

**INDEPENDENT AUDITOR'S REPORT**

To the Members of HT Digital Media Holdings Limited

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of HT Digital Media Holdings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, the Statement of Cash Flows, for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

**Management's Responsibility for the 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. While conducting the Audit, we have taken into account the provisions of the Act, the accounting standards and standards on auditing and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 including the Ind AS, of the financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, the changes in equity and its cash flows for the year then ended.

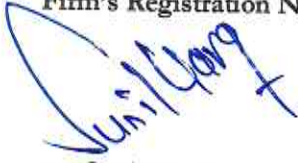
### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required under provisions of 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 of the aforesaid Ind AS financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Ind AS financial statements 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, the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Ind AS financial statements.
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
  - e. On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on March 31, 2018 from being appointed as a director of the Company in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
  - 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For MRKS and Associates  
Chartered Accountants  
Firm's Registration No.: 023711N



per Sunil Garg  
Partner  
Membership No.: 505870



Gurgaon  
Date: April 30, 2018

**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, 2018**

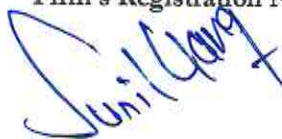
Report on the statement of matters specified in paragraphs 3 and 4 of the Order.

- (i) The company had no fixed assets during the year. Hence, compliance as per clause 3(i) of the Order is not applicable to the Company.
- (ii) The Company's business does not involve any inventories and; accordingly, the provisions of clause 3 (ii) of the Order are not applicable to the Company.
- (iii) According to information and explanations given to us, the Company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause (iii) (a), (b), (c) of the order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) According to information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly the provisions of clause 3 (v) are not applicable to the Company.
- (vi) The Company is not required to maintain any cost record as specified by central Government under sub section (1) of section 148 of the Companies Act, 2013. Hence compliance as per clause 3(vi) of the Companies (Auditor's Report) Order is not applicable to the company.
- (vii) (a) According to the information and explanations given to us and the record of the company reviewed by us, in our opinion the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and services tax, employees' state insurance, s, duty of customs, and any other statutory dues applicable to it.  
(a) According to the records of the company reviewed by us, there are no dues of goods and service tax, Sales Tax, or Service Tax, duty of customs, or duty of excise, value added tax, and any other statutory dues applicable to it.
- (viii) The Company has not taken loans/deposits from financial institution or bank or debenture holders. Hence, compliance as per clause 3(viii) of the Order is not applicable to the company.
- (ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer/further public offer/ debt instruments and term loans hence, reporting under clause ix is not applicable to the Company, hence not commented upon.



- (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 by the management to us and based on our examination of records of the Company, the company has not paid managerial remuneration during the year; accordingly provisions of sec 197 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) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act 2013 to the extent applicable to it and the details have been disclosed in the Financial Statements as required by the applicable accounting standards and Companies Act, 2013.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, compliance as per clause 3(xiv) of the Order is not applicable to the company.
- (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. Hence, compliance as per clause 3(xv) of the Order 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. Hence, compliance as per clause 3(xvi) of the Order is not applicable to the company.

For MRKS and Associates  
Chartered Accountants  
Firm's Registration No.: 023711N



per Sunil Garg  
Partner

Membership No.: 505870



Gurgaon

Date: April 30, 2018

**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, 2018**

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, 2018 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 Institute of Chartered Accountants of India 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MRKS and Associates  
Chartered Accountants  
Firm's Registration No.: 023711N



per Sunil Garg  
Partner  
Membership No.: 505870



Gurgaon  
Date: April 30, 2018

HT Digital Media Holdings Limited Balance sheet as at March 31, 2018			
Particulars	Note No	As at	As at
		31st March 2018	31st March 2017
		INR	INR
<b>ASSETS</b>			
<b>1) Non-current assets</b>			
(a) Financial assets			
(i) Investments	3A	28,58,72,730	32,13,96,075
(b) Income Tax assets (net)	4	1,64,165	1,31,892
		<b>28,60,36,895</b>	<b>32,15,27,967</b>
<b>2) Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	5	1,14,07,810	1,12,72,278
(ii) Other financial assets	3B	-	3,29,25,920
		<b>1,14,07,810</b>	<b>4,41,98,198</b>
<b>TOTAL ASSETS</b>		<b>29,74,44,705</b>	<b>36,57,26,165</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	6	26,06,68,960	26,06,68,960
(b) Other equity	7	3,62,70,022	10,46,59,445
<b>Total equity</b>		<b>29,69,38,982</b>	<b>36,53,28,405</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade Payables	8	4,90,923	3,96,600
(b) Other current liabilities	9	14,800	1,160
<b>Total liabilities</b>		<b>5,05,723</b>	<b>3,97,760</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,74,44,705</b>	<b>36,57,26,165</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

**For MRKS and Associates**

ICAI Firm Registration no.: 023711N

Chartered Accountants

*Sunil Garg*

per Sunil Garg

Partner

Membership Number: 505870



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

*Dinesh Mittal*  
Dinesh Mittal  
Director  
DIN: 00105769

*Piyush Gupta*  
Piyush Gupta  
Director  
DIN: 03155591

Place: New Delhi

Date: April 30, 2018

*Pervez D Bajan*

Pervez D Bajan  
Chief Executive Officer

*Vaibhav Gupta*

Vaibhav Gupta  
Chief Finance Officer

*Diksha Singh*

Diksha Singh  
Company Secretary  
M. No. A44999





**HT Digital Media Holdings Limited**  
**Statement of Profit and Loss for the year ended March 31, 2018**

Particulars	Note No	Year ended	Year ended
		31st March 2018	31st March 2017
		INR	INR
I Other Income	10	3,22,298	9,68,122
<b>Total Income (I)</b>		<b>3,22,298</b>	<b>9,68,122</b>
II Expenses			
Finance costs	11	4,144	15,408
Other expenses	12	2,58,312	92,46,649
<b>Total expenses (II)</b>		<b>2,62,456</b>	<b>92,62,057</b>
III Profit/(loss) before exceptional items and tax (I-II)		59,842	(82,93,935)
IV Exceptional items	13	(6,84,49,265)	-
V <b>Profit/(loss) before tax (III-IV)</b>		<b>(6,83,89,423)</b>	<b>(82,93,935)</b>
VI <b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>(6,83,85,279)</b>	<b>(82,78,527)</b>
VII Tax expense		-	-
VIII <b>Profit (Loss) for the period (VI-VII)</b>		<b>(6,83,89,423)</b>	<b>(82,93,935)</b>
IX Current tax		-	-
X <b>Profit from operations after tax</b>		<b>(6,83,89,423)</b>	<b>(82,93,935)</b>
XI <b>Profit/ (loss) for the year</b>		<b>(6,83,89,423)</b>	<b>(82,93,935)</b>
XII <b>Other Comprehensive Income</b>			
A Items that will not be reclassified to profit or loss		-	-
B Items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
XIII <b>Total Comprehensive Income for the year, net of tax</b>		<b>(6,83,89,423)</b>	<b>(82,93,935)</b>
XIV <b>Earnings/(loss) per share</b>			
Basic	14	(2.62)	(0.29)
Diluted	14	(2.62)	(0.29)
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



per Sunil Garg

Partner

Membership Number: 505870

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

Place: New Delhi

Date: April 30, 2018

**Pervez D Bajan**  
Chief Executive Officer

**Vaibhav Gupta**  
Chief Finance Officer

**Diksha Singh**  
Company Secretary  
M. No. A44999



HT Digital Media Holdings Limited  
Cash Flow Statement for the year ended March 31, 2018

(INR)

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Operating activities</b>		
Profit before tax	(6,83,89,423)	(82,93,935)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Interest income from investments and others	(3,22,298)	(9,68,122)
Fair value of Investment through profit and loss (net)	-	89,37,500
Interest Expense	-	14
Exceptional items	-	-
Diminution in value of investment in subsidiary	6,84,49,265	-
<b>Working capital adjustments:</b>		
Decrease / (Increase) in trade and other receivables	-	1,85,102
Increase in trade and other payables	94,323	(6,40,538)
Increase in other current liabilities	13,640	(61,524)
Increase in other current and non current assets	(32,273)	(1,16,709)
Income tax paid	(1,86,766)	(9,58,212)
<b>Net cash flows from operating activities(A)</b>	<b>(1,86,766)</b>	<b>(9,58,212)</b>
<b>Investing activities</b>		
Purchase of investment	-	(5,56,37,113)
Income from investments, bank deposits and others	3,22,298	9,68,122
<b>Net cash flows used in investing activities(B)</b>	<b>3,22,298</b>	<b>(5,46,68,991)</b>
<b>Financing activities</b>		
Proceeds from issue of share capital	-	6,00,00,000
Interest Paid	-	(14)
<b>Net cash flows from/(used in) financing activities ( C)</b>	<b>-</b>	<b>5,99,99,986</b>
Net increase in cash and cash equivalents (D= A+B+C)	1,35,532	43,72,783
Cash and cash equivalents at the beginning of the year(E)	1,12,72,278	68,99,495
<b>Cash and cash equivalents at year end( D+ E)</b>	<b>1,14,07,810</b>	<b>1,12,72,278</b>

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Components of Cash &amp; Cash Equivalents as at end of the year</b>		
Current accounts	1,14,07,810	1,12,72,278
Deposits with original maturity of less than three months	-	-
<b>Cash and cash equivalents as per Cash Flow Statement</b>	<b>1,14,07,810</b>	<b>1,12,72,278</b>

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

per Sunil Garg  
Partner  
Membership Number: 505870



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

Place: New Delhi  
Date: April 30, 2018

Pervez D Bajan  
Chief Executive Officer

Vaibhav Gupta  
Chief Finance Officer

Diksha Singh  
Company Secretary  
M. No. A44999



**HT Digital Media Holdings Limited**  
**Statement of changes in equity for the year ended March 31, 2018**

**A. Equity Share Capital**

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

Particulars	No.s	INR
Balance as at April 1, 2016	3,78,73,046	37,87,30,460
Changes in share capital during the year	60,00,000	6,00,00,000
Reduction pursuant to scheme of capital reduction and arrangement (refer Note 15)	(1,78,06,150)	(17,80,61,500)
<b>Balance as at March 31, 2017</b>	<b>2,60,66,896</b>	<b>26,06,68,960</b>
Changes in share capital during the year	-	-
<b>Balance as at March 31, 2018</b>	<b>2,60,66,896</b>	<b>26,06,68,960</b>

**B. Other Equity**

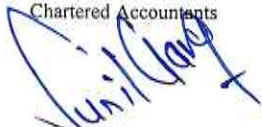
Particulars	Securities premium reserve	Retained earnings	Other reserve	Total (INR)
Balance as at April 1, 2016	18,80,18,539	(25,43,70,028)	-	(6,63,51,489)
Change during the year	-	(82,93,936)	-	(82,93,936)
Impact of scheme of capital reduction and arrangement (refer note 15)	(7,63,08,499)	25,43,69,999	12,43,370	17,93,04,870
Other comprehensive income	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>11,17,10,040</b>	<b>(82,93,965)</b>	<b>12,43,370</b>	<b>10,46,59,445</b>
Change during the year	-	(6,83,89,423)	-	(6,83,89,423)
Other comprehensive income	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>11,17,10,040</b>	<b>(7,66,83,388)</b>	<b>12,43,370</b>	<b>3,62,70,022</b>

The accompanying notes are an integral part of the financial statements

For MRKS and Associates

ICAI Firm Registration no.: 023711N

Chartered Accountants



per Sunil Garg

Partner

Membership Number: 505870



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 D Bajan**  
 Chief Executive  
 Officer



**Vaibhav Gupta**  
 Chief Finance  
 Officer



**Diksha Singh**  
 Company Secretary  
 M. No. A44999

Place: New Delhi

Date: April 30, 2018



## **HT Digital Media Holdings Limited**

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

### **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**

#### **2.1 Basis 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.

#### **2.2 Summary of significant accounting policies**

##### **a) Current versus non- current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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



**HT Digital Media Holdings Limited**  
**Notes to financial statements for the year ended March 31, 2018**

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 the lowest level input that is significant to the fair value measurement is directly or indirectly observable



## **HT Digital Media Holdings Limited**

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

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

#### **d) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured 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.



**HT Digital Media Holdings Limited**  
**Notes to financial statements for the year ended March 31, 2018**

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

**Deferred tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.



## **HT Digital Media Holdings Limited**

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

### **Company as a lessee**

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

#### **Finance Leases:**

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

#### **Operating Leases:**

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### **Company as a lessor**

#### **Finance Leases:**

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### **Operating Leases:**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on straight line basis over the term of the relevant lease.

#### **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.





**HT Digital Media Holdings Limited**  
**Notes to financial statements for the year ended March 31, 2018**

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.



## **HT Digital Media Holdings Limited**

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

### **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.



## **HT Digital Media Holdings Limited**

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

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.



## **HT Digital Media Holdings Limited**

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

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.



## **HT Digital Media Holdings Limited**

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

### **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, 2018

Particulars	(INR)	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
<b>Note 3A: Financial Assets- Investments</b>		
<b>(A) Investment in subsidiaries (at cost)</b>		
<i>Unquoted</i>		
Equity Shares in FEVL		
124,337 Equity Shares of Rs 10 Each (Mar 17-124,337 equity shares) (refer note 15 for changes pursuant to scheme of capital reduction and arrangement)	12,43,370	12,43,370
Equity Shares in HTMS		
32,171,163 Equity Shares of Rs 10 Each (Mar 17- 28,878,571 equity shares) (refer note 15 for changes pursuant to scheme of capital reduction and arrangement)	29,71,11,686	26,41,85,766
Equity Shares in HTOS		
1,310,000 Equity Shares of SGD 1 each (Mar 17- 1,310,000 equity shares)	5,70,08,919	5,70,08,919
<b>Total Investment in Subsidiary (A)</b>	<b>35,53,63,975</b>	<b>32,24,38,055</b>
<b>(B) Investment at Fair Value through profit or loss</b>		
Preference Shares in Zuppit		
83 Preference Shares of Rs 39,157 each (Mar 17- 83 preference shares)	-	-
Preference Shares in Buzzee		
769 Preference Shares of Rs 4,226 each (Mar 17- 769 preference shares)	-	-
Preference Shares in Planet GOGO		
556 Preference shares of Rs 4,384 each (Mar 17- 4,384 preference shares)	-	-
<b>Total Investment at Fair Value through profit or loss (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>35,53,63,975</b>	<b>32,24,38,055</b>
Provision for diminution in value of investment in subsidiary (C)	6,94,91,245	10,41,980
<b>Total Investments (A+B-C)</b>	<b>28,58,72,730</b>	<b>32,13,96,075</b>
Current	-	-
Non-current	28,58,72,730	32,13,96,075
<b>Note 3B :Other Current Financial Assets</b>		
Other Receivables (refer note 15)	-	3,29,25,920
<b>Total Other Financial Assets</b>	<b>-</b>	<b>3,29,25,920</b>
Current	-	-
Non - Current	-	3,29,25,920
<b>Total Financial Assets</b>	<b>28,58,72,730</b>	<b>35,43,21,995</b>
Current	-	3,29,25,920
Non - Current	28,58,72,730	32,13,96,075

**Break up of financial assets carried at amortised cost**

Particulars	(INR)	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Cash and cash equivalents (Note 5)	1,14,07,810	1,12,72,278
Other Financial assets (Note 3B)	-	3,29,25,920
<b>Total financial assets carried at amortised cost</b>	<b>1,14,07,810</b>	<b>4,41,98,198</b>



**HT Digital Media Holdings Limited**  
**Notes to financial statements for the year ended March 31, 2018**

**Note 4: Income tax assets**

	(INR)	
Particulars	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
TDS Receivable	1,64,165	1,31,892
<b>Total</b>	<b>1,64,165</b>	<b>1,31,892</b>

**Note 5 : Cash and cash equivalents**

	(INR)	
Particulars	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Balance with banks :		
- On current accounts	1,14,07,810	1,12,72,278
<b>Total</b>	<b>1,14,07,810</b>	<b>1,12,72,278</b>

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

	(INR)	
Particulars	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Balance with banks :		
- On current accounts	1,14,07,810	1,12,72,278
<b>Total</b>	<b>1,14,07,810</b>	<b>1,12,72,278</b>





Note 6 : Share Capital  
Authorised Share Capital

Particulars	No.	INR
At 1 April 2016	188,000,000.00	1,880,000,000.00
Increase/(decrease) during the year	-	-
At 31 March 2017	188,000,000.00	1,880,000,000.00
Increase/(decrease) during the year	-	-
At 31 March 2018	188,000,000.00	1,880,000,000.00

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, 2018 no dividend was recognised as distributions to equity shareholders.

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.

Issued and subscribed capital

Equity shares of INR 10 each issued, subscribed and fully paid	No.	INR
At 1 April 2016	37,873,046	378,730,460
Changes during the year	6,000,000	60,000,000
Capital reduction pursuant to scheme of arrangement (refer Note 15)	(17,806,150)	(178,061,500)
At 31 March 2017	26,066,896	260,668,960
Changes during the year	-	-
At 31 March 2018	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, 2018		31st March, 2017	
	No. of shares	Amount (INR)	No. of shares	Amount (INR)
Shares outstanding at the beginning of the year			37,873,046	378,730,460
Shares Issued during the year	26,066,896	260,668,960	6,000,000	60,000,000
Reduction pursuant to scheme of capital reduction and arrangement (refer Note 15)	-	-	(17,806,150)	(178,061,500)
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:

Particulars	(INR)	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
HT Media Limited, the holding company		
26,066,895 (Mar 2017 - 26,066,896) equity shares of INR 10 each fully paid	260,668,950	260,668,960

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	No.	% holding in the No in class	No.	% 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%	26,066,896	100.00%

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, 2018**

**Note 7: Other Equity**

<b>Particulars</b>	(INR)	
	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Securities Premium	11,17,10,040	11,17,10,040
Retained Earnings	(7,66,83,388)	(82,93,965)
Other reserves	12,43,370	12,43,370
<b>Total</b>	<b>3,62,70,022</b>	<b>10,46,59,445</b>

(INR)	
<b>Particulars</b>	<b>Amount</b>
<b>At 1 April, 2016</b>	<b>18,80,18,539</b>
Changes during the year pursuant to scheme of capital reduction and arrangement (refer note 15)	(7,63,08,499)
<b>At 31 March, 2017</b>	<b>11,17,10,040</b>
Changes during the year	-
<b>At 31 March, 2018</b>	<b>11,17,10,040</b>

**Retained Earnings**

<b>Particulars</b>	(INR)	
	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Opening Balance	(82,93,965)	(25,43,70,028)
Net Profit/(Loss) for the year	(6,83,89,423)	(82,93,936)
Changes during the year pursuant to scheme of capital reduction and arrangement (refer note 15)	-	25,43,69,999
Items of other comprehensive income recognised directly in retained earnings	-	-
<b>Closing Balance</b>	<b>(7,66,83,388)</b>	<b>(82,93,965)</b>

(INR)	
<b>Particulars</b>	<b>Amount</b>
<b>Capital Reserve</b>	
<b>At 1 April, 2016</b>	-
Changes during the year pursuant to scheme of capital reduction and arrangement (refer note 15)	12,43,370
<b>At 31 March, 2017</b>	<b>12,43,370</b>
Changes during the year	-
<b>At 31 March, 2018</b>	<b>12,43,370</b>



**HT Digital Media Holdings Limited**

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

**Note 8: Trade Payables**

(INR)

<b>Particulars</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
Trade Payables	4,90,923	3,96,600
<b>Total</b>	<b>4,90,923</b>	<b>3,96,600</b>
Current	4,90,923	3,96,600
Non- Current	-	-

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled in the range of 1 to 180 days terms.

**Note 9 : Other current liabilities**

(INR)

<b>Particulars</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
Statutory dues	14,800	1,160
<b>Total</b>	<b>14,800</b>	<b>1,160</b>



**HT Digital Media Holdings Limited**  
**Notes to financial statements for the year ended March 31, 2018**

**Note 10 : Other Income**

	(INR)	
Particulars	31st March, 2018	31st March, 2017
Interest income on		
- Others	322,298	968,122
<b>Total</b>	<b>322,298</b>	<b>968,122</b>

**Note 11 : Finance costs**

	(INR)	
Particulars	31st March, 2018	31st March, 2017
Interest on debts and borrowings	-	14
Bank charges	4,144	15,394
<b>Total</b>	<b>4,144</b>	<b>15,408</b>

**Note 12 : Other expenses**

	(INR)	
Particulars	31st March, 2018	31st March, 2017
Rates and taxes	191	168,750
Legal and professional fees	169,771	25,399
Payment to auditor (refer details below)	88,350	115,000
Fair value of Investment through profit and loss (net)	-	8,937,500
<b>Total</b>	<b>258,312</b>	<b>9,246,649</b>

**Payment to auditors (including service tax / GST)**

Particulars	31st March, 2018	31st March, 2017
<b>As auditor :</b>		
- Audit fee	47,200	23,000
- Limited Review	35,400	34,500
<b>In other capacities :</b>		
- Certification fees	5,750	57,500
<b>Total</b>	<b>88,350</b>	<b>115,000</b>

**Note 13 : Exceptional items**

	(INR)	
Particulars	31st March, 2018	31st March, 2017
Provision for Diminution in the value of investment in subsidiary created during the year*	68,449,265	-
Add: Loss on write off of investment in Firefly on account of Capital reduction of Firefly**	-	238,574,020
Less: Reversal in provision for diminution on investments**	-	(238,574,020)
<b>Total</b>	<b>68,449,265</b>	<b>-</b>

**Note:-**

\*During the year, the Company has 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 FY 2015-16, the Company has created provision for impairment for investment held in Firefly amounting to INR 239,616,000. The said provision was debited to Profit and Loss account. The Company, while filing its return of income for FY 2015-16 has suo moto added back the provision for impairment from the Book Profits while computing its tax liability under MAT provisions under Section 115JB of the Act.

During the current year, NCLT sanctioned the Scheme of Capital Reduction and Arrangement among Firefly E-Ventures Limited (FEVL), HT Digital Media Holdings Limited (HTDMH) and HT Mobile Solutions Limited (HTMS) (the Companies) and their respective shareholders and creditors vide its order dated October 17, 2017. Consequent upon filing of the order passed by NCLT with the Registrar of Companies, the Scheme became effective from October 27, 2017 (closing hours) ('Effective Date') with June 30, 2016 as Appointed Date. (refer note 15).

Pursuant to approval of NCLT, the investment held by the Company in Firefly has been actually written off by INR 238,574,020 w.e.f. June 30, 2016 (the Appointed Date) and the Company has recorded realised loss in its books of accounts of FY 2016-17. Accordingly, the loss having been realized in FY 2016-17, has been reduced from the Book Profit for FY 2016-17 while computing income under MAT provisions under Section 115JB of the Act.



**HT Digital Media Holdings Limited**  
**Notes to financial statements for the year ended March 31, 2018**

**Note 14 : Earnings per share (EPS)**

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

(Amount in INR)

Particulars	31st March, 2018	31st March, 2017
<b>Profit attributable to equity holders for basic earnings</b>	<b>(6,83,89,423)</b>	<b>(82,93,935)</b>
Weighted average number of Equity shares for basic EPS* (No.)	2,60,66,896	2,89,94,440
Weighted average number of Equity shares adjusted for the effect of dilution * (No.)	2,60,66,896	2,89,94,440
<b>Earnings per share</b>		
Basic EPS	(2.62)	(0.29)
Diluted EPS	(2.62)	(0.29)
<b>Earnings per share for continuing operations</b>		
Basic EPS	(2.62)	(0.29)
Diluted EPS	(2.62)	(0.29)
<b>Earnings per share for discontinued operations</b>		
Basic EPS	-	-
Diluted EPS	-	-

\* 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.



**HT Digital Media Holdings Limited**

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

**Note 15 : Accounting of Scheme of capital reduction and Arrangement**

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

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

Accordingly, the financial impact in terms of the Scheme, have been considered in the results for the year ended March 31, 2018; as summarized below:

**As on June 30, 2016 (Appointed Date) -**

**a) Capital reduction of HT Digital Media Holdings Limited**

The Equity share capital and Securities Premium of HT Digital Media Holdings Limited amounting to INR,178,061,500 and INR 76,308,499 respectively has been reduced. The same has been utilized for writing off the accumulated losses of INR 254,369,999.

**b) Write off of investment in FEVL on account of capital reduction of FEVL**

Provision of INR 238,574,020 against investment in FEVL was already standing in books of HT Digital Media Holdings Limited. The same has been reversed and adjusted against value of investment.

**c) Investment in Equity of HTMS pursuant to demerger of HT campus undertaking from FEVL to HTMS**

HT Digital Media Holdings Limited has debited "Amount Recoverable" with INR 32,925,920 towards Equity Shares to be issued by FEVL to the shareholders of FEVL pursuant to the Scheme.

The difference in Amount Recoverable of INR 32,925,920 and Write off of investment in FEVL of INR 31,682,550 on account of demerger of HT Campus Undertaking from FEVL to HTMS, being a capital transaction has been recorded as capital reserve of INR 1,243,370.

**As on the date of issue of equity shares (i.e Dec 11, 2017) by HTMS to shareholders of FEVL**

HT Digital Media Holdings Limited has credited "Amount Recoverable" by debiting "Investment in Equity Shares of HTMS" with value of INR 32,925,920 towards 3,292,592 Equity Shares issued by HTMS to the shareholders of FEVL pursuant to the Scheme.



**HT Digital Media Holdings Limited**  
**Notes to financial statements for the year ended March 31, 2018**

**Note 16 : 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 # Earthstone Holding (Two) Limited ##
Subsidiaries (with whom transactions have occurred during the year)	Firefly e-Ventures Limited HT Mobile Solutions Limited HT Overseas Pte. Ltd.* (upto May 21, 2017)

# 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.

\* HT Overseas Pte. Ltd. ceased to be a subsidiary and became an associate w.e.f. May 22, 2017.

**ii) Transactions with related parties**

Refer Note 16 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, 2018

Note 16A Transactions during the year with related parties (to be read along with Note 15)

Particulars	Holding Company		Subsidiaries				Subsidiaries / Associate		(Amount in INR)			
	HT Media Ltd.		Firefly e-Ventures Ltd (FEVL)		HT Mobile Solutions Ltd (HTMS)		HT Overseas Pte. Ltd. (HTOS)*		Total			
	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17
Investment made in shares	-	-	-	-	32,925,920	30,000,000	-	24,010,000	-	-	32,925,920	54,010,000
Issue of Equity share capital	-	60,000,000	-	-	-	-	-	-	-	-	-	60,000,000
Conversion of share application money into equity shares	-	55,000,000	-	-	-	-	-	-	-	-	-	55,000,000
<b>BALANCE OUTSTANDING</b>												
Equity Share capital	260,668,960	260,668,960	-	-	-	-	-	-	-	-	260,668,960	260,668,960
Investment in shares	-	-	1,243,370	1,243,370	297,111,686	264,185,766	57,008,919	57,008,919	355,363,975	322,438,055	322,438,055	322,438,055
Other Current Financial Assets	-	-	-	-	-	32,925,920	-	-	-	-	-	32,925,920

\* HT Overseas Pte. Ltd. ceased to be a subsidiary and became an associate w.e.f. May 22, 2017.





**HT Digital Media Holdings Limited****Notes to financial statements for the year ended March 31, 2018****Note 17 : 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.

<b>Particulars</b>	<b>(INR)</b>	
	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Trade payables (Note 8)	4,90,923	3,96,600
Less: cash and cash equivalents (Note 5)	-1,14,07,810	-1,12,72,278
<b>Net debt</b>	<b>-1,09,16,887</b>	<b>-1,08,75,678</b>
Equity & Other Equity	29,69,38,982	36,53,28,405
<b>Total capital</b>	<b>29,69,38,982</b>	<b>36,53,28,405</b>
<b>Capital and net debt</b>	<b>28,60,22,095</b>	<b>35,44,52,727</b>
<b>Gearing ratio</b>	<b>-4%</b>	<b>-3.07%</b>

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

**Note 18: Based on the information available with the Company, Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006**

Based upon the information available with the Company, the balance due to suppliers registered under "The Micro, Small and Medium Enterprises Development Act, 2006" as on March 31, 2018 is Rs. Nil (As at March 31, 2017: Rs. Nil). Further, no interest during the year has been paid or is payable under the terms of the Act.



**Note 19: Standards issued but not yet effective**

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

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

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

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

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

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

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

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

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

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

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

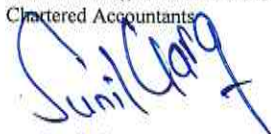


**HT Digital Media Holdings Limited**  
**Notes to financial statements for the year ended March 31, 2018**

Note 20: 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 **Sunil Garg**  
Partner  
Membership Number: 505870



Place: New Delhi  
Date: April 30, 2018

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



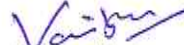
**Dinesh Mittal**  
Director  
DIN: 00105769




**Piyush Gupta**  
Director  
DIN: 03155591



**Pervez D Bajan**  
Chief Executive  
Officer



**Vaibhav Gupta**  
Chief Finance  
Officer



**Diksha Singh**  
Company Secretary  
M. No. A44999

