INDEPENDENT AUDITOR'S REPORT

To the Members of HT Digital Media Holdings Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of HT Digital Media Holdings Limited, which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the Ind AS financial statements)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Other Information

The Company's Board of Directors is responsible for the other information. The Other Information comprises the information included in the other reports, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Based on the work we have performed, we conclude that there is a no material misstatement of this other information.

Responsibility of Management for Ind AS Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, international omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of managements' 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.

Report on Other Legal and Regulatory Requirements

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

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

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

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

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

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

      i. The Company does not have any pending litigations which would impact its financial position;

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

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

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

Saurabh Kuchhal
Partner
Membership No. 512362
Date: 25.06.2020
Place: New Delhi
UDIN: 20512362AAAAHG3959

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of HT Digital Media Holdings Limited for the year ended March 31, 2020

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

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

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

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

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

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

(iii) According to information and explanations given to us, the Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013 and same of the order is complied with.

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

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

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

(vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities, to the extent applicable to it. There are no arrears of outstanding statutory dues as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the Company does not have any dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax or cess which have not been deposited on account of any dispute.

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

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

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

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

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

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

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

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

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

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

Saurabh Kuchhal
Partner
Membership No. 512362
Date: 25.06.2020
Place: New Delhi
UDIN: 20512362AAAAHG3959

Annexure B to the Independent Auditor's Report of even date on The Financial Statements of HT Digital Media Holdings Limited for the year ended March 31, 2020

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

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of Management and directors of the Company; and

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Saurabh Kuchhal
Partner
Membership No. 512362
Date: 25.06.2020
Place: New Delhi
UDIN: 20512362AAAAHG3959

HT Digital Media Holdings Limited
Balance sheet as at March 31, 2020

	Particulars	Note No	As at 31st March 2020 INR	As at 31st March 2019 INR
	ASSETS			
1)	**Non-current assets**			
	(a) Investment in subsidiaries	3A	297,313,076	249,735,171
	(b) Financial assets			
	(i) Investments	3B	7,080,410	119,702,179
	(ii)Loans	3D	150,000	150,000
	(c) Income tax assets (net)	4	33,972	198,920
	Total non-current assets		**304,577,458**	**369,786,270**
2)	**Current assets**			
	(a) Financial assets			
	(i) Cash and cash equivalents	5	557,275	13,844,620
	(ii)Loans	3D	78,500,000	-
	(iii) Other financial assets	3C	250,318	104,110
	(b) Other current assets	6	93,650	17,700
	Total current assets		**79,401,243**	**13,966,430**
	TOTAL ASSETS		**383,978,701**	**383,752,700**
	EQUITY AND LIABILITIES			
1)	**Equity**			
	(a) Equity share capital	7	260,668,960	260,668,960
	(b) Other equity	8	122,887,263	122,508,472
	Total equity		**383,556,223**	**383,177,432**
2)	**Current liabilities**			
	(a) Financial liabilities			
	(i)Trade payables			
	a) Total outstanding due of micro, small and medium enterprises	9	-	-
	b)Total outstanding other than of micro enterprises and small enterprises	9	395,278	563,523
	(b) Other current liabilities	10	27,200	11,745
	Total current liabilities		**422,478**	**575,268**
	Total liabilities		**422,478**	**575,268**
	TOTAL EQUITY AND LIABILITIES		**383,978,701**	**383,752,700**
Summary of significant accounting policies		2		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For MRKS and Associates
ICAI Firm Registration no.: 023711N
Chartered Accountants

For and on behalf of the Board of Directors of
HT Digital Media Holdings Limited

per Saurabh Kuchhal
Partner
Membership Number: 512362

Dinesh Mittal
Director
DIN: 00105769

Piyush Gupta
Director
DIN: 03155591

Place: New Delhi
Date:

Pervez Diniar Bajan
Chief Executive Officer

Vaibhav Gupta
Chief Finance Officer

HT Digital Media Holdings Limited
Statement of Profit and Loss for the year ended March 31, 2020

	Particulars	Note No	Year ended 31st March 2020 INR	Year ended 31st March 2019 INR
I	**Income**			
	a) Other Income	11	1,079,747	11,030,824
	Total Income (I)		**1,079,747**	**11,030,824**
II	**Expenses**			
	a) Finance costs	12	2,248	773
	b) Other expenses	13	1,332,516	266,121
	Total Expenses (II)		**1,334,764**	**266,894**
III	Profit/(loss) before exceptional items and tax (I-II)		(255,017)	10,763,930
IV	Exceptional items Gain	14	47,577,905	20,871,360
V	**Profit/(loss) before tax (III-IV)**		**47,322,888**	**31,635,290**
VI	**Earnings before interest, tax, depreciation and amortization (EBITDA)**		**47,325,136**	**31,636,063**
VII	**Tax expense**			
	(1) Current tax	14A	236,355	-
	(2) Adjustment of tax relating to earlier periods	14A	2,455,863	-
	(3) Deferred tax charge/(credit)		-	-
	Total tax expense		**2,692,218**	**-**
VIII	**Profit/(loss) for the year (VI-VII)**		**44,630,670**	**31,635,290**
IX	**Other Comprehensive Income**			
A	Items that will not to be reclassified to profit or loss			
	a) Change in the fair vaue of equity investments at FVOCI	16	(44,251,879)	54,603,160
	Income tax effect		-	-
B	Items that will be reclassified to profit or loss		-	-
	Other comprehensive income for the year, net of tax		(44,251,879)	54,603,160
X	**Total Comprehensive Income for the year, net of tax (VIII+IX)**		**378,791**	**86,238,450**
	Earnings/(loss) per share			
	Basic (Nominal value of share INR 10/-)	15	1.71	1.21
	Diluted (Nominal value of share INR 10/-)	15	1.71	1.21
	Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For MRKS and Associates
ICAI Firm Registration no.: 023711N
Chartered Accountants

For and on behalf of the Board of Directors
HT Digital Media Holdings Limited

`

per Saurabh Kuchhal
Partner
Membership Number: 512362

Dinesh Mittal
Director
DIN: 00105769

Piyush Gupta
Director
DIN: 03155591

Place: New Delhi
Date:

Pervez Diniar Bajan
Chief Executive Officer

Vaibhav Gupta
Chief Finance Officer

HT Digital Media Holdings Limited
Cash Flow Statement for the year ended March 31, 2020

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Cash flows from operating activities:		
Profit before tax	**47,322,888**	**31,635,290**
Adjustments for:		
Interest income from deposits and others	(778,415)	(451,304)
Interest income from inter company deposits	(278,132)	-
Fair value of investment through profit and loss (including loss on sale of investments)	1,009,690	(8,079,420)
Profit on sale of investments	-	(2,500,100)
Exceptional items		
Diminution in value of investment	(47,577,905)	(20,871,360)
Cash flows from operating activites before changes in following assets and liabilities	**(301,874)**	**(266,894)**
Changes in operating assets and liabilties		
Decrease / (Increase) in other current financial and current assets	(75,951)	(271,810)
Increase in trade and other payables	(168,245)	72,600
Increase in other current liabilities	15,455	(3,055)
Cash generated from operations	**(530,615)**	**(469,159)**
Income tax paid	(2,527,270)	(34,755)
Net cash flows from operating activities (A)	**(3,057,885)**	**(503,914)**
Cash flows from investing activities:		
Proceed from sale of investment	67,360,200	2,500,100
Purchase of investment	-	(10,680)
Inter company deposits given	(78,500,000)	-
Interest income on inter company deposits	27,814	-
Income from bank deposits	882,526	451,304
Net cash flows used in investing activities (B)	**(10,229,460)**	**2,940,724**
Cash flows from financing activities:		
Proceeds from issue of share capital	-	260,668,960
Interest Paid	-	-
Net cash flows from/(used in) financing activities (C)	**-**	**-**
Net increase in cash and cash equivalents (D= A+B+C)	**(13,287,345)**	**2,436,810**
Cash and cash equivalents at the beginning of the year (E)	**13,844,620**	**11,407,810**
Cash and cash equivalents at year end (D+ E)	**557,275**	**13,844,620**
Components of Cash & Cash Equivalents as at end of the year		
Balances with banks		
- On current accounts	557,275	1,344,620
- Deposits with original maturity of less than three months	-	12,500,000
Cash and cash equivalents as per Cash Flow Statement	**557,275**	**13,844,620**

Note: The above Cash Flow Statement has been prepared under the"Indirect Method" as set out in Ind AS 7 - Statement of Cash Flows.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For MRKS and Associates
ICAI Firm Registration no.: 023711N
Chartered Accountants

For and on behalf of the Board of Directors of
HT Digital Media Holdings Limited

per Saurabh Kuchhal
Partner
Membership Number: 512362

Dinesh Mittal
Director
DIN: 00105769

Piyush Gupta
Director
DIN: 03155591

Place: New Delhi
Date:

Pervez Diniar Bajan
Chief Executive Officer

Vaibhav Gupta
Chief Finance Officer

HT Digital Media Holdings Limited
Statement of changes in equity for the year ended March 31, 2020

A. Equity Share Capital
Equity Shares of INR 10 each issued, subscribed and fully paid up

Particulars	Number of shares	INR
Balance as at 1 April, 2018	**26,066,896**	**260,668,960**
Changes in share capital during the year	-	-
Balance as at 31 March, 2019	**26,066,896**	**260,668,960**
Changes in share capital during the year	-	-
Balance as at 31 March, 2020	**26,066,896**	**260,668,960**

B. Other Equity

(INR)

Particulars	Securities premium	Retained earnings	FVTOCI Reserve	Capital reserve	Total
Balance as at 1 April, 2018	111,710,040	(76,683,388)	-	1,243,370	36,270,022
Change during the year	-	31,635,290	54,603,160	-	86,238,450
Balance as at 31 March, 2019	**111,710,040**	**(45,048,098)**	**54,603,160**	**1,243,370**	**122,508,472**
Change during the year	-	44,630,670	(44,251,879)	-	378,791
Balance as at 31 March, 2020	**111,710,040**	**(417,428)**	**10,351,281**	**1,243,370**	**122,887,263**

The accompanying notes are an integral part of the financial statements

As per our report of even date.
For MRKS and Associates
ICAI Firm Registration no.: 023711N
Chartered Accountants

For and on behalf of the Board of Directors of
HT Digital Media Holdings Limited

per Saurabh Kuchhal
Partner
Membership Number: 512362

Dinesh Mittal
Director
DIN: 00105769

Piyush Gupta
Director
DIN: 03155591

Pervez Diniar Bajan
Chief Executive Officer

Vaibhav Gupta
Chief Finance Officer

Place: New Delhi
Date:

1. Corporate information

HT Digital Media Holdings Limited ("the Company") is a wholly owned subsidiary of HT Media Limited incorporated under the provision of the Companies Act, 2013 to carry on business of providing payroll processing services and consultancy services.

2. Significant accounting policies followed by company

2.1Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Companies Act 2013 (the "accounting principles generally accepted in India").

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:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

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

2.2Summary of significant accounting policies

a) Current versus non- current classification

The Company presents assets and liabilities in the balance sheet based on current/ 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 Company has identified twelve months as its operating cycle.

b) Foreign currencies

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

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

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

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

c) Fair value measurement

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

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

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

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

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

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

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

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

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

- Level 3 — Valuation techniques for which inputs are unobservable inputs for the asset or liability

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

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

This Note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes :

- Disclosures for valuation methods, significant estimates and assumptions (Note 20)
- Quantitative disclosures of fair value measurement hierarchy (Note 20)
- Investments at Fair Value through profit and loss (Note 3A)

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 duties collected on behalf of the government.

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

Interest income
For all debt instruments measured at amortised cost, 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.

Dividends
Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

e) Taxes

Current income tax

Tax expense comprises current and deferred tax.

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

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

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

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g) Leases

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

Company as a lessee

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

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

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

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

Company as a lessor

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

Transition to Ind AS 116

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

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) 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, financial assets are classified into four categories:

- Debt instruments at amortised cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Debt instruments at amortised cost

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

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

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Equity investments

All equity investments in scope of INDAS 109 are measured at fair value. Equity instruments which are held for trading recognised by an acquirer in a business combination to which INDAS103 applies are INDAS 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.

De-recognition

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

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

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

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

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Lease receivables under INDAS 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 INDAS 11 and INDAS 18 (referred to as 'contractual revenue receivables' in these financial statements)

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

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

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

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

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

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

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis and upon consideration of the fact that there has been no material history of defaults the Company does not estimate any provision on its outstanding trade receivables.

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

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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 loans and borrowings and payables, net of directly attributable transaction costs.
The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

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

Loans and borrowings

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

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 as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 15.

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.

j) Cash and cash equivalents

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

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

k) Cash dividend and non- cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

l) 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.

m) Measurement of EBITDA

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

n) Earnings per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:
-the profit attributable to owners of the Company
-by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:
-the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
-the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.3. Significant accounting estimates & judgements

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

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, are described below:-

Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent Liability

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

HT Digital Media Holdings Limited
Notes to financial statements for the year ended March 31, 2020

Note 3A: Investment in subsidiaries

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
(A) Investment in subsidiaries at amortised cost		
Unquoted		
Equity Shares in FEVL		
124,337 Equity Shares of Rs 10 Each (Mar 19-124,337 equity shares)	1,243,370	1,243,370
Equity Shares in HTMS		
32,171,163 Equity Shares of Rs 10 Each (Mar 19- 32,171,163 equity shares)	297,111,686	297,111,686
Total (A)	**298,355,056**	**298,355,056**
Provision for diminution in value of investment in subsidiary (B)	1,041,980	48,619,885
Total Investment in Subsidiary (A) - (B)	**297,313,076**	**249,735,171**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	297,313,076	249,735,171
Current	-	-
Non-current	297,313,076	249,735,171

Note 3B :Other financial assets

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
Other financial Assets at amortised cost		
Interest accrued on inter-company deposits and others (refer note 18A)	250,318	-
Income accrued but not due	-	104,110
Total Other financial assets	**250,318**	**104,110**
Current	250,318	104,110
Non - Current	-	-

Break up of financial assets carried at amortised cost

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
Cash and cash equivalents (Note 5)	557,275	13,844,620
Investments (Note 3A)	298,355,056	298,355,056
Other financial assets (Note 3B)	250,318	104,110
Total financial assets carried at amortised cost	**299,162,649**	**312,303,786**

* During the previous year, the Company's share in HT Overseas Pte. Ltd. (HTOS) has diluted from 40.4% to 8.4%. As a result, HTOS has ceased to be an associate of the Company. Hence, as at March 31, 2019 and March 31, 2020 the investment in HTOS has been carried at FVTOCI in accordance with Ind AS 109. Till March 31, 2018 Investment was carried at cost as per Para 10 of Ind AS 27.

HT Digital Media Holdings Limited
Notes to financial statements for the year ended March 31, 2020

Note 3B: Investments

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
(A) Investment at Fair Value through profit or loss		
(I) Investment in Cumulative Convertible Preference Shares		
Unquoted	7,080,410	8,090,100
Total Investment at Fair Value through profit or loss (A)	**7,080,410**	**8,090,100**
(B) Investment at Fair Value through Other Comprehensive Income		
Investment in equity instruments*		
Unquoted	-	111,612,079
Total Investment at Fair Value through Other Comprehensive Income(B)	**-**	**111,612,079**
Total Investments (A+B)	**7,080,410**	**119,702,179**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	7,080,410	119,702,179
Current	-	-
Non-current	7,080,410	119,702,179

* During the previous year, the Company's share in HT Overseas Pte. Ltd. (HTOS) has diluted from 40.4% to 8.4%. As a result, HTOS has ceased to be an associate of the Company. Hence, as at March 31, 2019 and March 31, 2020 the investment in HTOS has been carried at FVTOCI in accordance with Ind AS 109. Till March 31, 2018 Investment was carried at cost as per Para 10 of Ind AS 27.

Note 3C :Other financial assets

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
Other financial Assets at amortised cost		
Interest accrued on inter-company deposits and others (refer note 18A)	250,318	-
Income accrued but not due	-	104,110
Total Other financial assets	**250,318**	**104,110**
Current	250,318	104,110
Non - Current	-	-

Break up of financial assets carried at amortised cost

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
Cash and cash equivalents (Note 5)	557,275	13,844,620
Investments (Note 3A)	297,313,076	249,735,171
Other financial assets (Note 3B)	250,318	104,110
Total financial assets carried at amortised cost	**298,120,669**	**263,683,901**

Break up of financial assets at fair value through profit and loss

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
Investments (Note 3B)	7,080,410	8,090,100
Total financial assets carried at fair value through profit and loss	**7,080,410**	**8,090,100**

Break up of financial assets at fair value through Other Comprehensive Income

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
Investments (Note 3B)	-	111,612,079
Total financial assets carried at fair value through Other Comprehensive Income	**-**	**111,612,079**

HT Digital Media Holdings Limited
Notes to financial statements for the year ended March 31, 2020

Note 3D: Loans

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured considered good at amortised cost		
Security deposit	150,000	150,000
Inter- corporate loan given (refer note 18A)	78,500,000	-
Total	**78,650,000**	**150,000**
Current	78,500,000	-
Non - current	150,000	150,000

Note 4: Income tax assets

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
Income tax assets (net) [related to current tax]	33,972	198,920
Total	**33,972**	**198,920**
Current	-	-
Non - current	33,972	198,920

Note 5 : Cash and cash equivalents

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
Balance with banks :		
- On deposit accounts	-	12,500,000
- On current accounts	557,275	1,344,620
Total	**557,275**	**13,844,620**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
Balance with banks :		
- On current accounts	557,275	1,344,620
- Deposits with original maturity of less than three months	-	12,500,000
Total	**557,275**	**13,844,620**

Schedule 6: Other current assets

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
Advances recoverable in cash or kind	93,650	17,700
Total	**93,650**	**17,700**

Note 7 : Share capital

Authorised share capital

Particulars	**No. of shares**	**Amount (INR)**
At 1 April 2018	188,000,000	1,880,000,000
Increase/(decrease) during the year	-	-
At 31 March 2019	188,000,000	1,880,000,000
Increase/(decrease) during the year	-	-
At 31 March 2020	**188,000,000**	**1,880,000,000**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. During the year ended on 31st March, 2020 no dividend was recognised as distributions to equity shareholders.

Issued and subscribed capital

Equity shares of INR 10 each issued, subscribed and fully paid	**No. of shares**	**Amount (INR)**
At 1 April 2018	26,066,896	260,668,960
Changes during the year	-	-
At 31 March 2019	26,066,896	260,668,960
Changes during the year	-	-
At 31 March 2020	**26,066,896**	**260,668,960**

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

Particulars	**31st March, 2020**		**31st March, 2019**	
	No. of shares	**Amount (INR)**	**No. of shares**	**Amount (INR)**
Shares outstanding at the beginning of the year	26,066,896	260,668,960	26,066,896	260,668,960
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**26,066,896**	**260,668,960**	**26,066,896**	**260,668,960**

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 are as below:

(INR)

Particulars	**31st March, 2020**	**31st March, 2019**
HT Media Limited, the holding company		
26,066,895 (31 Mar 2019 - 26,066,895) equity shares of INR 10 each fully paid	260,668,950	260,668,950

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

Particulars	**As at 31 March 2020**		**As at 31 March 2019**	
	No. of shares	**% holding in the No in class**	**No. of shares**	**% holding in the No in class**
Equity shares of INR 10 each fully paid				
HT Media Limited, the holding company	26,066,895	99.99%	26,066,895	99.99%

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.

HT Digital Media Holding Limited
Notes to financial statements for the year ended March 31, 2020

Note 8: Other equity

Particulars	As at 31st March 2020	As at 31st March 2019
Securities premium	111,710,040	111,710,040
Retained earnings	(417,428)	(45,048,098)
FVTOCI reserve	10,351,281	54,603,160
Capital reserve	1,243,370	1,243,370
Total	**122,887,263**	**122,508,472**

Securities premium

Particulars	Amount (INR)
At 1 April 2018	**111,710,040**
Changes during the year	-
At 31 March 2019	**111,710,040**
Changes during the year	-
At 31 March 2020	**111,710,040**

Retained earnings

Particulars	Amount (INR)
At 1 April, 2018	**(76,683,388)**
Changes during the year	31,635,290
At 31 March, 2019	**(45,048,098)**
Changes during the year	44,630,670
At 31 March 2020	**(417,428)**

FVTOCI reserve

Particulars	Amount (INR)
At 1 April, 2018	**-**
Changes during the year (gain on FVTOCI)	54,603,160
At 31 March, 2019	**54,603,160**
Changes during the period (loss on FVTOCI)	(44,251,879)
At 31 March 2020	**10,351,281**

Capital reserve

Particulars	Amount (INR)
At 1 April 2018	**1,243,370**
Changes during the year	-
At 31 March 2019	**1,243,370**
Changes during the year	-
At 31 March 2020	**1,243,370**

HT Digital Media Holdings Limited
Notes to financial statements for the year ended March 31, 2020

Note 9: Trade Payables

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
Trade Payables		
- Micro, small and medium enterprises (refer note 17)	-	-
- Related parties	-	-
-Others	395,278	563,523
Total	**395,278**	**563,523**
Current	395,278	563,523
Non- Current	-	-

Break up of financial liabilities carried at amortised cost

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
Trade Payables (Note 9)	395,278	563,523
Total	**395,278**	**563,523**

Note 10 : Other current liabilities

(INR)

Particulars	As at 31st March 2020	As at 31st March 2019
Statutory dues	27,200	11,745
Total	**27,200**	**11,745**

HT Digital Media Holdings Limited
Notes to financial statements for the year ended March 31, 2020

Note 11 : Other Income

(INR)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Interest income on		
- Loan to subsidiary (refer note 18A)	278,132	-
- Others	778,415	451,304
Other non - operating income		
Profit on sale of investment	-	2,500,100
Change in fair value of investments	-	8,079,420
Miscellaneous income	23,200	-
Total	**1,079,747**	**11,030,824**

Note 12 : Finance costs

(INR)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Bank charges and other cost	2,248	773
Total	**2,248**	**773**

Note 13 : Other expenses

(INR)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Rates and taxes	426	-
Legal and professional fees	109,800	130,321
Payment to auditor (refer details below)	82,600	70,800
Director's sitting fees	130,000	65,000
Loss on account of fair value of investments classified at FVTPL	1,009,690	-
Total	**1,332,516**	**266,121**

Payment to auditors (INR)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
As auditor :		
- Audit fee	35,400	35,400
- Limited review	35,400	35,400
In other capacities :		
- Certification fees	11,800	-
Total	**82,600**	**70,800**

Note 14 : Exceptional items

(INR)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Reversal in provision for diminution on investments*	(47,577,905)	(20,871,360)
Total	**(47,577,905)**	**(20,871,360)**

Note:-

*During the year 2017-18, the Company had made a provision of INR 68,449,265 toward permanent decline in the value of investments held by it in HT Mobile Solution Limited (HTMS) triggered by substantial decline in the net worth of the company and disclosed as exceptional item in these financial statements. During the current year, there has been reversal in provision for diminution on investment of INR 47,577,905 (previous year INR 20,871,360).

HT Digital Media Holdings Limited
Notes to financial statements for the year ended March 31, 2020

Note 14A : Income Tax

The major components of income tax expense for the year ended March 31, 2020 and March 31, 2019 are :
Statement of profit and loss :

Profit or loss section

(INR)

Particulars	March 31, 2020	March 31, 2019
Current income tax :		
Current income tax charge	236,355	-
Adjustments in respect of current income tax of previous year	2,455,863	-
Deferred tax :		
Relating to origination and reversal of temporary differences	-	-
Adjustments in respect of Deferred tax charge/ (credit) of previous year	-	-
Income tax expense reported in the Statement of Profit or Loss	**2,692,218**	**-**

OCI section :
Deferred tax related to items recognised in OCI during in the year :

(INR)

Particulars	March 31, 2020	March 31, 2019
Income tax (charge)/credit on Change in the fair vaue of equity investments at FVOCI	-	-
Income tax charged to OCI	**-**	**-**

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

(INR)

Particulars	March 31, 2020	March 31, 2019
Accounting profit before income tax	47,322,888	31,635,290
At India's statutory income tax rate of 26% (Previous year: 26%)	12,303,951	8,225,175
Adjustments in respect of current income tax of previous years	2,455,863	-
Non-Taxable Income for tax purposes:		
Reversal of impairment of investment in subsidiary	(12,370,255)	(5,426,554)
Profit on account of fair value of investments classified at FVTPL	-	(2,750,675)
Non-deductible expenses for tax purposes:		
Loss on account of fair value of investments classified at FVTPL	262,519	
Adjustment in respect of Brought forward losses of previous years	(19,919)	
Impact of unrecognised mat credit/ deferred taxes on timing differences in respect of current year	60,059	(47,947)
At the effective income tax rate	**2,692,218**	**-**
Income tax expense reported in the statement of profit and loss	**2,692,218**	**-**

The Company has not recognised deferred tax on the timing differences and brought forward tax losses in absence of reasonable certainity of availablity of sufficient taxable income in future to offset these losses/ differences.

Note 15 : Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

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

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

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Profit/(loss) attributable to equity holders for basic earnings	**44,630,670**	**31,635,290**
Weighted average number of Equity shares for basic and diluted earnings per share (lakhs)	26,066,896	26,066,896
Earnings/(loss) per share		
Basic earnings per share	**1.71**	**1.21**
Diluted earnings per share	**1.71**	**1.21**

* The weighted average number of shares takes into account the weighted average effect of changes in share issued during the period. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorization of these financial statements.

Note 16 : Other comprehensive income

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

During the year ended March 31, 2020 **(INR)**

Particulars	FVTOCI reserve	Total
Change in the fair value of equity investments	(44,251,879)	(44,251,879)
Total	**(44,251,879)**	**(44,251,879)**

During the year ended March 31, 2019 **(INR)**

Particulars	FVTOCI reserve	Total
Change in the fair value of equity investments	54,603,160	54,603,160
Total	**54,603,160**	**54,603,160**

Note 17: 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, 2020 is Rs. Nil (As at March 31, 2019: Rs. Nil). Further, no interest during the year has been paid or is payable under the terms of the Act.

Note 18 : 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 (HTL) # Earthstone Holding (Two) Limited (Ultimate controlling party is the Promoter Group)##
Subsidiaries (with whom transactions have occurred during the year)	Firefly e-Ventures Limited HT Mobile Solutions Limited
Fellow subsidiaries (with whom transactions have occurred during the year)	HT Learning Centers Limited
Key Managerial Personnel (with whom transactions have occurred during the year)	Shri Gauri Shankar Rajhans Anil Shankar Bhatnagar

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

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

ii) Transactions with related parties
Refer Note 18 A

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.

HT Digital Media Holdings Limited
Notes to financial statements for the year ended March 31, 2020

Note 18A Transactions during the year with related parties

(INR)

Particulars	Holding Company		Subsidiaries		Fellow Subsidiary		Key Management Personnel		Total	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Director's Sitting fees	-	-	-	-	-	-	130,000	65,000	130,000	65,000
Sale of investments in shares	67,360,200	-	-	-	-	-	-	-	67,360,200	-
Inter corporate deposit given	-	-	-	-	78,500,000	-	-	-	78,500,000	-
Interest income earned on inter company deposit	-	-	-	-	278,132	-	-	-	278,132	-
BALANCE OUTSTANDING										
Equity Share capital	260,668,950	260,668,950	-	-	-	-	-	-	260,668,950	260,668,950
Investment in shares	-	-	298,355,056	298,355,056	-	-	-	-	298,355,056	298,355,056
Inter corporate deposit given & interest accrued on it	-	-	-	-	78,750,318	-	-	-	78,750,318	-

Note 19 : 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 companies capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(INR)

Particulars	**Year ended 31st March 2020**	**Year ended 31st March 2019**
Trade payables (Note 9)	395,278	563,523
Less: cash and cash equivalents (Note 5)	(557,275)	(13,844,620)
Net debt	**(161,997)**	**(13,281,097)**
Equity & Other Equity	383,556,223	383,177,432
Total capital	**383,556,223**	**383,177,432**
Capital and net debt	**383,394,226**	**369,896,335**
Gearing ratio	**Nil**	**Nil**

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

Note 20 : Fair values

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:

(INR)

Particulars	Carrying value		Fair value		Fair Value measurement hierarchy level
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Financial assets measured at fair Value through profit & loss (FVTPL)					
Investment in preference shares- Unquoted (refer note 3)	7,080,410	8,090,100	7,080,410	8,090,100	Level 3
Financial assets measured at fair value through other comprehensive income					
Investment in equity instruments Unquoted (refer note 3)	-	111,612,079	-	111,612,079	Level 1

The management assessed that fair value of cash and cash equivalents, other bank balances, other current non- derivative financial assets, trade payables and other current non- derivative financial liabilities approximate their carrying amounts that are reasonable approximations of fair value 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 values of the investment in unquoted equity shares/ preference shares have been estimated using a Discounted Cash Flow (DCF) model and/or comparable investment price such as last round of funding made in the investee Company. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments.

- The loans are evaluated by the Company based on parameters such as interest rate, risk factors, risk characteristics and individual credit-worthiness of the counterparty. Based on this evaluation, allowances are taken into account for the expected losses.

- Fixed bank deposits with more than 12 months maturity has been derived basis the interest accrued on fixed deposits upto the balance sheet date.

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2020 and 31 March 2019 are as shown below:

Description of significant unobservable inputs to valuation as at March 31, 2020:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Impact of 1% Increase to fair value (INR)	Impact of 1% Decrease to fair value (INR)
Investment in unquoted convertible instruments at Level 3 (refer note below)	Discounted cash flow/Option Pricing Model	EV/Revenue Multiple (+/- 5%)	4.63X	237,000	(217,000)
		Volatility (+/- 5%)	50%	(18,000)	(7,000)
		Environment Risk (+/- 5%)	20%	(442,000)	443,000
		Discount for lack of marketability (+/- 5%)	20%	(442,000)	443,000

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

(INR)

Particulars	Total
As at March 31, 2018	**-**
As at March 31, 2019	**-**
Purchases	-
Transfers*	8,090,100
Impact of fair value movement	(1,009,690)
As at March 31, 2020	**7,080,410**

*During the year an Investment having book value of INR 8,090,100 has been transferred from Level 2 to Level 3

Note 21 : Scheme of Arrangements

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

A scheme of amalgamation u/s 230-232 of the Companies Act, 2013 which provides for merger of Firefly e-Ventures Limited (FEVL), HT Digital Media Holdings Limited (HTDMH), HT Education Limited (HTEL), HT Learning Centers Limited (HTLC), India Education Services Private Limited (IESPL, the Company) and Topmovies Entertainment Limited (TMEL) with HT Mobile Solutions Limited (HTMS) ("Scheme"), has been approved by the respective Board of Directors of companies at their meetings held on March 18, 2020.

The Companies are in the process of filing the Scheme with the Hon'ble NCLT, New Delhi Branch. Pending the filing and approval of the Scheme by the Hon'ble NCLT, New Delhi Branch, the impact of the Scheme has not been considered in the financial satetements by the transferor and transferee Companies.

Note 22: Standards issued but not yet effective
As on the date of approval of these accounts there are no standards which have been issued but not effective, except as given

Note 23:
Previous year figures have been regrouped and reclassified wherever necessary to confirm to the current year classification.

As per our report of even date

For MRKS and Associates
ICAI Firm Registration no.: 023711N
Chartered Accountants

per Saurabh Kuchhal
Partner
Membership Number: 512362

For and on behalf of the Board of Directors of
HT Digital Media Holdings Limited

Dinesh Mittal
Director
DIN: 00105769

Piyush Gupta
Director
DIN: 03155591

Pervez Diniar Bajan
Chief Executive Officer

Vaibhav Gupta
Chief Finance Officer

Place: New Delhi
Date: