Price Waterhouse & Co Chartered Accountants LLP

Independent auditor's report

To the members of HT Digital Streams Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of HT Digital Streams Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of profit and loss (including Other Comprehensive Income), statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. 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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards 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.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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.

Price Waterhouse & Co Chartered Accountants LLP, LLPIN AAC-4362, FRN 304026E/E300009, Gurgaon

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Responsibilities of management and those charged with governance for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

7. 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.

8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

9. 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.

10. 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.

Report on other legal and regulatory requirements

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

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. The Company does not have any pending litigations as at March 31, 2019 which would impact its financial position.

   ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

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iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

Anupam Dhawan
Partner
Membership Number : 084451

Place : New Delhi
Date : May 08, 2019

Annexure A to Independent Auditors' Report
Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of HT Digital Streams Limited on the financial statements as of and for the year ended March 31, 2019

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The Company does not own any immovable property. Therefore, the provisions of clause 3(i)(c) of the said Order are not applicable to Company.

ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees state insurance, income tax, duty of customs, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

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Gurgaon

xi. The provisions of Section 197 read with Schedule V to the Act are not applicable to the company. Hence reporting under Clause 3(xi) of the Order are not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Anupam Dhawan
Partner
Membership Number: 084451

Date : May 08, 2019
Place: New Delhi

Annexure B to Independent Auditors' Report

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of HT Digital Streams Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

6. 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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable

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FRN 304026E/E300009
Gurgaon

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

7. 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 control 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.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Anupam Dhawan
Partner
Membership Number : 084451

Place : New Delhi
Date : May 08, 2019

HT Digital Streams Limited
Balance sheet as at March 31, 2019

	Note No	As at 31st March 2019 INR Lacs	As at 31st March 2018 INR Lacs
ASSETS			
1) Non-current assets			
a) Property, plant and equipment	3	217	132
b) Goodwill	4	7,238	10,857
c) Other Intangible assets	4	91	83
d) Intangible assets under development	4	3	-
e) Financial assets			
(i) Investments	5A	10	-
(ii) Loans	5B	7	7
f) Deferred Tax assets (net)	10	1,639	1,307
g) Income Tax assets (net)	6	2,962	2,084
Total Non-current assets		**12,167**	**14,470**
2) Current assets			
a) Financial assets			
(i) Trade receivables	7A	3,799	1,955
(ii) Cash and cash equivalents	7B	879	1,564
(iii) Loans	5B	1	-
(iv) Other financial assets	7C	-	29
b) Contract assets	8	199	-
c) Other current assets	9	111	187
Total Current assets		**4,989**	**3,735**
TOTAL ASSETS		**17,156**	**18,205**
EQUITY AND LIABILITIES			
1) Equity			
a) Equity share capital	11	2,005	2,005
b) Other equity	12	10,791	11,560
Total equity		**12,796**	**13,565**
2) Liabilities			
Current liabilities			
a) Financial liabilities			
(i)Trade Payables			
a) total outstanding due of micro, small and medium enterprises	13A	53	34
b) total outstanding due other than (i)(a) above	13A	3,267	3,757
(ii)Other financial liabilities	13B	19	5
b) Other current liabilities	14	506	417
c) Contract Liabilities	15	45	-
d) Provisions	16	470	427
Total Current Liabilities		**4,360**	**4,640**
Total liabilities		**4,360**	**4,640**
TOTAL EQUITY AND LIABILITIES		**17,156**	**18,205**
Summary of significant accounting policies	2		

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

As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/ E300009

Anupam Dhawan
Partner
Membership No. 084451

Place: New Delhi
Date: May 08, 2019

For and on behalf of the Board of Directors of HT Digital Streams Limited

Utsav Saini
Company Secretary

Anup Sharma
Chief Financial Officer

Dinesh Mittal
Director
(DIN: 00105769)

Umesh Sharma
Director
(DIN: 01490553)

HT Digital Streams Limited
Statement of Profit and Loss for the year ended March 31, 2019

	Particulars	Note No	Year Ended 31st March 2019 INR Lacs	Year Ended 31st March 2018 INR Lacs
I	**Income**			
	a) Revenue from operations	17	24,794	22,779
	b) Other Income	18	40	170
	Total Income		**24,834**	**22,949**
II	**Expenses**			
	a) Employee benefits expense	19	12,937	13,235
	b) Finance costs	20	7	14
	c) Depreciation and amortization expense	21	3,735	3,735
	d) Net impairment losses on financial assets		7	307
	e) Other expenses	22	9,314	9,378
	Total Expense		**26,000**	**26,669**
III	**Profit/(loss) before tax (I-II)**		**(1,166)**	**(3,720)**
IV	**Earnings before interest, tax, depreciation and amortization (EBITDA) [III+II(b+c)]**		**2,576**	**29**
V	**Income tax expense:**			
	Current tax	10	-	-
	Deferred tax charge/(credit)	10	(349)	(953)
	Total tax expense		**(349)**	**(953)**
VI	**Profit /(Loss) for the year after tax (III-V)**		**(817)**	**(2,767)**
VII	**OTHER COMPREHENSIVE INCOME**	23		
	Items that will not to be reclassified to profit or loss			
	(i) Remeasurement of the defined benefit plans		65	106
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(17)	(27)
	Other comprehensive income for the year, net of tax		**48**	**79**
VIII	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX**		**(769)**	**(2,688)**
IX	**Earnings per share**			
	Basic (Nominal value Rs.10 each)	24	(4.07)	(13.80)
	Diluted (Nominal value Rs.10 each)	24	(4.07)	(13.80)
	Summary of significant accounting policies	2		

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

As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/ E300009

Anupam Dhawan
Partner
Membership No. 084451

Place: New Delhi
Date: May 08, 2019

For and on behalf of the Board of Directors of HT Digital Streams Limited

UTSAV SAINI

Utsav Saini
Company Secretary

Anup Sharma
Chief Financial Officer

Dinesh Mittal
Director
(DIN: 00105769)

Umesh Sharma
Director
(DIN: 01490553)

HT Digital Streams Limited
Statement of Cash Flows for the year ended March 31, 2019

(INR Lacs)

Particulars	31st March 2019	31st March 2018
Cash flows from Operating activities		
Profit before tax	**(1,166)**	**(3,720)**
Adjustments to reconcile profit before tax to net cash flows:		
Interest Income from deposits	(18)	(17)
Depreciation and amortisation expense	3,735	3,735
Impairment of doubtful debts and advances (including bad debts written off)	7	321
Profit on sale of Fixed Assets (net)	(1)	-
Working capital adjustments:		
(Increase)/ Decrease in Trade receivables	(1,851)	1,964
Decrease in Trade payables	(471)	(72)
Increase in Provisions	108	124
Increase in Other current liabilities	89	182
Decrease in other financial assets	28	47
Increase in contract assets	(199)	-
Increase in contract liabilities	45	-
Increase/(Decrease) in other current assets	76	(74)
Cash generated from Operations	**382**	**2,490**
Income taxes paid	(878)	(1,609)
Net cash inflows/(outflow) from operating activities (A)	**(496)**	**881**
Cash flows from Investing activities		
Interest received on deposits	18	17
Purchase of investments	(10)	-
Inter-Corporate Deposits given	-	(250)
Inter-Corporate Deposits received back	-	250
Purchase of Property, Plant and equipments	(197)	(132)
Net cash outflows from Investing activities (B)	**(189)**	**(115)**
Cash flows from Financing activities	-	-
Net cash flows from financing activities (C)	**-**	**-**
Net increase/(decrease) in cash and cash equivalents (D=A+B+C)	**(685)**	**766**
Cash and cash equivalents at the beginning of the year (E)	1,564	798
Cash and cash equivalents at the end of the year (D+E)	**879**	**1,564**

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Gurgaon

HT Digital Streams Limited

Statement of Cash Flows for the year ended March 31, 2019

(INR Lacs)

Particulars	31st March 2019	31st March 2018
Components of cash and cash equivalents as at end of year		
Cash on hand	1	1
With banks		
- On deposit with original maturity of upto 3 months	837	1,429
- On current accounts	41	134
Total Cash and Cash Equivalents	**879**	**1,564**

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

As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/ E300009

Anupam Dhawan
Partner

Membership No. 084451

Place: New Delhi
Date: May 08, 2019

For and on behalf of the Board of Directors of HT Digital Streams Limited

Utsav Saini
Company Secretary

Anup Sharma
Chief Financial Officer

Dinesh Mittal
Director
(DIN: 00105769)

Umesh Sharma
Director
(DIN: 01490553)

HT Digital Streams Limited
Statement of changes in equity for the year ended March 31, 2019

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

Particulars	Number of shares	INR Lacs
Balance as at March 31, 2017	20,050,000	2,005
Changes in share capital during the year	-	-
Balance as at March 31, 2018	20,050,000	2,005
Changes in share capital during the year	-	-
Balance as at March 31, 2019	20,050,000	2,005

B. Other Equity

Particulars	Securities Premium Reserve	Retained earnings	Total (INR Lacs)
Balance as at March 31, 2017	15,350	(1,102)	14,248
Change during the year	-	(2,767)	(2,767)
Other comprehensive income	-	79	79
Balance as at March 31, 2018	**15,350**	**(3,790)**	**11,560**
Change during the year	-	(817)	(817)
Other comprehensive income	-	48	48
Balance as at March 31, 2019	**15,350**	**(4,559)**	**10,791**

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

As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/ E300009

Anupam Dhawan
Partner
Membership No. 084451

Place: New Delhi
Date: May 08, 2019

For and on behalf of the Board of Directors of HT Digital Streams Limited

Utsav Saini
Company Secretary

Anup Sharma
Chief Financial Officer

Dinesh Mittal
Director
(DIN: 00105769)

Umesh Sharma
Director
(DIN: 01490553)

HT Digital Streams Limited
Notes forming part of financial statement

1. Corporate information

HT Digital Streams Limited ("the Company") is a public company domiciled in India and is incorporated on November 2, 2015 under the provisions of the Companies Act applicable in India. It is a wholly owned subsidiary of Digicontent Limited (DCL)*.

*Pursuant to the Scheme of Arrangement (the Scheme) between Digicontent Limited and HT Media Limited and their respective creditors and shareholders, Entertainment & Digital Innovation Business of HT Media Limited along with its related assets and liabilities, and the related strategic investment in HT Digital Streams Limited (HTDSL) has been transferred to DCL upon the sanction of the Scheme by the Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench vide order dated March 07, 2019 (certified copy received by the Company on 27 March, 2019). The certified copy of the order sanctioning the Scheme has been filed with the Registrar of the Companies, NCT of Delhi & Haryana on April 05, 2019. Accordingly, the Scheme has been given effect from March 31, 2018 (closing business hours), the Appointed Date.

The business operations of the Company are dissemination of news, knowledge, information, entertainment and content of general interest, in English, Hindi or any other language, globally through various digital and electronic media; and management of advertising time and space on its news websites namely hindustantimes.com, livemint.com and livehindustan.com. The registered office of the Company is located at Budh Marg, Patna - 800001.

2. Significant accounting policies followed by the Company

2.1 Basis of preparation

These 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.

These 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),

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

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

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

These financial statements of the Company for the year ended March 31, 2019 are authorised for issue in accordance with a resolution of the Board of Directors on May 08, 2019.

Price Waterhouse & Co Chartered Accountants LLP
LLIPN AAC-4362
FRN304026E/E300009
Gurgaon

HT Digital Streams Limited
Notes forming part of financial statement

2.2 Summary of significant accounting policies

a) Current versus non- current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b) Foreign currencies

Transactions and Balances

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

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

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

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or as expenses in the period in which they arise. They are deferred in equity if they relate to qualifying cash flow hedges.

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.

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.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN 304026E/E300009
Gurgaon

d) Revenue recognition

Effective April 1, 2018 the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up 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 at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Goods and Service Tax (GST)/ Service Tax are not received by the Company on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.

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

Online Advertising

Revenue from digital platforms by display of internet advertisements is typically contracted for a period of one to twelve months. Revenue in this respect is recognized over the period of the contract, in accordance with the established principles of accrual accounting. Unearned revenues are reported on the balance sheet as deferred revenue/contract liability.

Revenue from Content Selling

Revenue from Content Selling is recognized as and when service is rendered a per terms of contracts. Revenue is measured at the fair value of the consideration received or receivable, net of allowances, trade discounts and volume rebates.

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 is correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN304026E/E300009
Gurgaon

and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences.

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

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

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

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

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

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

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

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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.

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.

Depreciation methods, estimated useful life and residual value

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

Type of asset	Useful life estimated by management (Years)
Plant and Machinery	3-6
Office equipment	2-5

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

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

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

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

g) Intangible assets

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

The useful life of intangible assets is assessed as either finite or indefinite.

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 FRN 304026E/E300009 Gurgaon

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

Intangible assets with indefinite useful life 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.

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

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

Intangible Assets	Useful Life (in Years)
Software Licenses	6
Goodwill*	5
Website development	6

*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 in accordance with High Court approval.

h) Leases

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

Company as a lessee

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

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

Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN 304026E/E300009
Gurgaon

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

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

i) Retirement and other employee benefits

Short term employee benefits and defined contribution plans:

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

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

Gratuity

Gratuity is a defined benefit scheme. The defined benefit obligation is computed by actuaries using the projected unit credit method.

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

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

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

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN 304026E/E300009
Gurgaon

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

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

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

Compensated Absences

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

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

j) Impairment of non-financial assets

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

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

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

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

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

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

k) 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 recognized as a finance cost.

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

Subsequent measurement

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

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

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

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

Equity investments

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

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

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

Derecognition

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 consolidated 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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN 304026E/E300009
Gurgaon

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 amortized 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.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes 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 recognizing impairment loss allowance based on 12-month ECL.

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.
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 Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

• Financial assets measured as at amortized 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

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 FRN 304026E/E300009 Gurgaon

designed to enable significant increases in credit risk to be identified on a timely basis.

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

Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

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

Loans and borrowings

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

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

De-recognition

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

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

n) Measurement of EBITDA

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

o) Earnings per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:

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

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 judgements, estimates and assumptions

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

The areas involving critical estimates or judgements 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.

Defined benefit plans

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

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

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.

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 the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non- financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent markets transactions are taken

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 FRN 304026E/E300009 Gurgaon

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.

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

A. Ind AS 116 Leases

MCA has issued Ind AS 116 Leases on March 30, 2019 effective from annual periods beginning on or after April 01, 2019. Ind AS 116 will supersede the existing Ind AS 17.
The new standard requires lessees to recognize most leases on their balance sheets. Lessees will have a single accounting model for all leases, with two exemptions (low value assets and short term leases). Lessor accounting is substantially unchanged as compared to existing Lease Standard Ind AS 17. There will be additional disclosure requirements. Either a so called full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 1, 2019.

The Company is in the process of finalising its analysis at the date of issuing of this financial statements. The Company would disclose the known or reasonably estimable information relevant to assessing the possible impact that application of Ind AS 116 will have on their financial statements in the period of initial application.

B. Companies (Indian Accounting Standards) Second Amendment Rules, 2019 notified on March 30, 2019 brings the following amendments to Ind AS. The amendments are effective from accounting periods beginning on or after 1 April 2019.

- **Appendix C to Ind AS 12, Income Taxes has been inserted**. The appendix provides accounting for uncertainty over income tax treatments. The appendix corresponds to FRIC 23, Uncertainty over Income Tax Treatments issued by the IFRS Interpretations Committee. Appendix C explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

  The Company is assessing the potential effect of the above mentioned amendment on its financial statements.

- **Paragraph 57A has been added to Ind AS 12** to clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits were recognized.

  This amendment is not applicable to the Company.

- **Amendment to Ind AS 19, Employee Benefits** requires an entity to: (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and (ii) recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 FRN 304026E/E300009 Gurgaon

The application of this amendment is not expected to have a material impact on the Company's financial statements.

- **Amendment to Ind AS 23, Borrowing Costs** to clarify that if a specific borrowing remains outstanding after a qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

  The application of this amendment is not expected to have a material impact on the Company's financial statements.

- **Amendment to Ind AS 28, Investments in Associates and Joint Ventures** clarifies that long-term interests in an associate or joint venture to which the equity method is not applied should be accounted for using Ind AS 109, Financial Instruments.

  This amendment is not applicable to the Company.

- **Amendment has been made to Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements** to clarify measurement of previously held interest in obtaining control/ joint control over a joint operation: (i) On obtaining control of a business that is a joint operation, previously held interest in joint operation is re-measured at fair value at the acquisition date; (ii) A party obtaining joint control of a business that is joint operation shall not re-measure its previously held interest in the joint operation.

  This amendment is not applicable to the Company.

- **Amendment to Ind AS 109** enables entities to measure at amortized cost some pre-payable financial assets with negative compensation.

  This amendment is not applicable to the Company.

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-5362 FRN304026E/E300009 Gurgaon

Note 3 : Property, Plant and Equipment

(INR Lacs)

Particulars	Plant and Machinery	Office Equipments	Total (Tangible Assets)
Gross Carrying Amount			
As at 31 March 2017	**349**	**-**	**349**
Additions	1	45	46
Disposals/ Adjustments	-	-	-
As at 31 March 2018	**350**	**45**	**395**
Additions	181	2	183
Disposals/ Adjustments	5	-	5
As at 31 March 2019	**526**	**47**	**573**
Accumulated Depreciation			
As at 31 March 2017	**167**	**-**	**167**
Charge for the Year	95	1	96
Disposals	-	-	-
As at 31 March 2018	**262**	**1**	**263**
Charge for the year	95	2	97
Disposals/ Adjustments	4	-	4
As at 31 March 2019	**353**	**3**	**356**
Net Carrying Amount			
As at 31 March 2019	**173**	**44**	**217**
As at 31 March 2018	**88**	**44**	**132**

Note 4 : Intangible Assets

(INR Lacs)

Particulars	Website Development	Software Licenses	Goodwill	Intangible Assets under development	Total (Intangible Assets)
Gross Carrying Amount					
As at 31 March 2017	-	**19**	**18,095**	-	**18,114**
Additions	91	-	-	-	91
As at 31 March 2018	**91**	**19**	**18,095**	-	**18,205**
Additions	-	27	-	3	**30**
As at 31 March 2019	**91**	**46**	**18,095**	**3**	**18,235**
Accumulated Depreciation					
As at 31 March 2017	-	**7**	**3,619**	-	**3,626**
Charge for the year	14	6	3,619	-	3,639
As at 31 March 2018	**14**	**13**	**7,238**	-	**7,265**
Charge for the year	15	4	3,619	-	3,638
As at 31 March 2019	**29**	**17**	**10,857**	-	**10,903**
Net Carrying Amount					
As at 31 March 2019	**62**	**29**	**7,238**	**3**	**7,332**
As at 31 March 2018	**77**	**6**	**10,857**	-	**10,940**

Price Waterhouse & Co Chartered Accountants LLP LLIPN AAC-4362 FRN304026E/E300009 Gurgaon

HT Digital Streams Limited

Notes to financial statements for the year ended March 31, 2019

Note 7 B : Cash and cash equivalents

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Balance with banks :		
- On current accounts	41	134
- Deposits with original maturity of less than three months	837	1,429
Cash on hand	1	1
Total	**879**	**1,564**

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

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Balance with banks :		
- On current accounts	41	134
- Deposits with original maturity of less than three months	837	1,429
Cash on hand	1	1
	879	**1,564**

Note 7 C : Other Financial Assets

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Other Receivables	-	1
Income accrued but not due	-	28
Total Other Financial Assets	**-**	**29**
Current	**-**	**29**
Non - Current	**-**	**-**

Break up of financial assets carried at amortised cost

(INR Lacs)

	As at 31st March 2019	As at 31st March 2018
Trade receivables (Note 7A)	3,799	1,955
Cash and cash equivalents (Note 7B)	879	1,564
Other financial assets (Note 7C)	-	29
Loans (Note 5B)	8	7
Total financial assets carried at amortised cost	**4,686**	**3,555**

Note 8 : Contract assets

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Income accrued but not due (refer note 33)	199	-
Total	**199**	**-**
Current	**199**	**-**
Non - Current	**-**	**-**

Note 9 : Other current assets

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Prepaid Expenses	50	11
Other receivable	61	176
Total	**111**	**187**

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 FRN 304026E/E300009 Gurgaon

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2019

Note 5A : Investments

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Investments at Fair Value through profit and loss		
Unquoted		
Investment in equity instruments (fully paid-up)	10	
Total	**10**	**-**
Current	**-**	**-**
Non - Current	**10**	**-**
Aggregate amount of quoted investment	**-**	**-**
Aggregate amount of unquoted investment	**10**	**-**

Note 5B : Loans

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Security Deposit given	8	7
Total	**8**	**7**
Current	**1**	**-**
Non - Current	**7**	**7**

Particulars	As at 31st March 2019	As at 31st March 2018
Secured, considered good	-	-
Unsecured, considered good	8	7
Total	**8**	**7**

Note 6 : Income tax assets (net)

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Income tax assets (net)	**2,962**	**2,084**
Total Income tax assets	**2,962**	**2,084**
Non-Current	**2,962**	**2,084**
Current	**-**	**-**

Note 7 A : Trade Receivables

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Trade receivables	962	1,414
Receivables from related parties (Note 25A)	2,837	541
Total	**3,799**	**1,955**
Current	**3,799**	**1,955**
Non - Current	**-**	**-**

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	3,799	1,955
Unsecured, considered doubtful	218	478
Total	**4,017**	**2,433**
Impairment of unsecured doubtful debts	(218)	(478)
Total Trade Receivables	**3,799**	**1,955**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. For details of amount due from Related Parties please refer note 25A.

Price Waterhouse & Co Chartered Accountants LLP
LLIPN AAC-4362
FRN 304026E/E300009
Gurgaon

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2019

Note 10 : Deferred Tax assets (net)
The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are :

Statement of profit and loss :

Profit or loss section

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Current income tax :		
Current income tax charge	-	-
Deferred tax :		
Deferred tax credit	(316)	-
Adjustments in respect of previous year	(33)	(953)
Income tax expense reported in the statement of profit or loss	**(349)**	**(953)**

OCI section :
Deferred tax related to items recognised in OCI during in the year ended March 31, 2019

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Net loss/(gain) on remeasurements of defined benefit plans	(17)	(27)
Income tax charged to OCI	**(17)**	**(27)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Accounting loss before income tax	(1,166)	(3,720)
At India's statutory income tax rate of 26% (March 31, 2018: 25.75%)	(303)	(953)
At the effective income tax rate	**(303)**	**(953)**
Impact due to change in tax rate	(13)	-
Tax true up impact	(33)	-
Income tax expense reported in the statement of profit and loss	**(349)**	**(953)**

Deferred tax
Deferred tax relates to the following:

(INR Lacs)

	As at 31st March 2019	As at 31st March 2018
Deferred tax liabilities		
Differences in depreciation in block of fixed assets as per tax books and financial books	-	152
Gross deferred tax liabilities	**-**	**152**
Deferred tax assets		
Carried forward losses and unabsorbed depreciation	1,284	1,241
Provision for doubtful debts and advances	57	123
Differences in depreciation in block of fixed assets as per tax books and financial books	119	-
Effect of expenditure debited to Statement of profit and loss in the current year but allowed for tax purposes in following year	179	95
Gross deferred tax assets	**1,639**	**1,459**
Deferred Tax assets (net)	**1,639**	**1,307**

Reconciliation of deferred tax assets (net):

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening balance as of 1 April	1,307	381
Tax income/(expense) during the year recognised in profit or loss	349	953
Tax income/(expense) during the year recognised in OCI	(17)	(27)
Closing balance	**1,639**	**1,307**

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN304026E/E300009
Gurgaon

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2019

Note 11 : Share Capital
Authorised Share Capital

Particulars	No. of shares	INR lacs
At 31 March 2017	25,000,000	2,500
Changes during the year	-	-
At 31 March 2018	25,000,000	2,500
Changes during the year	-	-
As at 31 March 2019	25,000,000	2,500

Terms/ rights attached to equity shares
The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share.

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

Issued and subscribed capital

Equity shares of INR 10 each Issued, subscribed and fully paid	No. of shares	INR lacs
At 31 March 2017	20,050,000	2,005
Changes during the year	-	-
At 31 March 2018	20,050,000	2,005
Changes during the year	-	-
As at 31 March 2019	20,050,000	2,005

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

(INR Lacs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	20,050,000	2,005	20,050,000	2,005
Shares Issued during the year			-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**20,050,000**	**2,005**	**20,050,000**	**2,005**

Shares held by holding company
Out of equity shares issued by the Company, shares held by its holding company are as below:

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Digicontent Limited, the holding company 20,050,000 (previous year 20,050,000) equity shares of INR 10 each fully paid	2,005	2,005

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

Particulars	As at 31st March 2019		As at 31 March 2018	
	No. of shares	% holding in the No in class	No. of shares	% holding in the No in class
Equity shares of INR 10 each fully paid DigiContent Limited (w.e.f.. March 31, 2018)*	20,050,000	100%	20,050,000	100%

The Board of directors of Hindustan Media Ventures Limited at its meeting held on August 14, 2017, approved the sale of its entire investment in the Company to Digicontent Limited (formerly known as HT Digital Ventures Limited). The aforesaid transaction was consummated on December 28, 2017. Therefore, HT Digital Streams Limited has ceased to be an Associate of Hindustan Media Ventures Limited i.e. December 28, 2017.

* Pursuant to the Scheme of Arrangement (the Scheme) between Digicontent Limited (DCL) and HT Media Limited (HTML) and their respective creditors and shareholders, Entertainment & Digital Innovation Business of HTML along with its related assets and liabilities including the related strategic investment in the Company has been transferred to DCL upon the sanction of the scheme by Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench vide order dated March 07, 2019 (certified copy received by the Company on March 27, 2019) (order). The certified copy of order sanctioning the scheme has been filed with the Registrar of the Companies, NCT of Delhi & Haryana on April 05, 2019. Accordingly, the scheme has been given effect from March 31, 2018 i.e. Appointed Date.

In terms of the sanctioned Scheme, DCL has acquired balance 57% stake from HTML i.e. 11,462,104 numbers of equity share thereby making the company as its wholly owned subsidiary. Accordingly, 6 (six) equity shares each held by 6 (six) nominees of HTML earlier, are now holding on behalf of DCL .

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN 304026E/E300009
Gurgaon

HT Digital Streams Limited

Notes to financial statements for the year ended March 31, 2019

Note 12 : Other Equity

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Share Premium	15,350	15,350
Retained Earnings	(4,559)	(3,790)
Total	**10,791**	**11,560**

Share Premium

Particulars	INR lacs
At 31 March, 2017	**15,350**
Changes during the year	-
At 31 March, 2018	**15,350**
Changes during the year	-
As at 31 March 2019	**15,350**

Retained Earnings

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening Balance	(3,790)	(1,102)
Net loss for the year	(817)	(2,767)
Items of gain of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	48	79
Closing Balance	**(4,559)**	**(3,790)**

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 FRN304026E/E300009 Gurgaon

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2019

Note 13A : Trade Payables

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Trade Payables		
- Micro, Small and Medium Enterprises (Refer Note 31)	53	34
-Related Parties (Refer Note 25A)	135	786
-Others	3,132	2,971
Total	**3,320**	**3,791**
Current	**3,320**	**3,791**
Non- Current	-	-

Note 13B : Other financial liabilities

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Others (Capex Vendors)	19	5
Total other financial liabilities	**19**	**5**
Current	**19**	**5**
Non- Current	-	-

Break up of financial liabilities carried at amortised cost

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Trade payables (Note 13A)	3,320	3,791
Others (Note 13B)	19	5
Total financial liabilities carried at amortised cost	**3,339**	**3,796**

Note 14 : Other current liabilities

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Unearned Revenue	-	39
Customers and agents balances	14	31
Statutory dues	492	347
Total	**506**	**417**

Note 15 : Contract liabilities

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Unearned Revenue (refer note 33)	45	
Total	**45**	-
Current	**45**	-
Non Current	-	-

Note 16 : Provisions

(INR Lacs)

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for employee benefits		
Provision for Leave Benefits (Refer Note No. 26)	48	65
Provision for Gratuity (Refer Note No. 26)	422	362
Total	**470**	**427**
Current	**470**	**427**
Non- Current	-	-

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 FRN 304026E/E300009 Gurgaon

Note 17 : Revenue from operations

(INR Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Sale of services	24,794	22,779
Total	**24,794**	**22,779**

Note 18 : Other Income

(INR Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Interest income on		
- Bank deposits	18	12
- Loan to Subsidiary	-	5
Other non - operating income		
Unclaimed balances/unspent liabilities written back (net)	1	150
Net gain on disposal of property, plant and equipment	1	-
Miscellaneous Income	20	3
Total	**40**	**170**

Note 19 : Employee benefits expense

(INR Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Salaries, wages and bonus	12,329	12,429
Contribution to provident and other funds	444	474
Gratuity expense (Refer Note 26)	126	137
Workmen and Staff welfare expenses	38	195
Total	**12,937**	**13,235**

Note 20 : Finance costs

(INR Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Bank charges	7	14
Total	**7**	**14**

Note 21 : Depreciation and amortization expense

(INR Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Depreciation of tangible assets (Note 3)	97	96
Amortization of intangible assets (Note 4)	3,638	3,639
Total	**3,735**	**3,735**

Note 22 : Other expenses

(INR Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Newsservice and dispatches	2,848	2,544
Power and fuel	3	6
Advertising and sales promotion	149	207
Rent & maintenance	3,169	3,482
Rates and taxes	2	16
Insurance	81	71
Repairs and maintenance:		
-Plant and machinery	1,357	1,418
-Building	1	-
-Others	1	1
Travelling and conveyance	1,286	1,249
Communication costs	40	86
Legal and professional fees	238	134
Payment to auditor (refer details below)	14	12
Exchange differences (net)	3	21
Bad debts/ advances written off	-	14
Miscellaneous expenses	122	117
Total	**9,314**	**9,378**

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN304026E/E300009
Gurgaon

Payment to auditors

(INR Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
As auditor :		
- Audit fee	9	9
- Limited Review	-	1
- Tax audit fee	2	2
In other capacities :		
- Other services	2	-
Reimbursement of expenses	1	-
Total	**14**	**12**

Note 23 : Other Comprehensive Income

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

During the year ended March 31, 2019

(INR Lacs)

Particulars	Retained earnings	Total
Re- measurement gains(losses) on defined benefit plans	65	65
Income tax relating to items that will not be reclassified to profit or loss	(17)	(17)
Total	**48**	**48**

During the year ended March 31, 2018

(INR Lacs)

Particulars	Retained earnings	Total
Re- measurement gains (losses) on defined benefit plans	106	106
Income tax relating to items that will not be reclassified to profit or loss	(27)	(27)
Total	**79**	**79**

Note 24: Earnings per share (EPS)

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

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

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Profit attributable to equity holders		
Loss for the year after tax (INR Lacs)	(817)	(2,767)
Discontinued operation	-	-
Profit attributable to equity holders for basic earnings	**(817)**	**(2,767)**
Weighted average number of Equity shares for basic EPS (no's in Lacs)	200.50	200.50
Weighted average number of Equity shares adjusted for the effect of dilution	**200.50**	**200.50**
Earnings/(loss) per share		
Basic EPS (INR)	**(4.07)**	**(13.80)**
Diluted EPS (INR)	**(4.07)**	**(13.80)**

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 FRN 304026E/E300009 * Gurgaon *

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2019

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.	Earthstone Holding (Two) Private Limited
	The Hindustan Times Limited
	HT Media Limited (till March 31, 2018)
	DigiContent Limited (w.e.f. March 31, 2018)
Entity having significant influence over the Company	DigiContent Limited (till March 31, 2018)
Fellow Subsidiaries (with whom transactions have occurred during the year)	Firefly e-Ventures Ltd
	Hindustan Media Ventures Ltd
	HT Media Limited (w.e.f. March 31, 2018 Close of business hours)
	HT Mobile Solutions Ltd
	HT Overseas Pte. Ltd.
	India Education Services Private limited

ii) Transactions with related parties
Refer Note 25 A

iii) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Note 25A : Related party transactions

Particulars	Holding company		Fellow Subsidiaries		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
REVENUE TRANSACTIONS						
INCOME						
Digital Services	-	-	68	20	**68**	**20**
Interest received on Inter Corporate Loan given	-	-	-	5	**-**	**5**
Multi-Media Content Management Services	-	11,715	18,880	6,764	**18,880**	**18,479**
Share of Revenue received on Joint Sale	-	2	98	12	**98**	**14**
EXPENSE						
Advertisement Expenses	-	20	44	-	**44**	**20**
Share of Revenue given on Joint Sale	91	-	84	-	**175**	**-**
Infrastructure Support Services	-	2,670	2,311	629	**2,311**	**3,299**
Rent & maintenance	800	-	-	-	**800**	**-**
Media Marketing Commission & Collection Charges Paid	-	1	-	-	**-**	**1**
OTHERS						
Reimbursement of expenses incurred on behalf of the Company by parties	26	138	198	123	**224**	**261**
Reimbursement of expenses incurred on behalf of the party by Company	91	-	33	-	**124**	**-**
Inter Corporate Loan given during the year	-	-	-	250	**-**	**250**
Inter Corporate Loan received back during the year	-	-	-	250	**-**	**250**
Payments made by parties for the Company	-	-	-	95	**-**	**95**
BALANCE OUTSTANDING						
Trade Receivables	-	27	2,837	514	**2,837**	**541**
Trade Payables	118	87	17	699	**135**	**786**

Note:

1) The Board of Directors of Hindustan Media Ventures Limited at its meeting held on August 24, 2017, approved the sale of its entire investment in the Company to Digicontent Limited (formerly HT Digital Ventures Limited). The aforesaid transaction was consummated on December 28, 2017. Therefore, HT Digital Streams Limited has ceased to be an Associate of Hindustan Media Ventures Limited w.e.f. December 28, 2017.

2) Pursuant to the Scheme of Arrangement (the Scheme) between Digicontent Limited and HT Media Limited and their respective creditors and shareholders, Entertainment & Digital Innovation Business of HT Media Limited along with its related assets and liabilities, and the related strategic investment in HT Digital Streams Limited (HTDS) has been transferred to DCL upon the sanction of the Scheme by the Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench vide order dated March 07, 2019 (certified copy received by the Company on 27 March, 2019). The certified copy of the order sanctioning the Scheme has been filed with the Registrar of the Companies, NCT of Delhi & Haryana on April 05, 2019. Accordingly, the Scheme has been given effect from March 31, 2018 (closing business hours), the Appointed Date.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN304026E/E300009
Gurgaon

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2019

Note 26 : Gratuity

(INR Lacs)

Particulars	Year ended	Year ended
Gratuity	422	362
Total	**422**	**362**
Current	**422**	**362**
Non- Current	-	-

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 Company has formed a Gratuity Trust to which contribution is made based on actuarial valuation done by independent valuer.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset.

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

A. Post employment obligations

Gratuity Plan
Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2019 :

Present value of Obligation (INR Lacs)

Particulars	Year ended 31st March 2019 Present value of Obligation	Year ended 31st March 2018 Present value of Obligation
Opening Balance	714	800
Current Service Cost	97	112
Interest Expense or cost	57	60
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	18	(36)
- experience variance (i.e. Actual experience vs. assumptions)	(92)	(68)
Benefits Paid	(103)	(154)
Total	**691**	**714**

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN304026E/E300009
Gurgaon

Fair Value of Plan Assets

(INR Lacs)

Particulars	Year ended 31st March 2019 Present value of Obligation	Year ended 31st March 2018 Present value of Obligation
Opening Balance	352	469
Investment Income	28	35
Employer's contribution		
Benefits Paid	(102)	(154)
Return on plan assets, excluding amount recognised in net interest expenses	(9)	2
Total	**269**	**352**

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	India gratuity Plan Year ended 31st March 2019	Year ended 31st March 2018
Investment in Funds managed by insurer	100%	100%

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

Particulars	Year ended 31st March 2019 %	Year ended 31st March 2018 %
Discount Rate	7.75%	8.00%
Salary Growth Rate	5.00%	5.00%
Withdrawal Rate		
Up to 30 years	3.00%	3.00%
31 - 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

(INR Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Defined Benefit Obligation (Base)	691	714

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Impact on defined benefit obligation

(INR Lacs)

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
Assumptions	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate (-/+ 1%)	78	(67)	75	(64)
Salary Growth Rate (-/+ 1%)	(69)	80	(67)	76
Attrition Rate (-/+ 50%)	(13)	12	(14)	12
Mortality Rate (-/+ 10%)	(1)	1	(1)	1

The sensitivity analyses 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 year.

The following payments are maturity profile of Defined Benefit Obligations in future years:

(INR Lacs)

	Year ended 31st March 2019	Year ended 31st March 2018
Within the next 12 months (next annual reporting year)	61	43
Between 2 and 5 years	183	181
Between 6 and 10 years	249	453
Beyond 10 years	1,380	1,220
Total expected payments	**1,873**	**1,897**

Average duration of the defined benefit plan obligation

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Weighted Average duration	11 Years	10 Years

B. Defined Contribution Plan

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Contribution to Provident and Other funds		
Charged to Statement of Profit and Loss	444	474

Leave Encashment (unfunded)

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

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

(INR Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Liability at the beginning of the year	65	77
Benefits paid during the year	(6)	(8)
Provided during the year	(11)	(4)
Liability at the end of the year	**48**	**65**

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN304026E/N500009
Gurgaon

Note 27 : Segment Information

The Composition of operating segments has got changed on account of internal reorganization in current year. The Chief Operating Decision Marker (CODM) uses "Entertainment and Digital Business" as single segment to assess performance and for allocating resources. In view of the same separate segment information is not required to be given as per the requirement of Ind AS 108 on "Operating Segments". The corresponding information for comparative period has also been restated and hence no disclosures are required for single segment.

Note 28: Financial risk management objectives and policies

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

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

This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.

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

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

(INR Lacs)

Particulars	Change in USD rate		Effect on profit before tax	
	Year ended 31st March 2019	Year ended 31st March, 2018	Year ended 31st March 2019	Year ended 31st March, 2018
Change in USD rate				
Trade receivables	+/(-) 1%	+/(-) 1%	1.39	3.70

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

Trade receivables
An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The Company does not hold collateral as security.

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

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

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(INR Lacs)

	With in 1 year	More than 1 year	Total
Year ended			
Year ended31st March 2019			
Trade and other payables (refer note 13A)	3,320	-	3,320
Other financial liabilities (refer note 13B)	19	-	19
Year ended			
Year ended31st March, 2018			
Trade and other payables (refer note 13A)	3,791	-	3,791
Other financial liabilities (refer note 13B)	5	-	5

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN304026E/E300009
Gurgaon

Note 29 : 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		Fair value mechanism Hierarchy level
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	
Financial assets measured at fair value					
Unquoted Equity Investments (refer note 5A)	10	-	10	-	**Level 3***

* The Company has done above mentioned investment close to year end March 31, 2019. The cost of acquisition itself represents fair value. Accordingly, Level 3 disclosure are not relevant as on March 31, 2019.

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current financial assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

Note 30 : Capital management
For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

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

(INR Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Trade payables (Note 13A)	3,320	3,791
Other financial liabilities (Note 13B)	19	5
Other current liabilities (Note 14)	506	417
Contract Liabilities (Note 15)	45	-
Less: cash and cash equivalents (Note 7B)	(879)	(1,564)
Net debt	**3,011**	**2,649**
Equity	12,796	13,565
Total capital	**12,796**	**13,565**
Capital and net debt	**15,807**	**16,214**
Gearing ratio	**19%**	**16%**

Note 31: Based on the information available with the Company, Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

(INR Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Principal Amount	53	34
Interest due thereon at the end of the accounting year	-	-
The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period for delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006.	-	-

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN 304026E/E300009
Gurgaon

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2019

Note 32: Capital Commitments

(INR Lacs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	34	-

Note 33 Disclosure: Ind AS 115 Revenue from Contracts with Customers

Transition disclosure

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method applicable to contracts to be completed as on April 1, 2018. Accordingly, the comparative figures in the above results have not been adjusted retrospectively. The effect of adoption of Ind AS 115 on the above financial results is insignificant.

Contract Assets and Contract Liabilities

The Company has changed the presentation of certain amounts in the balance sheet to reflect terminology of Ind AS 115:

a) Contract assets recognized in current year represents income accrued but not due amounting to Rs 199 lakhs as at March 31, 2019. In year ended March 31, 2018, income accrued but not due was presented as part of Other financial assets amounting to Rs. 28 Lakhs. The same has been reclassified to contract assets as on 1.4.2018 (transition date to Ind AS 115).

b) Contract liabilities recognized in current year represents unearned revenue amounting to Rs 45 lakhs as at March 31, 2019. In year ended March 31, 2018, unearned revenue was presented as part of Other current liabilities amounting to Rs. 39 Lakhs. The same has been reclassified to Contract liabilities as on 1.4.2018 (transition date to Ind AS 115). The entire Rs. 39 Lakhs has been recognized as revenue in the current reporting period.

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 FRN304026E/E300009 Gurgaon

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2019

Note 34 : Figures for the previous year have been regrouped wherever necessary.

As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/ E300009

Anupam Dhawan
Partner
Membership No. 084451

Place: New Delhi
Date: May 08, 2019

For and on behalf of the Board of Directors of
HT Digital Streams Limited

Utsav Saini
Company Secretary

Anup Sharma
Chief Financial Officer

Dinesh Mittal
Director
(DIN: 00105769)

Umesh Sharma
Director
(DIN: 01490553)