

INDEPENDENT AUDITOR'S REPORT

To the Members of HT Music and Entertainment Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HT Music and Entertainment Company Limited (“the Company”), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), 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 the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 (“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 31 March 2020, and profit and other comprehensive income, 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 Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 judgment 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 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

We draw your attention to the fact that corresponding figures for the year ended 31 March 2019 are based on previously issued financial statements of the Company that were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements dated 8 May 2019.

Our opinion on the financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

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 in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations as at 31 March 2020 which would impact its financial position;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, there are no directors to whom remuneration is paid / payable in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R and Associates**
Chartered Accountants
Firm's Registration No.: 128901W

Place: Gurugram
Date: 25 June 2020

Rajesh Arora
Partner
Membership No.: 076124
UDIN: 20076124AAAABP9438

Annexure A referred to in our Independent Auditor's Report to the members of HT Music and Entertainment Company Limited on the financial statements for the year ended 31 March 2020

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification by management is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified during the year. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable.
- (ii) The Company is in the business of rendering services and does not hold inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has granted loan to a company covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:
 - a) The terms and conditions of the grant of such loan are not prejudicial to the Company's interest;
 - b) The schedule of repayment of principal and payment of interest has been stipulated. There has been no repayment of principal and payment of interest in the financial year ended 31 March 2020; and
 - c) There is no amount overdue for more than 90 days in respect of the abovementioned loan.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are of the opinion that provisions of Section 185 and 186 of the Companies Act, 2013, as applicable, have been complied with in respect of loans given by the Company. There are no investments made or guarantees given or securities provided by the Company as specified under Section 185 and 186 of the Companies Act, 2013.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, goods and services tax, duty of customs, cess, professional tax and other statutory dues have regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, service tax, employees' state insurance, duty of excise and value added taxes.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and services tax, duty of customs, cess, professional tax and other statutory dues were in arrears as at 31 March 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, there are no dues of income tax, service tax, goods and services tax, sales tax, value added tax and duty of customs which have not been deposited by the Company with the appropriate authorities on account of any dispute as at 31 March 2020.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or borrowings from financial institutions, banks and government and has not issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no directors to whom remuneration is paid / payable in accordance with the provisions of Section 197 of the Act. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the current year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

- (xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (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. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **B S R and Associates**
Chartered Accountants
Firm's Registration No.: 128901W

Place: Gurugram
Date: 25 June 2020

Rajesh Arora
Partner
Membership No.: 076124
UDIN: 20076124AAAABP9438

Annexure B to the Independent Auditor's report on the financial statements of HT Music and Entertainment Company Limited for the year ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of HT Music and Entertainment Company Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R and Associates
Chartered Accountants
Firm's Registration No.: 128901W

Place: Gurugram
Date: 25 June 2020

Rajesh Arora
Partner
Membership No.: 076124
UDIN: 20076124AAAABP9438

HT Music and Entertainment Company Limited

Notes forming part of financial statements for the year ended March 31, 2020

1. Corporate Information

HT Music & Entertainment Company Limited ("HTME or the Company") is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

The Company is engaged in radio broadcast and all other related activities through its radio station operating under brand name 'Fever 91.9 FM' in Chennai, managing and organizing events, shows etc. of various kinds and nature and derives revenue by organizing such events. The registered office of the Company is located at HT House, K G Marg, New Delhi-110001

Information on related party relationship of the Company is provided in Note No 25.

The financial statements of the Company for the year ended March 31, 2020 are authorized for issue in accordance with a resolution of the Board of Directors on June 25, 2020.

2. Significant Accounting Policies

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:

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

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

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:

HT Music and Entertainment Company Limited

Notes forming part of financial statements for the year ended March 31, 2020

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between on air of advertisement and its realisation in cash and cash equivalents. 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 an average rate if the average approximates the actual rate at the date of the transaction.

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

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the 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
- 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.

HT Music and Entertainment Company Limited

Notes forming part of financial statements for the year ended March 31, 2020

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

Effective April 1, 2018 the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018.

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 based on the transaction price, which is the consideration, adjusted for allowances, trade discounts, volume rebates, if any, as specified in the contract with the customer. Revenue excludes taxes collected from customers. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

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

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

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

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

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

Airtime Revenue

Revenue from radio broadcasting is recognized on an accrual basis on the airing of client's commercials.

HT Music and Entertainment Company Limited

Notes forming part of financial statements for the year ended March 31, 2020

Event Revenue

Revenue is recognised on an accrual basis based on the events organized during the year.

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.

e) Taxes

Current income tax

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

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

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

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

Deferred tax

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

HT Music and Entertainment Company Limited

Notes forming part of financial statements for the year ended March 31, 2020

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 sufficient 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.

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.

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

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

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

Expenses and assets are recognised net of the amount of *GST/ value added taxes* paid, except:

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

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

f) Property, plant and equipment

The Company has applied for one time transition option of considering the carrying cost of Property, Plant and Equipment and Intangible assets on the transition date i.e. April 1, 2015 as the deemed cost under Ind-AS.

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

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

Recognition:

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

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

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day- to- day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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Notes forming part of financial statements for the year ended March 31, 2020

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Type of asset	Useful lives estimated by management (Years)
Leasehold Improvement	9 or tenure of lease whichever is lower
Plant and Machinery	10
Furniture and Fittings	10
IT Equipment	3
Office Equipment	5

The Company, based on technical assessment made by the management depreciates certain assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management has estimated, supported by technical assessment, the useful lives of certain plant and machinery as 10 years. These useful lives are lower than those indicated in Schedule II. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

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

Expenditure directly attributable to construction activity is capitalized. Other indirect costs incurred during the construction periods which are not directly attributable to construction activity are charged to Statement of Profit and Loss. Reinvested income earned during the construction period is adjusted against the total of indirect expenditure.

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

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

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Notes forming part of financial statements for the year ended March 31, 2020

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

On transition to Ind-AS, the Company has elected to continue with the carrying value of all of its Intangible assets recognised as at April 1, 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the Intangible assets.

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

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

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

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Goodwill acquired separately are measured in initial recognition at cost. Following initial recognition, intangible assets, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred. The Goodwill recognized is amortized over useful life not exceeding 5 years.

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Intangible assets are amortized on straight line basis using the estimated useful life as follows:

Intangible Asset	Useful life (in years)
Goodwill*	5
License Fees (One time entry fee)	15

*Represents goodwill acquired under Scheme of Arrangement under section 391-394 of Companies Act, 1956 and is amortized over a period of 5 years in terms of the scheme.

The above periods also represent the management estimated economic useful life of the respective intangible assets.

h) 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

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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.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially

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applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information. As on April 1, 2019, the Company has recognized a right of use asset at an amount equivalent to the lease liability and consequently there is no adjustment to the opening balance of retained earnings as on April 1, 2019. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Refer note 2(h) – Significant accounting policies – Leases in the audited financial statement of the Company for the year ended March 31, 2019, for the policy as per IND AS 17.

Identification of lease:

- The Company has reassessed whether a contract is, or contains, a lease at the date of initial application.

Leases previously classified as operating leases:

- The Company has recognised a lease liability at the date of initial application for leases previously classified as an operating lease applying Ind AS 17 (other than those which does not satisfy the lease definition criteria under Ind AS 116). The Company has measured lease liability at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at the date of initial application.
- The Company has recognised a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying Ind AS 17 (other than those which does not satisfy the lease definition criteria under Ind AS 116). The Company has opted to measure right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.
- The Company has relied on its assessment of whether leases are onerous applying Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, immediately before the date of initial application as an alternative to performing an impairment review.
- The Company has opted not to apply the above transition requirements to leases for which the lease term ends within 12 months of the date of initial application.

Leases previously classified as finance leases:

- For leases that were classified as finance leases applying Ind AS 17, the carrying amount of the right-of-use asset and the lease liability at the date of initial application is the carrying

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amount of the lease asset and lease liability immediately before that date measured applying Ind AS 17.

Impact on transition as on 1 April 2019:

Particulars	In INR Lakhs
Right-of-use assets – property, plant and equipment	552
Lease liabilities	552
Retained earnings	-

Particulars	In INR Lakhs
Operating lease commitments at 31 March 2019 as disclosed under Ind AS 17 in the Company's financial statements	798
Discounted using the incremental borrowing rate at 1 April 2019 (A)	552
Lease liabilities recognised at 1 April 2019 (B)	552
Difference (A)- (B)	-

i) Impairment of non-financial assets

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets

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

Impairment losses of continuing operations are recognised in the statement of profit and loss.

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

j) 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.

k) Employee benefits

Short term employee benefits and defined contribution plans:

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc. are

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Notes forming part of financial statements for the year ended March 31, 2020

recognised in the statement of profit and loss in the period in which the employee renders the related service.

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

Gratuity

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

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

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

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

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

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

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

Termination benefits

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

Compensated Absences

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

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

l) 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.

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Notes forming part of financial statements for the year ended March 31, 2020

Subsequent measurement

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

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 8.

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 derecognized (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.

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Notes forming part of financial statements for the year ended March 31, 2020

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

Impairment of financial assets

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

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

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

- Trade receivables or contract revenue receivables; and

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:

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Notes forming part of financial statements for the year ended March 31, 2020

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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Subsequent measurement

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

De-recognition

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

Offsetting of financial instruments

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

m) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash 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.

n) Contingent liabilities

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

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Notes forming part of financial statements for the year ended March 31, 2020

o) Earning per share

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

Diluted 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 judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, 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.

The areas involving critical estimates are as below:

Property, plant & Equipment

The Company, based on technical assessment made by the management depreciates certain assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management has estimated, supported by technical assessment, the useful lives of certain plant and machinery as 10 years. These useful lives are lower than those indicated in Schedule II. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Defined benefit plans

These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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Notes forming part of financial statements for the year ended March 31, 2020

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

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

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

Further details about gratuity obligations are given in Note 24.

The areas involving critical judgement are as below:

Taxes

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

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 27 for further disclosures.

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Notes forming part of financial statements for the year ended March 31, 2020

Impairment of financial assets

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

Impairment of non-financial assets

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

Determining the lease term of contracts with renewal and termination options – as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

For further details about leases, refer to accounting policy on leases and Note 29A.

HT Music and Entertainment Company Limited
Balance sheet as at March 31, 2020

Particulars	Notes	As at March 31, 2020 (INR in '000)	As at March 31, 2019 (INR in '000)
I ASSETS			
1) Non-current assets			
(a) Property, plant and equipment	3	5,932	14,934
(b) Right - of - use assets	29A	48,306	-
(c) Intangible assets	4	36,603	94,891
(d) Financial assets			
(i) Loans	5A	3,879	5,214
(ii) Other financial assets	5B	16,372	14,997
(e) Deferred tax assets (net)	23	17,840	18,938
(f) Income tax assets (net)	7	6,225	7,723
(g) Other non-current assets	6	64	61
Total Non Current Assets		1,35,221	1,56,758
2) Current assets			
(a) Financial assets			
(i) Trade receivables	8	21,618	38,843
(ii) Cash and cash equivalents	9	9,200	24,068
(iii) Bank balances other than (ii) above	9A	-	90,000
(iv) Loans	5A	2,67,000	29,80,000
(v) Other financial assets	5B	6,886	26,460
(b) Other current assets	10	5,062	8,555
Total Current Assets		3,09,766	31,67,926
TOTAL ASSETS		4,44,987	33,24,684
II EQUITY AND LIABILITIES			
1) Equity			
(a) Equity share capital	11	3,40,000	33,40,000
(b) Other equity	12	40,458	(31,842)
Total equity		3,80,458	33,08,158
2) Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	14B	39,509	-
(b) Provisions	14C	511	547
Total Non-current Liabilities		40,020	547
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	14B	9,237	-
(ii) Trade payables			
(a) Total outstanding due of micro enterprise and small enterprises	13	-	-
(b) Total outstanding dues of creditors other than of micro enterprise and small enterprises	13	7,926	11,730
(iii) Other financial liabilities	14A	5,972	2,087
(b) Provisions	14C	347	412
(c) Other current liabilities	15	1,027	1,750
Total Current Liabilities		24,509	15,979
Total liabilities		64,529	16,526
TOTAL EQUITY AND LIABILITIES		4,44,987	33,24,684

Summary of significant accounting policies

2

The accompanying notes forms an integral part of these financial statements.

As per our report of even date

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

For and on behalf of the Board of Directors of
HT Music and Entertainment Company Limited

Rajesh Arora
Partner
Membership No. 076124

Harshad Jain
Director
(DIN :08191390)

Piyush Gupta
Director
(DIN :03155591)

Ankur Neema
CFO

Karthi Narayanan
CEO

Sagar Gupta
Company Secretary
Membership No. A42611

Place: Gurugram
Date: June 25, 2020

Place: New Delhi
Date: June 25, 2020

HT Music and Entertainment Company Limited
Balance sheet as at March 31, 2020

Particulars	Notes	As at March 31, 2020 (INR in '000)	As at March 31, 2019 (INR in '000)
I ASSETS			
1) Non-current assets			
(a) Property, plant and equipment	3	5,932	14,934
(b) Right - of - use assets	29A	48,306	-
(c) Intangible assets	4	36,603	94,891
(d) Financial assets			
(i) Loans	5A	3,879	5,214
(ii) Other financial assets	5B	16,372	14,997
(e) Deferred tax assets (net)	23	17,840	18,938
(f) Income tax assets (net)	7	6,225	7,723
(g) Other non-current assets	6	64	61
Total Non Current Assets		1,35,221	1,56,758
2) Current assets			
(a) Financial assets			
(i) Trade receivables	8	21,618	38,843
(ii) Cash and cash equivalents	9	9,200	24,068
(iii) Bank balances other than (ii) above	9A	-	90,000
(iv) Loans	5A	2,67,000	29,80,000
(v) Other financial assets	5B	6,886	26,460
(b) Other current assets	10	5,062	8,555
Total Current Assets		3,09,766	31,67,926
TOTAL ASSETS		4,44,987	33,24,684
II EQUITY AND LIABILITIES			
1) Equity			
(a) Equity share capital	11	3,40,000	33,40,000
(b) Other equity	12	40,458	(31,842)
Total equity		3,80,458	33,08,158
2) Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	14B	39,509	-
(b) Provisions	14C	511	547
Total Non-current Liabilities		40,020	547
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	14B	9,237	-
(ii) Trade payables			
(a) Total outstanding due of micro enterprise and small enterprises	13	-	-
(b) Total outstanding dues of creditors other than of micro enterprise and small enterprises	13	7,926	11,730
(iii) Other financial liabilities	14A	5,972	2,087
(b) Provisions	14C	347	412
(c) Other current liabilities	15	1,027	1,750
Total Current Liabilities		24,509	15,979
Total liabilities		64,529	16,526
TOTAL EQUITY AND LIABILITIES		4,44,987	33,24,684
Summary of significant accounting policies	2		

The accompanying notes forms an integral part of these financial statements.

As per our report of even date

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

For and on behalf of the Board of Directors of
HT Music and Entertainment Company Limited

Rajesh Arora
Partner
Membership No. 076124

Harshad Jain
Director
(DIN :08191390)

Piyush Gupta
Director
(DIN :03155591)

Ankur Neema
CFO

Karthi Narayanan
CEO

Sagar Gupta
Company Secretary
Membership No. A42611

Place: Gurugram
Date: June 25, 2020

Place: New Delhi
Date: June 25, 2020

HT Music and Entertainment Company Limited
Statement of Profit and Loss for the year ended March 31, 2020

Particulars	Notes	Year ended March 31, 2020 (INR in '000)	Year ended March 31, 2019 (INR in '000)
I Income			
a) Revenue from operations	16	44,910	57,017
b) Other income	17	2,31,608	1,84,881
Total Income		2,76,518	2,41,898
II Expenses			
a) Employee benefits expense	18	23,066	20,042
b) Finance costs	20	4,065	199
c) Depreciation and amortization expense	19	20,240	15,940
d) Allowances for doubtful debts (Including write offs)		16,809	2,697
e) Other expenses	21	50,483	67,008
Total expenses		1,14,663	1,05,886
III Profit before exceptional items and tax (I-II)		1,61,855	1,36,012
IV Exceptional items	21A	57,696	-
V Profit before tax		1,04,159	1,36,012
Earnings before finance cost, tax, depreciation and amortisation (EBITDA) before exceptional items [III+IV(d)+II(c)]		1,28,464	1,52,151
VI Tax expense:			
(1) Current tax	23	30,966	11,470
[Adjustment of tax charge/(credit) tax related to earlier years of INR 1,316 ['000] {Previous Year INR Nil}]			
(2) Deferred tax	23	1,038	(18,938)
[Adjustment of deferred charge/(credit) tax related to earlier years of INR (1,247) ['000]{Previous Year INR Nil}]			
Total tax expense		32,004	(7,468)
VIII Profit for the year after tax (V-VII)		72,155	1,43,480
IX Other Comprehensive Income			
A Items that will not to be reclassified subsequently to profit or loss			
(i) Remeasurement of the defined benefit plans		204	208
Income tax effect		(59)	-
Other comprehensive income for the year, net of tax		145	208
X Total Comprehensive Income for the Year, net of tax (VIII+IX)		72,300	1,43,688
XI Earnings per equity share			
Basic and Diluted (Nominal value of shares INR 1/-)	22	0.02	0.06
Summary of significant accounting policies	2		

The accompanying notes forms an integral part of these financial statements.

As per our report of even date

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

For and on behalf of the Board of Directors of
HT Music and Entertainment Company Limited

Rajesh Arora
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Karthi Narayanan
CEO

Sagar Gupta
Company Secretary
Membersip No. A42611

Place: Gurugram
Date: June 25, 2020

Place: New Delhi
Date: June 25, 2020

HT Music and Entertainment Company Limited
Statement of changes in equity for the year ended March 31, 2020

A. Equity Share Capital (Refer Note 11)

Equity Shares of INR 1 each issued, subscribed and fully paid up

Particulars	Equity share capital (A)	
	No. of shares	(INR in '000)
Balance as at April 1, 2018	34,00,00,000	3,40,000
Equity shares issued during the year	3,00,00,00,000	30,00,000
Balance as at March 31, 2019	3,34,00,00,000	33,40,000
Return of capital to shareholders (refer Note 30) during the year	(3,00,00,00,000)	(30,00,000)
Balance as at March 31, 2020	34,00,00,000	3,40,000

B. Other Equity attributable to equity holders (Refer Note 12)

(INR in '000)

Particulars	Retained earnings	Other comprehensive income*	Total
Balance as at April 1, 2018	(1,75,530)		(1,75,530)
Profit for the year	1,43,480		1,43,480
Other comprehensive income (net of tax)		208	208
Total comprehensive income for the year	1,43,480	208	1,43,688
Transferred to retained earnings	208	(208)	-
Balance as at March 31, 2019	(31,842)	0	(31,842)
Profit for the year	72,155		72,155
Other comprehensive income (net of tax)		145	145
Total comprehensive income for the year	72,155	145	72,300
Transferred to retained earnings	145	(145)	-
Balance as at March 31, 2020	40,458	0	40,458

* Other comprehensive income represents remeasurement of defined benefit plans (net of tax)

The accompanying notes forms an integral part of these financial statements.

As per our report of even date

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

For and on behalf of the Board of Directors of
HT Music and Entertainment Company Limited

Rajesh Arora
Partner
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(DIN :03155591)

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CFO

Karthi Narayanan
CEO

Sagar Gupta
Company Secretary
Membership No. A42611

Place: Gurugram
Date: June 25, 2020

Place: New Delhi
Date: June 25, 2020

HT Music and Entertainment Company Limited
Statement of Cash Flow Statement for the year ended on March 31, 2020

Particulars	March 31, 2020 (INR in '000)	March 31, 2019 (INR in '000)
Cash flows from operating activities:		
Profit before tax	1,04,159	1,36,012
Adjustments for:		
Depreciation and amortisation expense	20,240	15,940
	57,696	-
Impairment of property, plant and equipment and Intangibles (exceptional item)		
Interest Income from deposits and others	(2,27,806)	(1,84,210)
Liabilities no longer required written back	(153)	(162)
Interest expense	3,904	19
Allowances for doubtful debts (including write offs)	16,809	2,697
Cash flows from operating activities before changes in following assets and liabilities	(25,151)	(29,704)
Changes in operating assets and liabilities		
Decrease/(Increase) in trade receivables	416	(13,356)
Decrease/(Increase) in current and non-current financial assets and other current and non-current assets	714	(88,062)
Decrease in trade payables	(3,650)	(14,789)
Increase/(Decrease) in current and non-current financial liabilities and other current and non-current liabilities and provisions	3,264	(220)
Cash used in operations	(24,408)	(1,46,131)
Income tax paid (net)	(29,466)	(18,856)
Net cash flows used in operating activities (A)	(53,874)	(1,64,987)
Cash flows from investing activities:		
Purchase of property, plant and equipment and intangible assets	(2,326)	(143)
Interest received	2,50,017	1,57,897
Loans given to related party	(3,47,500)	(29,80,000)
Loans returned by related party	30,60,500	-
Deposits matured (net)	88,625	-
Net cash flows generated from / (used in) investing activities (B)	30,49,316	(28,22,246)
Cash flows from financing activities:		
Proceeds from issue of equity shares	-	30,00,000
Return of capital to shareholders (refer note 30)	(30,00,000)	-
Repayment of lease liabilities (refer note 29A)	(6,406)	-
Interest Paid	(3,904)	(19)
Net cash flows (used in) / generated from financing activities (C)	(30,10,310)	29,99,981
Net increase in cash and cash equivalents (D=A+B+C)	(14,868)	12,748
Cash and cash equivalents at the beginning of the year (E)	24,068	11,320
Cash and cash equivalents at year end (D+E)	9,200	24,068
Components of cash and cash equivalents as at end of the year		
Cash on hand	-	4
With banks		
- On current accounts	-	264
- On deposit accounts	9,200	23,800
Cash and Cash Equivalents as per statement of cash flow	9,200	24,068

The accompanying notes forms an integral part of these financial statements.

As per our report of even date

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

For and on behalf of the Board of Directors of
HT Music and Entertainment Company Limited

Rajesh Arora
Partner
Membership No. 076124

Harshad Jain
Director
(DIN :00105769)

Piyush Gupta
Director
(DIN :03155591)

Karthi Narayanan
CEO

Ankur Neema
CFO

Sagar Gupta
Company Secretary
Membersip No. A42611

Place: Gurugram
Date: June 25, 2020

Place: New Delhi
Date: June 25, 2020

Note 3 : Property, Plant and Equipment

Particulars					(INR in '000)
	Improvement to Leasehold Premises	Plant and Machinery	Office Equipment*	Furniture and Fixtures	Total
Gross Carrying Amount					
As at April 1, 2018	25,205	19,652	6,394	2,915	54,166
Additions	-	118	25	-	143
Disposals/ adjustments	-	-	-	-	-
As at March 31, 2019	25,205	19,770	6,419	2,915	54,309
Additions	-	2,322	-	-	2,322
Disposals/ adjustments	-	-	-	-	-
As at March 31, 2020	25,205	22,092	6,419	2,915	56,631
Accumulated Depreciation/ Impairment					
As at April 1, 2018	14,828	15,944	4,266	913	35,951
Depreciation Charge for the year	1,657	691	798	278	3,424
Disposals/ adjustments	-	-	-	-	-
As at March 31, 2019	16,485	16,635	5,064	1,191	39,375
Charge for the year	1,657	544	802	278	3,281
Disposals/ adjustments	-	-	-	-	-
Impairment (refer note 21A)	4,065	2,828	318	832	8,043
As at March 31, 2020	22,208	20,007	6,184	2,302	50,699
Net block					
As at March 31, 2020	2,997	2,085	235	613	5,932
As at March 31, 2019	8,720	3,136	1,355	1,724	14,934

*Includes IT Equipment

Note 4 : Intangible Assets

(INR in '000)

Particulars	Goodwill	License Fees	Total
Gross Carrying Amount			
Deemed cost as at April 1, 2018	19,405	1,27,903	1,47,308
Additions	-	-	-
Disposals/ adjustments	-	-	-
As at March 31, 2019	19,405	1,27,903	1,47,308
Additions	-	-	-
Disposals/ adjustments	-	-	-
As at March 31, 2020	19,405	1,27,903	1,47,308
Accumulated Amortization/Impairment			
As at April 1, 2018	15,524	24,377	39,901
Charge for the year	3,881	8,635	12,516
Disposals/ adjustments	-	-	-
As at March 31, 2019	19,405	33,012	52,417
Charge for the year	-	8,635	8,635
Disposals/ adjustments	-	-	-
Impairment (refer note 21A)	-	49,653	49,653
As at March 31, 2020	19,405	91,300	1,10,705
Net block			
As at March 31, 2020	-	36,603	36,603
As at March 31, 2019	-	94,891	94,891

HT Music and Entertainment Company Limited
Notes to financial statements for the period ended March 31, 2020

Note 5A : Loans

Particulars	As at March 31, 2020 (INR in '000)	As at March 31, 2019 (INR in '000)
Unsecured considered good (at amortised cost)		
Security deposits	3,879	5,214
Inter-corporate deposits to related party (Refer Note 25A)	2,67,000	29,80,000
Total Loans	2,70,879	29,85,214
Current	2,67,000	29,80,000
Non - Current	3,879	5,214
Inter-corporate deposits to holding company (HT Media Limited) is payable on demand at 8% p.a. Rs 264,500 ('000) [As on March 31, 2019 Rs 2,980,000 ('000)]		
Inter-corporate deposits to fellow subsidiary company (Next Mediaworks Limited) is for the period of one year from August 26, 2020 at 11% p.a. Rs 2,500 ('000) [As on March 31, 2019 Rs Nil]		

Note 5B :Other financial assets

Particulars	As at March 31, 2020 (INR in '000)	As at March 31, 2019 (INR in '000)
(i) Other financial assets (at amortised cost)		
Interest accrued on deposits	4,249	26,460
Deposits with original maturity of more than 1 year (held as security)*	16,372	14,997
Other receivables [represents receivable from related parties (Refer Note 25A)]	2,637	-
Total Other financial assets	23,258	41,457
Current	6,886	26,460
Non - Current	16,372	14,997

* Represents deposits pledged with bank and held as margin money

Break up of financial assets carried at amortised cost

Particulars	As at March 31, 2020 (INR in '000)	As at March 31, 2019 (INR in '000)
Trade receivables (Refer Note 8)	21,618	38,843
Cash and cash equivalents (Refer Note 9)	9,200	24,068
Other bank balances (Refer Note 9A)	-	90,000
Other financial assets (Refer Note 5B)	23,258	41,457
Loans (Refer Note 5A)	2,70,879	29,85,214
Total financial assets carried at amortised cost	3,24,955	31,79,581

HT Music and Entertainment Company Limited
Notes to financial statements for the year ended March 31, 2020

Note 6 : Other non- current assets

Particulars	As at March 31, 2020 (INR in '000)	As at March 31, 2019 (INR in '000)
Capital advance	64	61
Total	64	61

Note 7 : Income tax assets (net)

Particulars	As at March 31, 2020 (INR in '000)	As at March 31, 2019 (INR in '000)
Income tax assets (net)	6,225	7,723
Non-current	6,225	7,723

Note 8 : Trade receivables

Particulars	As at March 31, 2020 (INR in '000)	As at March 31, 2019 (INR in '000)
Trade receivables	21,618	38,843
Total	21,618	38,843

Break up for trade receivables details:

	As at March 31, 2020 (INR in '000)	As at March 31, 2019 (INR in '000)
Secured, considered good	-	-
Unsecured, considered good	21,618	38,843
Unsecured, considered doubtful	14,424	6,787
	36,042	45,630
Loss allowance for bad & doubtful debts	14,424	6,787
Total Trade receivables	21,618	38,843

Trade receivables do not include any dues from directors or other officers of the Company either severally or jointly with any other person. Trade receivables are non-interest bearing and credit period generally falls in the range of 1 to 90 days.

Note 9 : Cash and cash equivalents

Particulars	As at March 31, 2020 (INR in '000)	As at March 31, 2019 (INR in '000)
Balance with banks :		
- On current accounts	-	264
- Deposits with original maturity of 3 or less than 3 months	9,200	23,800
Cash on hand	-	4
Total	9,200	24,068

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

Note 9A : Other bank balances

Particulars	As at March 31, 2020 (INR in '000)	As at March 31, 2019 (INR in '000)
Balance with banks :		
- Deposits with original maturity of more than 3 months but less than 12 months	-	90,000
Total	-	90,000

Note 10 : Other current assets

Particulars	As at March 31, 2020 (INR in '000)	As at March 31, 2019 (INR in '000)
Prepaid expenses	1,182	4,155
Advances given	452	1,767
Balance with Government authorities	1,139	388
Other receivable	2,289	2,245
Total	5,062	8,555

HT Music and Entertainment Company Limited
Notes to financial statements for the year ended March 31, 2020

Note 11 : Share Capital

Particulars	No. of Shares	(INR in '000)
As at April 1, 2018	2,00,00,000	20,00,000
Changes during the year	1,36,00,00,000	13,60,000
As at March 31, 2019	3,36,00,00,000	33,60,000
Changes during the year	-	-
As at March 31, 2020	3,36,00,00,000	33,60,000

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Issued, subscribed and fully paid up share capital

Particulars	Equity share capital	
	No. of Shares	(INR in '000)
Equity shares of INR 1 each issued, subscribed and fully paid	34,00,00,000	3,40,000
As at April 1, 2018	3,00,00,00,000	30,00,000
Equity shares issued during the year	3,34,00,00,000	33,40,000
As at March 31, 2019	(3,00,00,00,000)	(30,00,000)
Return of capital to shareholders (refer Note 30) during the year	34,00,00,000	3,40,000
As at March 31, 2020		

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

Particulars	March 31, 2020		March 31, 2019	
	No. of shares	Amount (INR in '000)	No. of shares	Amount (INR in '000)
Shares outstanding at the beginning of the year	3,34,00,00,000	33,40,000	34,00,00,000	3,40,000
Shares issued during the year			3,00,00,00,000	30,00,000
Return of capital to shareholders (refer Note 30) during the year	(3,00,00,00,000)	(30,00,000)		
Shares outstanding at the end of the year	34,00,00,000	3,40,000	3,34,00,00,000	33,40,000

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, subsidiary of holding company are as below:

Particulars	March 31, 2020		March 31, 2019	
	No. of Shares	Amount (INR in '000)	No. of Shares	Amount (INR in '000)
HT Media Limited, the holding company	3,40,000	3,40,000		
340,000,000 (March 31, 2019- 340,000,000) equity shares of INR 1 each fully paid				

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding in the No in class	No. of shares	% holding in the No in class
Equity shares of INR 1 each fully paid	34,00,00,000	100%	3,34,00,00,000	100%
HT Media Limited, the holding company				

The above includes 6 (six) shares in the HT Media Limited beneficially through its nominees.

HT Music and Entertainment Company Limited
Notes to financial statements for the year ended March 31, 2020

Note 12 : Other Equity

Particulars	March 31, 2020 (INR in '000)	March 31, 2019 (INR in '000)
Retained earnings	40,458	(31,842)
Total	40,458	(31,842)

Retained Earnings

Particulars	Amount (Rs in '000)
As at April 1, 2018	(1,75,530)
Net Profit/(Loss) for the year	1,43,480
Add: Items of other comprehensive income recognised directly in retained earnings	
- Remeasurement of the defined benefits plan, net of tax	208
As at March 31, 2019	(31,842)
Net Profit/(Loss) for the year	72,155
Add: Items of other comprehensive income recognised directly in retained earnings	
- Remeasurement of the defined benefits plan, net of tax	145
As at March 31, 2020	40,458

Note 13 : Trade Payables

Particulars	As at	As at
	March 31, 2020 (INR in '000)	March 31, 2019 (INR in '000)
Trade Payables		
Amount payable to micro enterprise and small enterprises	-	-
Amount payable to creditors other than of micro enterprise and small enterprises	7,851	8,498
Trade Payables to related parties (Refer Note 25A)	75	3,232
Total	7,926	11,730
Current	7,926	11,730

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled in the range of 0 to 90 days.
For explanations on the companies credit risk management processes, refer Note 28.

Note 14 A: Other financial liabilities

Particulars	As at	As at
	March 31, 2020 (INR in '000)	March 31, 2019 (INR in '000)
Other financial liabilities at amortised cost		
Book Overdraft	702	-
Employee Related Payable	5,270	2,087
Total other financial liabilities	5,972	2,087
Total other financial liabilities	5,972	2,087
Current	5,972	2,087

Break up of financial liabilities carried at amortised cost

Particulars	Note no.	As at	As at
		March 31, 2020 (INR in '000)	March 31, 2019 (INR in '000)
Trade Payables	13	7,926	11,730
Book Overdraft	14A	702	-
Employee Related Payable	14A	5,270	2,087
Total financial liabilities carried at amortised cost		13,898	13,817

Note 14 B : Lease liabilities

Particulars	As at	As at
	March 31, 2020 (INR in '000)	March 31, 2019 (INR in '000)
Lease liabilities (refer note 29A)	48,746	-
Total	48,746	-
Current	9,237	-
Non- Current	39,509	-

Note 14 C : Provisions

Particulars	As at	As at
	March 31, 2020 (INR in '000)	March 31, 2019 (INR in '000)
Provision for employee benefits (Refer Note 24)		
Provision for leave benefits	335	408
Provision for gratuity	523	551
Total	858	959
Current	347	412
Non- Current	511	547

Note 15 : Other Current Liabilities

Particulars	As at	As at
	March 31, 2020 (INR in '000)	March 31, 2019 (INR in '000)
Advances from customers	417	1,218
Statutory dues	610	532
Total	1,027	1,750

HT Music and Entertainment Company Limited
Notes to financial statements for the year ended March 31, 2020

Note 16 : Revenue from operations

Revenue from contracts with customers

Particulars	For the year ending March 31, 2020 (INR in '000)	For the year ending March 31, 2019 (INR in '000)
Airtime sales	44,910	57,017
Total	44,910	57,017

Note 17 : Other income

Particulars	For the year ending March 31, 2020 (INR in '000)	For the year ending March 31, 2019 (INR in '000)
Interest income on EIR basis		
- Bank deposits	5,273	1,56,451
- Loan to related parties (refer note 25A)	2,22,257	27,432
- Others	276	327
Other non- operating income		
Liabilities no longer required written back	153	162
Exchange differences (net)	-	1
Infrastructure support services (refer note 25A)	2,408	-
Miscellaneous income	1,241	508
Total	2,31,608	1,84,881

Note 18 : Employee benefits expense

Particulars	For the year ending March 31, 2020 (INR in '000)	For the year ending March 31, 2019 (INR in '000)
Salaries, wages and bonus	21,412	18,546
Contribution to provident and other funds (refer note 24)	972	939
Gratuity expense (refer note 24)	176	187
Workmen and staff welfare expenses	506	370
Total	23,066	20,042

Note 19 : Depreciation and amortization expense

Particulars	For the year ending March 31, 2020 (INR in '000)	For the year ending March 31, 2019 (INR in '000)
Depreciation of tangible assets (refer note 3)	3,282	3,424
Amortization of intangible assets (refer note 4)	8,635	12,516
Depreciation expense of right-of-use assets (refer note 29A)	8,323	-
Total	20,240	15,940

Note 20 : Finance costs

Particulars	For the year ending March 31, 2020 (INR in '000)	For the year ending March 31, 2019 (INR in '000)
Interest to others	-	19
Interest on lease liabilities (refer note 29A)	3,904	-
Bank charges	161	180
Total	4,065	199

HT Music & Entertainment Company Limited
Notes to financial statements for the year ended March 31, 2020

Note 21 : Other expenses

Particulars	For the year ending March 31, 2020 (INR in '000)	For the year ending March 31, 2020 (INR in '000)
Power and fuel	1,920	4,408
Advertising and sales promotion	10,479	5,312
Rent	939	8,199
Rates and taxes	19	14,997
Insurance	27	18
Repairs and maintenance:		
- Plant and machinery	1,425	1,070
- Building	34	34
- Others	1,909	1,979
Travelling and conveyance	6,142	5,411
Communication costs	898	773
Legal and professional fees	6,107	5,149
Payment to auditor (refer (a) below)	675	638
Royalty & copyright	2,300	2,350
Support software	925	925
Subscription	510	438
Exchange differences (net)	2	-
License fees	13,686	13,686
Donations	426	-
Miscellaneous expenses	2,060	1,621
Total	50,483	67,008

(a) Payment to auditors

Particulars	For the year ending March 31, 2020 (INR in '000)	For the year ending March 31, 2019 (INR in '000)
As auditor :		
- Audit fee	500	350
- Tax audit fee	175	150
- Certification fees	-	125
- Out of pocket expenses	-	13
Total	675	638

Schedule 21A : Exceptional items

Particulars	For the year ending March 31, 2020 (INR in '000)	For the year ending March 31, 2019 (INR in '000)
Exceptional Items*	57,696	-
Total	57,696	-

The Company after considering the current economic environment has performed an impairment assessment of Property, Plant and Equipment and Intangible Assets. As the recoverable amount of Cash Generating Unit ("CGU") is lower than the carrying amount of assets, the Company has recognised an impairment loss of INR 49,653 thousand towards Intangible Assets and INR 8,043 thousand towards Tangible Assets as an exceptional item. The recoverable amount of CGU is based on its value in use which is INR 42,671 thousand using discount rate in the range of 14%-16%.

HT Music and Entertainment Company Limited
Notes to financial statements for the year ended March 31, 2020

Note 22 : 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	March 31, 2020	March 31, 2019
Profit attributable to equity holders (INR in '000)	72,155	1,43,480
Weighted average number of Equity shares for basic and diluted earnings per share	3,08,61,36,986	2,44,61,91,781
Earnings per share		
Basic and diluted earnings per share	0.02	0.06

Note 23 : 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 :

Particulars	March 31, 2020	(INR in '000) March 31, 2019
Current income tax :		
Current income tax charge	29,650	11,470
Adjustments in respect of current income tax of previous year	1,316	-
Deferred tax:		
Relating to origination and reversal of temporary differences	2,285	(18,938)
Adjustments in respect of Deferred tax charge/ (credit) of previous year	(1,247)	
Income tax expense reported in the statement of profit and loss	32,005	(7,468)

OCI section :

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

Particulars	March 31, 2020	(INR Lacs) March 31, 2019
Income tax charge/(credit) on remeasurement gain/ (loss) on defined benefit plans	59	-
Income tax charged to OCI	59	-

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

Particulars	March 31, 2020	(INR in '000) March 31, 2019
Accounting profit before income tax	1,04,159	1,36,012
At India's statutory income tax rate of 29.12 % (Previous year : 26%)	30,331	35,363
Non -deductible expenses for tax purposes	124	3,875
Impact of change in tax rate of next financial year	2,003	(49,823)
Impact of change in tax rate on opening balances of deferred taxes	(523)	-
Deferred tax recognised on temporary differences pertaining to previous year	70	3,117
Income tax expense reported in the statement of profit and loss	32,005	(7,468)

Deferred Tax

Deferred tax relates to the following:

Particulars	(INR in '000)	
	As at March 31, 2020	As at March 31, 2019
Tax impact of temporary differences arising on:		
Provision for defined benefit obligation	216	695
Impairment of doubtful debts and advances	3,133	1,765
Unabsorbed depreciation carried forward	-	12,529
Expenses allowable on payment basis	1,128	-
Difference in WDV of tangible and intangible fixed assets as per books of account and tax books	5,841	(7,521)
MAT Credit Entitlement	7,522	11,470
Total Deferred Tax Assets	17,840	18,938

Reconciliation of deferred tax assets (net):

Particulars	(INR Lakhs)	
	March 31, 2020	March 31, 2019
Opening balance as of 1 April	18,938	-
Tax (expense)/ income during the year recognised in statement of profit and loss	(1,099)	18,938
Closing balance as at 31 March	17,840	18,938

Note 24 : Employee Benefits

A. Define Benefit Plan: Gratuity

(INR in '000)

Particulars	March 31, 2020	March 31, 2019
Gratuity	523	551
Total	523	551
Current	12	4
Non- Current	511	547

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

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Gratuity

Changes in the defined benefit obligation as at March 31, 2020 :

Particulars	March 31, 2020	March 31, 2019
Opening balance	551	573
Current service cost	133	141
Interest expense or cost	43	46
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	63	21
- change in demographic assumptions	(0)	-
- experience variance (i.e. Actual experience vs assumptions)	(267)	(229)
Total	523	551

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

Particulars	March 31, 2020	March 31, 2019
Discount Rate	6.85%	7.75%
Salary Growth Rate	5%	5%
Withdrawal Rate		
Up to 30 years	3%	3%
31 - 44 years	2%	2%
Above 44 years	1%	1%

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2020	March 31, 2019
Defined benefit obligation (base)	523	551

Particulars Assumptions	March 31, 2020		March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 1%)	85	(49)	122	(49)
Salary growth rate (-/+ 1%)	(72)	124	(52)	124
Attrition rate (-/+ 50%)	(8)	40	14	40

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

The following represents the maturity profile of Defined Benefit Obligations in future years:

Particulars	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	12	4
Between 2 and 5 years	55	81
Between 6 and 10 years	8	96
Beyond 10 years	1,525	1,964
Total expected payments	1,600	2,145

Average duration of the defined benefit plan obligation is 16 Years (previous year - 17 Years)

Particulars	March 31, 2020	March 31, 2019
Weighted average duration	15 Years	16 Years

B. Defined Contribution Plan

(INR in '000)

Particulars	March 31, 2020	March 31, 2019
Contribution to provident and other funds	972	939
Charged to Statement of Profit and Loss	972	939

C. Leave Encashment (unfunded)

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

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

Particulars	March 31, 2020	March 31, 2019
Liability at the beginning of the year	408	555
Paid during the year	(62)	(316)
Provided during the year	(12)	169
Liability at the end of the year	335	408

Note 25 : 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) Private Limited* (Ultimate controlling party is the
Fellow Subsidiaries (with whom transactions have occurred during the year)	Next Mediaworks Limited Next Radio Limited

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

* Earthstone Holding (Two) Private Limited (formerly known as Earthstone Holding (Two) Limited) is the holding company of The Hindustan Times Limited.

ii) Transactions with related parties

Refer Note 25A

iii) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (other than Inter-corporate loans given or taken) and settlement occurs in cash.

Note 25A : Transactions during the year with related parties

Particulars	Holding company		Fellow subsidiary company	
	March 31, 2020 (INR in '000)	March 31, 2019 (INR in '000)	March 31, 2020 (INR in '000)	March 31, 2019 (INR in '000)
Income				
Commission charges received (included in other income)	499	503	-	-
Airtime revenue	176	597	-	-
Interest on inter corporate deposit	2,19,706	27,432	2,551	-
Infrastructure support services (seats) given	-	-	2,408	-
Expense				
Royalty fee paid	114	139	-	-
Advertisement expenses	319	-	-	-
Commission charges paid (included in other expenses)	257	484	-	-
Others				
Reimbursement for expenses incurred on behalf of the party by company	800	780	-	-
Refund of excess share capital	(30,00,000)	-	-	-
Proceeds from issue of equity shares	-	30,00,000	-	-
Inter corporate deposit given	2,87,500	29,80,000	60,000	-
Inter corporate deposit (refunded)	30,03,000	-	57,500	-
Balance outstanding				
Trade payable	75	3,232	-	-
Other receivable	36	-	2,601	-
Inter corporate deposit- interest accrued	1,919	24,689	2,294	-
Inter corporate deposit	2,64,500	29,80,000	2,500	-

HT Music and Entertainment Company Limited
Notes to financial statements for the year ended March 31, 2020

Note 26 : Segment information

In accordance with Ind AS-108 'Operating Segments', the Company' operating segment is Media and Entertainment and it has no other primary reportable segments. Considering the nature of operations and the manner in which the chief operating decision maker of the Company reviews the operating results, the Company has concluded that there is only one operating segment. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liabilities, total cost incurred to acquire segment assets and total amount of charge for depreciation during the year, are as reflected in the Financial Statements as at and for the year ended March 31, 2020. The geographical revenue is allocated based on the location of the customers. The Company primarily caters to the domestic market and hence it has been considered as to be operating in a single geographical location.

Information about major customers:

No single customer represents 10% or more of the Company's total revenue during the year ended March 31, 2020 and March 31, 2019.

Note 27 : 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:

Particulars	Carrying Value		Fair value		(INR'000)
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	Fair value mechanism Hierarchy level
	Financial assets measured at amortised cost				
Margin money (held as security in form of fixed deposit) (refer note 5B)	16,372	14,997	16,372	14,997	Level 2
Security deposits given (Non-Current) (refer note 5A)	3,879	5,214	3,879	5,214	Level 2

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

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

- The Security deposits given 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.

Note 28: Financial risk management objectives and policies

The Company's principal financial liabilities, comprises trade and other payables, . The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans given, trade and other receivables, and cash and cash equivalents that it derives directly from operations.

(1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk . Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate on account of a change in market interest rates.

(b) Foreign currency risk

Foreign currency risk arises due to the fluctuations in foreign currency exchange rates. The Group has taken derivative cover to mitigate exposure against foreign currency risk. Accordingly, its exposure to the foreign currency risk is limited.

(2) Credit risk

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

(a) Trade receivables

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

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

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made as per guidelines and within limits approved by Board of Directors. Board of Directors/ Management reviews and update guidelines, time to time as per requirement. The guidelines are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(3) Liquidity risk

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

The table below summarises the maturity profile of the Company's financial liabilities:

Particulars	(INR in '000)		
	With in 1 year	More than 1 years	Total
As at March 31, 2020			
Lease Liabilities (Refer Note 29A)	9,237	39,509	48,746
Trade and other payables (Refer Note 13)	7,926	-	7,926
Other financial liabilities (Refer Note 14A)	5,972	-	5,972
As at March 31, 2019			
Trade and other payables (Refer Note 13)	11,730	-	11,730
Other financial liabilities (Refer Note 14A)	2,087	-	2,087

Note 29 : Capital management

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

The Company manages its capital structure through equity funding and its own operations. It does not have any debt. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

Note 29A: Leases

The Company has taken office premises under lease arrangement.

i) The details of the right-of-use asset held by the Company is as follows:

Particulars	(INR'000)	
	Buildings	Total
Balance at 1 April 2019	55,149	55,149
Reclassification from prepaid rent	1,480	1,480
Depreciation charge for the year	(8,323)	(8,323)
Additions to right-of-use assets	-	-
Derecognition of right-of-use assets	-	-
Balance at 31 March 2020	48,306	48,306

ii) Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Amount in INR '000
Balance at 1 April 2019	55,149
Additions	-
Accretion of interest	3,904
Payments of Principal	(6,406)
Payments of Interest	(3,901)
Balance at 31 March 2020	48,746
Current	9,237
Non- Current	39,509

The maturity analysis of lease liabilities are disclosed in Note 40.

iii) Amounts recognised in profit or loss:

Particulars	in INR '000
Interest on lease liabilities	3,904
Depreciation expense of right-of-use assets	8,323
Expenses relating to short-term leases	939

iv) Amounts recognised in statement of cash flows:

Particulars	in INR in '000
Total cash outflow for leases	(6,406)

HT Music and Entertainment Company Limited
Notes to financial statements for the year ended March 31, 2020

Note 30: Capital reduction Scheme

The Board of Directors of HT Music & Entertainment Company Limited (HTME) [subsidiary of HTML] at its meeting held on April 4, 2019 had approved an application for reduction of share capital of HTME from INR 3,340,000 ['000] to INR 340,000 ['000] by cancelling and extinguishing 3,000,000 ['000] equity shares of INR 1 each of HTME held by HTML. The proposal was approved by the equity shareholders of HTME on April 5, 2019, followed by sanction thereof by Hon'ble NCLT, Mumbai Bench ("NCLT") on February 6, 2020 (certified copy of the order received on February 18, 2020). In terms of the order of NCLT, the paid up Share Capital of HTME stands reduced to INR 340,000 ['000'] and HTME returned INR 3,000,000 ['000] to its shareholder viz. HTML on Feb 27, 2020.

Note 31: Disclosure required under section 186(4) of the Companies Act, 2013

Name of the Loanee	Secured/ Unsecured	Due Date	Rate of Interest	Purpose of Loan	March 31, 2020	March 31, 2019
HT Media Limited	Unsecured	20-08-2020	11.00%	Repayment of short term working Capital borrowings	2,64,500	29,80,000
Next Mediaworks Limited	Unsecured	26-Aug-20	6.50%	To meet the business requirements / repayment of existing loans and/or for general corporate purposes.	2,500	-

Note 32:

Management has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of Property, Plant and Equipment, Intangible Assets, Receivables, Other Financial and Non-Financial assets of the Company. In developing the assumptions relating to the possible future uncertainties because of this pandemic, the Company, as at the date of adoption of these financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current factors estimated that the carrying amount of assets as at 31 March 2020 will be recovered after recording an impairment loss on Property, Plant and Equipment and Intangible Assets (refer note 21A). The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of adoption of audited financial statements for the year ended 31 March 2020. Such changes, if any, will be prospectively recognized. The Company will continue to closely monitor any material changes to future economic conditions.

Note 33: Standards issued but not effective

"Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020."

HT Music and Entertainment Company Limited
Notes to financial statements for the year ended March 31, 2020

Note 34

Previous year figures have been regrouped / reclassified, where necessary, to conform to this

The accompanying notes forms an integral part of these financial statements.

As per our report of even date

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

For and on behalf of the Board of Directors of
HT Music and Entertainment Company Limited

Rajesh Arora
Partner
Membership No. 076124

Harshad Jain
Director
(DIN :08191390)

Piyush Gupta
Director
(DIN :03155591)

Karthi Narayanan
CEO

Ankur Neema
CFO

Sagar Gupta
Company Secretary
Membersip No. A42611

Place: Gurugram
Date: June 25, 2020

Place: New Delhi
Date: June 25, 2020