cash flows from operating activities (A)		137,428
Cash flows from investing activities:		
Purchase of investments		(3,300)
Inter corporate deposits given		(112,000)
Interest received on inter corporate deposit given		113
Interest received on deposits		1,527
Net cash flows used in investing activities (B)		(113,660)
Net cash flows from/(used in) financing activities (C)		-
Net increase/(decrease) in cash and cash equivalents (D= A+B+C)		23,768
Cash and cash equivalents at the beginning of the period (E)		23,333
Cash and cash equivalents at period end (D+E)		47,101

Particulars	Notes	Nine months ended December 31, 2020 (Rs. in '000)
Component of cash and cash equivalent as at end of the period		
Balances with banks		601
- on current accounts		46,500
- on deposit accounts		
Total Cash and cash equivalents		47,101

See accompanying notes to the special purpose financial information.
In terms of our report of even date attached

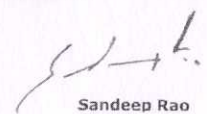
For B S R and Associates
Chartered Accountants
(ICAI Firm registration Number: 128901W)


Rajesh Arora
Partner
Membership No. 076124

Place: Gurugram
Date: February 23, 2021

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


Piyush Gupta
Director
(DIN: 03155591)


Sandeep Rao
Director
(DIN: 08711910)


Zairus Master
Chief Executive Officer


Rahul Garg
Chief Financial Officer

Place: New Delhi
Date: February 23, 2021

HT Mobile Solutions Limited
Special Purpose Statement of changes in equity for nine months ended December 31, 2020

A. EQUITY SHARE CAPITAL (Refer Note 10)

Particulars	Equity share Capital Number	(Rs. in '000)
Balance as at April 1, 2020	35,458,598	354,586
Change during the period		
Balance as at December 31, 2020	35,458,598	354,586

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

Particulars	Securities premium reserve	Reserve & Surplus Retained earnings/ General Reserve	Capital Reserve	Total (Rs. in '000)
Balance as at April 1, 2020	23,911	(176,009)	(1,243)	(153,341)
Change during the period		33,185	-	33,185
Items of gain of other comprehensive income recognised directly in retained earnings				
- Remeasurements of defined benefits obligation, net of tax		(30)		(30)
Balance as at December 31, 2020	23,911	(142,854)	(1,243)	(120,186)

See accompanying notes to the special purpose financial information.

In terms of our report of even date attached

For B S R and Associates
Chartered Accountants

(ICAI Firm registration Number: 128901W)

Rajesh Arora

Rajesh Arora
Partner
Membership No. 076124

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

Sandeep Rao

Sandeep Rao
Director
(DIN: 08711910)

Piyush Gupta

Piyush Gupta
Director
(DIN: 03155591)

Zalwas Master

Zalwas Master
Chief Executive Officer

Rahul Garq

Rahul Garq
Chief Financial Officer

Place: Gurugram
Date: February 23, 2021

Place: New Delhi
Date: February 23, 2021

HT Mobile Solutions Limited**Notes forming part of special purpose financial information for period ended 31 December 2020****1. Corporate information**

HT Mobile Solutions Limited ("The Company" or "HTMS") 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.

The special purpose financial information of the Company for the period ended 31st December, 2020 were authorised for issue in accordance with a resolution of the Board of Directors on February 23, 2021.

2. Significant accounting policies followed by the company**2.1 Basis of preparation**

This special purpose financial information for the period 1 April 2020 to 31 December 2020 have been prepared in accordance with measurement and recognition principles of Indian Accounting Standards (Ind AS) 34 specified under Section 133 of the Companies Act, 2013. Accordingly, these special purpose financial information do not include the relevant comparative financial information as required by Ind AS 34 and are not and do not purport to be complete or condensed set of financial information prepared under Ind AS.

A scheme of amalgamation u/s 230-232 of the Companies Act, 2013 which provides for merger of Digicontent Limited (DCL), Next Mediaworks Limited (NMW), HT Mobile Solutions Limited (HTMS) with HT Media Limited (HTML) ("Scheme"), has been approved by the Board of Directors of respective companies at their meeting held on February 11, 2021. These special purpose financial information have been prepared for the purpose of filing with stock exchanges pursuant to the above mentioned merger scheme.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial information.

The accounting policies are applied consistently to all the periods presented in the special purpose financial information.

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

2.2 Summary of significant accounting policies**a) Current versus non- current classification**

HT Mobile Solutions Limited**Notes forming part of special purpose financial information for period ended 31 December 2020**

The Company presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b) Foreign currencies

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

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

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



HT Mobile Solutions Limited**Notes forming part of special purpose financial information for period ended 31 December 2020**

- 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 special purpose financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 — Valuation techniques for which inputs are unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the special purpose financial information 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 (i.e., transfers control of the related services to the customer) and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured based on the transaction price, which is the consideration, adjusted for allowances, trade discounts, volume rebates, if any, as specified in the contract with the customer. Revenue excludes taxes collected from customers. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

Contract asset and unbilled receivables

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



HT Mobile Solutions Limited**Notes forming part of special purpose financial information for period ended 31 December 2020**

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

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

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

Revenue from services

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

Revenue from SMS pushes/voice calls

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

Revenue from Content

Revenue is recognised basis of log records of operators.

Interest income

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

e) Taxes**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

HT Mobile Solutions Limited**Notes forming part of special purpose financial information for period ended 31 December 2020**

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

Deferred tax liabilities are recognised for all taxable temporary differences except:

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

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

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

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

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

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

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



HT Mobile Solutions Limited**Notes forming part of special purpose financial information for period ended 31 December 2020****f) Property, plant and equipment**

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

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

Recognition:

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

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

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

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

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

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

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

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

Subsequent expenditure can be capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the company.

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

HT Mobile Solutions Limited**Notes forming part of special purpose financial information for period ended 31 December 2020**

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

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

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

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

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

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

Intangible Assets	Useful Life (in Years)
Software Licenses	6

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,



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unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

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

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

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

j) Employee benefits

Short term employee benefits and defined contribution plans:

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

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for



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service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

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

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

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

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

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

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

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

Termination benefits

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

Compensated Absences

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

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



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Notes forming part of special purpose financial information for period ended 31
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k) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets (Other than trade receivable which is recognised at transaction price as per Ind AS 115) are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Debt instruments at amortised cost

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

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

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

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

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind-AS 103 applies are Ind-AS classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on Initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition



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

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

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

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

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 115 (referred to as 'contractual revenue receivables' in these special purpose financial information).

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

- Trade receivables or contract revenue receivables;

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

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

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically



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observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

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

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

Financial liabilities*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of and payables, net of directly attributable transaction costs.

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

Subsequent measurement

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

De-recognition

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

Offsetting of financial instruments

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

I) Leases

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

Company as a lessee

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

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

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

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

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating



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

m) Cash and cash equivalents

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

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

n) Measurement of EBITDA

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

o) Contingent Liabilities

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



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

2.3 Significant accounting judgments, estimates and assumptions

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

The areas involving critical estimates or judgment are as below:**Taxes**

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

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

Further details on taxes are disclosed in Note 15.

Defined benefit plans

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

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

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

Fair value measurement of financial instruments

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

Impairment of financial assets

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

Impairment of Non-financial assets

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



HT Mobile Solutions Limited
Special Purpose Notes to financial information for nine months ended December 31, 2020

Note 3 : Property, plant and equipment

	(Rs. in '000)			
Particulars	Improvement to leasehold premises	Plant and machinery	Furniture and fixtures	Total
Cost				
As at April 1, 2020	472	9,658	17	10,147
Additions during the period	-	-	-	-
Less : Disposals/ adjustments	472	160	-	632
As at December 31, 2020	-	9,498	17	9,515
Accumulated Depreciation/ Impairment				
As at April 1, 2020	457	9,211	10	9,678
Charge for the period	3	17	2	22
Less : Disposals/ adjustments	460	149	-	609
As at December 31, 2020	-	9,079	12	9,091
Net Block				
As at December 31, 2020	-	419	5	424
As at April 1, 2020	15	447	7	469



HT Mobile Solutions Limited
Special Purpose Notes to financial information for nine months ended December 31, 2020

Note 4 : Intangible assets

(Rs. in '000)

Particulars	Software licenses	Non compete fees	Total
Gross carrying amount			
As at April 1, 2020	11,430	1,391	12,821
Additions during the period	-	-	-
Less : Disposals/ adjustments	-	-	-
As at December 31, 2020	11,430	1,391	12,821
Accumulated Amortization/ Impairment			
As at April 1, 2020	11,135	1,387	12,522
Charge for the period	187	-	187
As at December 31, 2020	11,322	1,387	12,709
Net carrying amount			
As at December 31, 2020	108	4	112
As at April 1, 2020	295	4	299



HT Mobile Solutions Limited	
Special Purpose Notes to financial information for nine months ended December 31, 2020	
Note 5A : Investments	(Rs. in '000)
Particulars	As at December 31, 2020
Investments at fair value through profit and loss	
Unquoted	
Investment in equity instruments and warrants (refer note 24)	5,600
Quoted	
Investment in equity instruments and warrants (refer note 24)	508
Total investments	6,108
Current	-
Non - current	6,108
Aggregate book value of quoted investments	508
Aggregate market value of quoted investments	508
Aggregate value of unquoted investments	5,600
Note 5B : Loans	(Rs. in '000)
Particulars	As at December 31, 2020
Unsecured considered good at amortised cost	
Inter- corporate loan given to related parties (refer note 25A)	142,000
Security deposit	150
Total Loans	142,150
Current	30,150
Non - Current	112,000
Particulars	As at December 31, 2020
Secured, considered good	-
Unsecured, considered good	142,150
Total	142,150
Note 5C : Other financial assets	(Rs. in '000)
Particulars	As at December 31, 2020
Other financial assets (at amortised cost)	
Interest accrued on inter-company deposits (refer note 25A)	4,542
Unbilled receivable	6,293
Other receivables from related party (refer note 25A)	13,317
Total Other Financial Assets	24,152
Current	24,152
Non - Current	-
Note 6 : Income tax assets (net)	(Rs. in '000)
Particulars	As at December 31, 2020
Income tax assets (net) related to current tax	4,587
Current	-
Non-Current	4,587
Note 7 : Trade Receivables	(Rs. in '000)
Particulars	As at December 31, 2020
Trade receivables	29,103
Receivables from related parties (refer note 25A)	10
Total trade receivables	29,113
Current	29,113
Non - Current	-
Particulars	As at December 31, 2020
Secured, considered good	-
Unsecured, considered good	29,113
Unsecured, considered doubtful	9,192
Total	38,305
Loss allowance for bad & doubtful debts	9,192
Total trade receivables	29,113
No trade receivable is due from directors or other officers of the Company either severally or jointly with	
Note 8 : Cash and cash equivalents	(Rs. in '000)
Particulars	As at December 31, 2020
Balance with banks :	
- On current accounts	601
- Deposit with original maturity of three months or less	46,500
Total	47,101
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 9 : Other current assets	(Rs. in '000)
Particulars	As at December 31, 2020
Prepaid expenses	50
Balance with statutory/government authorities	63,048
Total	63,098
Break up of financial assets carried at amortised cost	(Rs. in '000)
Particulars	As at December 31, 2020
Trade receivables (Note 7)	29,113
Cash and cash equivalents (Note 8)	47,101
Loans (Note 5B)	142,150
Other financial assets (Note 5C)	24,152
Total financial assets carried at amortised cost	242,516



HT Mobile Solutions Limited
Special Purpose Notes to financial information for nine months ended December 31, 2020

Note 10 : Share capital

Authorised share capital

Equity share capital

Particulars	No. of shares	(Rs. in '000)
At April 1, 2020	41,000,000	410,000
Increase/(decrease) during the period		
At December 31, 2020	41,000,000	410,000

Terms/ rights attached to equity shares

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

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

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

Particulars	No. of shares	(Rs. in '000)
At April 1, 2020	50,000,000	5,000
Increase/(decrease) during the period		
At December 31, 2020	50,000,000	5,000

Issued and subscribed capital

Equity shares capital

Particulars	No. of shares	(Rs. in '000)
Equity shares of Rs. 10 each issued, subscribed & fully paid	35,458,598	354,586
At April 1, 2020		
Changes during the period		
At December 31, 2020	35,458,598	354,586

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

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



HT Mobile Solutions Limited
Special Purpose Notes to financial information for nine months ended December 31, 2020

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

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

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

Particulars	As at December 31, 2020	% holding in the No in class
Equity Shares with voting rights:		
HT Digital Media Holdings Limited, Holding Company	32,171,158	90.73%
# 32,171,158 equity shares of Rs. 10 each fully paid		
HT Media Limited, Holding Company of HT Digital Media Holdings Limited	2,990,653	8.43%
# 2,990,653 equity shares of Rs. 10 each fully paid		

As per records of the Company including its register of shareholders/members, the above shareholding represents legal ownerships of shares.



HT Mobile Solutions Limited
Special Purpose Notes to financial information for nine months ended December 31, 2020
Note 11 : Other equity

Particulars	(Rs. in '000)
	As at
	December 31, 2020
Securities premium	23,911
Capital reserve	(1,243)
Retained earnings & general reserves	(142,854)
Total	(120,186)

Securities premium

Particulars	(Rs. in '000)
At April 1, 2020	23,911
Changes during the period	-
At December 31, 2020	23,911

Retained earnings & general reserves

Particulars	Retained earnings	General reserves	Total
At April 1, 2020	(176,043)	34	(176,009)
Net Profit for the period	33,185	-	33,185
Items of gain of other comprehensive income recognised directly in retained earnings			
- Remeasurements of defined benefits obligation, net of tax	(30)	-	(30)
At December 31, 2020	(142,888)	34	(142,854)

Capital reserve*

Particulars	(Rs. in '000)
At April 1, 2020	(1,243)
Changes during the period	-
At December 31, 2020	(1,243)

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



HT Mobile Solutions Limited**Special Purpose Notes to financial information for nine months ended December 31, 2020**

	(Rs. in '000)
Note 12A : Trade payables	
Particulars	As at December 31, 2020

Trade Payables	4,941
- payable to related parties (refer note 25A)	101,078
- Payable to others	106,019
Total	106,019
Current	-
Non- Current	-

	(Rs. in '000)
Note 12B : Other financial liabilities	
Particulars	As at December 31, 2020

Other financial liabilities at amortised cost	2,155
Employee payables	6,810
Security deposit	8,965
Total financial liabilities carried at amortised cost	8,965
Current	8,965
Non- Current	-

	(Rs. in '000)
Note 13 : Provisions	
Particulars	As at December 31, 2020

Provision for employee benefits	161
Provision for compensated absences	666
Provision for gratuity	827
Total Provisions	232
Current	232
Non- current	595

	(Rs. in '000)
Note 14 : Other liabilities	
Particulars	As at December 31, 2020

Customers and agents balances	1,575
Statutory dues	634
Total other current liabilities	2,209
Current	2,209
Non- Current	-

Note 15 : Income Tax

The major components of income tax expense for the period ended December 31, 2020 are :

Statement of profit and loss :

	(Rs. in '000)
Particulars	As at December 31, 2020
Current income tax	14,577
Deferred tax charge	14,577
Income tax expense reported in the statement of profit and loss	14,577

OCI section :

Deferred tax related to items recognised in OCI during the period ended December 31, 2020:

	(Rs. in '000)
Particulars	As at December 31, 2020
Income tax credit on remeasurements of defined benefit plans	(11)
Income tax charged to OCI	(11)

Reconciliation of deferred tax assets (net):

	(Rs. in '000)
Particulars	As at December 31, 2020
At April 1, 2020	50,141
Tax income/(expense) during the period recognised in statement of profit and loss	(14,566)
At December 31, 2020	35,575



HT Mobile Solutions Limited
Special Purpose Notes to financial information for nine months ended December 31, 2020

		(Rs. in '000)
Note 16 : Revenue from operations		Nine months ended
Particulars		December 31, 2020
Sales of services - digital services		243,676
Other Operating revenue		
- Forfeiture of security deposit		3,300
Total		246,976
		(Rs. in '000)
Note 17 : Other income		Nine months ended
Particulars		December 31, 2020
Interest income on EIR method		
- Bank deposits		1,527
- Interest on inter corporate deposit		4,444
- Income tax refund		3,206
Other non - operating income		
Unclaimed balances/liabilities written back		19,131
Reversal of Impairment against doubtful debts and advances		422
Total		28,730
		(Rs. in '000)
Note 18 : Employee benefits expense		Nine months ended
Particulars		December 31, 2020
Salaries, wages and bonus		6,057
Contribution to provident and other funds		242
Gratuity expense		146
Workmen and staff welfare expenses		12
Total		6,457
		(Rs. in '000)
Note 19 : Finance costs		Nine months ended
Particulars		December 31, 2020
Bank charges		105
Total		105
		(Rs. in '000)
Note 20 : Depreciation and amortization expense		Nine months ended
Particulars		December 31, 2020
Depreciation on property, plant and equipment (Refer Note 3)		22
Amortization of intangible assets (Refer Note 4)		187
Total		209
		(Rs. in '000)
Note 21 : Other expenses		Nine months ended
Particulars		December 31, 2020
Rates and taxes		2,364
Insurance		74
Repairs and maintenance:		
- Plant and machinery		-
Travelling and conveyance		1,779
Communication costs		179
Legal and professional fees		3,079
Payment to auditor (refer details below)		1,250
Foreign exchange fluctuation loss (net)		267
Impairment for doubtful debts and advances (includes bad debts written off)		-
Loss on sale/discard of property, plant and equipment		24
Services for mobile and music content		208,851
Loss on account of fair value of investments classified at FVTPL		3,192
Miscellaneous expenses		114
Total		221,173
		(Rs. in '000)
Payment to auditors		Nine months ended
Particulars		December 31, 2020
As auditor :		
- Audit fee		1,175
- Tax audit fee		37
- Reimbursement of expenses		38
Total		1,250



HT Mobile Solutions Limited**Special Purpose Notes to financial information for nine months ended December 31, 2020****Note 22 : Other Comprehensive Income**

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

During the period ended December 31, 2020

Particulars	(Rs. in '000)	
	Retained earnings	Total
Re- measurement gains(losses) on defined benefit plans	(41)	(41)
Income tax relating to items that will not be reclassified subsequently to profit or loss	11	11
Total	(30)	(30)

Note 23 : Earnings per share (EPS)

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

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 period 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)	
	Nine months ended December 31, 2020	
Profit attributable to equity holders for basic earnings	33,185	
Profit attributable to equity holders adjusted for the effect of dilution	33,185	
Weighted average number of equity shares for basic EPS (No.)	35,458,598	
Weighted average number of equity shares adjusted for the effect of dilution (No.)	35,458,598	
Earning per share		
Basic EPS (Rs.)	0.94	
Diluted EPS (Rs.)	0.94	



HT Mobile Solutions Limited**Special Purpose Notes to financial information for nine months ended December 31, 2020****Note 24 : Fair value**

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

Particulars	(Rs. in '000)		
	Carrying Value December 31, 2020	Fair value December 31, 2020	Fair value mechanism Hierarchy level
Financial assets measured at fair value through profit and loss (FVTPL)			
Investment in equity instruments and warrants - Unquoted (refer note 5A)	5,600	5,600	Level 3
Investment in equity instruments and warrants - Quoted (refer note 5A)	508	508	Level 1

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

The following methods and assumptions were used to estimate the fair values:

- The fair value of the investment in unquoted equity shares has been estimated using a Discounted Cash Flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, environmental factors and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments.
- Investments in quoted equity shares are valued at closing price of stock on recognised stock exchange.

Note 25: Related party transactions**i) List of Related Parties and Relationships:-**

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

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

ii) Transactions with related parties

Refer Note 25A

iii) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and interest free (other than Inter-corporate Deposit : refer note 5B) and settlement occurs in cash.



HT Mobile Solutions Limited**Special Purpose Notes to financial information for nine months ended December 31, 2020****Note 26 : Segment information**

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

Information about major customers:

There is only one customer that represent 10% or more of the Company's total revenue with total amounting to Rs. 236,533 thousands for the period ended December 31, 2020.

Note 27: Management has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of assets of the Company. In developing the assumptions relating to the possible future uncertainties because of this pandemic, the Company, as at the date of adoption of these financial information has used internal and external sources of information. Given the uncertainties associated with the nature, condition and duration of COVID-19, the impact assessment on the Company's financial information will be continuously made and provided for as required.

Note 28: A scheme of amalgamation u/s 230-232 of the Companies Act, 2013 which provides for merger of Firefly e-Ventures Limited (FEVL), HT Digital Media Holdings Limited (HTDMH), HT Education Limited (HTEL), HT Learning Centers Limited (HTLC), India Education Services Private Limited (IESPL) and Topmovies Entertainment Limited (TMEL) with HT Mobile Solutions Limited (HTMS) ("Scheme"), has been approved by the Board of Directors of respective companies at their meeting held on March 18, 2020. A joint application for sanction of the Scheme was filed before the Hon'ble National Company Law Tribunal, New Delhi Bench (NCLT) on July 14, 2020. Pursuant to NCLT's order dated October 12, 2020, meetings of equity shareholders of FEVL, HTDMH, IESPL and HTMS and unsecured creditors of HTMS were convened on December 7, 2020 where the Scheme was approved with requisite majority. The requirement to convene meeting(s) of shareholders/creditors of other companies was dispensed with/by NCLT having received consent therefor from the respective shareholders and creditors. The joint second motion petition for sanction of the Scheme has been filed before NCLT on December 16, 2020. The said petition is pending disposal by NCLT.

Pending requisite approval(s), impact of the proposed Scheme has not been considered in the above results.

See accompanying notes to the special purpose financial information.

In terms of our report of even date attached

For B S R and Associates

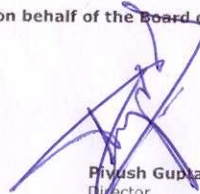
Chartered Accountants

(ICAI Firm registration Number: 128901W)

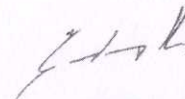


Rajesh Arora
Partner
Membership No. 076124

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



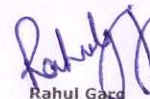
Divyush Gupta
Director
(DIN: 03155591)



Sandeep Rao
Director
(DIN: 08711910)



Zairus Master
Chief Executive Officer



Rahul Garg
Chief Financial Officer

Place: Gurugram
Date: February 23, 2021

Place: New Delhi
Date: February 23, 2021