DIGICONTENT LIMITED

TAKING THE DIGITAL LEAP

Annual Report
2020-2021

CORPORATE INFORMATION

Board of Directors

Mr. Priyavrat Bhartia
Chairman (Non-Executive Director)

Mr. Ajay Relan
Independent Director

Ms. Suchitra Rajendra
Independent Director

Mr. Vivek Mehra
Independent Director

Mr. Praveen Someshwar
Non-Executive Director

Mr. Dinesh Mittal
Non-Executive Director

Chief Executive Officer

Mr. Puneet Jain

Chief Financial Officer

Mr. Ajay Sivaraman Nair

Company Secretary

Mr. Vikas Prakash

Statutory Auditor

B S R and Associates, Chartered Accountants

Registered Office

Hindustan Times House, 2nd Floor
18-20, Kasturba Gandhi Marg
New Delhi – 110001
Tel: +91-11-6656 1234

E-mail: investor@digicontent.co.in

Website: www.digicontent.co.in

Registrar and Share Transfer Agent

KFin Technologies Private Limited
Selenium Tower B, Plot No.31 & 32
Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad – 500032 (Telangana)
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Email: einward.ris@kfintech.com

Website: www.kfintech.com

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Cautionary Statements

Certain statements in the MDA section concerning future prospects may be forward- looking statements which involve a number of underlying identified / non-identified risks and uncertainties that could cause actual results to differ materially. In addition to the changes in the macro-environment, the Covid-19 pandemic may pose unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions, relying on available internal and external information, constitute the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward- looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward- looking statements, whether as a result of new information, future events, or otherwise.

Disclaimer: *All data used in the MD&A have been taken from publicly available sources, and discrepancies, if any, are incidental and unintentional.*

To view the report online, please log on to: www.digicontent.co.in

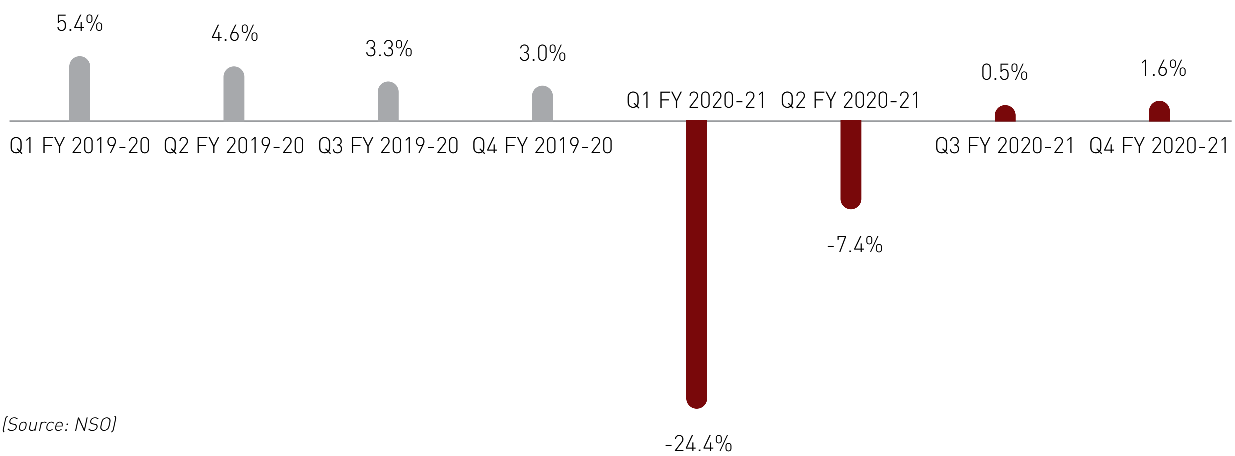
Management Discussion and Analysis

Indian Economy

The National Statistical Office (NSO) has placed India's real Gross Domestic Product (GDP) contraction at 7.3% for FY 2020-21. This is due to a macro economic slump triggered by the coronavirus pandemic and subsequent lockdowns across the country. While the agriculture sector remained largely unaffected, industry suffered due to restricted mobility and social distancing protocols that curtailed operations to a large extent. Contact-intensive sectors such as travel & tourism, hospitality and airlines were severely hit.

After contracting for the first 2 consecutive quarters in this fiscal, GDP rebounded in the third quarter as the number of COVID-19 cases fell steadily from September 2020 to February 2021 and the government eased strict COVID-19 restrictions, allowing the economy to start to reopen. In the fiscal year as a whole, contraction was partly mitigated by government spending and a strong investment rebound in the second half. The Reserve Bank of India also intervened to support economic recovery with favourable monetary policy to ensure liquidity in the system.

Indian GDP growth (in %)



(Source: NSO)

Outlook

The Indian economy is estimated to register a growth of 9.5% in FY 2021-22, as per International Monetary Fund (IMF). The vaccine drive and large government stimulus are expected to aid continued normalization and recovery of economic activity. Domestic demand is expected to remain the primary driver of growth. The release of pent-up demand should boost private consumption, especially urban demand for services. However, the positive outlook carries with it the downside risks emanating from the resurgence of new strains of Coronavirus and regional lockdowns eroding domestic output, containing COVID-19 is still key to economic recovery.

(Source: IMF WEO, Economic Survey, Asian Development Bank)

Indian Media and Entertainment Industry

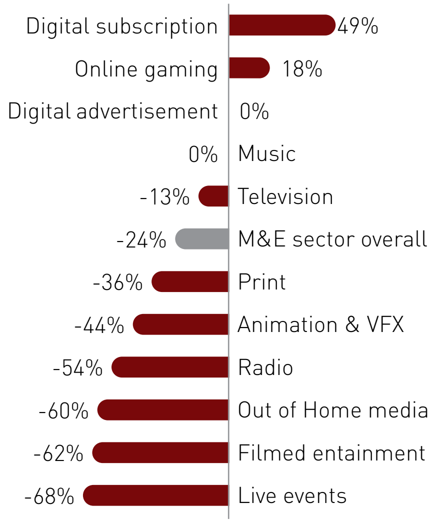
The past year has been a challenging year for most industries, owing to the uncertainties caused by the pandemic. The M&E sector has also been severely impacted after the nationwide lockdown resulted in disruption of all forms of outdoor entertainment, a substantial downturn in advertising spends and stress in content supply chains. The Indian M&E industry has been projected to reach ₹ 1,729 billion in Calendar Year (CY) 2021.

On the other hand, the extended lockdowns have also acted as a catalyst for certain segments of the media and entertainment industry. Digital and Gaming segments have witnessed exponential growth due to increasing user penetration and engagement levels. The pandemic resulted in increased usage of digital media services in India, with high consumption of videos on smartphones and growth of regional content. The sector also observed that many brands delayed their campaigns and focused more on e-events, as consumer preference also shifted towards contact-less delivery of goods & services. This resulted in boost of online shopping, as consumers became more accustomed to e-commerce.

Segment wise growth (% change from CY 2019 to CY 2020)

Digital and online gaming were the only segment which grew

Segment growth 2020 vs 2019



(Source: EY FICCI M&E Report 2021)

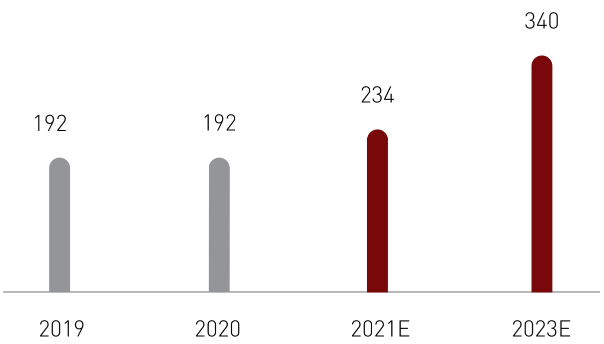
Digital Advertising

Over the past few years, digital advertising has emerged as a preferred medium for enhancing brand reach and recall. As opportunities continue to broaden, brands have found newer ways to interact with target audiences. As a result, varied digital advertising strategies are being deployed by brands to promote products and content online.

In recent years, the industry had provided space for digital marketing. The growth of digital advertising is mainly driven by increasing internet penetration and a rapidly evolving digital infrastructure (smart TV, desktop, laptop, mobile, PC users). The year 2020 was a turning point for the digital ecosystem as it became the most powerful medium for reaching people during the pandemic. Besides, work from home arrangements and lockdowns on account of the pandemic accelerated the demand for digital content. During the year, India had the second largest broadband subscriber base in the world.

As per EY FICCI M&E Report 2021, the Digital Advertising industry in India stayed at the same levels at ₹ 192 billion in CY 2020 and CY 2019. Digital became the second largest advertising segment after Television. All sectors increased their share of spends on Digital advertising in CY 2020. The highest relative growth was observed in BFSI, consumer durables, telecom, auto and M&E. These five sectors allocated 30% of their total advertising spends to Digital. Going forward, the digital advertising is expected to show good growth over next few years.

Digital Advertising Revenue (₹ Bn)



(Source: FICCI EY M&E Report 2021)

Major Trends

- Digital-first communication: The outbreak of COVID-19 has accelerated the growth of digital advertising. This trend indicates that brands shall increase their virtual presence by launching and selling products online.
- Increasing Role of Technology: Rapid advances in technology and the growing prominence of artificial intelligence, machine learning and deep learning has had a widespread impact across industries and multi-lingual marketing communication. Technology continues to add a new dimension to digital advertising through customized content curation.
- Focus on mobile-centric experiences: As per EY FICCI M&E Report 2021, India has around 448 million smartphones users, and they are a key driver for the growth of digital media.

(Source: EY FICCI M&E Report 2021, KPMG India M&E Report 2020)

Digital Content

India has the world's second largest internet user base, with an estimated 795 million users, as per data from The Indian Telecom Services Performance Indicators (October

– December, 2020) by Telecom Regulatory Authority of India (TRAI). As a result of this, the consumption of digital content has also increased. With the easy availability of unique content on the digital platform, there has been a dominant shift from traditional to digital media in recent years.

In India, content consumption has grown in tandem with increasing smartphone penetration, boosted by regional content. Time spent online also increased in CY 2020 as people spent 4.6 hours a day on an average, on their phones. Moreover, mobile internet tariffs are the cheapest in India and act as a key growth driver for content consumption.

Due to the outbreak of pandemic and the subsequent lockdowns, people remained confined to homes for months at an end. This led to a phenomenal surge in digital content consumption. While India was second only to China in the apps market in terms of number of downloads, consumer spends lagged in many smaller markets, highlighting the challenges of monetisation on digital platforms.

Online news subscribers witnessed growth during the year to reach 450 million in CY 2020 across mobile and desktop users of news sites, portals and aggregators. This is a large share (approximately 57%) of the total internet user base. News & magazine app downloads saw a growth of 12% during CY 2020.

Opportunities in the Digital Media Industry

- Increased focus on regional language content: As per EY FICCI Report 2021, 9 out of 10 news sites are in regional language.
- Cheaper internet rates: Due to cheaper internet rates, data consumption has risen phenomenally, acting as a catalyst for the digital media industry.
- Increasing smartphone users: As the population of India grows, the usage of smartphones is also expected to increase simultaneously. It is also anticipated to considerably increase the time spent on digital media.

(Source: EY FICCI M&E Report 2021)

Company Overview

Digicontent Limited (Digicontent or DCL) has a robust and agile product portfolio, poised to capitalise on emerging opportunities. It, along with its 100% subsidiary, offers content sourcing services and is engaged in the dissemination of news, knowledge, information, entertainment and content of general interest through various digital and electronic media. The Company undertakes management of advertising time and space on news websites such as hindustantimes.com, livemint.com and livehindustan.com. It also operates several other businesses in the entertainment & digital innovation space.

Product Portfolio

Digital Content Business

The Company produces, sources or has rights to high quality and large volume of multimedia literary content. It specializes in the development of original literary content in the digital media sphere. The Company provides content sourcing services to news publishers, who use this content in newspaper editions, periodicals and supplements.

hindustantimes.com

hindustantimes.com has been catering to India's rapidly expanding digital news and information industry, establishing itself as a credible source for delivering unbiased news, devoid of sensationalism and voyeurism. In an age where fake news continue to penetrate every realm of society, hindustantimes.com has stood out as a trustworthy and reliable news source. Our trusted network of journalists continues to enhance the online editorial team's repository of multimedia content. Our strong digital content team rapidly converts reporters' inputs into sharp stories.

hindustantimes.com, one of the country's fastest-growing English news and information website, has seen exponential growth over the last year. During the year under review, it has shown a strong growth of 23% YoY in Unique Users (Comscore March 2021). It has also decisively soared ahead of its peers with an improvement in ranking, despite the operational challenges posed by the work-from-home environment. The website has accomplished a phenomenal social media outreach, while enjoying an edge in video offerings on various platforms.

Ranked No. 2

English news website*

40 million

Monthly video views (March 2021)

(*based on average of monthly Unique Users for all months of FY 2020-21 as per Comscore)

7.1 million

Followers on Twitter

6 million

Followers on Facebook

livehindustan.com

livehindustan.com is one of the leading Hindi language news and information websites in India. The product rides high on the back of a strong digital content team that churns out breaking and developing stories real time, catering to the immediate news consumption of the audience, with increasing focus on hyper-local content. Smart interactive multimedia such as coronavirus tracker, win and loss maps during elections, monsoon tracker, live cricket scores during cricket matches, have been the key offerings that enhance user experience. As a testimony to our initiatives, the website has shown a growth in Unique Users during the year (Comscore March 2021)

Ranked No. 2

Hindi news site*

livemint.com

The online portal livemint.com's growth and rise has been aided by comprehensive business news coverage by the online editorial desk generating content real time effectively, boosted by its user-friendly interface, personalised service, and innovative mobile-first approach.

In September 2020, Mint launched its new brand positioning – 'Think Ahead. Think Growth.'. A digital-first marketing campaign – Growth Is On – was launched with the objective of recognising how individuals continued to grow through the pandemic through evolution and adaptation. New content buckets were introduced on the Mint social media handles. The campaign concluded with the launch of personal growth labs program. Livemint, having gone behind the paywall last year, enjoys a strong user base for its subscription offering, which is in collaboration with Wall Street Journal.

Ranked No. 2

Business news site*

(*based on average of monthly Unique Users for all months of FY 2020-21 as per Comscore)

desimartini.com

As one of the leading movie reviews and ratings website, desimartini.com encourages conversations around entertainment. It is a gateway for all movie fans, offering updates on movie storylines, celebrity casts and preview information about various movies. It also posts exclusive celebrity photos and fosters conversation around movies through feedbacks, ratings, polls and discussions on the forum.

Fever Audio Tools (Fabplay)

Fever Audio Tools (FAT) enables aggregation and creation of audio and multi-screen videos. It uses audio feed to play music and promotional material in stores, malls, buildings, restaurants and eateries. It also strives to offer creative content developed in-house as well as niche content from celebrities for its mobile and digital users.

Fabplay (www.fabplay.in) is a premium on-premises audio streaming platform. It is a fully cloud-based commercial audio application that can be configured without additional hardware or software requirements at stores. It provides real-time control of store experience from a central console, where playlists can be customized for different store clusters, along with providing customized advertising management functions. In December 2020, a new version of the Fabplay in-store application was launched and the new interface was positively received. In FY 2020-21, the product added over 1500 new stores.

5,400+

Stores served

HT Auto

HT Auto website covers reviews and test drives of various auto launches, in video and text formats. Within a few months of its release, the platform managed to build a strong social media presence. The website offered a 360-degree view of Auto Expo 2020, covering recent news and related videos. During the year, HT Auto carried out extensive reporting on the pandemic and lockdown-related issues impacting the automobile sector and consumer tastes across the world. With easing of lockdown restrictions, the editorial team began exhaustively reporting from the field and covered every major vehicle launch. HT Auto also organized panel talks before and after the Union Budget 2021-22, live streamed on the website and all social media platforms. HT Auto continues to hold virtual forums & panel talks with industry leaders.

HT Tech

The Company, through HT Tech, forayed into the niche tech digital journalism platform during the year. It aims to provide its users a differentiated experience and has been able to build a niche following. HT Tech's YouTube channel focuses on creating and hosting cutting-edge product insights, comparisons, and unboxing updates, which are widely shared on social media.

HT Bangla

Launched in November 2019, HT Bangla witnessed a significant uptick during the year, with a rapidly growing millennial audience. It has established its credentials in the highly competitive Bengali news market. The platform has established itself as a major player in the Bengali market within a year of its inception. With 71% repeat users, HT Bangla has developed a loyal follower base with maximum followers within the 15-34 years age group.

Health Shots

Health Shots is a unique health and wellness destination for millennial women. It offers tailor-made content for discerning, modern women through in-depth features, entertaining yet informative videos, and engaging podcasts. It is built on the pillars of expert-backed content for wellness need of Indian women, and aims to fill the gap between what women want and what they find on the internet. It engages its readers and brands with impactful campaigns and content integrations. The portal also features intuitive tools in collaboration with industry leaders.

Subscription Business

Within a year of launch of subscription business stream, the Company saw healthy growth in subscribers on the heels of strong brand recall and differentiated content. The Company also inked partnership with several banks, payment wallets, etc. to strengthen subscription segment.

Financial Highlight

Revenue from operations

The Company's total consolidated revenue stood at ₹ 254 crore in FY 2020-21 as compared to ₹ 261 crore in FY 2019-20. Even as the outbreak of COVID-19 pandemic during the year resulted in a minor decline in revenue, there was a considerable improvement in the customer engagement of our key properties.

Profitability

During the year under review, EBITDA registered a growth of 21% YoY from ₹ 26 crore to ₹ 31 crore and the EBITDA margin improved by 242 bps to reach 12%. Profitability improved mainly due to the cost rationalization measures undertaken during the year under review, despite a decline in revenue. Return on Net Worth in FY 2020-21 and FY 2019-20 could not be ascertained as there was PAT loss in both the years and shareholders' equity had become negative.

Current Ratio

Current Ratio has improved to 1.7 times as on March 31 2021 over 1.0 times on March 31 2020, mainly account of improved cash generation during the year, increasing cash & cash equivalents.

Gearing Ratio

Gearing Ratio has increased from 74% as on March 31 2020 to 124% on March 31 2021 owing to erosion in shareholders' equity during the year due to loss incurred by the Company.

Interest Coverage Ratio

As on March 31 2021, the Interest Coverage Ratio stood at -1.7 times as compared to -2.2 times on March 31 2020, on account of reduction in EBIT loss.

Editorial Highlights

The Company undertook a series of editorial initiatives during the year. It introduced live COVID tracker widgets across websites, giving details of national, international and regional numbers for COVID infections. A micro site was also developed, highlighting stories on work from home. Other key editorial initiatives undertaken during FY 2020-21 include coverage of the elections in Bihar with interactive widgets and best-in-class cartogram; Indian Premier League, Budget 2021, Republic Day, Ram Mandir Bhoomi Poojan, and the US Elections.

(i) hindustantimes.com

COVID-19: What you need to know today

In order to create awareness about the COVID-19 virus, hindustantimes.com highlighted developments related to the COVID-19 pandemic in India through special news coverage. It provided continuous, live coverage of events, as they unfolded. Apart from live COVID tracker widgets, showing global and national figures of number of infected people, a rotating cube was also placed on the site with figures from around the world. Over 400 live blogs and special videos and interviews were carried on hindustantimes.com along with over 250 daily 'All You Need to Know' facts.

Delhi: It's time for liquor policy to come of age

Our team came up with a 5-part series, in spirit of reform, which talked about Delhi's liquor laws and the upcoming new excise policy in the Capital. It included commentary on comparison of rules in Delhi with those in other states and the need for the benchmark to change.

US Elections

The website carried unprecedented coverage of the US elections, powered by interactive widgets and social media blasts. Over 115 videos including expert analysis, presidential debates and campaign trails were also featured. It recorded 3.6 million views on our YouTube channel.

(ii) livemint.com

Pivot or Perish

This Mint campaign focused on how companies are responding to the new normal. In a series of webinars, industry stalwarts focused on the challenges, future opportunities and the new playbook for different sectors. The coverage was complemented by articles on the event and live-blogs.

2021 Budget

Livemint published 175 budget stories in 24 hours on budget day including live blog to analytical pieces, giving readers round-the-clock and in-depth coverage of the big event along with covering quick key highlights of the budget. Discussions with experts were also held and published on YouTube channel and the website.

Mint Masterclass

The start up ecosystem is thriving and is filled with dynamic entrepreneurs with disruptive ideas, which is a key consumer persona for the Mint brand. The Mint Masterclass for enterprise readiness brought together industry leaders who coached these entrepreneurs in 5 essentials of becoming enterprise ready. Through 5 carefully curated modules, the platform served as a confluence of ideas, knowledge and experiences and was able to strengthen the consumer connect the brand enjoys with this community.

(iii) livehindustan.com

Election Coverage

livehindustan.com undertook a detailed coverage of Bihar elections and UP Panchayat elections. It created interactive widgets and provided real time coverage of the results. Key initiatives included live video broadcast with eminent guests and live discussions on counting day.

Auto and Tech

The Auto and Tech sections on livehindustan.com were revamped. Within a span of a few months, livehindustan.com clocked 9 million users and 25 million page views from these sections every month.

IPL Boost

Mega coverage of the Indian Premier League 2020 helped livehindustan.com garner major boost in users and page views. It focused on live blogs for each match, player and team profiles, live score cards and trending IPL stories.

Human Resource

The Company considers its people as the greatest asset, thereby making Human Resources (HR) a critical function of the Company. It primarily focusses on acquisition, management and development of talent. The HR team works closely with all departments to develop a pool of best talent in the industry. Its primary goal is to make the Company a better place to work with a diverse, high-performing, future-ready, and growing workforce.

The Company strives to create a healthy, safe and unbiased environment for all its employees. During COVID, the organisation enabled a hassle-free shift to work from home for all employees. Round the clock doctors were made accessible to the employees. Regular connect was made with the employees for ensuring their mental and physical well-being, providing medical assistance and virtual engagement sessions.

The digital world is growing in leaps and bounds and the organisation aims to keep pace with a robust and dynamic industry. To create a diverse and tech-savvy organisation, HR strategies and procedures have been implemented. An employee participation calendar is also in place to keep the employees motivated with formal and informal engagement. The Company offers health and wellness options, festive gatherings, townhalls and rewards & recognition. The Company undertook several training initiatives for employees. It launched learning portal Edcast, which provides employees the opportunity to self-learn at their own pace.

The Company is fully complaint with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company's formulated policy is available on the employee intranet portal and the Internal Committee (IC) is in place. We have received no complaints during FY 2020-21. The Company has a mandatory online module for all employees to increase awareness.

The employee strength of the Company (including its subsidiary, i.e., HT Digital Streams Limited) stood at 1,338 as on March 31 2021.

Risk Management

The Company has established risk management framework to identify and mitigate risks arising from external and internal factors. A risk identification exercise is carried out periodically to identify various strategic, operational, financial and compliance related risks. These are evaluated for their likelihood and potential impact.

Few risks and uncertainties that can affect the business include the inherent risk of cyber-crimes and data breach that may impact reputation, exposure to litigations and competition from emerging digital platforms like OTT platforms and other social media apps.

Potential risks are reviewed on an ongoing basis and mitigating controls are deliberated upon as an integral part of decision-making. To stay ahead of the competition and minimise exposure to risk, the Company has taken various initiatives like continuous engagement with editorial team & upgradation of editorial processes to ensure factual accuracy of content published, greater focus on reaching newer segments & geographies and progressively moving towards new revenue streams such as podcasts, vernacular websites, subscription models etc. Further, the usage of an automated compliance tool to monitor status of statutory compliances across all locations/functions helps the Company to minimise its exposure to any non-compliance to statutory and legal requirements. The Company also has a comprehensive review mechanism in place for its annual and long term business plans and the progress of all its operating activities and projects.

Internal Control

The Company has an effective system of internal controls corresponding with its size, nature of business and complexity of operations. The internal controls mechanism comprises of a well-defined organizational structure with clearly defined authority and responsibility levels and comprehensive documented policies, guidelines and procedures governing the operations of respective business areas and functions. These controls have been designed to safeguard the assets and interests of the Company and its stakeholders and also ensure compliance with Company's policies, procedures and applicable regulations. The Company has also established a Code of Conduct (CoC) framework and Whistle-Blower mechanism, which is duly approved by the Board of Directors in compliance with the regulatory requirements. A designated CoC Committee is in place which is tasked with monitoring and review of whistle-blower complaints.

The Company has a strong focus on technology and automation and is constantly exploring integration opportunities of various systems used across business divisions and establishment of appropriate automated controls to further enhance the existing control framework. A robust ERP system is used for accounting across divisions. The internal control system is supplemented by an extensive program of operational and IT audits to evaluate the adherence to laid down processes and controls on a periodic basis. The in-house internal audit function supported by professional external audit firms conducts comprehensive risk focused audits and assesses the effectiveness of the internal control structure across locations and functions on a regular basis. In addition to internal audit activities, the Company has also developed an internal financial control framework to periodically review the effectiveness of controls laid down across all critical processes. The Company performed an extensive review of its Internal Financial Control (IFC) framework, including design assessment and rationalisation of existing controls in line with dynamic business practices. The Company also uses an online compliance management tool and has established a concurrent audit mechanism of the same to ensure effective compliance oversight. Further, the Audit Committee reviews internal control systems, accounting processes, financial information, internal audit findings and other related areas including their adequacies.

Outlook

The year under review gave a significant push to our digital endeavours, mainly on account of the lockdowns imposed after the COVID-19 outbreak, which prompted an increase in usage of digital media services as people continued to work from home or had to stay at home. The Company capitalized on growing opportunities in the digital domain to improve its products and expand its user base.

Going forward, the Company plans to undertake strategic consumer engagement and marketing initiatives to drive user interest. It also aims to further expand operations by providing consumers specific pieces of content communication that they would be interested in consuming. The constant focus on improving reporting and content creation framework is expected to enable it to further strengthen its position in a dynamic industry.

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present their Fourth Report together with the Audited Financial Statements (Standalone & Consolidated) for the financial year ended on March 31, 2021.

FINANCIAL RESULTS

Your Company's performance during the financial year ended on March 31, 2021, along with previous year's figures is summarized below:

(₹ in Lac)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Income	**288**	**1,771**	**25,385**	**26,087**
Earnings before interest, tax, depreciation and amortization (EBITDA) from continuing operations	(511)	85	3,125	2,579
Add: Exceptional Item	-	-	-	-
Less: Depreciation and amortization expense	9	20	5,215	5,290
Less: Finance cost	1,114	1,006	1,213	1,241
Profit/(Loss) before tax from continuing operations	**(1,634)**	**(941)**	**(3,303)**	**(3,952)**
Less: Tax expense				
• Current tax	-	-	-	-
• Deferred tax charge/(credit)	-	133	1,056	(650)
Total tax expense	**-**	**133**	**1,056**	**(650)**
Profit/(Loss) for the year from continuing operations	**(1,634)**	**(1,074)**	**(4,359)**	**(3,302)**
Profit/(Loss) for the period	**(1,634)**	**(1,074)**	**(4,359)**	**(3,302)**
Add: Other Comprehensive Income (net of tax)				
a) Items that will not to be reclassified to profit or loss	28	(3)	(77)	(107)
b) Items that will be reclassified to profit or loss	-	-	-	-
Total Comprehensive Income for the year (net of tax)	**(1,606)**	**(1,077)**	**(4,436)**	**(3,409)**
Opening balance in Retained Earnings	**(1,671)**	**(594)**	**(5,026)**	**(1,617)**
Add: Profit/(Loss) for the year	(1,634)	(1,074)	(4,359)	(3,302)
Less: Items of other Comprehensive Income recognized directly in Retained Earnings				
• Re-measurements of post-employment benefit obligation (net of tax)	28	(3)	(77)	(107)
Total Retained Earnings	**(3,277)**	**(1,671)**	**(9,462)**	**(5,026)**

DIVIDEND

In view of loss incurred by the Company during financial year ended on March 31, 2021, no dividend is recommended by the Directors.

COMPANY PERFORMANCE AND FUTURE OUTLOOK

A detailed analysis and insight into the financial performance & operations of your Company for the year under review and future outlook is appearing under the Management Discussion and Analysis section, which forms part of the Annual Report.

RISK MANAGEMENT

Your Company has a robust risk management framework to identify, evaluate and mitigate business risks. A detailed statement indicating development and implementation of a risk management policy of the Company, including identification of various elements of risk, is appearing under the Management Discussion and Analysis section.

SCHEME OF ARRANGEMENT

On the recommendation/approval of Committee of Independent Directors and Audit Committee, the Board of Directors at its meeting held on February 11, 2021 approved a Composite Scheme of Amalgamation under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the 'Act') and the Rules framed thereunder, between the Company ("DCL"), Next Mediaworks Limited ("NMW") and HT Mobile Solutions Limited ("HTMS") (hereinafter collectively referred to as "Transferor Companies") and ("HTML"/"Transferee Company") and their respective shareholders and creditors (the 'Scheme'), which is subject to requisite approvals. The Scheme envisages amalgamation of Transferor Companies with the Transferee Company. Accordingly, upon the Scheme becoming effective, the Company shall stand dissolved without winding up, and the equity shareholders of the Company will be entitled to shares of the Transferee Company as per the fair equity share exchange ratio enshrined in the Scheme.

Among other benefits, the Scheme will result in consolidation of businesses of Transferor Companies under the Transferee Company, whereby the Transferee Company will be able to provide an increased capability to offer a wider portfolio of products and services, to effectively address the change in consumer preferences and market dynamics. The combined ability to integrate, innovate, customize and bundle the offerings and services of the Transferee and Transferor Companies under a single platform and creation of a synergized go to market strategy, will result in building a sustainable business.

The Scheme has been filed with both, NSE and BSE for their no-objection, and the same is awaited.

SUBSIDIARY COMPANY

HT Digital Streams Limited (HTDSL) is a material wholly-owned subsidiary of the Company. Your Company did not have any associate or joint venture company in terms of Section 2(6) of the Act, during the year under review.

In terms of the applicable provisions of Section 136 of the Act, Financial Statements of HTDSL for the financial year ended on March 31, 2021 are available for inspection at Company's website at https://www.digicontent.co.in/wp-content/uploads/2021/08/HTDSL_Financial-Statement_31.03.2021.pdf.

A report on the performance and financial position of HTDSL in the prescribed Form AOC-1, is annexed to the Consolidated Financial Statements of the Company and hence, not reproduced here. The 'Policy for determining Material Subsidiary(ies)' is available on the Company's website at https://www.digicontent.co.in/wp-content/uploads/2019/07/Policy-for-detrmining-Material-Subsidiary.pdf#toolbar=0.

The contribution of HTDSL to the overall performance of your Company is outlined in Note no. 34 of the Consolidated Financial Statements of the Company for the financial year ended March 31, 2021.

DEPOSITORY SYSTEM

The Company's equity shares are compulsorily tradeable in electronic form. As of March 31, 2021, 99.99% of the Company's total paid-up capital representing 5,81,86,241 equity shares is in dematerialized form. In view of the benefits offered by the depository system, members holding shares in physical mode are advised, in their own interest, to avail demat facility.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

The Board of Directors, on the recommendation of Nomination & Remuneration Committee and after considering expertise, experience and integrity of the proposed appointees, accorded its approval to the following:

1. appointment of Mr. Ajay Relan (DIN: 00002632) and Mr. Vivek Mehra (DIN: 00101328) and Ms. Suchitra Rajendra (DIN: 07962214) as Non-executive Independent Directors (not liable to retire by rotation) w.e.f. April 18, 2019, to hold office for 5 (five) consecutive years for a term up to March 31, 2024, which was approved by the members in their third Annual General Meeting (AGM) held on August 25, 2020; and

2. appointment of Mr. Dinesh Mittal (DIN: 00105769) as Non-Executive Director w.e.f. March 12, 2020, which was approved by the members in their third AGM held on August 25, 2020.

In accordance with the applicable provisions of the Act, Mr. Priyavrat Bhartia (DIN:00020603), Director liable to retire by rotation at the ensuing AGM, being eligible has offered himself for re-appointment. Your Directors commend re-appointment of Mr. Priyavrat Bhartia as Director for approval of the members at the ensuing AGM.

Brief resume, nature of expertise, details of directorship(s) held in other companies etc. of Mr. Priyavrat Bhartia who is proposed to be appointed/ re-appointed as Director at the ensuing AGM, along with his shareholding in the Company, as required under Secretarial Standard-2 (General Meetings) and Regulation 36 of SEBI Listing Regulations, is outlined in the Notice of the ensuing AGM.

The Independent Directors of the Company have confirmed the following:

a) they meet the criteria of independence as prescribed under both, the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations');

b) they have registered themselves on the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs;

All the Directors have confirmed adherence to the Company's 'Code of Conduct'.

Key Managerial Personnel

During the year under review, following changes in the Key Managerial Personnel have taken place:

a) Mr. Abhesh Verma resigned from the position of Chief Executive Officer (CEO) w.e.f. June 30, 2020. Further, on the recommendation of Nomination & Remuneration Committee, the Board of Directors appointed Mr. Puneet Jain as CEO w.e.f. July 15, 2020.

b) Mr. Anup Sharma resigned from the position of Chief Financial Officer (CFO) w.e.f. November 26, 2020. Further, on the recommendation of Nomination & Remuneration Committee and Audit Committee, the Board of Directors appointed Mr. Ajay S. Nair as CFO w.e.f. January 14, 2021.

PERFORMANCE EVALUATION

In line with the requirements under the Act and SEBI Listing Regulations, the Board of Directors undertook a formal annual evaluation of its own performance and that of its committees, Chairperson & directors.

Nomination & Remuneration Committee approved questionnaires for evaluation of performance of the Board as a whole, Board Committees (*viz.* Audit Committee, Stakeholders' Relationship Committee and Nomination & Remuneration Committee) Directors and the Chairperson, on various criteria outlined in the 'Guidance Note on Board Evaluation' issued by SEBI on January 5, 2017.

The Directors were evaluated on parameters such as, value addition to discussions, level of preparedness, willingness to appreciate the views of fellow directors, commitment to processes which include risk management, compliance and control, commitment to all stakeholders (shareholders, employees, vendors, customers etc.), familiarization with relevant aspects of company's business / activities amongst other matters. Similarly, the Board as a whole was evaluated on parameters which included its composition, strategic direction, focus on governance, risk management and financial controls.

A summary report of the feedback of Directors on the questionnaire(s) was considered by the Nomination & Remuneration Committee and the Board of Directors. The Board would endeavour to use the outcome of the evaluation process constructively, to improve its own effectiveness and deliver superior performance.

AUDIT & AUDITORS

Statutory Auditor

During the year under review, the members of the Company at the AGM held on August 25, 2020 approved the appointment of B S R and Associates, Chartered Accountants ("BSR") [Firm Registration No. 128901W] as Statutory Auditor, to hold office for a term of 5 (five) consecutive years from the conclusion of the said AGM till the conclusion of AGM to be held in the calendar year 2025.

The reports of BSR on Annual Financial Statements (Standalone and Consolidated) for the financial year ended on March 31, 2021, is a modified opinion.

Qualification of Statutory auditor in the Auditor's Report:

The Statutory Auditor has issued a modified opinion on the Standalone and Consolidated Annual Financial Statements for FY-21 in relation to the Company's classification as a Core Investment Company pursuant to Master Direction- Core

Investment Companies (Reserve Bank) Directions 2016, as amended, issued by the Reserve Bank of India.

Management comments on above:

Further to the Company's representations to Reserve Bank of India (RBI) on the above matter during FY-21, the Company received a communication from RBI stating that based on examination of the financials of the Company, it appears that the Company qualifies to be a Non-Banking Financial Company and therefore, is required either - (a) to merge with another NBFC or Non-Financial Company or (b) windup the business of NBFC or (c) apply for certificate of registration as NBFC.

In response to the above communication of RBI, the Company submitted a detailed representation to RBI reiterating the Company's belief that on the basis of the latest audited Financial Statements as on March 31, 2020, the Company does not fulfill the income criteria of the Principal Business Criteria, and therefore is not a NBFC. Acordingly, the Company is of the view that there is no need to register itself as a Systematically Important-Core Investment Company.

The Company is already in the midst of a process of its merger with HT Media Limited, a fellow subsidiary (which is a Non-Financial Company), thereby fulfilling one of the three options given by RBI mentioned above. For further details, please refer note nos. 37 and 40 to standalone and consolidated financial statements, respectively.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, and rules made thereunder, the Board of Directors appointed RMG & Associates, Company Secretaries ("RMG") (Firm Reg. No. P2001DE16100) as Secretarial Auditor, to conduct the Secretarial Audit for the financial year ended March 31, 2021 and their report is annexed herewith as "**Annexure - A**". The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Further, Secretarial Audit of the material unlisted subsidiary viz. HT Digital Streams Limited for FY-21, as required under Regulation 24A of SEBI Listing Regulations, has been conducted by Mr. N.C. Khanna, Practicing Company Secretary. The said secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer and is annexed herewith as "**Annexure -B**".

During the year under review, the Statutory Auditor and the Secretarial Auditor have not reported any instance of fraud to the Audit Committee, pursuant to Section 143(12) of the Act and rules made thereunder. Therefore, no disclosure is required under Section 134(3)(ca) of the Act.

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered into by the Company with related parties during the year under review, were in ordinary course of business of the Company and on arms' length terms. The related party transactions were placed before the Audit Committee for review and/or approval. During the year, the Company did not enter into any contract/ arrangement/transaction with related party, which could be considered 'material' in accordance with the Company's 'Policy on Materiality of and dealing with Related Party Transactions' (available on Company's website at https://www.digicontent.co.in/wp-content/uploads/2020/04/RPT-Policy.pdf) and therefore, the disclosure of related party transactions in Form AOC-2 is not applicable.

Reference of Members is invited to note nos. 30 and 30A of the Standalone Financial Statements, which set out the related party disclosures as per IND AS-24.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, your Directors state that:

(i) in the preparation of the annual accounts for the financial year ended on March 31, 2021, the applicable accounting standards have been followed and there are no material departures.

(ii) such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the loss of the Company for the year ended on March 31, 2021;

(iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a 'going concern' basis;

(v) proper internal financial controls were in place and that such internal financial controls were adequate and operating effectively. Also refer para (vi) below for compliance with applicable laws and regulations; and

(vi) systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively. Further, as explained in Note no. 37 to Standalone Financial Statements and Note no. 40 to Consolidated Financial Statements, a matter is under discussion with RBI regarding whether the Company technically meets the 'Principal Business Criteria' so as to be classified as a NBFC and also a Systemically Important Core Investment Company (SI-CIC). In the above connection, the Company has made a detailed representation to RBI, wherein it has been submitted that the Company need not be registered as a NBFC and SI-CIC considering the income tests criteria and the proposed scheme of arrangement for amalgamation of the Company with HT Media Limited (fellow subsidiary company) which has already been filed with the stock exchanges for their no objection.

DISCLOSURES UNDER THE COMPANIES ACT, 2013

Borrowings and Debt Servicing: During the year under review, your Company has met all its obligations towards repayment of principal and interest on loans availed, if any.

Particulars of loans given, investments made, guarantees / securities given: The details of investments made and loans/ guarantees/securities given, as applicable, are given in note nos. 5, 6A, 6B and 36 to the Standalone Financial Statements.

Board Meetings: A yearly calendar of board meetings is prepared and circulated in advance to the Directors. During the financial year ended March 31, 2021, the Board met seven times on May 6, 2020, July 1, 2020, July 21, 2020, October 20, 2020, January 14, 2021, February 11, 2021 and March 22, 2021. For further details regarding these meetings, Members may please refer the Report on Corporate Governance which forms part of the Annual Report.

Committees of the Board: At present, four standing committees of the Board of Directors are in place *viz.* Audit Committee, Nomination & Remuneration Committee, Banking & Finance Committee, and Stakeholders' Relationship Committee, which have been constituted in accordance with the applicable provisions of the Act and SEBI Listing Regulations. During the year under review, recommendations of these committees were accepted by the Board of Directors.

Remuneration Policy: The Remuneration Policy of the Company on appointment and remuneration of Directors, Key Managerial Personnel & Senior Management, as prescribed under Section 178(3) of the Act and SEBI Listing Regulations, is available on the Company's website at https://www.digicontent.co.in/wp-content/uploads/2019/08/Remuneration-Policy.pdf. The Remuneration Policy includes, *inter-alia*, the criteria for appointment of Directors, KMPs, Senior Management Personnel and other employees, their remuneration structure, recommendation to the Board, all remuneration in whatever form, payable to Senior Management and disclosures in relation thereto. Further, there was no change in the Remuneration Policy during the year under review.

Vigil Mechanism: The Vigil Mechanism, as envisaged in the Act & rules made thereunder and SEBI Listing Regulations, is addressed in the Company's "Whistle Blower Policy". In terms of the Policy, directors/employees/stakeholders of the Company may report concerns about unethical behaviour, actual or suspected fraud or any violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of the Whistle Blower. The Policy is available on the Company's website at https://www.digicontent.co.in/wp-content/uploads/2021/02/Whistle_Blower_Policy_DCL.pdf.

Particulars of employees and related disclosures: In accordance with the provisions of Section 197(12) of the Act, read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details of employees remuneration are set out in the "**Annexure - C**" to this Report. In terms of the provisions of Section 136(1) of the Act, the Board's Report is being sent to the Members without this annexure. Any Member interested in obtaining such information, may write to the Company Secretary at the Registered Office of the Company.

Disclosures under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "**Annexure - D**".

Annual Return: In terms of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return (Form MGT-7) for FY-20 and FY-21, are available on the website of the Company at https://www.digicontent.co.in/wp-content/uploads/2021/08/DCL_Annual-return_31-03-2020.pdf and https://www.digicontent.co.in/wp-content/uploads/2021/08/DCL_Annual-Return-MGT-7_2021.pdf.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:

The Company is in the business of Entertainment and Digital Innovation, which does not involve any manufacturing process. Accordingly, most of the information required under Section 134(3)(m) of the Act are not applicable. Nevertheless, the information, as applicable, is outlined as under:

Conservation of Energy

Though the operations of the Company are not energy intensive, steps have been taken to conserve energy, wherever possible. There is a constant endeavor to optimize utilization of available resources and also conserve energy at various location(s). Some of the initiatives include:

- Replacement of conventional lighting system with LED lighting
- Installation of star rated energy efficient air conditioners
- Use of energy efficient electronic devices to curtail energy consumption, as much as possible

Technology Adoption, Adaption & Innovation

During the year, the Company has not invested in any specific technology apart from the normal end user devices. Also, the Company takes adequate measures at the time of disposing off the device(s) at the end of life of the particular asset.

Foreign Exchange Earnings and Outgo

Foreign Exchange earned and outgo in terms of actual inflows during the year: Nil

INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

No material changes/commitments have occurred after the end of financial year 2020-21 and till the date of this report, which may affect the financial position of your Company.

SECRETARIAL STANDARDS

Your Directors state that the Secretarial Standards (i.e. SS-1 and SS-2), relating to 'Meetings of the Board of Directors' and 'General Meetings', have been followed by the Company.

CORPORATE GOVERNANCE

The report on Corporate Governance in terms of SEBI Listing Regulations, forms part of this Annual Report. The certificate issued by Company Secretary-in-Practice is annexed herewith as "**Annexure – E**".

GENERAL

Your Directors state that during the year under review, no disclosure is required in respect of following matters, as there were no transactions/events in relation thereto:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

There was no change in the share capital of the Company during the year under review.

During the year under review, the provisions relating to Corporate Social Responsibility (CSR) enshrined under Section 135 of the Act, were not applicable on the Company.

The Company does not have any Employee Stock Option Scheme.

The Company has not transferred any amount to the General Reserve during the year under review.

No significant or material order was passed by any Regulator, Court or Tribunal, which impact the 'going concern' status and Company's operations in future.

During the year under review, there was no change in the nature of business of the Company.

The Company is not required to maintain cost records as per Section 148(1) of the Act.

There were no proceeding initiated/ pending against your Company under the Insolvency and Bankruptcy Code, 2016.

There was no instance of onetime settlement with any Bank or Financial Institution.

Your Company has in place, internal financial controls with reference to the financial statements. The internal control system is supplemented by an extensive program of internal audits and their review by the management. The in-house internal audit function, supported by professional external audit firms, conduct comprehensive risk focused audits and evaluates the effectiveness of the internal control structure across locations and functions, on a regular basis. In addition to internal audit activities, Company has also developed an internal financial control framework to periodically review the effectiveness of controls laid down across all critical processes. The Company has set-up an online compliance management tool with a centralized repository to cater to the statutory compliance requirements.

PREVENTION OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

Your Company adheres to a strict policy to ensure safety of women employees at workplace. The Company is fully compliant with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has constituted an Internal Committee (IC) to redress any complaints regarding sexual harassment. The Company's policy in this regard, is available on the employee's intranet. The Company conducts regular classroom training sessions for employees and members of IC and has also rolled-out an online module for employees to increase awareness. No complaint was reported to IC during the year under review.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the co-operation extended by all stakeholders, including government authorities, shareholders, investors, customers, banks, vendors and suppliers. Your Directors also place on record their deep appreciation of the committed services of the executives and employees of the Company.

For and on behalf of the Board

Priyavrat Bhartia
Chairman
DIN:00020603

Date: June 15, 2021
Place: New Delhi

ANNEXURE - A TO THE BOARD'S REPORT

Secretarial Audit Report

For The Financial Year Ended on March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Digicontent Limited
(CIN: L74999DL2017PLC322147)
Hindustan Times House, 2nd Floor
18-20, Kasturba Gandhi Marg
New Delhi- 110 001

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Digicontent Limited** (hereinafter referred to as 'the Company'), having its Registered Office at Hindustan Times House, 2nd Floor 18-20, Kasturba Gandhi Marg, New Delhi- 110 001. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification, to the extent possible due to COVID – 19 pandemic, of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records as maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

I. The Companies Act, 2013 ('the Act') and the rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder by the Depositories with regard to dematerialisation/ rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), however, no FDI inflow was observed during the year. Further, there was no transaction of Overseas Direct Investment and External Commercial Borrowings which was required to be reviewed during the period under audit;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

   (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations");

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **[Not Applicable as the Company has not issued any further share capital during the period under review];**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **[Not applicable as the Company has not offered any shares or granted any options pursuant to any employee benefit scheme during the period under review];**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not applicable as the Company has not issued any debt securities during the period under review];**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not applicable as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the period under review];**

(h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 **[Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the period under review].**

VI. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:

1. The Information Technology Act, 2000 & Rules and Guidelines

2. The Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011

For the compliances of Environmental Laws, Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are systems and processes exist in the Company to monitor and ensure compliance with applicable Environmental Laws, Labour Laws & other General Laws. However, strengthening w.r.t timelines can also be done.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this audit since the same have been subject to review by the statutory auditor and other designated professionals.

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India. However, the stricter applicability of the Secretarial Standards is to be observed by the Company.

2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India to hold Extra-Ordinary General Meetings/ Annual General Meetings through Video Conferencing (VC) or other audio-visual means (OAVM).

4. Notification No. G.S.R 186 (E) dated March 19, 2020 read with Notification No. G.S.R 395 (E) dated June 23, 2020 issued by the Ministry of Corporate Affairs to conduct the Meetings of the Board or its committees through Video Conferencing (VC) or other audio-visual means (OAVM).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Circulars, Notifications etc. mentioned above.

We further report that

- the Board of Directors of the Company is constituted with Non-Executive Directors, Independent Directors and Woman Director during the period under review. The changes in the composition of the Board of Directors that took place during the period under review, if any, were carried out in compliance with the provisions of the Act/ SEBI LODR.

- adequate notice(s) were given to all directors to schedule the Board/committee Meetings, agenda and detailed notes on agenda were sent in accordance with the applicable laws, as mentioned here above and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- all the decision of the Board/its Committees were taken adequately with requisite majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

- the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same are in compliance with the Act, and

- during the year, the Company has taken adequate steps to comply with the provisions of SEBI PIT Regulations, including issue of warning letter(s) and/ or disgorgement of profit on account of contra trade of shares entered into by the designated person(s) during closure of trading window, in the respective cases. The profit so disgorged has been deposited with the Investor Protection and Education Fund (IPEF) of SEBI, followed by reporting to the Stock Exchange(s) in due compliance with the SEBI Circular No. SEBI/HO/ISD/ISD/CIR/P/2020/135 dated July 23, 2020.

- The Company has filed various letters with the RBI, for seeking relaxation from registration as SI-CIC, wherein it has stated that it need not be registered as a NBFC and SI-CIC since it does not meet the criteria as per the financial statements for the year ended 31 March 2020. However, the RBI vide its letter dated 23 March 2021, has stated that it appears that the Company qualifies to be a NBFC and it is required to apply for certificate of registration as per the Reserve Bank of India Act, 1934 or merge with another NBFC / non-financial company or wind up the business of NBFC. Further, the Company vide letter dated June 09, 2021 to RBI, has reiterated that the Company does not fulfill principal business criteria to be classified as a NBFC or a SI-CIC and in any case the Company has drawn up a scheme of amalgamation for merging the Company and its two other fellow subsidiary companies with HT Media Limited (a Non-Financial Company and a fellow subsidiary) for which the scheme has been approved by the Board of Directors in February 2021 and filed with the stock exchanges in March 2021 for their no objection. Subsequently, a virtual meeting with RBI officials was held on June 11, 2021. This matter is pending for further direction (s)/order of RBI.

We further report that on review of the compliance mechanism established by the Company, we are of the opinion that the management has systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as the Company has developed comprehensive legal compliance scheduling and management software by which specific compliance tasks were assigned to specified officials. The software enables in planning and monitoring all compliance activities across the Company.

We further report that during the audit period, the Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above:

1. Mr. Abhesh Verma stepped down from the position of CEO (KMP) with effect from close of business hours on June 30, 2020. Thereafter, Mr. Puneet Jain was appointed as CEO (KMP) of the Company with effect from July 15, 2020.

2. The shareholders of the Company in their Annual General Meeting held on August 25, 2020 approved:

    a. the appointment of M/s B S R and Associates, Chartered Accountants [Firm Registration No. 128901W] as Statutory Auditor of the Company, to hold the office for a period of 5 (five) consecutive years until the conclusion of Annual General Meeting to be held in the calendar year 2025;

    b. the appointment of Mr. Ajay Relan (DIN: 00002632), Mr. Vivek Mehra (DIN: 00101328) & Ms. Suchitra Rajendra (DIN: 07962214), as Independent Directors of the Company to hold office for a term of 5 (five) consecutive years upto March 31, 2024.

    c. the appointment of Mr. Dinesh Mittal (DIN: 00105769), as Non Executive Director of the Company, who was appointed by the Board of Directors to fill up the casual vacancy caused due to demise of Mr. Sharad Saxena.

3. Mr. Anup Sharma resigned from the position of CFO (KMP) of the Companies with effect from close of business hours on November 26, 2020. Thereafter, Mr. Ajay S. Nair was appointed as CFO (KMP) of the Company with effect from January 14, 2021.

4. The Board of Directors, on the recommendation of Committee of Independent Directors and Audit Committee, in their meeting held on February 11, 2021, considered and approved a Composite Scheme of Amalgamation of the Company, Next Mediaworks Limited ("NMW") and HT Mobile Solutions Limited ("HTMS") (the "Transferor Companies") with HT Media Limited ("HTML") (the "Transferee Company") and their respective shareholders and creditors pursuant to Section 230 to 232 and any other applicable provisions of the Act. Further, no-objection letters from the Stock Exchanges *viz.* BSE and NSE is yet to be received.

For **RMG & Associates**
Company Secretaries
Firm Registration No. P2001DE16100
Peer Review No. : 734 / 2020

Sd/-
CS Manish Gupta
Partner
FCS: 5123;
C.P. No.: 4095

Date: June 15, 2021
Place: New Delhi
UDIN: F005123C000468179

Note: This report is to be read with 'Annexure - I' attached herewith and forms an integral part of this report.

ANNEXURE - I

To,
The Members,
Digicontent Limited
(CIN: L74999DL2017PLC322147)
Hindustan Times House, 2nd Floor
18-20, Kasturba Gandhi Marg
New Delhi- 110001

Our Secretarial Audit Report of even date, for the financial year ended March 31, 2021 is to be read along with this letter:

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operating effectively.

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.

6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

7. We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.

For **RMG & Associates**
Company Secretaries
Firm Registration No. P2001DE16100
Peer Review No. : 734 / 2020

Sd/-
CS Manish Gupta
Partner
FCS: 5123;
C.P. No.: 4095

Date: June 15, 2021
Place: New Delhi
UDIN: F005123C000468179

ANNEXURE - B TO THE BOARD'S REPORT

Secretarial Audit Report

For The Financial Year Ended on March 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
HT DIGITAL STREAMS LIMITED
CIN:- U74900BR2015PLC025243
Budh Marg, P.S.- Kotwali
Patna BR 800001 IN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HT DIGITAL STREAMS LIMITED** (hereinafter referred as "the Company"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my/our verification of the Company's books, papers, minute books (on virtual basis), forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **HT DIGITAL STREAMS LIMITED** for the financial year ended on 31st March, 2021, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings#

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')*: -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

(vi) Other laws applicable specifically to the Company namely:-

(a) Information Technology Act, 2000 and the rules made thereunder;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; *

*[Not applicable as the Company is not listed Entity during the financial year under review];

#(No transaction held during the financial year under review)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with Non-Executive Directors and Independent Directors. Change(s) in the composition of the Board of Directors that took place, if any, during the period under review was/were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in compliance with the applicable provisions of the Companies Act, 2013 read with rules made there under, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried out with affirmation from all the Directors.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:-

(i) The Board of Directors approved to avail credit facilities from Banks/financial institutions/corporates etc. upto the limit of Rs. 20 Crores.

(ii) Mr. Abhesh Verma stepped down from the position of CEO (KMP) w.e.f. 30th June, 2020. Further Mr. Puneet Jain was appointed as CEO (KMP) w.e.f. 15th July, 2020.

(iii) Mr. Ajay. S. Nair was appointed as CFO w.e.f 13th January, 2021 due to resignation tendered by Mr. Anup Sharma on 26th November, 2020.

(iv) The Board of Directors approved to avail Corporate guarantee/letter of support etc. upto Rs.10 Crore from Digicontent Limited, Holding Company, to secure credit facilities.

For **N C Khanna, Company Secretaries**

Sd/-

N C Khanna
Properitor
FCS No. 4268

Place: New Delhi — CP No.5143
Date: June 5, 2021 — UDIN: F004268C000423390

This Report is to be read with our letter of even date which is annexed as Annexure A to this Report and forms an integral part of this Report.

Annexure A

To,
The Members,
HT DIGITAL STREAMS LIMITED
CIN:- U74900BR2015PLC025243
Budh Marg, P.S.- Kotwali
Patna BR 800001 IN

Our Secretarial Review Report of even date, for the financial year ended 31st March 2021 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

6. We have not verified the correctness and appropriateness of financial records and books of account of the Company, being subject of review by statutory auditor.

For **N C Khanna, Company Secretaries**
Sd/-

N C Khanna
Properitor
FCS No. 4268
CP No.5143

Place: New Delhi
Date: June 5, 2021

ANNEXURE -D TO THE BOARD'S REPORT

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of remuneration of each Director to the median remuneration of the employees and percentage increase in remuneration of each Director and KMP *viz.* Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year ended on March 31, 2021, is as under –

Name of Director/KMP & designation	Remuneration for FY-21 (₹ in Lac)	% increase in remuneration in FY 21	Ratio of remuneration of each Director to median remuneration of employees in FY 21[@]
Mr. Ajay Relan *Independent Director*	11.00*	57.14	1.45
Ms. Suchitra Rajendra *Independent Director*	9.50*	35.71	1.25
Mr. Vivek Mehra *Independent Director*	10.00*	81.82	1.32
Mr. Abhesh Verma[&] *Chief Executive Officer (CEO)*	Nil	Not Applicable	Not Applicable
Mr. Puneet Jain[#] *Chief Executive Officer (CEO)*	Nil	Not Applicable	Not Applicable
Mr. Anup Sharma[$] *Chief Financial Officer (CFO)*	102.58	Not comparable	Not Applicable
Mr. Ajay S. Nair^ *Chief Financial Officer (CFO)*	Nil	Not Applicable	Not Applicable
Mr. Vikas Prakash *Company Secretary*	17.56	(13.07)	Not Applicable

[@] The median remuneration of employees during FY-21 was ₹ 7.59 Lac.

*Sitting fee paid for attending Board/Committee meetings.

[&] Ceased to be CEO of the Company and HTDS w.e.f. June 30, 2020. He drew remuneration from the subsidiary company i.e. HT Digital Streams Limited (HTDS).

[#] Appointed as CEO of the Company and HTDS w.e.f. July 15, 2020. He draws remuneration from HTDS.

[$] Ceased to be CFO w.e.f. November 26, 2020 of the Company.

^ Appointed as CFO of the Company and HTDS w.e.f January 14, 2021 and January 13, 2021, respectively. He draws remuneration from HTDS.

Note: (a) Perquisites have been valued as per the Income Tax Act, 1961.

(b) Save and except the above, no remuneration was paid by the Company to any Director during FY-21.

(ii) There was a decrease of 30.68% in the median remuneration of employees of the Company in FY-21.

(iii) As on March 31, 2021, there were 26 permanent employees on the rolls of the Company.

(iv) Average percentage increase in remuneration of employees during FY-21- Nil. Further, no managerial remuneration was paid during FY-21.

(v) It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Priyavrat Bhartia
Chairman
DIN:00020603

Date: June 15, 2021
Place: New Delhi

ANNEXURE - E TO THE BOARD'S REPORT

CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Members,
Digicontent Limited
(CIN: L74999DL2017PLC322147)
Hindustan Times house, 2nd Floor,
18-20, Kasturba Gandhi Marg
New Delhi -110 001

We have examined the compliance of conditions of Corporate Governance by **Digicontent Limited** (hereinafter referred to as 'the Company'), having its Registered Office at Hindustan Times house, 2nd Floor, 18-20, Kasturba Gandhi Marg, New Delhi -110 001, for the year ended on March 31, 2021, as stipulated in the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as "Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has compiled with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **RMG & Associates**
Company Secretaries
Firm Registration No. P2001DE16100
Peer Review No. : 734 / 2020

Sd/-
CS Manish Gupta
Partner
FCS: 5123;
C.P. No.: 4095

Place: New Delhi
Date: June 15, 2021
UDIN: F005123C000468080

REPORT ON CORPORATE GOVERNANCE

In your Company, Corporate Governance embraces the tenets of trusteeship, accountability and transparency. Adherence to each of these principles has set a culture in the Company, wherein good Corporate Governance underlines interface with all stakeholders. In addition to compliance with regulatory requirements, the Company endeavors to ensure that highest standards of ethical and responsible conduct are met across the organization. With this belief, the Company has implemented various measures for balanced care for all stakeholders.

A report on Corporate Governance, in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (''SEBI Listing Regulations''), is outlined below.

BOARD OF DIRECTORS

Composition of the Board

As on March 31, 2021, the Board comprised of six Non-Executive Directors. In accordance with SEBI Listing Regulations, more than one-half of the Board of Directors comprised of Non-Executive Directors. The Company has one Woman Director (Independent) on the Board in terms of applicable provisions of the Companies Act, 2013 (the "Act"). Your Company also complies with the requirement of at least one-half of the Board to comprise of Independent Directors. The Chairman of the Board is a Non-Executive Director (Promoter).

The composition of the Board of Directors as on March 31, 2021 was as follows –

Name of the Director	Date of first appointment	Relationship between Directors, *inter-se*	Director Identification Number (DIN)
Non-Executive Non- Independent Directors			
Mr. Priyavrat Bhartia, *Chairman (Promoter)*	August 14, 2017	None	00020603
Mr. Praveen Someshwar	March 29, 2019	None	01802656
Mr. Dinesh Mittal	March 12, 2020	None	00105769
Independent Directors			
Mr. Ajay Relan	April 18, 2019	None	00002632
Ms. Suchitra Rajendra	April 18, 2019	None	07962214
Mr. Vivek Mehra	April 18, 2019	None	00101328

Except Mr. Dinesh Mittal, who holds 5 (five) equity shares of the Company and Mr. Priyavrat Bhartia, who holds 1 (one) equity share jointly with The Hindustan Times Limited, none of the other Non-Executive Directors hold share(s) of the Company as on March 31, 2021.

Further, none of the Directors have been debarred or disqualified from being appointed or continuing as directors of Companies by SEBI / Ministry of Corporate Affairs or any other statutory authority. The certificate of RMG & Associates, Company Secretaries (Secretarial Auditor) certifying the same, is appearing in this report as "**Annexure – I**".

The Directors hold qualifications, and possess requisite skills, expertise, competence and experience in general corporate management, finance, legal, banking, economics and other allied fields, which enable them to contribute effectively to the Company. Brief profile of the Directors is available on the Company's website at https://www.digicontent.co.in/?page_id=31.

Matrix setting out the skills/expertise/competence of the Board

The matrix setting out the skills/expertise/competence of individual Directors is given below:

Area of skill/expertise	Board of Directors as on March 31, 2021					
	Mr. Priyavrat Bhartia	Mr. Ajay Relan	Ms. Suchitra Rajendra	Mr. Vivek Mehra	Mr. Praveen Someshwar	Mr. Dinesh Mittal
Part A – Industry knowledge/experience						
Knowledge of Entertainment & Digital Innovation Industry	√	√	√	√	√	√
Understanding of laws, rules, regulations and policies applicable to Entertainment & Digital Innovation Industry	√	√	√	√	√	√
Part B- Technical skills/experience						
General management	√	√	√	√	√	√
Accounting & Finance	√	√	-	√	√	√
Strategic planning/ business development	√	√	√	√	√	√
Information technology	√	√	√	√	√	√
Talent management	√	√	√	√	√	√
Compliance & risk management	√	√	√	√	√	√
Part C: Behavioural Competencies						
Integrity and ethical standards	√	√	√	√	√	√
Decision making	√	√	√	√	√	√
Problem solving skills	√	√	√	√	√	√

DIRECTORS' ATTENDANCE AND DIRECTORSHIPS HELD

Seven Board meetings were held during the financial year ended on March 31, 2021, details whereof are as follows:

Date of Board Meeting	Board strength	Number of Directors present	Number of Independent Directors present
May 6, 2020	6	5	3 out of 3
July 1, 2020	6	5	3 out of 3
July 21, 2020	6	5	3 out of 3
October 20, 2020	6	4	2 out of 3
January 14, 2021	6	6	3 out of 3
February 11, 2021	6	4	3 out of 3
March 22, 2021	6	5	3 out of 3

Attendance record of Directors at the above Board meetings, and details of other directorships/committee positions held by them as on March 31, 2021, in Indian Public Limited Companies are as follows:

Name of the Director	No. of Board meetings attended during FY-21	No. of other Directorships held	Committee positions held in other companies^		Directorship in other listed companies and category of directorship
			Chairperson	Member[1]	
Mr. Priyavrat Bhartia	1	7	-	7	(i) Hindustan Media Ventures Limited *Non-Executive Director* (ii) HT Media Limited *Non-Executive Director* (iii) Jubilant Ingrevia Limited *Non-Executive Director* (iv) Jubilant Pharmova Limited *Non-Executive Director* (v) Jubilant Industries Limited *Non-Executive Director*
Mr. Ajay Relan	7	6	4	2	(i) Hindustan Media Ventures Limited *Independent Director* (ii) Next Mediaworks Limited *Independent Director* (iii) HT Media Limited *Independent Director* (iv) Capri Global Capital Limited *Independent Director*
Ms. Suchitra Rajendra	6	2	-	3	(i) Next Mediaworks Limited *Independent Director*
Mr. Vivek Mehra	7	9	2	4	(i) Jubilant Pharmova Limited *Independent Director* (ii) HT Media Limited, *Independent Director* (iii) DLF Limited, *Independent Director* (iv) Havells India Limited *Independent Director* (v) Zee Entertainment Enterprises Limited *Independent Director* (vi) Chambal Fertilizers and Chemicals Limited, *Independent Director*
Mr. Praveen Someshwar	6	9	1	5	(i) Hindustan Media Ventures Limited *Managing Director* (ii) HT Media Limited *Managing Director & CEO* (iii) Next Mediaworks Limited *Non-Executive Director*
Mr. Dinesh Mittal	7	8	-	1	(i) Next Mediaworks Limited *Non-Executive Director*

^Only Audit Committee and Stakeholders' Relationship Committee have been considered

[1]Does not include position of Chairperson held in Audit/Stakeholders' Relationship Committee

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within the respective limits prescribed under the Act and SEBI Listing Regulations.

All Directors attended the last Annual General Meeting of Members of the Company held on August 25, 2020.

BOARD PROCEDURE

Detailed agenda notes, setting out the business(es) to be transacted at Board/Committee meeting(s) are supplied in advance, and decisions are taken after due deliberations. In case where it is not practicable to forward the relevant document(s) with the agenda papers, the same are circulated before the meeting or placed at the meeting. The Directors are provided with video-conferencing facility to enable them to join Board/Committee meeting(s).

Quality debates and participation by all Directors and Invitees are encouraged at Board/Committee meetings. The Board engages with the management during business reviews, and provides constructive suggestions and guidance on various issues, including strategy, as required from time to time.

In order to meet business exigencies, matters which required board / committee approval, were approved by way of resolution(s) passed by circulation, which is permissible by law to be passed as such.

The Board gives due attention to governance and compliance related issues, including the efficacy of systems of internal financial controls, risk management, avoidance of conflict of interest, and redressal of employee/ stakeholder grievances, among others.

In line with Para 4 of Schedule B of SEBI (Prohibition of Insider Trading) Regulations, 2015, it is the endeavor of the Company that the gap between the recommendation of financials/ accounts by audit committee and approval at the board meeting is as narrow as possible.

The information provided to the Board from time to time, *inter-alia*, include the item(s) mentioned under Regulation 17(7) of SEBI Listing Regulations.

DETAILS OF REMUNERATION PAID TO DIRECTORS

During the financial year ended on March 31, 2021, the Independent Directors were paid sitting fee @ ₹ 50,000/- per meeting, for attending meetings of committees of the Board of Directors and @ ₹ 1,00,000/- per meeting, for attending meetings of Board of Directors. The details of sitting fee paid during FY-21 are as under:

Name of the Director	Sitting fee (₹ In Lac)
Mr. Ajay Relan	11.00
Ms. Suchitra Rajendra	9.50
Mr. Vivek Mehra	10.00

During the year under review, none of the Directors were paid remuneration, except as stated above.

Further, none of the Non-Executive Directors had any material pecuniary relationship or transactions vis-à-vis the Company, during the year under review, other than payment of sitting fee as mentioned above.

BOARD COMMITTEES

As at year end, following four standing committees of the Board of Directors were in place, which were delegated requisite powers to discharge their functions -

These committees are as follows –

(a) Audit Committee

(b) Stakeholders' Relationship Committee

(c) Nomination & Remuneration Committee

(d) Banking & Finance Committee

The role and composition of these committees, particulars of meetings held during the financial year ended on March 31, 2021 and attendance of Directors thereat, are given hereunder.

(a) Audit Committee

Audit Committee of the Board of Directors comprises of four members, including three Independent Directors. The Audit Committee acts as the link between the Statutory and Internal Auditors and Board of Directors of the Company.

The terms of reference of the Audit Committee are in accordance with the Act and the SEBI Listing Regulations which include, *inter-alia*, oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for other services rendered by statutory auditor; reviewing with the management quarterly results and annual financial statements before submission to the Board for approval; approval or subsequent modification of transactions with related parties; review and monitor the auditor's independence and performance and effectiveness of audit process; scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the Company, whenever it is necessary; evaluation of internal financial controls and risk management system; reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems; and reviewing the functioning of the whistle blower mechanism.

During the financial year ended on March 31, 2021, five meetings of the Audit Committee were held. Particulars of composition of Audit Committee, date on which the meetings were held and attendance of Directors at the said meetings was as follows:

Name of the Director	Attendance at the meetings held on				
	06.05.20	21.07.20	20.10.20	14.01.21	10.02.21
Mr. Vivek Mehra (C) *Independent Director*	√	√	√	√	√
Mr. Ajay Relan *Independent Director*	√	√	√	√	√
Ms. Suchitra Rajendra *Independent Director*	√	√	√	√	√
Mr. Praveen Someshwar *Non-Executive Director*	√	√	√	√	-

Chairman of the Audit Committee is an Independent Director and Chartered Accountant by qualification.

All members of the Audit Committee are financially literate. The Audit Committee fulfills the criteria of two-third of its members being Independent Directors.

Chief Executive Officer, Chief Financial Officer and Internal Auditor also attended the meetings of Audit Committee as invitees. Representatives of Statutory Auditor are permanent invitees to the meetings of Audit Committee.

Company Secretary acts as Secretary to the Committee.

(b) Stakeholders' Relationship Committee

Stakeholders' Relationship Committee (SRC) of the Board of Directors comprises of three Directors. Chairman of the Committee is an Independent Director.

The terms of reference of SRC are in accordance with the Act and SEBI Listing Regulations, as amended. The role of SRC includes, *inter-alia*, resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc; review of measures taken for effective exercise of voting rights by shareholders; review of adherence to the service standards adopted by the Company in respect of various services rendered by the Registrar & Share Transfer Agent; and review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee discharges such other function(s) as may be delegated by the Board from time to time.

During the financial year ended on March 31, 2021, the SRC met once. The composition of SRC, date on which the meeting was held and attendance of Directors at the meeting was as follows:

Name of the Director	Attendance at the meeting held on 20.11.2020
Mr. Ajay Relan (C) *Independent Director*	-
Mr. Praveen Someshwar *Non-Executive Director*	√
Mr. Dinesh Mittal *Non-Executive Director*	√*

*Chaired the meeting in absence of Mr. Ajay Relan

Mr. Vikas Prakash, Company Secretary is Compliance Officer of the Company.

During the year under review, the status of redressal of investor complaints was as follows:

Opening Balance	Received	Resolved	Closing Balance
Nil	6	5	1

Note: Out of total six queries/ complaints received during the year from the Members, five queries/ complaints were received during the quarter ended March 31, 2021, in relation to the draft Scheme of Amalgamation approved by the Board of Directors at its meeting held on 11.02.2021 and filed with the Stock Exchanges for seeking 'no objection'.

The status of investor complaints, is reported to the Board of Directors from time to time.

(c) Nomination & Remuneration Committee

Nomination & Remuneration Committee (NRC) comprises of four Non-Executive Directors. Chairman of NRC is an Independent Director.

The terms of reference of NRC are in accordance with the requirements of the Act and SEBI Listing Regulations, which include, *inter-alia*, identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal; carry out evaluation of every director's performance; formulate the criteria for determining qualifications, positives attributes and independence of a director; and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees; recommend to the Board all remuneration in whatever form, payable to Senior management.

Also, the Board of Directors has adopted the Remuneration Policy for Directors, Senior Management Personnel including Key Managerial Personnel and other employees. The Remuneration Policy has been framed to attract, motivate and retain talent by offering an appropriate remuneration package, and also by way of providing a congenial & healthy work environment. Remuneration Policy is posted on Company's website at https://www.digicontent.co.in/wp-content/uploads/2019/08/Remuneration-Policy.pdf.

During the financial year ended on March 31, 2021, two meetings of NRC were held. The composition of NRC, date on which meetings were held and attendance of all Directors was as follows:

Name of the Director	Attendance at the meetings held on	
	06.05.2020	01.07.2020
Mr. Ajay Relan (C) *Independent Director*	√	√
Ms. Suchitra Rajendra *Independent Director*	-	√
Mr. Praveen Someshwar *Non-Executive Director*	-	√
Mr. Dinesh Mittal *Non-Executive Director*	√	√

(d) Banking & Finance Committee

Banking & Finance Committee (BFC) of the Board has been entrusted with functions/ powers relating to banking and finance matters.

During the financial year ended on March 31, 2021, the BFC met once. The composition of BFC, date on which meeting was held and attendance of the Directors at the said meeting was as follows:

Name of the Director	Attendance at the meeting held on 21.01.2021
Mr. Praveen Someshwar (C) *Non-Executive Director*	√
Mr. Priyavrat Bhartia *Non-Executive Director*	-
Mr. Dinesh Mittal *Non-Executive Director*	√

COMMITTEE OF INDEPENDENT DIRECTORS

In terms of the requirement of SEBI's Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended vide circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/215 dated November 3, 2020, a Committee of Independent Directors was constituted by the Board on February 8, 2021 in relation to Composite Scheme of Amalgamation under Sections 230 to 232 and other applicable provisions of the Act and the Rules framed thereunder, between the Company, Digicontent Limited and HT Mobile Solutions Limited ("Transferor Companies") and HT Media Limited (the "Transferee Company") and their respective shareholders and creditors. All the Independent Directors were appointed as members of this Committee.

The Committee met once on February 10, 2021, and the meeting was attended by all the Independent Directors.

GENERAL BODY MEETINGS

Details of date, time and venue of last three Annual General Meetings are as under:

Date & Time	August 25, 2020 at 11:00 a.m.	April 04, 2019 at 11:00 a.m.	September 17, 2018 at 3:00 p.m.
Venue	Meeting conducted through Video Conferencing /Other Audio Visual Means	Hindustan Times House, 2nd Floor, 18-20, Kasturba Gandhi Marg, New Delhi-110001	
Special resolution(s) passed	None	None	None

During the last three financial years, 3 Extra-ordinary General Meetings (EGMs) were held on June 28, 2018, March 26, 2019 and April 01, 2019. Out of these EGMs, special resolution was passed at the EGM held on March 26, 2019, mentioned below:

Date & Time	**March 26, 2019 at 4:00 p.m.**
Venue	Hindustan Times House, 2nd Floor 18-20, Kasturba Gandhi Marg New Delhi – 110001
Special resolution(s) passed	• Adoption of new set of Articles of Association • Approval for increase in limit to invest/ lend funds etc. prescribed under Section 186 of the Companies Act, 2013

Postal Ballot

During the year under review, no resolution was put through Postal Ballot. At present, no special resolution is proposed to be passed through Postal Ballot.

DISCLOSURES

During the financial year ended on March 31, 2021, all transactions entered into with the Related Parties as defined under the Act and Regulation 23 of SEBI Listing Regulations were in the ordinary course of business and on arm's length terms, and they do not attract the provisions of Section 188 of the Act. There was also no materially significant related party transaction that may have a potential conflict with the interests of the Company at large. The Audit Committee reviews the statement containing details of transactions with the related parties, on quarterly basis.

The required disclosures on related parties and transactions with them, are appearing in Note No. 30 and 30A of the Standalone Financial Statements. The Company has formulated the 'Policy on Materiality of and dealing with Related Party Transactions', which is hosted on Company's website at https://www.digicontent.co.in/wp-content/uploads/2020/04/RPT-Policy.pdf.

No penalty or stricture was imposed on the Company by any stock exchange, SEBI or any other statutory authority for non-compliance on any matter related to capital markets.

The Company has prepared the financial statements to comply in all material respects, with the Accounting Standards notified under Section 133 of the Act read with Companies (Accounts) Rules, 2014. The CEO/CFO certificate in terms of Regulation 17(8) of SEBI Listing Regulations has been placed before the Board.

The Independent Directors have the requisite qualifications and experience which enable them to contribute effectively. Terms and conditions of appointment of Independent Directors are posted on Company's website at https://www.digicontent.co.in/wp-content/uploads/2019/05/Appointment-Letter_Independent-Director.pdf. The Independent Directors meet criteria of independence specified in Section 149(6) of the Act and Regulation 16 of SEBI Listing Regulations, and are independent of the management. Further, all the Independent Directors have confirmed that they have registered themselves with the databank maintained by Indian Institute of Corporate Affairs in compliance of the provisions of Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014. During the year under review, none of the Independent Director(s) resigned before the expiry of his/her tenure.

The Company has complied with some of the non-mandatory requirements of SEBI Listing Regulations on Corporate Governance. In the spirit of good corporate governance, the Company sends quarterly financial results via email to the members whose email address are registered with Depository Participant(s)/Company, after they are approved by the Board of Directors and disseminated to the Stock Exchanges. Chairperson's office is separate from that of the Chief Executive Officer.

The Whistle Blower Policy provides opportunity to the directors/ employees/stakeholders of the Company to report concerns about unethical behavior, actual or suspected fraud by any Director and/or employee of the Company or any violation of the Company's Code of Conduct and any incident of leak or suspected leak of Unpublished Price Sensitive Information (UPSI). The policy provides for adequate safeguards against victimization of the Whistle Blower. The Policy is posted on the Company's website at https://www.digicontent.co.in/wp-content/uploads/2021/02/Whistle_Blower_Policy_DCL.pdf. During FY-21, no person was denied access to the Audit Committee.

During the year under review, your Company has not raised any funds through preferential allotment or qualified institutional placement, as specified under Regulation 32(7A) of SEBI Listing Regulations.

During the year under review, all the recommendations of various committee(s) of directors have been duly accepted by the Board of Directors.

The Company has only one subsidiary company *viz.* HT Digital Streams Limited (HTDS). HTDS (a material wholly-owned subsidiary) is managed by its Board of Directors, which is entrusted with the responsibility to manage the affairs in the best interest of stakeholders. The Company has formulated the "Policy for determining Material Subsidiary(ies)" in compliance of SEBI Listing Regulations, which is hosted on the Company's website at https://www.digicontent.co.in/wp-content/uploads/2019/07/Policy-for-detrmining-Material-Subsidiary.pdf#toolbar=0.

During the year under review, the Company has complied with all mandatory requirements of Corporate Governance as specified in sub-paras (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations, and disclosures on compliance with corporate governance requirements specified in Regulations 17 to 27 have been included in the relevant sections of this report.

CODE OF CONDUCT

The Company has adopted a "Code of Conduct" governing the conduct of Directors and employees, which is available on the website of the Company *at* https://www.digicontent.co.in/wp-content/uploads/2021/02/Code-of-Conduct_DCL.pdf.

The Board Members and Senior Management Personnel are expected to adhere to the Code, and have accordingly, affirmed compliance of the same during FY-21. The declaration of CEO affirming compliance of the Code by the Board Members and Senior Management Personnel of the Company during FY-21, is appearing at the end of this report as "**Annexure – II**".

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

During the year under review, no complaint was filed, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

FEE PAID/PAYABLE TO STATUTORY AUDITOR

Details of fee paid/payable by the Company and its subsidiary for FY-21 on a consolidated basis, to B S R and Associates, Chartered Accountants, Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part, for all services rendered by them, are as follows:

Particulars	Amount (₹ in Lac)*
Audit Fee	16.00
Limited Review	3.50
Certification fee	1.50
Total	**21.00**

*excluding reimbursement of out of pocket expenses and other statutory levy

PERFORMANCE EVALUATION

The process followed for evaluation of performance of the Board, its Committees, individual Directors and the Chairperson for the financial year ended on March 31, 2021 alongwith criteria for the same, is outlined in the Board's Report.

FAMILIARIZATION PROGRAMME

Your Company has an induction and familiarization programme for Independent Directors. The Company, through such programme, familiarizes the Independent Directors with the background of the Company, nature of the industry in which it operates, business model, business operations, etc. The programme also includes interactive sessions with senior leadership team for better understanding of business strategy, operational performance, product offerings, marketing initiatives etc. Details of the familiarization programme for Independent Directors are hosted on the Company's website *at* https://www.digicontent.co.in/wp-content/uploads/2021/04/Familiarization-Programme1.pdf.

MEETING OF INDEPENDENT DIRECTORS

During the year, a meeting of Independent Directors was held on January 12, 2021 without the presence of Non-Independent Directors and members of the management.

PROHIBITION OF INSIDER TRADING

In compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted, the "Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons" ('Code') and "Code for Fair Disclosure of Unpublished Price Sensitive Information". A Board approved framework is also in place to deal with cases relating to violation/ non-compliance of the Code.

CREDIT RATING

During the year under review, the Company has not issued any debt instrument, fixed deposit programme or scheme or proposal involving mobilization of funds, whether in India or abroad. Thus, credit rating was not required to be obtained.

MEANS OF COMMUNICATION

- **Financial results -** The quarterly, half yearly and annual financial results of the Company are published in 'Hindustan' (Hindi newspaper) and 'Mint'

(English Business newspaper). The financial results are also forwarded to the investors via e-mail, where e-mail address is available. Investors are encouraged to avail this service / facility by providing their e-mail address to the Depository Participant (DP)/ Company.

- **Company's Website –** Important shareholders' information such as Annual Report, financial results etc. are displayed on the website of the Company *viz.* www.digicontent.co.in.
- **Official News releases, presentations etc. –** Official news releases, shareholding pattern, press releases etc. are also available on the Company's website *viz.* www.digicontent.co.in.
- **Stock Exchange filings -** All information are filed electronically on the portal of BSE and NSE.
- **Management Discussion and Analysis –** Management Discussion and Analysis covering the operations of the Company, forms part of this Annual Report.
- **Designated E-mail Id –** The Company has designated an e-mail id *viz.* investor@digicontent.co.in, for sending investor requests/ complaints.

GENERAL SHAREHOLDER INFORMATION

Forthcoming Annual General Meeting (AGM)

Day, Date & Time:	Tuesday, September 21, 2021 at 11:00 AM (IST)
Venue:	AGM will be conducted through Video Conferencing / Other Audio Visual Means. For details, please see the Notice of this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 (General Meetings), particulars of Director(s) seeking re-appointment at this AGM are given in the Annexure to the Notice convening this AGM.

FINANCIAL YEAR

April 1 of each year to March 31 of next year.

FINANCIAL CALENDAR (TENTATIVE)

Results for quarter ending June 30, 2021	End July, 2021
Results for quarter and half-year ending September 30, 2021	End October, 2021
Results for quarter and nine months ending December 31, 2021	End January, 2022
Results for the quarter and year ending March 31, 2022	Third week of May, 2022
Annual General Meeting	Mid September, 2022

DIVIDEND

The Board of Directors has not recommended any dividend for the financial year ended on March 31, 2021.

SHARE TRANSFER SYSTEM

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, equity shares can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of shares. Members are advised, in their own interest, to dematerialise the shares held by them in physical form. Transfer of equity shares in electronic form is effected through the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL).

The Board has authorized the Stakeholders' Relationship Committee to sub-delegate its powers to the Officers of the Company for prompt reply/redressal of investor requests/ complaints.

As required under Regulation 40(9) of SEBI Listing Regulations, the Company obtains a certificate on half-yearly basis from a Company Secretary-in-Practice, regarding share transfer formalities, which is filed with the stock exchanges.

LISTING OF EQUITY SHARES ON STOCK EXCHANGES AND STOCK CODES

The Equity Shares of the Company are listed on the following Stock Exchanges:

Name of the Stock Exchange	Scrip Code/ Trading Symbol
BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001	542685
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai - 400 051	DGCONTENT

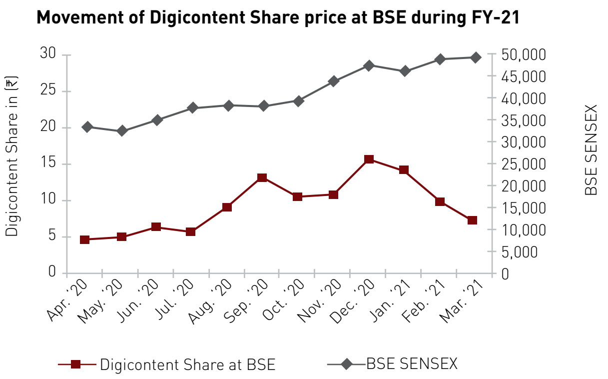
The annual listing fee for the financial year 2021-22 has been paid to both BSE and NSE.

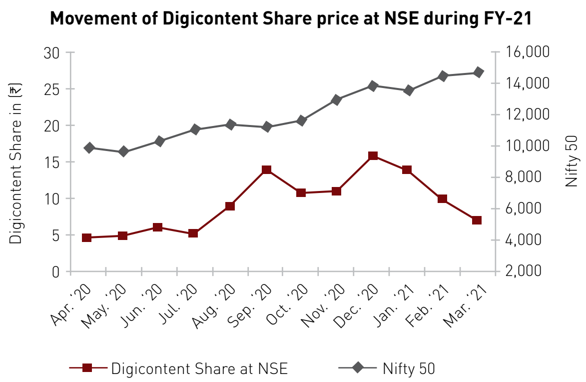
The ISIN of the Equity Shares of the Company is 'INE03JI01017'.

STOCK PRICE DATA

Month	BSE				NSE			
	DGCONTENT		SENSEX		DGCONTENT		NIFTY 50	
	High (in ₹)	Low (in ₹)	High	Low	High (in ₹)	Low (in ₹)	High	Low
Apr'20	4.70	3.80	33,887.25	27,500.79	4.85	3.85	9,889.05	8,055.80
May'20	5.67	4.60	32,845.48	29,968.45	5.65	4.25	9,598.85	8,855.30
Jun'20	6.42	4.74	35,706.55	32,348.10	6.40	4.75	10,553.15	9,706.95
Jul'20	8.48	5.15	38,617.03	34,927.20	8.65	5.30	11,341.40	10,299.60
Aug'20	9.56	5.45	40,010.17	36,911.23	10.40	5.05	11,794.25	10,882.25
Sep'20	15.03	7.97	39,359.51	36,495.98	14.35	7.90	11,618.10	10,790.20
Oct'20	14.00	10.39	41,048.05	38,410.20	14.85	10.15	12,025.45	11,347.05
Nov'20	11.56	9.28	44,825.37	39,334.92	11.45	9.55	13,145.85	11,557.40
Dec'20	15.65	10.80	47,896.97	44,118.10	15.70	10.75	14,024.85	12,962.80
Jan'21	17.20	12.80	50,184.01	46,160.46	17.25	12.75	14,753.55	13,596.75
Feb'21	17.04	9.74	52,516.76	46,433.65	16.95	9.85	15,431.75	13,661.75
Mar'21	9.72	6.77	51,821.84	48,236.35	9.80	6.85	15,336.30	14,264.40

Performance in comparison to broad-based indices (month-end closing)





Distribution of shareholding by size as on March 31, 2021

No. of Equity Shares held	No. of Shareholders	% of total no. of Shareholders	No. of Equity Shares held	% of total no. of Shares
Upto 500	25,400	94.65	15,06,397	2.59
501 – 1,000	571	2.13	4,40,375	0.76
1,001 – 5,000	653	2.43	14,41,579	2.48
5,001 – 10,000	85	0.32	6,03,246	1.04
10,001 & above	126	0.47	5,41,95,481	93.14
TOTAL	**26,835**	**100.00**	**5,81,87,078**	**100.00**

Note: Pursuant to SEBI's circular, shareholding is consolidated on the basis of PAN. Accordingly, number of shareholders stand reduced from 27,787 to 26,835.

Category of Shareholders as on March 31, 2021

Category	No. of Equity Shares held	% of Shareholding
Promoter & Promoter Group (A)	**4,04,44,271**	**69.51**
Public Shareholding (B)		
Banks, Financial Institutions and Insurance Companies	26,369	0.05
Foreign Institutional Investors (FIIs)	17,11,749	2.94
Non-Resident Indians	1,86,545	0.32
Bodies Corporate (Indian & Foreign)	36,92,864	6.35
Public	1,15,43,919	19.84
Clearing members	55,076	0.09
HUF	3,58,925	0.62
Others (Trusts, AIF etc.)	60	0.00
IEPF	2,643	0.00
Total Public Shareholding (B)	**1,75,78,150**	**30.21**
Non Promoter – Non Public(C)		
Trustee of HT Media Employee Welfare Trust	1,64,657	0.28
Total Shareholding (A+B+C)	**5,81,87,078**	**100.00**

Dematerialization of Shares and liquidity as on March 31, 2021

Category	No. of Equity Shares held	% of Shareholding
Shares held in Demat form	5,81,86,241	99.9999
Shares held in Physical form	837	0.0001
TOTAL	**5,81,87,078**	**100.0000**

Equity Shares in the Unclaimed Suspense Account:

Details of equity shares lying in Unclaimed Suspense Account are as follows:

Particulars	Issued in Demat form	
	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and outstanding shares in the unclaimed suspense account lying as on 01.04.2020	0	0
Number of shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year	0	0
Number of shareholders to whom shares were transferred from unclaimed suspense account during the year	0	0
Aggregate number of shareholders and outstanding shares in the unclaimed suspense account lying as on 31.03.2021	2	112*

*112 nos. equity shares were transferred to Unclaimed suspense account on March 18, 2021

Note: The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Number of outstanding GDRs/ADRs/Warrants or any convertible instruments

No GDRs/ADRs/Warrants or any convertible instruments have been issued by the Company during FY-21.

Commodity price risk or foreign exchange risk and hedging activities

The Company had no exposure to commodity risk or foreign exchange risk and hedging activities during the period under review.

Plant Locations

The Company did not carry out any manufacturing activity during the year under review.

Address for correspondence

Company Secretary
Digicontent Limited
Hindustan Times House (2nd Floor)
18-20, Kasturba Gandhi Marg
New Delhi - 110 001
Tel: + 91 - 11 - 6656 1234
Fax: + 91 - 11 - 6656 1445
Email: investor@digicontent.co.in
Website: www.digicontent.co.in

Compliance Officer

Mr. Vikas Prakash, Company Secretary
Tel: + 91 -11 - 6656 1234

Registrar and Share Transfer Agent

KFin Technologies Private Limited
Selenium Tower B, Plot No.31 & 32
Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad – 500032 (Telangana)
Toll Free No.: 1800-309-4001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

Company Registration Details

The Company is registered with the office of Registrar of Companies, Delhi. The Corporate Identification Number allotted to the Company by the Ministry of Corporate Affairs is L74999DL2017PLC322147.

Compliance Certificate

Certificate dated June 15, 2021 of RMG & Associates, Company Secretaries, regarding compliance of conditions of 'Corporate Governance' as stipulated under Schedule V of SEBI Listing Regulations, is annexed to the Board's Report.

Nomination facility

In terms of Section 72 of the Act, shareholders holding shares in demat and/or physical form may, in their own interest, register their nomination with Depository Participant or R&T Agent of the Company, as the case may be.

Trading Suspension

During the year under review, the securities of the Company were not suspended from Trading by SEBI and/or stock exchanges.

ANNEXURE-I TO REPORT ON CORPORATE GOVERNANCE

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Digicontent Limited
(CIN: L74999DL2017PLC322147)
Hindustan Times house, 2nd Floor
18-20, Kasturba Gandhi Marg
New Delhi -110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Digicontent Limited having its Registered Office at Hindustan Times House, 2nd Floor, 18-20, Kasturba Gandhi Marg, New Delhi -110001 (hereinafter referred to as "the Company") produced before us by the Company for the purpose of issuing this certificate, in pursuance of Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary by us and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of Directors of the Company, as stated below, for the financial year ended March 31, 2021, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment
1.	Mr. Priyavrat Bhartia	00020603	14/08/2017
2.	Mr. Praveen Someshwar	01802656	29/03/2019
3.	Mr. Ajay Kumar Relan	00002632	18/04/2019
4.	Mr. Vivek Mehra	00101328	18/04/2019
5.	Ms. Suchitra Rajendra	07962214	18/04/2019
6.	Mr. Dinesh Mittal	00105769	12/03/2020

Ensuring the eligibility for the appointment / continuity of a Director on the Board of Directors of the Company is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **RMG & Associates**
Company Secretaries
Firm Registration No. P2001DE16100
Peer Review No. : 734 / 2020

Sd/-
CS Manish Gupta
Partner
FCS: 5123;
C.P. No.: 4095

Date: June15, 2021
Place: New Delhi
UDIN: F005123C000468003

ANNEXURE-II TO REPORT ON CORPORATE GOVERNANCE

Declaration of Compliance with 'Code of Conduct' of the Company

I, Puneet Jain, Chief Executive Officer of the Company, do hereby confirm that all the Board members and Senior Management Personnel of the Company have complied with the 'Code of Conduct' during the financial year 2020-21.

This declaration is based on and is in pursuance of the individual affirmations received from the Board members and Senior Management Personnel of the Company.

Place: New Delhi
Date: May 20, 2021

(Puneet Jain)
Chief Executive Officer

Independent Auditor's Report

To the Members of **Digicontent Limited**

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of Digicontent Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the 'Basis for Qualified opinion' section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note 37 to the standalone financial statements, which explains that the Company, basis the financial information as per its last audited financial statements for the year ended 31 March 2020, holds not less than 90% of its net assets in the form of investment in equity shares and loans in/ to group companies and its investments in the equity shares in the group companies constitute not less than 60% of its net assets. However, as per the aforesaid financial statements, the Company did not satisfy the income criterion of principal business criteria as defined by the Reserve Bank of India ('RBI') of being classified as a Non-banking Financial Company (NBFC). Further, till 31 March 2020, the Company did not carry on any other financial activity referred to in Section 45I(c) and 45I (f) of the Reserve Bank of India Act, 1934. In this context, the status of the Company is under discussion with RBI i.e. whether it is a NBFC since it does not satisfy the income criterion of principal business criteria and further whether it should be registered as a Systemically Important Core Investment Company (SI-CIC) as per the conditions as stated in the Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, as amended ('Regulations') issued by the RBI, since it holds total assets of not less than Rs.100 crore and holds public funds as at 31 March 2020.

The Company has filed various letters with the RBI and provided unaudited provisional Balance sheet and Income statement as at 31 December 2020 and 31 January 2021 along with audited financial statements of 31 March 2020 and explanations, wherein it has stated that it need not be registered as a NBFC and SI-CIC since it does not meet the criteria as per the financial statements for the year ended 31 March 2020. However, RBI vide letter dated 23 March 2021, has stated that it appears that the Company qualifies to be a NBFC and it is required to apply for certificate of registration as a NBFC or merge with another NBFC/ non-financial company or wind up the business of NBFC. The Management is of the view that the RBI has not fully considered the Company's contentions as detailed in various letters submitted earlier with the RBI, before arriving at the conclusion. The Company vide letter dated 9 June 2021, has submitted its representation to the RBI, wherein, the Company has reiterated that the Company does not fulfil principal business criteria to be classified as a NBFC or register as a SI-CIC and in any case the Company has drawn up a scheme of merger for merging the Company and its two other fellow subsidiary companies with HT Media Limited (a Non-Financial Company and a fellow subsidiary) for which the scheme has been approved by the Board of Directors in February 2021 and filed with the stock exchanges in March 2021 for approval.

Pending resolution of this matter, we are unable to comment on the impact thereof, if any, on the standalone financial statements for the year ended 31 March 2021.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 qualified opinion on the Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters and apart from matter considered in 'Basis for Qualified Opinion' section, below is the Key Audit Matter.

Description of Key Audit Matter

Impairment assessment of Investment in subsidiary

See note 5 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has identified investment in its wholly owned subsidiary company ('HTDS') of ₹ 17,580 Lakhs as a separate cash generating unit ('CGU'). The Company has performed an impairment assessment on its investment in subsidiary as at 31 March 2021. The recoverable amount of the CGU which is based on value in use ('VIU'), has been derived from discounted cash flow model. The model uses several key assumptions. Considering the inherent uncertainty, complexity and judgment involved and the significance of the value of the assets, impairment assessment of the above mentioned assets has been considered as a key audit matter.	Our audit procedures included: - Tested design, implementation and operating effectiveness of key controls over the impairment assessment process. - We assessed the value in use (VIU) as determined by the Company as under: • Assessed the method of determining VIU and key assumptions used therein through historical information, budgets / projections, externally derived data and other relevant information. • Challenged the key assumptions within the build up and methodologies used by the Company. • Assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions. • Compared the implied multiple arising from the VIU to the market multiples. • Involved our internal specialists to assist us in performing above mentioned procedures, to the extent applicable.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our qualified opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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. As described in the Basis for Qualified Opinion section above, pending resolution of the matter with RBI, we are unable to comment on the impact thereof, if any, on the standalone financial statements for the year ended 31 March 2021. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

   b) Except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section above, 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) Except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e) The matter described in the 'Basis for Qualified Opinion' section above, and our observations on the achievement of the objectives of the internal control criteria as explained in our separate report in 'Annexure B' in our opinion, may have an adverse effect on the functioning of the Company.

   f) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the "Basis for Qualified Opinion" section above.

   h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

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

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

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

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

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

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

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

Rajesh Arora
Partner
Membership No. 076124
UDIN:21076124AAAABU4281

Place:Gurugram
Date:15 June 2021

Annexure A

referred to in our Independent Auditor's Report to the members of Digicontent Limited on the standalone financial statements for the year ended 31 March 2021

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets (i.e. property, plant and equipment).

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification by management is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified during the year. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the Company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.

(ii) The Company is in the business of providing advertisement services and does not hold inventories. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company had granted loan in the previous year to a company covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:

a) The terms and conditions of the grant of such loan are not prejudicial to the Company's interest;

b) The schedule of repayment of principal and payment of interest has been stipulated. The loan has been repaid in the financial year ended 31 March 2021; and

c) There is no amount overdue for more than 90 days in respect of the above mentioned loan.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loans given or investments made by the Company which are not in compliance with Section 185 and 186 of the Companies Act, 2013. There are no guarantees given or securities provided by the Company as specified under Section 185 and 186 of the Companies Act, 2013.

(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013, for any of the services rendered by the Company. Accordingly. Paragraph 3(vi) of the Order is not applicable to the Company.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, GST, cess, and other statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, GST, value added tax and duty of customs which have not been deposited by the Company with the appropriate authorities on account of any dispute as at 31 March 2021.

(viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans and borrowings from financial institutions, banks and government and has not issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no directors to whom remuneration is paid/payable in accordance with the provisions of Section 197 of the Act. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

(xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the current year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

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

(xvi) Attention is invited to the Basis for Qualified Opinion section of our Audit Report on the standalone financial statements for the year ended 31 March 2021 wherein it is explained that Reserve Bank of India ('RBI') vide letter dated 23 March 2021, has stated that it appears that the Company qualifies to be a NBFC and that it is required to apply for certificate of registration as a NBFC or merge with another NBFC/non-financial company or wind up the business of NBFC. The Management is of the view that the RBI has not considered Company's contentions, as detailed in various letters submitted earlier with the RBI (where in the Company had stated that it need not be classified as a NBFC or register as a Systemically Important CIC since it does not fulfil the principal business criteria of being classified as NBFC. The Company vide letter dated 9 June 2021, has submitted its representation to the RBI, wherein, the Company has reiterated that the Company does not fulfil principal business criteria to be classified as a NBFC or register a SI-CIC and in any case, the Company has drawn up a scheme of merger for merging the Company and its two other fellow subsidiary companies with HT Media Limited (a Non-Financial Company and a fellow subsidiary) for which the scheme has been approved by the Board of Directors in February 2021 and filed with the stock exchanges in March 2021 for approval. Pending resolution of this matter, we are unable to comment on the impact thereof, if any, on the standalone financial statements for the year ended 31 March 2021.

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

Rajesh Arora
Partner
Membership No. 076124
UDIN:21076124AAAABU4281

Place:Gurugram
Date:15 June 2021

Annexure B

to the Independent Auditor's report on the standalone financial statements of Digicontent Limited for the year ended 31 March 2021

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

(Referred to in paragraph 2(A)(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Qualified Opinion

We have audited the internal financial controls with reference to financial statements of Digicontent Limited ("the Company") as of 31 March 2021in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, except for the possible effects of the material weakness described below on the achievement of the objectives of the control criteria, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

We have considered the material weakness identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements for the year ended 31 March 2021 of the Company, and this material weakness has affected our opinion on the said standalone financial statements of the Company and we have issued a qualified audit opinion on the said standalone financial statements.

Basis for Qualified Opinion

As explained in note 37 to the standalone financial statements and the Basis for Qualified Opinion section of our Audit Report on the standalone financial statements for the year ended 31 March 2021, the status of the Company i.e. whether it is a NBFC and also a Systemically Important Core Investment Company (SI-CIC) is under discussion with Reserve Bank of India ('RBI'). The Company has submitted various letters with RBI and provided explanations, wherein it has stated that it need not be classified as NBFC and register as a SI-CIC since it does not meet the principal business criteria as at 31 March 2020. However, RBI vide letter dated 23 March 2021, has stated that it appears that the Company qualifies to be a NBFC and it is required to apply for certificate of registration as a NBFC or merge with another NBFC/non-financial company or wind up the business of NBFC. The Company vide letter dated 9 June 2021, has submitted its representation to the RBI, wherein, the Company has reiterated that the Company does not fulfil principal business criteria to be classified as a NBFC or register as a SI-CIC and in any case, the Company has filed drawn up a scheme of merger for merging the Company and its two other fellow subsidiary companies with HT Media Limited (a Non-Financial Company and a fellow subsidiary) for which the scheme has been approved by the Board of Directors in February 2021 and filed with the stock exchanges in March 2021 for approval.

The above represents a material weakness since the Company did not have an appropriate internal control system in respect to compliance with the requirements of the Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, as amended ('Regulations') issued by the RBI which could potentially result non-compliance with applicable laws and regulations.

Pending resolution of this matter, we are unable to comment on the impact thereof, if any, on the standalone financial statements for the year ended 31 March 2021.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Rajesh Arora
Partner
Membership No. 076124
UDIN:21076124AAAABU4281

Place:Gurugram
Date:15 June 2021

Balance sheet

as at March 31, 2021

₹ Lakhs

	Note	As at March 31, 2021	As at March 31, 2020
I ASSETS			
1) Non-current assets			
(a) Property, plant and equipment	3	-	1
(b) Intangible assets	4	6	13
(c) Investment in subsidiaries	5	17,580	17,580
(d) Financial assets			
(i) Investments	6A	5	-
(ii) Other financial assets	9A	530	-
(e) Income tax assets (net)	11	66	50
Total Non- current assets		**18,187**	**17,644**
2) Current assets			
(a) Financial assets			
(i) Trade receivables	7	37	143
(ii) Cash and cash equivalents	8A	25	630
(iii) Bank balances other than (ii) above	8B	-	-
(iv) Loans	6B	1	1,851
(v) Other financial assets	9A	1,590	209
(b) Contract assets	9B	7	12
(c) Other current assets	10	63	10
Total current assets		**1,723**	**2,855**
TOTAL ASSETS		**19,910**	**20,499**
II EQUITY AND LIABILITIES			
1) Equity			
(a) Equity share capital	12	1,164	1,164
(b) Other equity	13	7,426	9,032
Total equity		**8,590**	**10,196**
2) Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	8,000	8,000
(ii) Other financial liabilities	16	2,973	1,916
(b) Provisions	18	12	52
Total non- current liabilities		**10,985**	**9,968**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	15	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	287	146
(ii) Other financial liabilities	16	33	143
(b) Other current liabilities	17	12	40
(c) Provisions	18	3	6
Total current liabilities		**335**	**335**
Total liabilities		**11,320**	**10,303**
TOTAL EQUITY AND LIABILITIES		**19,910**	**20,499**
Summary of significant accounting policies	2		

See accompanying notes to the standalone financial statements.

In terms of our report of even date attached

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

Rajesh Arora
Partner
Membership No. 076124

For and on behalf of the Board of Directors of Digicontent Limited

Vikas Prakash
Company Secretary

Ajay Sivaraman Nair
Chief Financial Officer

Puneet Jain
Chief Executive Officer

Praveen Someshwar
Director
(DIN: 01802656)

Dinesh Mittal
Director
(DIN: 00105769)

Place: Gurugram
Date: June 15, 2021

Place: New Delhi
Date: June 15, 2021

Statement of Profit and Loss

for the year ended March 31, 2021

₹ Lakhs

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
I Income			
a) Revenue from operations	20	109	1,560
b) Other income	21	179	211
Total Income		**288**	**1,771**
II Expenses			
a) Employee benefits expense	22	373	1,109
b) Finance costs	23	1,114	1,006
c) Depreciation and amortisation expense	24	9	20
d) Other expenses	25	426	577
Total Expenses		**1,922**	**2,712**
III Loss before tax (I-II)		**(1,634)**	**(941)**
IV Earnings before interest, tax, depreciation and amortization (EBITDA) [III+II(b)+II(c)]		**(511)**	**85**
V Income tax expense			
Current tax	19	-	-
Deferred tax charge	19	-	133
Total tax expense		**-**	**133**
VI Loss for the year and attributable to owners after tax (III-V)		**(1,634)**	**(1,074)**
VII Other comprehensive income			
Items that will not to be reclassified to profit or loss	26		
Remeasurement gain/(loss) on defined benefit plans		28	(3)
Income tax effect		-	-
Other comprehensive income/(loss) for the year and attributable to owners, net of tax		**28**	**(3)**
VIII Total comprehensive loss for the year and attributable to owners, net of tax(VI+VII)		**(1,606)**	**(1,077)**
IX Loss per share (INR)	27		
Basic (Nominal value of share INR 2/-)		(2.81)	(1.85)
Diluted (Nominal value of share INR 2/-)		(2.81)	(1.85)
Summary of significant accounting policies	2		

See accompanying notes to the standalone financial statements.

In terms of our report of even date attached

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

Rajesh Arora
Partner
Membership No. 076124

For and on behalf of the Board of Directors of Digicontent Limited

Vikas Prakash
Company Secretary

Ajay Sivaraman Nair
Chief Financial Officer

Puneet Jain
Chief Executive Officer

Praveen Someshwar
Director
(DIN: 01802656)

Dinesh Mittal
Director
(DIN: 00105769)

Place: Gurugram
Date: June 15, 2021

Place: New Delhi
Date: June 15, 2021

Statement of Cash Flows

for the year ended March 31, 2021

₹ Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities:		
Loss before tax:	**(1,634)**	**(941)**
Adjustments for:		
Interest income from deposits	(39)	(40)
Depreciation and amortisation expense	9	20
Interest cost on borrowings	1,114	1,006
Unclaimed balances/liabilities written back	-	(6)
Interest income from inter- corporate loan given	(140)	(165)
Loss allowance for doubtful debts and advances	14	1
Changes in operating assets and liabilities		
Decrease in trade receivables	91	704
Decrease in current and non-current financial assets and other current and non-current assets	5	1,765
Decrease in current and non-current financial liabilities and other current and non-current liabilities and provisions	(10)	(106)
Cash (used)/generated from operations	**(590)**	**2,238**
Income taxes paid	(16)	(48)
Net cash (used)/generated from operating activities (A)	**(606)**	**2,190**
Cash flows from investing activities:		
Interest received on deposits	19	34
Interest received on inter- corporate loan given	289	16
Inter-corporate deposits given	-	(1,850)
Inter-corporate deposits received	1850	-
Fixed deposits made (original maturity of more than 12 months)	(2,094)	-
Purchase of investments	(5)	-
Purchase of property, plant and equipment	(1)	(1)
Net cash from/(used in) investing activities (B)	**58**	**(1,801)**
Cash flows from financing activities:		
Interest paid	(57)	(100)
Net cash flows used in financing activities (C)	**(57)**	**(100)**
Net increase/ (decrease) in cash and cash equivalents (D= A+B+C)	**(605)**	**289**
Cash and cash equivalents at the beginning of the year (E)	630	341
Cash and cash equivalents at year end (D+E)	**25**	**630**

Statement of Cash Flows

for the year ended March 31, 2021

₹ Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Components of cash & cash equivalents as at end of the year		
Cash and cheques on hand	-	-
Balances with banks		
- on deposit accounts	21	524
- in current accounts	4	106
Statement of cash flows	**25**	**630**

Note : Refer note 14 for debt reconciliation disclosure.

See accompanying notes to the standalone financial statements.

In terms of our report of even date attached

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

Rajesh Arora
Partner
Membership No. 076124

Place: Gurugram
Date: June 15, 2021

For and on behalf of the Board of Directors of Digicontent Limited

Vikas Prakash
Company Secretary

Ajay Sivaraman Nair
Chief Financial Officer

Puneet Jain
Chief Executive Officer

Praveen Someshwar
Director
(DIN: 01802656)

Dinesh Mittal
Director
(DIN: 00105769)

Place: New Delhi
Date: June 15, 2021

Statement of changes in equity

for the year ended March 31, 2021

A. Equity Share Capital (Refer Note 12)

Equity Shares of INR 2 each issued, subscribed and fully paid up

Particulars	Number of shares	Amount (₹ Lakhs)
Balance as at 1 April, 2019	**-**	**-**
Changes in share capital during the year	5,81,87,078	1,164
Balance as at March 31, 2020	**5,81,87,078**	**1,164**
Changes in share capital during the year	-	-
Balance as at March 31, 2021	**5,81,87,078**	**1,164**

B. Shares Pending Issuance (Refer Note 12)

Particulars	Number of shares	Amount (₹ Lakhs)
Balance as at 1 April, 2019	**5,81,87,078**	**1,164**
Change during the year	(5,81,87,078)	(1,164)
Balance as at March 31, 2020	**-**	**-**
Change during the year	-	-
Balance as at March 31, 2021	**-**	**-**

C. Other Equity attributable to equity holders (Refer Note 13)

₹ Lakhs

Particulars	Retained earnings	Capital Reserve	Total
Balance as at 1 April, 2019	**(594)**	**10,703**	**10,109**
Profit/(loss) for the year	(1,074)	-	(1,074)
Items of other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligation, net of tax	(3)	-	(3)
Balance as at March 31, 2020	**(1,671)**	**10,703**	**9,032**
Profit/(loss) for the year	(1,634)	-	(1,634)
Items of other comprehensive income recognised directly in retained earnings		-	
- Remeasurements of post-employment benefit obligation, net of tax	28	-	28
Balance as at March 31, 2021	**(3,277)**	**10,703**	**7,426**

See accompanying notes to the standalone financial statements.

In terms of our report of even date attached

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

Rajesh Arora
Partner
Membership No. 076124

For and on behalf of the Board of Directors of Digicontent Limited

Vikas Prakash
Company Secretary

Ajay Sivaraman Nair
Chief Financial Officer

Puneet Jain
Chief Executive Officer

Praveen Someshwar
Director
(DIN: 01802656)

Dinesh Mittal
Director
(DIN: 00105769)

Place: Gurugram
Date: June 15, 2021

Place: New Delhi
Date: June 15, 2021

Notes to the standalone financial statements

for the year ended March 31, 2021

1. Corporate information

Digicontent Limited ("DCL" or "the Company"), is company domiciled in India and incorporated on 14 August, 2017 under the provisions of the Companies Act, 2013.

Pursuant to Scheme of Arrangement ('the Scheme') between the Company and HT Media Limited (HTML) and their respective creditors and shareholders, the "Entertainment & Digital Innovation Business" of HTML along with its related assets and liabilities, and the related strategic investment in HT Digital Streams Limited (HTDS) has been transferred to the Company upon the sanction of the Scheme by Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench vide order dated 7 March, 2019 (certified copy received by the Company on 27 March, 2019) ("the order"). The certified copy of the order sanctioning the Scheme has been filed with the Registrar of the companies, NCT of Delhi and Haryana on April 05, 2019. Accordingly, the scheme has been given effect from March 31, 2018 (closing business hours) i.e. Appointed Date.

"Entertainment & Digital Innovation Business" includes the following-

Fever Audio Tool	Carries out: • Aggregation and creation of audio and multi-screen videos • Audio feed which plays music inside across various stores • Distribution of in-house creative and niche celeb based content to mobile and digital users
Desi Martini	Carries out internet related business for providing movie reviews and ratings in the name of www.desimartini.com
Photo Library	Maintains Repository of the copyrighted images
Brand Promotion	• Carries out media tool to build, promote and amplify brand communication • Covers various brand activities like events, promotions, parties, campaigns, product launches across various HT Media Platforms Abandoned during the year due to decline in the demand for advertisement campaigns/ content service.

The registered office of the Company is located at 18-20, K.G. Marg, New Delhi-110001.

Information on related party relationship of the Company is provided in Note 30 and 30A.

The financial statements of the Company for the year ended March 31, 2021 are authorised for issue in accordance with a resolution of the Board of Directors on June 15, 2021.

2. Significant accounting policies followed by company

2.1 Basis of preparation

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

The accounting policies are applied consistently to all the periods presented in the financial statements.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

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

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

Notes to the standalone financial statements

for the year ended March 31, 2021

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 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 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.

Notes to the standalone financial statements

for the year ended March 31, 2021

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

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

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

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

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

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

d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured based on the transaction price, which is the consideration, adjusted for allowances, trade discounts, volume rebates, if any, as specified in the contract with the customer. Revenue excludes taxes collected from customers. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Goods and Services Tax (GST)/ Service Tax is 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.

Contract asset and unbilled receivables

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

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

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

The specific recognition criteria described below must also be met before revenue is 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 as and when advertisement is published/ displayed. Unearned revenues are reported on the balance sheet as deferred revenue/ contract liability..

Notes to the standalone financial statements

for the year ended March 31, 2021

Revenue from Content Selling

Revenue from Content Selling is recognized as and when the content is published/ circulated by the customer.

Brand Promotion

Revenue from Brand Promotion is recognized as and when the content is published by the customer.

Interest income

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

e) Taxes

Current income tax

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

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

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

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

Appendix C to Ind AS 12, Income Taxes dealing with accounting for uncertainty over income tax treatments does not have any material impact on financial statements of the Company.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the

Notes to the standalone financial statements

for the year ended March 31, 2021

same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

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

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

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

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

Recognition:

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

(a) it is probable that future economic benefits associated with the item will flow to the entity; and

(b) the cost of the item can be measured reliably.

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)
Office Equipment	2-5

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

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

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

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

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

Notes to the standalone financial statements

for the year ended March 31, 2021

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.

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.

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

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	1 - 6

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

h) Borrowing costs

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

i) Leases

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

Company as a lessee

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

Notes to the standalone financial statements

for the year ended March 31, 2021

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

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

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

Company as a lessor

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

j) Employee benefits

Short term employee benefits and defined contribution plans:

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

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on

Notes to the standalone financial statements

for the year ended March 31, 2021

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

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

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

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

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

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

Termination benefits

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.

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.

k) 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

Notes to the standalone financial statements

for the year ended March 31, 2021

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.

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.

l) Investments in subsidiaries

An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee.

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, an investor controls an investee if and only if the investor has all the following:

(a) power over the investee;

(b) exposure, or rights, to variable returns from its involvement with the investee and

(c) the ability to use its power over the investee to affect the amount of the investor's returns.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Company has elected to recognize its investments in subsidiary companies at cost in accordance with the option available in Ind-AS 27, 'Separate Financial Statements'. Except where investments accounted for at cost shall be accounted for in accordance with Ind-AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

Investment carried at cost will be tested for impairment as per Ind-AS 36.

m) 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

Notes to the standalone financial statements

for the year ended March 31, 2021

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.

n) 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.

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 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.

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.

Notes to the standalone financial statements

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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 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 recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the 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 designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

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

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

Notes to the standalone financial statements

for the year ended March 31, 2021

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the ElR 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 ElR amortization is included as finance costs in the Statement of Profit and Loss. 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.

o) Cash and cash equivalents

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

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

Cash flows from operating activities are being prepared as per the Indirect method mentioned in Ind AS 7.

p) 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.

q) Earnings per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:

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

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes to the standalone financial statements

for the year ended March 31, 2021

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 Judgement are as below:

Taxes

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

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

Defined benefit plans

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

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

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

Further details about gratuity obligations are given in Note 28.

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

Notes to the standalone financial statements

for the year ended March 31, 2021

Impairment of non- financial assets

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

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 3 : Property, plant and equipment

₹ Lakhs

Particulars	Office equipments	Total
Cost		
As at 1 April, 2019	**3**	**3**
As at March 31, 2020	**3**	**3**
As at March 31, 2021	**3**	**3**
Accumulated depreciation/ Impairment		
As at 1 April, 2019	**1**	**1**
Charge for the year	1	1
As at March 31, 2020	**2**	**2**
Charge for the year	1	1
As at March 31, 2021	**3**	**3**
Net block		
As at March 31, 2021	**-**	**-**
As at March 31, 2020	**1**	**1**

Note 4 : Intangible assets

₹ Lakhs

Particulars	Software Licenses	Total
Gross carrying amount		
As at 1 April, 2019	**62**	**62**
As at March 31, 2020	**62**	**62**
As at March 31, 2021	**62**	**62**
Accumulated amortisation		
As at 1 April, 2019	**29**	**29**
Charge for the year	19	19
As at March 31, 2020	**48**	**48**
Charge for the year	8	8
As at March 31, 2021	**56**	**56**
Net carrying amount		
As at March 31, 2021	**6**	**6**
As at March 31, 2020	**13**	**13**

Note 5 : Investment in subsidiaries

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Investment in subsidiary (at cost)		
Unquoted		
HT Digital Streams Limited	17,580	17,580
200.50 Lakhs (previous Year 200.50 Lakhs) equity shares of INR 10/- each fully paid up		
Total (A)	**17,580**	**17,580**
Provision for impairment in value of investment (B)	**-**	**-**
Total investment in subsidiary (A) - (B)	**17,580**	**17,580**

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 5 : Investment in subsidiaries (Contd..)

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Current	-	-
Non - Current	17,580	17,580
Aggregate book value of unquoted investments	**17,580**	**17,580**
Aggregate amount of impairment in value of investments	**-**	**-**

Financial Assets

Note 6A : Investments

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Investments at Fair Value through OCI		
Quoted		
Investment in equity instruments	5	-
Total investments	**5**	**-**
Current	-	-
Non - Current	5	-
Aggregate book value of quoted investments	**5**	**-**
Aggregate market value of quoted investments	**5**	**-**

Note 6B : Loans

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Security deposit	1	1
Inter- corporate loan given (refer note 30A)	-	1,850
Total Loans	**1**	**1,851**
Current	**1**	**1,851**
Non - Current	**-**	**-**

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Secured, considered good	-	-
Unsecured, considered good	1	1,851
Total	**1**	**1,851**

Note 7 : Trade receivables

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Trade receivables	116	142
Receivables from related parties (refer note 30A)	-	74
Expected credit loss	(79)	(73)
Total	**37**	**143**
Current	**37**	**143**
Non - Current	**-**	**-**

Notes to the standalone financial statements
for the year ended March 31, 2021

Note 7 : Trade receivables (Contd..)

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Secured, considered good	-	-
Unsecured, considered good	37	143
Unsecured, considered doubtful	79	73
Total	**116**	**216**
Expected credit loss	(79)	(73)
Total Trade receivables	**37**	**143**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

Note 8A: Cash and cash equivalents

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Balance with banks :		
- On current accounts	4	106
- Deposits with original maturity of less than three months	21	524
Total	**25**	**630**

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

Note 8B : Other bank balance

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Bank balances other than (8A) above		
- Unclaimed dividend account*	-	-
Total	**-**	**-**

*INR 10,460/- balance in unclaimed dividend account for the year ended March 31, 2021 and March 31, 2020 has been rounded off to Nil.

*These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

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

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Balance with banks :		
- On current accounts	4	106
- Deposits with original maturity of less than three months	21	524
	25	**630**

Notes to the standalone financial statements
for the year ended March 31, 2021

Note 9A: Other financial assets

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Balance on deposit accounts (More than 12 months maturity)	2,094	-
Interest accrued on inter-company deposits (refer note 30A)	-	149
Interest accrued on bank deposits	26	6
Unbilled revenue (refer note 30A)	-	54
Total	**2,120**	**209**
Current	**1,590**	**209**
Non - Current	**530**	**-**

Break up of financial assets carried at amortised cost

₹ Lakhs

	March 31, 2021	March 31, 2020
Trade receivables (Note 7)	37	143
Cash and cash equivalents (Note 8A)	25	630
Other bank balances (Note 8B)	-	-
Other financial assets (Note 9A)	2,120	209
Loans (Note 6)	1	1,851
Total financial assets carried at amortised cost	**2,183**	**2,833**

Note 9B: Contract assets

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Income accrued but not due	7	12
Total	**7**	**12**
Current	**7**	**12**
Non - Current	**-**	**-**

*Amount billed during FY 2020-2021 from contract assets at the beginning of the year is ₹ 12 lakhs. Balance of ₹ 7 Lacs as at March 31, 2021 pertains to current year transactions.

Note 10: Other current assets

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Advances given	1	4
Prepaid expenses	5	1
Balance with statutory/government authorities	57	5
Total	**63**	**10**

Note 11 : Income tax assets (net)

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Income tax assets (net)	66	50
Total	**66**	**50**
Current	**-**	**-**
Non-Current	**66**	**50**

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 12 : Share Capital

Authorised Share Capital

Particulars	Number of shares	Amount (₹ Lakhs)
At April 1, 2019	**50,000**	**1**
Increase/(decrease) during the year	5,99,50,000	1,199
As at March 31, 2020	**6,00,00,000**	**1,200**
Increase/(decrease) during the year	-	-
As at March 31, 2021	**6,00,00,000**	**1,200**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of INR 2 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.

Shares Pending Issuance

Equity shares of INR 2 each issued, subscribed and fully paid	Number of shares	Amount (₹ Lakhs)
At April 1, 2019	**5,81,87,078**	**1,164**
Changes during the year (refer note 29)	(5,81,87,078)	(1,164)
As at March 31, 2020	**-**	**-**
Changes during the year	-	-
As at March 31, 2021	**-**	**-**

Issued and subscribed capital

Equity shares of INR 2 each issued, subscribed and fully paid

Particulars	Number of shares	Amount (₹ Lakhs)
At April 1, 2019	**-**	**-**
Changes during the year (refer note 29)	5,81,87,078	1,164
As at March 31, 2020	**5,81,87,078**	**1,164**
Changes during the year	-	-
As at March 31, 2021	**5,81,87,078**	**1,164**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount (₹ Lakhs)	Number of shares	Amount (₹ Lakhs)
Shares outstanding at the beginning of the year	5,81,87,078	1,164	-	-
Shares Issued during the year	-	-	5,81,87,078	1,164
Shares outstanding at the end of the year	**5,81,87,078**	**1,164**	**5,81,87,078**	**1,164**

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 12 : Share Capital (Contd..)

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

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

Particulars	As at March 31, 2021	As at March 31, 2020
The Hindustan Times Limited, the holding company		
4,04,44,271 (March 31, 2020- 4,04,38,621) equity shares of INR 2 each fully paid	809	809

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% holding	Number of shares	% holding
Equity shares of INR 2 each fully paid				
The Hindustan Times Limited, the holding company	4,04,44,271	69.5%	4,04,38,621	69.5%

As per records of the Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Note 13: Other equity

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Retained earnings	(3,277)	(1,671)
Capital reserve	10,703	10,703
Total	**7,426**	**9,032**

Retained earnings

₹ Lakhs

Particulars	Amount
At April 1, 2019	**(594)**
Net loss for the year	(1,074)
Add: Items of other comprehensive income recognised directly in retained earnings	
- Remeasurements of defined benefits obligation, net of tax	(3)
As at March 31, 2020	**(1,671)**
Net loss for the year	(1,634)
Add: Items of other comprehensive income recognised directly in retained earnings	
- Remeasurements of defined benefits obligation, net of tax	28
As at March 31, 2021	**(3,277)**

Capital reserve*

₹ Lakhs

Particulars	Amount
At April 1, 2019	**10,703**
As at March 31, 2020	**10,703**
As at March 31, 2021	**10,703**

*In relation to common control acquisition of entertainment & digital business from HT Media Limited.

Notes to the standalone financial statements
for the year ended March 31, 2021

Note 14 : Borrowings

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Non- current borrowings		
Unsecured		
Inter corporate deposit (note below) (refer note 30A and 33)	8,000	8,000
Aggregate Secured Loans	**-**	**-**
Aggregate Unsecured Loans	**8,000**	**8,000**

Intercompany loan from HT Media Limited was drawn in various tranches INR 7700 Lakhs on December 28, 2017 & INR 300 Lakhs on March 28, 2018 and are due for repayment on or before the completion of 60 months from the date of disbursement of loan amount along with an interest of 11% compounded annually.

Debt reconciliation disclosure pursuant to Amendment to Ind-AS 7:

Particulars	Non current borrowings (₹ Lakhs)
As at 1 April, 2019	**8,000**
Change during the year	-
Balance as at March 31, 2020	**8,000**
Change during the year	-
Balance as at March 31, 2021	**8,000**

Note 15: Trade payables

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 31)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
- payable to related parties (refer note 30A)	175	31
- Payable to others	112	115
Other than micro enterprises and small enterprises	**287**	**146**
Total	**287**	**146**
Current	**287**	**146**
Non- Current	**-**	**-**

Note 16 : Other financial liabilities

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
I. Other financial liabilities at amortised cost		
Interest accrued but not due on borrowings and others (refer note 30A)	2,973	1,916
Unclaimed dividend*	-	-

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 16 : Other financial liabilities (Contd..)

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Other payables	33	143
Total	**3,006**	**2,059**
Current	**33**	**143**
Non- Current	**2,973**	**1,916**

*INR 10,460/- payable to inventor education and protection fund for the year ended March 31, 2021 and March 31, 2020 has been rounded off to Nil.

Break up of financial liabilities carried at amortised cost

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Borrowings (non-current) (Note 14)	8,000	8,000
Trade payables (Note 15)	287	146
Others (Note 16)	3,006	2,059
Total	**11,293**	**10,205**

Note 17 : Other current liabilities

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Statutory dues	10	40
Customers and agents credit balances	2	-
Total	**12**	**40**

Note 18 : Provisions

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits		
Provision for gratuity (refer note 28)	13	53
Provision for compensated absences (refer note 28)	2	5
Total	**15**	**58**
Current	**3**	**6**
Non- Current	**12**	**52**

Note 19 : Deferred tax assets (net)

The major components of income tax expense for the year ended 31 March 2021 are :

Statement of profit and loss :

Profit or loss section

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Current income tax :		
Current income tax charge	-	-
Deferred tax :		
Deferred tax charge	-	133
Income tax expense reported in the statement of profit or loss	**-**	**133**

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 19 : Deferred tax assets (net) (Contd..)

OCI section :

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

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Net loss/(gain) on remeasurements of defined benefit plans		-
Income tax charged to OCI	**-**	**-**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Accounting loss before income tax	(1,634)	(941)
At India's statutory income tax rate of 26%	(425)	(245)
At the effective income tax rate	**(425)**	**(245)**
Non-recognition of deferred tax asset	425	245
On account of reversal of opening deferred tax asset position	-	133
Income tax expense reported in the statement of profit and loss	**-**	**133**

Deferred tax

Reconciliation of deferred tax assets (net):

₹ Lakhs

Particulars	(INR Lakhs)
Balance as at 1 April 2019	**133**
Tax income/(expense) during the period recognised in profit or loss	(133)
Tax income/(expense) during the period recognised in OCI	-
Closing balance as at 31, March 2020	**-**
Tax income/(expense) during the period recognised in profit or loss	-
Tax income/(expense) during the period recognised in OCI	-
Closing balance as at 31, March 2021	**-**

Deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognised in the balance sheet as on 31 March 2021:

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Temporary differences arising on:		
Carried forward business losses [(available for 8 assessment years i.e., from FY 2017-2018 to FY 2028-2029) (for previous year FY 2017-2018 to FY 2027-2028)]	738	307
unabsorbed depreciation (Available for infinite period)	10	7
Provision for doubtful debts and advances (available on write off/collection)	21	19
Differences in depreciation in block of fixed assets as per tax books and financial books (available in due course)	2	3
Effect of expenditure debited to Statement of profit and loss in the period but allowed for tax purposes in following period (available on payment basis)	32	42
Deferred tax Asset (net)	**803**	**378**

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 20 : Revenue from operations

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Sale of services		
- Advertisement revenue	52	1,448
- Airtime sales	57	112
Total	**109**	**1,560**

Note 21 : Other income

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Interest income on EIR method		
- Bank deposit	39	40
- Interest on inter corporate deposit given to subsidiary company (refer note 30A)	140	165
Other non - operating income		
Miscellaneous Income	-	6
Total	**179**	**211**

Note 22 : Employee benefits expense

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Salaries, wages and bonus	351	1,058
Contribution to provident and other funds (refer note 28)	15	39
Gratuity expense (refer note 28)	6	12
Workmen and staff welfare expenses	1	-
Total	**373**	**1,109**

Note 23 : Finance costs

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Interest on borrowings (refer note 30A)	1,114	1,006
Bank charges*	-	-
Total	**1,114**	**1,006**

*INR 6,368/- bank charges for the year ended March 31, 2021 has been rounded off to Nil.

*INR 15,721/- bank charges for the year ended March 31, 2020 has been rounded off to Nil.

Note 24 : Depreciation and amortisation expense

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Depreciation of tangible assets (refer note 3)	1	1
Amortisation of intangible assets (refer note 4)	8	19
Total	**9**	**20**

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 25 : Other expenses

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Advertising and sales promotion	29	110
Communication costs	-	2
Newsservice and dispatches	16	21
Repairs and maintenance:		
Plant and machinery	50	32
Loss allowance for doubtful debts and advances	14	1
Legal and professional fees	163	77
Payment to auditor (refer note I)	13	11
Insurance	6	5
Rent*	49	117
Director's sitting fees	31	20
Travelling and conveyance	33	180
Miscellaneous expenses	22	1
Total	**426**	**577**

*Expenses related to short term leases.

Note I: Payment to auditors

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
As auditor :		
- Audit fee	6	6
- Limited review	4	4
In other capacities :		
- Certification fees	2	-
Reimbursement of expenses	1	1
Total	**13**	**11**

Note 26 : Other comprehensive income

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

During the year ended 31 March 2021

₹ Lakhs

Particulars	Retained earnings	Total
Re- measurement gains(losses) on defined benefit plans	28	28
Income tax relating to items that will not be reclassified to profit or loss	-	-
Total	**28**	**28**

During the year ended 31 March 2020

₹ Lakhs

Particulars	Retained earnings	Total
Re- measurement gains(losses) on defined benefit plans	(3)	(3)
Income tax relating to items that will not be reclassified to profit or loss	-	-
Total	**(3)**	**(3)**

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 27: Earnings per Share (EPS) computation (refer note 29)

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 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	March 31, 2021	March 31, 2020
Loss attributable to equity holders (INR Lakhs)	**(1,634)**	**(1,074)**
Number of outstanding Equity shares for basic and diluted EPS	**5,81,87,078**	**5,81,87,078**
Loss per share for continuing and discontinued operations		
Basic EPS	(2.81)	(1.85)
Diluted EPS	(2.81)	(1.85)

Note 28 : Gratuity

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Gratuity plan	13	53
Total	**13**	**53**
Current	**1**	**1**
Non- Current	**12**	**52**

The Company has a defined benefit gratuity plan in India. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

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

Defined gratuity plan

Changes in the defined benefit obligation as at 31 March 2021:

Present value of Obligation

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Opening Balance	53	46
Current Service Cost	2	8
Interest Expense or cost	4	4
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	3	5
- experience variance (i.e. Actual experience vs. assumptions)	(31)	(2)

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 28 : Gratuity (Contd..)

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Benefits Paid	(7)	(8)
Transfer In/(Out)*	(11)	-
Total	**13**	**53**

*In relation to transfer of employees to fellow subsidiary

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

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
	%	%
Discount Rate	6.15%	6.85%
Salary Growth Rate	6.00%	5.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2006-08
Normal retirement age	58 Years	58 Years
Withdrawal Rate		
Up to 30 years	7.00%	3.00%
31 - 44 years	7.00%	2.00%
Above 44 years	7.00%	1.00%
Mortality Rate	100% IALM 2012-14	100% IALM 2012-14

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Defined Benefit Obligation (Base)	13	53

Impact on defined benefit obligation

₹ Lakhs

Particulars	March 31, 2021		March 31, 2020	
Assumptions	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate (-/+ 1%)	1	(2)	7	(5)
Salary Growth Rate (-/+ 1%)	(2)	1	(6)	7
Attrition Rate (-/+ 50%)	(1)	(1)	(0)	1
Mortality Rate (-/+ 10%)	(1)	1	0	0

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 28 : Gratuity (Contd..)

The sensitivity analysis above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	1	1
Between 2 and 5 years	5	5
Between 6 and 10 years	5	56
Beyond 10 years	14	69
Total expected payments	**25**	**131**

Average duration of the defined benefit plan obligation

Particulars	March 31, 2021	March 31, 2020
Range of duration	16 Years	16 Years

Defined Contribution Plan

Particulars	March 31, 2021	March 31, 2020
Contribution to Provident and Other funds		
Charged to statement of profit and loss	15	39

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 :

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Liability at the beginning of the year	5	17
Benefits paid during the year	(1)	(1)
(Reversed) during the year	(2)	(11)
Liability at the end of the year	**2**	**5**

Note 29:

"The Scheme of Arrangement (Demerger) u/s 230-232 of the Companies Act, 2013 between the Company and HT Media Limited (HTML) and their respective shareholders and creditors (Scheme) for transfer and vesting of the Entertainment & Digital Innovation Business of HTML to and in the Company, as going concern, with effect from March 31, 2018 (closing business hours) i.e. Appointed Date, was sanctioned by the Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench vide order dated March 7, 2019 (the order). Consequent upon filing of the order passed by NCLT with the Registrar of Companies, NCT of Delhi & Haryana on April 5, 2019, the Scheme became effective from the Appointed Date.

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 29: (Contd..)

The Company issued and allotted its 5,81,87,078 equity shares of face value of ₹ 2/- each on April 12, 2019 to the eligible shareholders of HTML.

The aforesaid equity shares were admitted for trading and listed on the stock exchanges i.e. National Stock Exchange of India Limited and BSE Limited on June 18, 2019. These equity shares have also been considered for the purpose of calculation of earnings per share and paid up share capital for the previous year.

Note 30: Related party transactions

i) List of Related Parties and Relationships:-

Parties having direct or indirect control over the Company (Holding Company)	Earthstone Holding (Two) Private Limited (Ultimate controlling party is the Promoter Group)
Holding Company	The Hindustan Times Limited
Subsidiary (with whom transactions have occurred during the year)	HT Digital Streams Limited
Fellow Subsidiaries (with whom transactions have occurred during the year)	HT Media Limited
	Next Radio Limited (w.e.f. April 15, 2019)
Key Managerial Persons (with whom transactions have occurred during the year)	Mr. Ajay Relan (Non-Executive independent Director, w.e.f April 18, 2019)
	Mr. Vivek Mehra (Non-Executive independent Director, w.e.f April 18, 2019)
	Ms. Suchitra Rajendra (Non-Executive independent Director, w.e.f April 18, 2019)

ii) Transactions with related parties

Refer Note 30A

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 (other than Inter-corporate Deposit refer note 6B and note 14).

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 30A : Related party Transactions

₹ Lakhs

Particulars	Holding Company		Subsidiary		Fellow Subsidiary		Key Managerial Personnel (KMP's) / Directors		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Transactions during the year with related parties										
REVENUE TRANSACTIONS										
INCOME										
Service fees received	-	-	-	-	19	1,384	-	-	19	1,384
Share of revenue received on joint sale	-	-	24	38	-	-	-	-	24	38
Interest earned on inter corporate deposit given	-	-	140	165	-	-	-	-	140	165
EXPENSE								-		
Infrastructure support services	-	-			49	116	-	-	49	116
Advertisement expenses, sales promotion	-	-			9	50	-	-	9	50
Interest on Inter corporate deposit taken	-	-			1,114	1,006	-	-	1,114	1,006
Commission charges	-	-	1	1		-	-	-	1	1
Treasury & management support services	-	-	-	-	27	9	-	-	27	9
Non Executive Director's sitting fee and commission	-	-	-	-		-	31	20	31	20
OTHERS										
Reimbursement of expenses incurred on behalf of the company by parties	-	-	41	79	47	3	-	-	88	82
Reimbursement of expenses incurred on behalf of the parties by company	-	-	-	2	-	-	-	-	-	2
Issue of equity share capital	-	809		-		-	-	-	-	809
Inter corporate deposit given by the company	-	-		1,850	-	-	-	-	-	1,850
Inter Corporate Deposit received back	-	-	1,850	-	-	-	-		1,850	-
BALANCE OUTSTANDING										
Investment in Shares (including premium)	-	-	17,580	17,580	-	-	-	-	17,580	17,580
Trade and other receivables (including other financial assets)	-	-	-	-	-	128	-	-	-	128
Trade payables*	-	-	49	29	126	2	-	-	175	31
Inter corporate deposit taken & interest accrued on it	-	-	-	-	10,973	9,916	-	-	10,973	9,916
Inter corporate deposit given & interest accrued on it	-	-	-	1,999		-	-	-	-	1,999

*including amount payable in respect of gratuity obligation (net) in relation to transfer of employees to fellow subsidiary.

Notes to the standalone financial statements

for the year ended March 31, 2021

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

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount	-	-
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 year 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.	-	-

Note 32 : 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, interest accrued on borrowings, less cash and cash equivalents and other bank balances.

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Borrowings (refer Note 14)	8,000	8,000
Interest accrued on borrowings (refer note 16)	2,973	1,916
Less: cash and cash equivalents (refer Note 8A)	(25)	(630)
Less: other bank balance (refer Note 8B)*	-	-
Net debt	**10,948**	**9,286**
Equity & other equity	8,590	10,196
Total capital	**8,590**	**10,196**
Capital and net debt	**19,538**	**19,482**
Gearing ratio	**56%**	**48%**

*INR 10,460/- balance in unclaimed dividend account for the year ended March 31, 2021 (INR 10,460 as at March 31, 2020) has been rounded off to Nil.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 33 : Fair values

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

₹ Lakhs

Particulars	Carrying Value		Fair value		Fair value mechanism Hierarchy level
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	
Financial assets measured at amortised cost					
Balance on deposit accounts (More than 12 months maturity) (refer note 9A)	2,094	-	2,094	-	Level 2***
Financial assets measured at fair value through OCI					
Quoted Equity Investments (refer note 6A)	5	-	5	-	Level 1*
Financial liabilities for measured at amortised cost					
Long term borrowings (refer note 14)	8,000	8,000	8,000	8,000	Level 2**

The management assessed that fair value of trade receivables, cash and cash equivalents, other bank balances, loans given (current), other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

*Investments in quoted equity shares are valued at closing price of stock on recognised stock exchange.

**The fair values of long term interest-bearing borrowings are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk was assessed to be insignificant.

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

Note 34 : Segment Information

The Company operations comprise of only one segment i.e. ""Entertainment & Digital Innovation Business"". The Chief operating decision maker (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".

There are two customers (including related parties) which represent 10% or more of the Company's total revenue with total amounting to ₹ 43 lakhs and ₹ 1,384 lakhs for the year ended March 31, 2021 and March 31, 2020 respectively.

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 35: Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to support its 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.

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. Currently, the Company does not have any foreign currency risk exposure.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no exposure to the risk of changes in market interest since the Company has fixed interest rate debt obligation.

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.

Trade receivables and other financial assets

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 7 and Note 9A. The Company does not hold collateral as security.

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

Financial instruments and cash deposits

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

Liquidity risk

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

No loans will mature in less than one year at March 31, 2021 based on the carrying value of borrowings reflected in the financial statements.

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 35: Financial risk management objectives and policies (Contd..)

The table below summarizes the maturity profile of the Company's financial liabilities-

₹ Lakhs

	With in 1 year	More than 1 years (refer note below)	Total
As at March 31, 2021			
Borrowings (refer note 14)	-	8,000	8,000
Trade and other payables (refer note 15)	287	-	287
Other financial liabilities (refer note 16)	33	2,973	3,006
As at March 31, 2020			
Borrowings (refer note 14)	-	8,000	8,000
Trade and other payables (refer note 15)	146	-	146
Other financial liabilities (refer note 16)	143	1,916	2,059

The outstanding loan of INR 10,973 Lakhs (including interest accrued) from HTML as on 31.3.2021 is payable on 28 December, 2022. There is positive Net Assets Position (after off-setting liability of INR 10,973 Lakhs) of INR 8,590 Lakhs including Investment in HTDSL (100% subsidiary) of INR 17,580 Lakhs as on 31.3.2021.

Note 36 : Disclosure required under section 186(4) of the Companies Act, 2013

Included in loans and advances, loan to subsidiary the particulars of which are disclosed in below as required by Sec 186(4) of Companies Act 2013:

₹ Lakhs

Name of the Loanee	Rate of Interest	Due Date	Secured/ Unsecured	Purpose of Loan	March 31, 2021	March 31, 2020
HT Digital Streams Limited (Subsidiary)	10% p.a. compounded annually	Repayable on demand	Unsecured	To meet the business requirements and other general corporate purposes.	-	1,850

For further details of loans and advances provided to related parties, refer note 6B.

Details of Investments made are given under note 5 and note 6A.

Note 37: The Company carries on the operating business of Entertainment and Digital Innovation and has regular revenue from this business. As at 31 March 2020, the Company holds not less than 90% of its net assets in the form of investments in equity shares and loans in/ to subsidiary company. Investments in equity shares in 100% subsidiary company constitute not less than 60% of its net assets. Till 31 March 2020, the Company did not trade in investments in shares, bonds, debentures, debt or loans in group companies and it did not carry on any other financial activity referred to in Section 45I(c) and 45I (f) of the Reserve Bank of India Act, 1934.

In this context, a question is under discussion with RBI whether the Company meets the Principal Business Criteria (PBC) for classification as a NBFC and in terms of the Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, as amended ('Regulations') issued by the Reserve Bank of India ('RBI'), to register as a Systemically Important Core Investment Company (SI-CIC), since it holds total assets of not less than Rs.100 crore and holds public funds as at 31 March 2020.

In the view of the Management, the Company does not meet the income criterion of principal business criteria of being a Non-Banking Finance Company (NBFC) on the basis of the last audited Financial Statements for the year ended 31 March 2020.

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 37: (Contd..)

The Company submitted representations to the RBI vide letters dated 13 January 2021 and 17 February 2021, wherein the facts of the case were stated, and unaudited provisional Balance sheet and Income statement as at 31 December 2020 and 31 January 2021 along with audited financial statements of 31 March 2020 were filed.

It was represented that the Company is not required to register as SI-CIC since it is not a NBFC based on its last audited financial statements for year ended 31 March 2020.

"The Company has received a letter dated 23 March 2021 from the RBI, wherein based on the examination of the financials, RBI has stated that it appears that the Company qualifies to be a Non-Banking Financial Company and it is required either to (a) merge with another NBFC or Non-Financial Company or (b) windup the business of NBFC or (c) apply for certificate of registration as NBFC.

The Management believes that the RBI has not fully considered the Company's submissions and accordingly the Company has submitted a detailed representation, vide letter dated 9 June 2021 to RBI, reiterating that the company believes that, on the basis of the latest audited Financial Statements as on 31 March 2020, the Company does not fulfil the income criteria of the Principal Business Criteria and hence is not a NBFC. Accordingly, the management is of the view that the Company did not need to register as a SI-CIC.

In any view of the matter and without prejudice to the above submissions, the Company also represented that it is already in the process of merging with HT Media Limited, a Non Financial operating company and a fellow subsidiary, along with two fellow subsidiaries, the merger scheme for the same has been approved by the Boards of the respective Companies in February 2021 and filed with the Stock exchanges in March 2021 for their approval.

The Company is therefore already in the process of implementing one of the three actions stipulated by RBI in its letter dated 23 March 2021, to comply with the above-mentioned NBFC matter.

Note 38: Scheme of amalgamation between Next Mediaworks Limited (NMWL), Digicontent Limited (DCL) and HT Mobile Solutions Limited(HTMSL) with HT Media Limited (HTML)

A Composite Scheme of Amalgamation u/s 230-232 of the Companies Act, 2013 which provides for merger of Next Mediaworks Limited (NMWL), Digicontent Limited (DCL) and HT Mobile Solutions Limited (HTMSL) with HT Media Limited (HTML) ("Scheme"), has been approved by the respective Board of Directors of companies at their meetings held on February 11, 2021, subject to requisite approval(s). The application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been filed with both, NSE and BSE and their approval is awaited.

Pending sanction, impact of the Scheme has not been considered in DCL standalone financials for FY 2020-21.

Note 39: Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Notes to the standalone financial statements

for the year ended March 31, 2021

Note 40: Management has been continuously evaluating the possible effects that may result from the pandemic relating to COVID-19 on the operations and financial results of the Company for the year ended March 31, 2021. The Company has considered and taken into account internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of financial and non financial assets. Given the uncertainties associated with nature, condition and duration of COVID-19, the impact assessment on the Company's financial information will be continuously made and provided for as required.

In terms of our report of even date attached

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

Rajesh Arora
Partner
Membership No. 076124

Place: Gurugram
Date: June 15, 2021

For and on behalf of the Board of Directors of Digicontent Limited

Vikas Prakash
Company Secretary

Ajay Sivaraman Nair
Chief Financial Officer

Puneet Jain
Chief Executive Officer

Praveen Someshwar
Director
(DIN: 01802656)

Dinesh Mittal
Director
(DIN: 00105769)

Place: New Delhi
Date: June 15, 2021

Independent Auditor's Report

To the Members of **Digicontent Limited**

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Digicontent Limited (hereinafter referred to as the "Company" or the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and in the context of the overriding effect of the Scheme of arrangement as approved by Hon'ble High Court of Delhi, over the relevant requirement of Ind AS, give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Qualified Opinion

We draw attention to Note 40 to the consolidated annual financial statements, which explains that the Company, basis the financial information as per its last audited financial statements for the year ended 31 March 2020, holds not less than 90% of its net assets in the form of investment in equity shares and loans in/ to group companies and its investments in the equity shares in the group companies constitute not less than 60% of its net assets. However, as per the aforesaid financial statements, the Company did not satisfy the income criterion of principal business criteria as defined by the Reserve Bank of India ('RBI') of being classified as a Non-banking Financial Company (NBFC). Further, till 31 March 2020, the Company did not carry on any other financial activity referred to in Section 45I(c) and 45I (f) of the Reserve Bank of India Act, 1934. In this context, the status of the Company is under discussion with RBI i.e. whether it is a NBFC since it does not satisfy the income criterion of principal business criteria and further whether it should be registered as a Systemically Important Core Investment Company (SI-CIC) as per the conditions as stated in the Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, as amended ('Regulations') issued by the RBI, since it holds total assets of not less than ₹ 100 crore and holds public funds as at 31 March 2020.

The Company has filed various letters with the RBI and provided unaudited provisional Balance sheet and Income statement as at 31 December 2020 and 31 January 2021 along with audited financial statements of 31

March 2020 and explanations, wherein it has stated that it need not be registered as a NBFC and SI-CIC since it does not meet the criteria as per the financial statements for the year ended 31 March 2020. However, RBI vide letter dated 23 March 2021, has stated that it appears that the Company qualifies to be a NBFC and it is required to apply for certificate of registration as a NBFC or merge with another NBFC/non-financial company or wind up the business of NBFC. The Management is of the view that the RBI has not fully considered the Company's contentions as detailed in various letters submitted earlier with the RBI, before arriving at the conclusion. The Company vide letter dated 9 June 2021, has submitted its representation to the RBI, wherein, the Company has reiterated that the Company does not fulfil principal business criteria to be classified as a NBFC or register as a SI-CIC and in any case the Company has drawn up a scheme of merger for merging the Company and its two other fellow subsidiary companies with HT Media Limited (a Non-Financial Company and a fellow subsidiary) for which the scheme has been approved by the Board of Directors in February 2021 and filed with the stock exchanges in March 2021 for approval.

Pending resolution of this matter, we are unable to comment on the impact thereof, if any, on the consolidated financial statements for the year ended 31 March 2021.

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

Emphasis of Matter

We draw attention to Note 36 to the consolidated financial statements relating to accounting treatment of goodwill pursuant to Schemes of Arrangement under section 391-394 of Companies Act, 1956 between HT Media Limited and HT Digital Streams Limited and Hindustan Media Ventures Limited and HT Digital Streams Limited ('the Schemes') approved by Hon'ble High Court of Delhi in earlier years whereby the goodwill is being amortised over a period of five years. This accounting treatment as per the Schemes is different from that prescribed in the applicable Ind AS which requires such goodwill to only be tested for impairment annually. Had the Scheme not required goodwill to be amortised, the Group would have reported a profit before tax of ₹ 316 lakhs as against reported loss before tax of ₹ 3,303 lakhs, Reserves of ₹ 8,633 lakhs as against negative reserves of ₹ 9,462 lakhs and total assets of ₹ 34,079 lakhs as against ₹ 15,984 lakhs as at 31 March 2021.

Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters and apart from matter considered in 'Basis for Qualified Opinion' section, below is the Key Audit Matter.

Description of Key Audit Matter

Revenue Recognition

The key audit matter	How the matter was addressed in our audit
As disclosed in Note 19 to the Consolidated Financial Statements, the Group's revenue from digital services for the year ended 31 March 2021 was INR 13,103 Lakhs (Previous year INR 8,929 Lakhs). Revenue is recognized upon transfer of control of promised services to the customers and when it is "probable" that the Group will collect the consideration. In specific, revenue for digital services is recognized on the display/delivery of advertisement. There is a risk that revenue is recognized for services before the service to customer is delivered. Standards on Auditing presume that there is fraud risk with regard to revenue recognition. Also, revenue is one of the key performance indicators of the Company which makes it susceptible to misstatement. In view of the above, we have identified revenue recognition as a key audit matter.	Our audit procedures included: - Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard; - Evaluated the design implementation of key internal financial controls with respect to revenue recognition process and tested the operating effectiveness of such controls for a sample of transactions; - Performed detailed testing by selecting samples of revenue transactions recorded during and after the year. For such samples, verified the underlying documents with respect to revenue recognition.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our qualified opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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. As described in the Basis for Qualified Opinion section above, pending resolution of the matter with RBI, we are unable to comment on the impact thereof, if any, on the consolidated financial statements for the year ended 31 March 2021. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

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

   b) Except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) Except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section above and the overriding effect of the Scheme of Arrangement approved by Hon'ble High Court of Delhi as described in Emphasis of Matter paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) The matter described in the 'Basis for Qualified Opinion' section above, and our observations on the achievement of the objectives of the internal control criteria as explained in our separate report in 'Annexure A' in our opinion, may have an adverse effect on the functioning of the Group.

f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the directors of the Group companies is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the "Basis for Qualified Opinion" section above.

h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

i. There were no pending litigations as at 31 March 2021 which would impact the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company during the year ended 31 March 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

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

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

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

Rajesh Arora
Partner
Membership No. 076124
UDIN: 21076124AAAABT5488

Place: Gurugram
Date: 15 June 2021

Annexure A

to the Independent Auditor's report on the consolidated financial statements of Digicontent Limited for the period ended 31 March 2021

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

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

Qualified Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Digicontent Limited (hereinafter referred to as the "Company" or the "Holding Company") and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, except for the possible effects of the material weakness described below on the achievement of the objectives of the control criteria, to the best of our information and according to the explanations given to us, the Holding Company and such company incorporated in India which is its subsidiary company have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

We have considered the material weakness identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements for the year ended 31 March 2021 of the Company, and this material weakness has affected our opinion on the said consolidated financial statements of the Company and we have issued a qualified audit opinion on the said consolidated financial statements.

Basis for qualified opinion

As explained in note 40 to the consolidated financial statements and the Basis for Qualified Opinion section of our Audit Report on the consolidated financial statements for the year ended 31 March 2021, the status of the Company i.e. whether it is a NBFC and also a Systemically Important Core Investment Company (SI-CIC) is under discussion with Reserve Bank of India ('RBI'). The Company has submitted various letters with RBI and provided explanations, wherein it has stated that it need not be classified as NBFC and register as a SI-CIC since it does not meet the principal business criteria as at 31 March 2020. However, RBI vide letter dated 23 March 2021, has stated that it appears that the Company qualifies to be a NBFC and it is required to apply for certificate of registration as a NBFC or merge with another NBFC/non-financial company or wind up the business of NBFC. The Company vide letter dated 9 June 2021, has submitted its representation to the RBI, wherein, the Company has reiterated that the Company does not fulfil principal business criteria to be classified as a NBFC or register as a SI-CIC and in any case, the Company has filed drawn up a scheme of merger for merging the Company and its two other fellow subsidiary companies with HT Media Limited (a Non-Financial Company and a fellow subsidiary) for which the scheme has been approved by the Board of Directors in February 2021 and filed with the stock exchanges in March 2021 for approval.

The above represents a material weakness since the Company did not have an appropriate internal control system in respect to compliance with the requirements of the Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, as amended ('Regulations') issued by the RBI which could potentially result in non-compliance with applicable laws and regulations.

Pending resolution of this matter, we are unable to comment on the impact thereof, if any, on the consolidated financial statements for the year ended 31 March 2021.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 consolidated 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 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 consolidated Financial Statements

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

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

Rajesh Arora
Partner
Membership No. 076124
UDIN: 21076124AAAABT5488

Place: Gurugram
Date: 15 June 2021

Consolidated Balance Sheet

as at March 31, 2021

₹ Lakhs

	Note	As at March 31, 2021	As at March 31, 2020
I ASSETS			
1) Non-current assets			
(a) Property, plant and equipment	3	217	193
(b) Right - of - use assets	26A	1,431	3,216
(c) Goodwill	4	-	3,619
(d) Other intangible assets	4	89	125
(e) Intangible assets under development	4	42	-
(f) Financial assets			
(i) Investments	6A	15	10
(ii) Loans	6B	1,445	1,335
(iii) Other financial assets	9A	530	-
(g) Deferred tax assets (net)	18	1,440	2,459
(h) Income tax assets	5	212	3,214
(i) Other non-current assets	6C	15	65
Total Non- current assets		**5,436**	**14,236**
2) Current assets			
(a) Financial assets			
(i) Trade receivables	7	3,474	3,122
(ii) Cash and cash equivalents	8A	2,145	1,091
(iii) Bank balances other than (ii) above	8B	1,800	-
(iv) Loans	6B	1	1
(v) Other financial assets	9A	2,797	1,094
(b) Contract assets	9B	62	338
(c) Other current assets	10	269	159
Total current assets		**10,548**	**5,805**
TOTAL ASSETS		**15,984**	**20,041**
II EQUITY AND LIABILITIES			
1) Equity			
(a) Equity share capital	11	1,164	1,164
(b) Other equity	12	(2,520)	1,916
Total equity		**(1,356)**	**3,080**
2) Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13A	8,000	8,000
(ii) Lease liabilities	13B	25	1,226
(iii) Other financial liabilities	15	2,973	1,916
(b) Provisions	16	12	52
Total non- current liabilities		**11,010**	**11,194**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	13B	999	1,615
(ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	14	235	9
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	14	1,775	1,516
(iii) Other financial liabilities	15	1,647	1,281
(b) Contract liabilities	17A	311	141
(c) Other current Liabilities	17B	512	430
(d) Provisions	16	851	775
Total current liabilities		**6,330**	**5,767**
Total liabilities		**17,340**	**16,961**
TOTAL EQUITY AND LIABILITIES		**15,984**	**20,041**
Summary of significant accounting policies	2		

See accompanying notes to the consolidated financial statements.

In terms of our report of even date attached

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

Rajesh Arora
Partner
Membership No. 076124

For and on behalf of the Board of Directors of Digicontent Limited

Vikas Prakash
Company Secretary

Ajay Sivaraman Nair
Chief Financial Officer

Puneet Jain
Chief Executive Officer

Praveen Someshwar
Director
(DIN: 01802656)

Dinesh Mittal
Director
(DIN: 00105769)

Place: Gurugram
Date: June 15, 2021

Place: New Delhi
Date: June 15, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

₹ Lakhs

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
I Income			
a) Revenue from operations	19	24,889	25,910
b) Other income	20	496	177
Total Income		**25,385**	**26,087**
II Expenses			
a) Employee benefits expense	21	11,932	14,212
b) Finance costs	22	1,213	1,241
c) Depreciation and amortisation expense	23	5,215	5,290
d) Other expenses	24	10,328	9,296
Total Expenses		**28,688**	**30,039**
III Loss before tax (I-II)		**(3,303)**	**(3,952)**
IV Earnings before interest, tax, depreciation and amortisation (EBITDA) [III+II(b)+II(c)]		**3,125**	**2,579**
V Income tax expense			
Current tax	18	-	-
Deferred tax charge/(credit)	18	1,056	(650)
Total tax expense		**1,056**	**(650)**
VI Loss for the year and attributable to owners after tax (III-V)		**(4,359)**	**(3,302)**
VII Other comprehensive Income	25		
Items that will not to be reclassified to profit or loss			
i) Remeasurement of the defined benefit plan gain/(loss)		(114)	(144)
ii) Income tax relating to items that will not be reclassified to profit or loss		37	37
Other comprehensive loss for the year and attributable to owners, net of tax		**(77)**	**(107)**
VIII Total comprehensive loss for the year and attributable to owners, net of tax(VI+VII)		**(4,436)**	**(3,409)**
IX Loss per share (INR)			
Basic (Nominal value of share INR 2/-)	26	(7.49)	(5.67)
Diluted (Nominal value of share INR 2/-)	26	(7.49)	(5.67)
Summary of significant accounting policies	2		

See accompanying notes to the consolidated financial statements.

In terms of our report of even date attached

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

Rajesh Arora
Partner
Membership No. 076124

For and on behalf of the Board of Directors of Digicontent Limited

Vikas Prakash
Company Secretary

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Puneet Jain
Chief Executive Officer

Praveen Someshwar
Director
(DIN: 01802656)

Dinesh Mittal
Director
(DIN: 00105769)

Place: Gurugram
Date: June 15, 2021

Place: New Delhi
Date: June 15, 2021

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

₹ Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities:		
Loss before tax:	(3,303)	(3,952)
Adjustments for:		
Interest income from deposits and others	(443)	(128)
Depreciation and amortisation expense	5,215	5,290
Finance costs	1,213	1,241
Loss allowance for doubtful debts and advances	79	75
Unclaimed balances/liabilities written back (net)	(51)	(26)
Unrealised exchange differences	29	(17)
Profit on sale of property, plant and equipment (net)	(1)	-
Changes in operating assets and liabilities		
(Increase)/decrease in trade receivables	(460)	1,486
(Increase) in current and non-current financial assets and other current and non-current assets	44	(1,159)
Increase/ (decrease) in current and non-current financial liabilities and other current and non-current liabilities and provisions	1,241	(903)
Cash generated from operations	**3,563**	**1,907**
Income taxes refund/ (paid)	3,146	(192)
Net cash flows from operating activities (A)	**6,709**	**1,715**
Cash flows from investing activities:		
Interest received on deposits	29	45
Fixed deposits made (original maturity of more than 12 months)	(2,094)	-
Fixed deposits made with original maturity of more than three months but upto 12 months	(1,800)	-
Purchase of investments	(5)	-
Payment for purchase of property, plant and equipment & intangible assets (including intangible under development)	(178)	(168)
Net cash used in investing activities (B)	**(4,048)**	**(123)**
Cash flows from financing activities:		
Repayment of lease liabilities	(1,536)	(1,615)
Interest paid	(71)	(105)
Net cash flows used in financing activities (C)	**(1,607)**	**(1,720)**
Net increase/ (decrease) in cash and cash equivalents (D= A+B+C)	**1,054**	**(128)**
Cash and cash equivalents at the beginning of the year (E)	1,091	1,219
Cash and cash equivalents at year end (D+E)	**2,145**	**1,091**

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

₹ Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Components of cash & cash equivalents as at end of the year		
Cash on hand	1	2
Balances with banks		
- on deposit accounts	1,968	871
- in current accounts	176	218
Total cash and cash equivalents	**2,145**	**1,091**

Note : Refer note 13A for debt reconciliation and note 26A for movement on lease liabilities.

See accompanying notes to the consolidated financial statements.

In terms of our report of even date attached

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

Rajesh Arora
Partner
Membership No. 076124

For and on behalf of the Board of Directors of Digicontent Limited

Vikas Prakash
Company Secretary

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Puneet Jain
Chief Executive Officer

Praveen Someshwar
Director
(DIN: 01802656)

Dinesh Mittal
Director
(DIN: 00105769)

Place: Gurugram
Date: June 15, 2021

Place: New Delhi
Date: June 15, 2021

Consolidated Statement of changes in equity

for the year ended March 31, 2021

A. Equity Share Capital (Refer Note 11)

Equity Shares of INR 2 each issued, subscribed and fully paid up

Particulars	Number of shares	Amount (₹ Lakhs)
Balance as at 1 April, 2019	**-**	**-**
Changes in share capital during the year	5,81,87,078	1,164
Balance as at March 31, 2020	**5,81,87,078**	**1,164**
Changes in share capital during the year	-	-
Balance as at March 31, 2021	**5,81,87,078**	**1,164**

B. Shares Pending Issuance (Refer Note 11)

Particulars	Number of shares	Amount (₹ Lakhs)
Balance as at 1 April, 2019	**5,81,87,078**	**1,164**
Changes during the year	(5,81,87,078)	(1,164)
Balance as at March 31, 2020	**-**	**-**
Changes during the year	-	-
Balance as at March 31, 2021	**-**	**-**

C. Other Equity attributable to equity holders (Refer Note 13)

₹ Lakhs

Particulars	Retained earnings	Capital Reserve	Total
Balance as at 1 April, 2019	**(1,617)**	**6,942**	**5,325**
(Loss) for the year	(3,302)	-	(3,302)
Items of other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligation, net of tax	(107)	-	(107)
Balance as at March 31, 2020	**(5,026)**	**6,942**	**1,916**
(Loss) for the year	(4,359)	-	(4,359)
Items of other comprehensive income recognised directly in retained earnings	-	-	
- Remeasurements of post-employment benefit obligation, net of tax	(77)	-	(77)
Balance as at March 31, 2021	**(9,462)**	**6,942**	**(2,520)**

See accompanying notes to the consolidated financial statements.

In terms of our report of even date attached

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

Rajesh Arora
Partner
Membership No. 076124

Place: Gurugram
Date: June 15, 2021

For and on behalf of the Board of Directors of Digicontent Limited

Vikas Prakash
Company Secretary

Ajay Sivaraman Nair
Chief Financial Officer

Puneet Jain
Chief Executive Officer

Praveen Someshwar
Director
(DIN: 01802656)

Dinesh Mittal
Director
(DIN: 00105769)

Place: New Delhi
Date: June 15, 2021

Notes to consolidated financial statements

for the year ended March 31, 2021

1. Corporate information

Digicontent Group consists of Digicontent Limited ("the Company" or "the Parent Company") and its wholly owned subsidiary (HT Digital Streams Limited) [hereinafter referred to as "the Group"]

Pursuant to Scheme of Arrangement ('The Scheme') between the Company and HT Media Limited (HTML) and their respective creditors and shareholders, the "Entertainment & Digital Innovation Business" of HTML along with its related assets and liabilities, and the related strategic investment in HT Digital Streams Limited (HTDSL) has been transferred to the Company upon the sanction of the Scheme by Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench vide order dated 7 March, 2019 (certified copy received by the Company on 27 March, 2019) has sanctioned the Scheme ("the order"). The certified copy of the order sanctioning the Scheme has been filed with the Registrar of Companies, NCT of Delhi and Haryana on April 05, 2019. Accordingly, the Scheme has been given effect from March 31, 2018 (closing business hours), i.e. Appointed Date.

Pursuant to the Scheme, HTML has transferred its entire stake in HTDSL (i.e. 57.17%) to Digicontent Limited. Consequently, HTDSL has become wholly-owned subsidiary of Digicontent Limited.

"Entertainment & Digital Innovation Business" includes the following-

Fever Audio Tool	Carries out: • Aggregation and creation of audio and multi-screen videos • Audio feed which plays music inside across various stores • Distribution of in-house creative and niche celeb based content to mobile and digital users
Desi Martini	Carries out internet related business for providing movie reviews and ratings in the name of www.desimartini.com
Photo Library	Maintains Repository of the copyrighted images
Brand Promotion	• Carries out media tool to build, promote and amplify brand communication • Covers various brand activities like events, promotions, parties, campaigns, product launches across various HT Media Platforms Abandoned during the year due to decline in the demand for advertisement campaigns/ content service.

The business operations of HT Digital Streams Limited (subsidiary) 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.

Information on related party relationship of the Company is provided in Note No 29 and 29A.

The registered office of the Company is located at Hindustan Times House, 2nd Floor, 18-20, K.G. Marg, New Delhi-110001.

The consolidation financial statement of the group for the year ended March 31, 2021 are authorised for issue in accordance with a resolution of the board of directors on June 15, 2021.

2. Significant accounting policies followed by the Group

2.1 Basis of preparation

The Consolidated financial statements (CFS) of the Group 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").

Notes to consolidated financial statements

for the year ended March 31, 2021

The accounting policies are applied consistently to all the periods presented in the Consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

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

The consolidated financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

i) Subsidiary:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

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for the year ended March 31, 2021

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as property, plant and equipment are eliminated in full). Ind-AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method, other than common control transactions. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind-AS 12 Income Tax and Ind-AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-

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based payment arrangements of the acquiree are measured in accordance with Ind-AS 102 Share-based Payments at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind-AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind-AS 109, it is measured in accordance with the appropriate Ind-AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. Also refer note 36.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed

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at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combinations - common control transactions

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Common control business combination are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves

b) Current versus non- current classification

The Group 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 Company's 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 Company's 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 Group 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 Group has identified twelve months as its operating cycle.

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c) Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and Balances

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

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

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

Exchange differences arising on the settlement of monetary items or on restatement of the Group'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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

d) Fair value measurement

The Group 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 Group.

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 Group 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.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group 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 Group 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.

Other fair value related disclosures are given in the relevant notes :

- Disclosures for valuation methods, significant estimates and assumptions (Note 32)
- Quantitative disclosures of fair value measurement hierarchy (Note 32)
- Financial instruments (including those carried at amortised cost) (Note 32)

e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured based on the transaction price, which is the consideration, adjusted for allowances, trade discounts, volume rebates, if any, as specified in the contract with the customer. Revenue excludes taxes collected from customers. The Group 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 Services Tax (GST)/ Service Tax is not received by the Group on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.

Contract asset and unbilled receivables

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

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

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

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

Revenue from digital services-

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 as and when advertisement is published/ displayed. Unearned revenues are reported on the balance sheet as deferred revenue/ contract liability.

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Revenue from Syndication

Revenue from Content Selling is recognized basis report shared by customer on usage and monetization of content.

Revenue from subscription

Revenue from subscription is typically contracted for a period ranging between one to twenty four months. Revenue in this respect is recognized over the period of the subscription, in accordance with the established principles of accrual accounting. Unearned revenues are reported on the balance sheet as deferred revenue.

Revenue from multi-media content management services-

Revenue from Content Selling

Revenue from Content Selling is recognized as and when the content is published/circulated by the customer.

Interest income

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

f) 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 and establishes provisions where appropriate.

Appendix C to Ind AS 12, Income Taxes dealing with accounting for uncertainty over income tax treatments does not have any material impact on financial statements of the Company.

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Notes to consolidated financial statements

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

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 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.

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g) Property, plant and equipment

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

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

Recognition:

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

(a) it is probable that future economic benefits associated with the item will flow to the entity; and

(b) the cost of the item can be measured reliably.

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

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

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

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

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

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

h) 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.

Intangible assets with finite life are amortised over the useful economic life and assessed for impairment whenever there is an indication

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

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

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	1-6
Goodwill	5
Website Development	6

i) Borrowing costs

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

j) Leases

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

Group as a lessee

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

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental

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borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

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

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

Group as a lessor

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

k) Provisions

Provisions are recognised when the Group 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 Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

l) 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 Group has no obligation, other than the contribution payable to the provident fund. The Group 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

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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.

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 Group recognises related restructuring cost

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

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

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

Termination benefits

The Group recognizes termination benefit as a liability and an expense when the Group 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.

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Group 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 Group 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 Group 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 Group 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.

m) Impairment of non-financial assets

The Group 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

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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.

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.

n) Financial instruments

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

Financial assets

Initial recognition and measurement

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

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 Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on Initial recognition and is irrevocable.

If the group 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 Group may transfer the cumulative gain or loss within equity.

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Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

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

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

Impairment of financial assets

In accordance with Ind-AS 109, the Group 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 are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables' in these financial statements)

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

- Trade receivables or contract revenue receivables; and

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

As a practical expedient, the Group 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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the 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 Group does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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

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

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the ElR 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 ElR amortization is included as finance costs in the Statement of Profit and Loss. 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

o) Cash and cash equivalents

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

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

Cash flows from operating activities are being prepared as per the indirect method mentioned in Ind AS 7.

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for the year ended March 31, 2021

p) Contingent Liabilities

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

q) Measurement of EBITDA

The Group 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 Group measures EBITDA on the face of profit/ (loss) from continuing operations. In the measurement, the Group does not include depreciation and amortization expense, finance costs and tax expense.

r) Earnings per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:

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

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acGrouping 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 Judgement are as below:

Property, Plant and Equipment

The Group, based on technical assessment management estimate, depreciates certain assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management has estimated, supported by technical assessment, the useful lives of certain plant and machinery as 4 years and office equipment as 3 years. These useful lives are lower than those indicated in schedule II. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group 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.

Further details on taxes are disclosed in Note 18.

Defined benefit plans

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

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

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

Further details about gratuity obligations are given in Note 27.

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 Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group'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 Group 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 Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent markets transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These

Notes to consolidated financial statements

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calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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

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

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

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

For further details about leases, refer to accounting policy on leases and Note 26A.

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 3 : Property, plant and equipment

₹ Lakhs

	Office equipments	Plant and machinery	Total
Cost			
As at 1 April, 2019	**47**	**529**	**576**
Additions during the year	2	80	82
Less : Disposals/ adjustments	-	2	2
As at March 31, 2020	**49**	**607**	**656**
Additions during the year	5	143	148
Less : Disposals/ adjustments	2	18	20
As at March 31, 2021	**52**	**732**	**784**
Accumulated depreciation/ Impairment			
As at 1 April, 2019	**3**	**354**	**357**
Charge for the year	4	104	108
Less : Disposals/ adjustments	-	2	2
As at March 31, 2020	**7**	**456**	**463**
Charge for the year	5	117	122
Less : Disposals/ adjustments	1	17	18
As at March 31, 2021	**11**	**556**	**567**
Net Block			
As at March 31, 2021	**41**	**176**	**217**
As at March 31, 2020	**42**	**151**	**193**

Note 4 : Intangible assets and intangible assets under development

₹ Lakhs

Particulars	Other Intangible Assets		Total of Other Intangible Assets	Intangible Assets under development	Goodwill (Refer note 36)
	Website Development	Software Licenses			
Gross carrying amount					
As at 1 April, 2019	**91**	**108**	**199**	**3**	**18,095**
Additions during the year	-	46	46	-	-
Less : Disposals/ adjustments	-	-	-	3	-
As at March 31, 2020	**91**	**154**	**245**	**-**	**18,095**
Additions during the year	-	-	-	42	-
As at March 31, 2021	**91**	**154**	**245**	**42**	**18,095**
Accumulated amortisation					
As at 1 April, 2019	**29**	**46**	**75**	**-**	**10,857**
Charge for the year	15	30	45	-	3,619
As at March 31, 2020	**44**	**76**	**120**	**-**	**14,476**
Charge for the year	15	21	36	-	3,619
As at March 31, 2021	**59**	**97**	**156**	**-**	**18,095**
Net carrying amount					
As at March 31, 2021	**32**	**57**	**89**	**42**	**-**
As at March 31, 2020	**47**	**78**	**125**	**-**	**3,619**

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Note 5 : Income tax assets (net)

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Income tax assets (net)	212	3,214
Total Income tax assets	**212**	**3,214**
Current	**-**	**-**
Non-Current	**212**	**3,214**

Note 6A: Investment

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Investments at Fair Value through profit and loss		
Unquoted		
Investment in equity instruments	10	10
Investments at Fair Value through OCI		
Quoted		
Investment in equity instruments	5	-
Total investments	**15**	**10**
Current	**-**	**-**
Non - Current	**15**	**10**
Aggregate amount of quoted investment	**5**	**-**
Aggregate market value of quoted investments	**5**	**-**
Aggregate amount of unquoted investment	**10**	**10**

Note 6B : Loans

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Security Deposit (refer note 29A)	1,446	1,336
Total	**1,446**	**1,336**
Current	**1**	**1**
Non - Current	**1,445**	**1,335**

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Secured, considered good	-	-
Unsecured, considered good	1,446	1,336
Total	**1,446**	**1,336**

Note 6C : Other non- current assets

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Capital advances	15	65
Total	**15**	**65**

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Note 7 : Trade Receivables

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Trade receivables	2,730	1,668
Receivables from related parties (refer note 29A)	1,154	1,826
Expected credit loss	(410)	(372)
Total	**3,474**	**3,122**
Current	**3,474**	**3,122**
Non - Current	**-**	**-**

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good	3,474	3,122
Unsecured, considered doubtful	410	372
Total	**3,884**	**3,494**
Expected credit loss	(410)	(372)
Total Trade Receivables	**3,474**	**3,122**

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. For details of amount due from Related Parties refer note 29A.

Note 8A: Cash and Cash Equivalents

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Cash on hand	1	2
Balance with banks :		
- On current accounts	176	218
- Deposits with original maturity of less than three months	1,968	871
Total	**2,145**	**1,091**

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

Note 8B : Other bank balance

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Bank balances other than (8A) above		
- Deposits with original maturity of more than three months but upto 12 months	1,800	-
- Unclaimed dividend account*	-	-
Total	**1,800**	**-**

*INR 10,460/- balance in unclaimed dividend account for the year ended March 31, 2021 and March 31, 2020 has been rounded off to Nil.

*These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

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for the year ended March 31, 2021

Note 8B : Other bank balance (Contd..)

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

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Cash on hand	1	2
Balance with banks :		
- On current accounts	176	218
- Deposits with original maturity of less than three months	1,968	871
Total	**2,145**	**1,091**

Note 9A: Other financial assets

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Other Financial Assets at Amortised Cost		
Balance on deposit accounts (More than 12 months maturity)	2,094	-
Income accrued on bank deposit	27	6
Employee receivables	21	28
Unbilled revenue (refer note 29A)	1,206	1,078
Expected credit loss	(21)	(18)
Total	**3,327**	**1,094**
Current	**2,797**	**1,094**
Non - Current	**530**	**-**

Break up of financial assets carried at amortised cost

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Trade receivables (Note 7)	3,474	3,122
Cash and cash equivalents (Note 8A)	2,145	1,091
Other bank balances (Note 8B)	1,800	-
Other financial assets (Note 9A)	3,327	1,094
Loans (Note 6B)	1,446	1,336
Total	**12,192**	**6,643**

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

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Investments (Note 6A)	10	10
Total	**10**	**10**

Note 9B: Contract assets

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Income accrued but not due *	62	338
Total	**62**	**338**
Current	**62**	**338**
Non - Current	**-**	**-**

*Amount billed during FY 2020-2021 from contract assets at the beginning of the year is ₹ 338 lakhs. Balance of ₹ 62 Lacs as at March 31, 2021 pertains to current year transactions.

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for the year ended March 31, 2021

Note 10: Other current assets

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Prepaid expenses [(after offsetting lease liability of INR 508 Lacs (Previous Year March 31, 2020: INR 269 Lacs)] (refer note 29A)	154	107
Other receivables	26	22
Goods and service tax (GST) credit receivable	89	30
Total	**269**	**159**

Note 11 : Share Capital

Authorised Share Capital

Particulars	Number of shares	Amount (₹ Lakhs)
As at April 1, 2019	**50,000**	**1**
Increase/(decrease) during the year	5,99,50,000	1,199
As at March 31, 2020	**6,00,00,000**	**1,200**
Increase/(decrease) during the year	-	-
As at March 31, 2021	**6,00,00,000**	**1,200**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of INR 2 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.

Shares Pending Issuance

Equity shares of INR 2 each issued, subscribed and fully paid	Number of shares	Amount (₹ Lakhs)
As at April 1, 2019	**5,81,87,078**	**1,164**
Changes during the year (refer note 28)	(5,81,87,078)	(1,164)
As at March 31, 2020	**-**	**-**
Changes during the year (refer note 28)	-	-
As at March 31, 2021	**-**	**-**

Issued and subscribed capital

Equity shares of INR 2 each issued, subscribed and fully paid

Particulars	Number of shares	Amount (₹ Lakhs)
As at April 1, 2019	**-**	**-**
Changes during the year (refer note 28)	5,81,87,078	1,164
As at March 31, 2020	**5,81,87,078**	**1,164**
Changes during the year (refer note 28)	-	-
As at March 31, 2021	**5,81,87,078**	**1,164**

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 11 : Share Capital (Contd..)

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

Particulars	March 31, 2021		March 31, 2020	
	Number of shares	Amount (₹ Lakhs)	Number of shares	Amount (₹ Lakhs)
Shares outstanding at the beginning of the year	5,81,87,078	1,164	-	-
Shares Issued during the year	-	-	5,81,87,078	1,164
Shares outstanding at the end of the year	**5,81,87,078**	**1,164**	**5,81,87,078**	**1,164**

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

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

Particulars	As at March 31, 2021	As at March 31, 2020
The Hindustan Times Limited, the holding company		
4,04,44,271 (March 31, 2020- 4,04,38,621) equity shares of INR 2 each fully paid	809	809

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

Particulars	March 31, 2021		March 31, 2020	
	Number of shares	% holding	Number of shares	% holding
Equity shares of INR 2 each fully paid				
The Hindustan Times Limited, the holding company	4,04,44,271	69.5%	4,04,38,621	69.5%

As per records of the Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Note 12: Other equity

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Retained earnings	(9,462)	(5,026)
Capital reserve	6,942	6,942
Total	**(2,520)**	**1,916**

Retained earnings

₹ Lakhs

Particulars	Amount
As at April 1, 2019	**(1,617)**
Net loss for the year	(3,302)
Items of other comprehensive income recognised directly in retained earnings	
- Remeasurements of defined benefits obligation, net of tax	(107)
As at March 31, 2020	**(5,026)**
Net loss for the year	(4,359)

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 12: Other equity (Contd..)

₹ Lakhs

Particulars	Amount
Items of other comprehensive income recognised directly in retained earnings	
- Remeasurements of defined benefits obligation, net of tax	(77)
As at March 31, 2021	**(9,462)**

Capital reserve*

₹ Lakhs

Particulars	Amount
As at April 1, 2019	**6,942**
Changes during the year	-
As at March 31, 2020	**6,942**
Changes during the year	-
As at March 31, 2021	**6,942**

*In relation to past business acquisitions

Note 13A : Borrowings

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Non- current Borrowings		
Unsecured		
Inter corporate loans (note below) (refer note 29A)	8,000	8,000
Total	**8,000**	**8,000**
Aggregate Secured Loans	**-**	**-**
Aggregate Unsecured Loans	**8,000**	**8,000**

Intercompany loan from HT Media Limited was drawn in various tranches INR 7700 Lakhs on December 28, 2017 & INR 300 Lakhs on March 28, 2018 and are due for repayment on or before the completion of 60 months from the date of disbursement of loan amount along with an interest of 11% compounded annually.

Debt reconciliation disclosure pursuant to Amendment to Ind-AS 7:

₹ Lakhs

Particulars	Non current borrowings
As at 1 April, 2019	**8,000**
Change during the year	-
Balance as at March 31, 2020	**8,000**
Change during the year	-
Balance as at March 31, 2021	**8,000**

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for the year ended March 31, 2021

Note 13B : Lease liabilities

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Unsecured		
Lease liabilities [(after offsetting prepaid expenses of INR 508 Lacs (Previous Year March 31, 2020: INR 269 Lacs)](refer note 26A)	1,024	2,841
Total	**1,024**	**2,841**
Current	**999**	**1,615**
Non- current	**25**	**1,226**

Note 14: Trade payables

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 30)	235	9
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
- payable to related parties (refer note 29A)	125	4
- payable to others	1,650	1,512
Other than micro enterprises and small enterprises	**1,775**	**1,516**
Total	**2,010**	**1,525**
Current	**2,010**	**1,525**
Non- Current	**-**	**-**

Note 15 : Other financial liabilities

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
I. Other financial liabilities at amortised cost		
Unclaimed dividend*	-	-
Employee payables	1,647	1,240
Interest accrued but not due on borrowings (refer note 29A)	2,973	1,916
Creditors for capital purchases**	-	41
Total	**4,620**	**3,197**
Current	**1,647**	**1,281**
Non- Current	**2,973**	**1,916**

*INR 10,460/- payable to inventor education and protection fund for the year ended March 31, 2021 and March 31, 2020 has been rounded off to Nil.

**INR 34,308/- Creditors for capital purchases for the period ended March 31, 2021 has been rounded off to Nil.

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 15 : Other financial liabilities (Contd..)

Break up of financial liabilities carried at amortised cost

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Borrowings (non-current) (Note 13A)	8,000	8,000
Lease Liabilities (Note 13B)	1,024	2,841
Trade payables (Note 14)	2,010	1,525
Other financial liabilities (Note 15)	4,620	3,197
Total financial liabilities carried at amortised cost	**15,655**	**15,563**

Note 16 : Provisions

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Provision for gratuity (refer note 27)	819	769
Provision for compensated absences (refer note 27)	44	58
Total	**863**	**827**
Current	**851**	**775**
Non- Current	**12**	**52**

Note 17A : Contract liabilities

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Unearned revenue*	311	141
Total	**311**	**141**
Current	**311**	**141**
Non Current	**-**	**-**

*Amount of revenue recognised during FY 2020-2021 from contract liabilities at the beginning of the year is ₹ 141 lakhs. Balance of ₹ 311 Lacs as at March 31, 2021 pertains to current year transactions.

Note 17B : Other current liabilities

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Advances from customers	131	-
Statutory dues	381	430
Total	**512**	**430**

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 18 : Income tax

The major components of income tax expense for the year ended 31 March 2021 are :

Statement of profit and loss :

Profit or loss section

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Current income tax :		
Current income tax charge	-	-
Deferred tax :		
Deferred tax charge/(Deferred tax credit)	1,055	(650)
Adjustment of deferred tax in respect of previous year*	1	-
Income tax expense reported in the statement of Profit or Loss	**1,056**	**(650)**

*For previous year ended March 31, 2020, INR 14,888/- represents tax true up impact which has been rounded off to Nil.

OCI section :

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

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Income tax (charge)/credit on remeasurements of defined benefit plans	37	37
Income tax charged to OCI	**37**	**37**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Accounting loss before income tax	(3,303)	(3,952)
At India's statutory income tax rate of 26%	(859)	(1,028)
At the effective income tax rate	**(859)**	**(1,028)**
Non-recognition of deferred tax asset	425	245
On account of reversal of opening Deferred tax asset position	-	133
Reversal of deferred tax impact on goodwill #	1,489	-
Tax true up impact*	1	-
Income tax expense reported in the statement of profit and loss	**1,056**	**(650)**

#Represents deferred tax asset reversed by the Company on difference between book basis and tax basis of goodwill, pursuant to goodwill taken out of purview of tax depreciation w.e.f. 1 April 2020 by Finance Bill enacted in March 2021.

*For previous year ended March 31, 2020, INR 14,888/- represents tax true up impact which has been rounded off to Nil.

Deferred tax

Deferred tax relates to the following:

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Deferred tax assets		
Differences in depreciation in block of property, plant and equipment as per tax books and financial books	16	567
Unabsorbed depreciation	970	1,553
Provision for doubtful debts and advances	91	72

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 18 : Income tax (Contd..)

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Effect of expenditure debited to statement of profit and loss in the current year/ earlier years but allowed for tax purposes in following years	363	267
Gross deferred tax assets	**1,440**	**2,459**
Deferred tax assets (net)	**1,440**	**2,459**

Reconciliation of deferred tax assets (net):

Particulars	(INR Lakhs)
Balance as at April 1, 2019	**1,772**
Tax income/(expense) during the year recognised in profit or loss	650
Tax income/(expense) during the year recognised in OCI	37
Closing balance as at March 31, 2020	**2,459**
Tax income/(expense) during the year recognised in profit or loss	(1,056)
Tax income/(expense) during the year recognised in OCI	37
Closing balance as at March 31, 2021	**1,440**

Deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognised in the balance sheet as on 31 March 2021:

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Temporary differences arising on:		
Carried forward business losses [(available for 8 assessment years i.e from FY 2017-2018 to FY 2028-2029) (for previous year FY 2017-2018 to FY 2027-2028)]	738	307
unabsorbed depreciation (Available for infinite period)	10	7
Provision for doubtful debts and advances (available on write off/collection)	21	19
Differences in depreciation in block of fixed assets as per tax books and financial books (available in due course)	2	3
Effect of expenditure debited to Statement of profit and loss in the period but allowed for tax purposes in following period (available on payment basis)	32	42
Deferred tax Asset (net)	**803**	**378**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 19 : Revenue from operations

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Sale of services		
- Revenue from digital services	13,103	8,929
- Revenue from multi-media content management services	11,729	16,869
- Airtime sales	57	112
Total	**24,889**	**25,910**

Notes to consolidated financial statements
for the year ended March 31, 2021

Note 19 : Revenue from operations (Contd..)

Reconciliation of revenue recognised with the contracted price is as follows:

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Contract price	25,342	25,910
Adjustments to the contract price	(453)	-
Revenue Recognised	**24,889**	**25,910**

The reduction towards variable consideration comprises of volume discounts.

Note 20 : Other income

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Interest income on EIR method		
- Bank deposits	50	51
- income tax refund	287	58
- Others	107	19
Other non - operating income		
Unclaimed balances/liabilities written back (net)	32	26
Exchange differences (net)	-	17
Net gain on disposal of property, plant and equipment	1	-
Miscellaneous income*	19	6
Total	**496**	**177**

*includes INR 18 Lakhs (previous year Nil) pertains to lease modification.

Note 21 : Employee benefits expense

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Salaries, wages and bonus	11,224	13,456
Contribution to provident and other funds (refer note 27)	483	555
Gratuity expense (refer note 27)	172	166
Workmen and staff welfare expenses	53	35
Total	**11,932**	**14,212**

Note 22 : Finance costs

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Interest on inter corporate deposit from holding company (refer note 29A)	1,114	1,006
Interest on lease liabilities (refer note 26A)	85	230
Bank Charges	14	5
Total	**1,213**	**1,241**

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 23 : Depreciation and amortisation expense

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Depreciation of tangible assets (refer note 3)	122	108
Depreciation expense of right-of-use assets (refer note 26A)	1,438	1,518
Amortisation of intangible assets (refer note 4)	3,655	3,664
Total	**5,215**	**5,290**

Note 24 : Other expenses

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Advertising and sales promotion	399	361
Power and fuel	1	2
Communication Costs	48	56
Legal and professional fees	1,556	404
Newsservice and dispatches	2,985	3,055
Repairs and maintenance		
Plant and machinery	1,893	1,335
Rates and taxes	76	1
Insurance	133	84
Service Charges on advertisement revenue	67	-
Rent	1,684	2,130
Travelling and conveyance	1,200	1,621
Loss allowance for doubtful debts and advances	79	75
Exchange differences (net)	29	-
Director's sitting fees (refer note 29A)	31	20
Payment to auditor (refer details below)	26	22
Security Charges	19	19
Housekeeping charges	40	44
Miscellaneous expenses	63	67
Total	**10,328**	**9,296**

Note : Payment to auditors

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
As auditor :		
- Audit fee	16	16
- Limited review	6	4
In other capacities :		
- Certification fees	2	-
Reimbursement of expenses	2	2
Total	**26**	**22**

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 25 : 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, 2021

₹ Lakhs

Particulars	Retained earnings	Total
Re - measurement gains(losses) on defined benefit plans	(114)	(114)
Tax impact	37	37
Total	**(77)**	**(77)**

During the year ended March 31, 2020

₹ Lakhs

Particulars	Retained earnings	Total
Re - measurement gains(losses) on defined benefit plans	(144)	(144)
Tax impact	37	37
Total	**(107)**	**(107)**

Note 26: Earnings per share (EPS) (refer note 28)

Basic and Diluted EPS amounts are calculated by dividing the profit for the period attributable to equity holders by the number of Equity shares outstanding during the year after considering the impact of the Scheme. As at March 31, 2021, there are no dilutive potential Equity Shares outstanding.

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

Particulars	March 31, 2021	March 31, 2020
Loss attributable to equity holders (INR Lakhs)	**(4,359)**	**(3,302)**
Weighted average number of equity shares for basic and diluted earnings per share	**5,81,87,078**	**5,81,87,078**
Loss per share (face value of ₹ 2/- Each)		
Basic EPS (INR)	(7.49)	(5.67)
Diluted EPS (INR)	(7.49)	(5.67)

Note 26A: Leases

The Group has taken office premises under lease arrangement.

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

₹ Lakhs

Particulars	Buildings
Balance at 1 April 2019	**-**
Additions to right-of-use assets	4,734
Depreciation charge for the year	(1,518)
Derecognition of right-of-use assets	-
Balance at 31 March 2020	**3,216**
Additions to right-of-use assets	37
Depreciation charge for the year	(1,438)
Derecognition of right-of-use assets	(384)
Balance at 31 March 2021	**1,431**

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 26A: Leases (Contd..)

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

₹ Lakhs

Particulars	Amount
Balance at 1 April 2019	**-**
Additions	4,226
Accretion of interest	230
Payments (considered below for cash flow)	(1,346)
Prepaid rent adjustment (considered below for cash flow)	(269)
Balance at 31 March 2020	**2,841**
Derecognition	(403)
Additions	37
Accretion of interest	85
Payments (considered below for cash flow)	(1,028)
Prepaid rent adjustment (considered below for cash flow)	(508)
Balance at 31 March 2021	**1,024**
Current	**999**
Non- Current	**25**
Balance at 31 March 2020	**2,841**
Current	**1,615**
Non- Current	**1,226**

The maturity analysis of lease liabilities are disclosed in Note 33.

iii) Amounts recognised in statement of profit or loss:

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Interest on lease liabilities	85	230
Depreciation expense of right-of-use assets	1,438	1,518
Expenses relating to short-term leases	1635	2,013

iv) Amounts recognised in statement of cash flows:

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Total cash outflow for leases	1,536	1,615

Note 27 : Defined Benefits Plan

A. Gratuity

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Gratuity	819	769
Total	**819**	**769**
Current	**807**	**717**
Non- Current	**12**	**52**

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 27 : Defined Benefits Plan (Contd..)

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.

Multi-media Content Management Undertaking of HT Media Limited (HTML) and Hindustan Media Ventures Limited (HMVL) was transferred and vested to and in HTDSL, as going concern on slump exchange basis, with effect from closing hours of March 31, 2016 (' Appointed Date') ('the Scheme').

In terms of the aforesaid Scheme, certain employees of HTML and HMVL were transferred on a going concern basis. The Gratuity Trust (HTDSL Employees Gratuity Trust) related to these employees was incorporated by HTDSL during the year ended March 31, 2018. An amount equivalent to the amount recoverable from HTML and HMVL Gratuity Trust as appearing in HTDSL Employees Gratuity Trust Financial Statements represent plan assets for HTDSL. The return generated by HTML and HMVL Gratuity Trust is shared with HTDSL Employees Gratuity Trust on proportionate basis in proportion to share of HTDSL Employees Gratuity Trust in total plan assets of HTML and HMVL Gratuity Trust.

The board of directors of HTDSL has passed the resolution on 2 March, 2021 to dissolve the HTDSL Employees Gratuity Trust with effect from 15 March, 2021. As part of settlement, confirmation letter has been obtained from trustees of HTML and HMVL Gratuity Trust stating that-

- Amount recoverable from HTML and HMVL Gratuity Trust will represent plan assets for HTDSL
- The return generated by HTML and HMVL Gratuity Trust will be shared with HTDSL on proportionate basis in proportion to share of HTDSL in total plan assets of HTML and HMVL Gratuity Trust.

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss 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 31 March, 2021 :

Present value of Obligation

₹ Lakhs

Particulars	March 31, 2021 Present value of Obligation	March 31, 2020 Present value of Obligation
Opening balance	948	737
Current service cost	120	130
Interest expense or cost	65	57
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumptions	189	-
- change in financial assumptions	(31)	89
- experience variance (i.e. actual experience vs assumptions)	(39)	58
Benefits paid	(213)	(123)
Transfer In/(Out)*	(25)	-
Total	**1,014**	**948**

*In relation to transfer of employees to fellow subsidiary

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 27 : Defined Benefits Plan (Contd..)

Fair Value of Plan Assets

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Opening balance	179	269
Investment income	13	21
Benefits paid	-	(114)
Return on plan assets, excluding amount recognised in net interest expenses	3	3
Total	**195**	**179**

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

Particulars	Defined Gratuity Plan	
	March 31, 2021	March 31, 2020
Investment in Funds managed by HTML and HMVL Gratuity Trust	100%	100%

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

Particulars	March 31, 2021	March 31, 2020
	%	%
Discount Rate	6.15%	6.85%
Salary Growth Rate	6%	5%
Withdrawal Rate		
Up to 30 years	7%	3%
31 - 44 years	7%	2%
Above 44 years	7%	1%
Mortality Rate	100% IALM 2012-14	100% IALM 2012-14

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 is as shown below:

₹ Lakhs

Particulars	Defined Gratuity Plan	
	March 31, 2021	March 31, 2020
Defined benefit obligation (Base)	1,014	949

Impact on defined benefit obligation

₹ Lakhs

Particulars	March 31, 2021		March 31, 2020	
Assumptions	Decrease	Increase	Decrease	Increase
Discount rate(-/+1%)	91	(78)	116	(98)
Salary growth rate(-/+1%)	(78)	90	(100)	117
Attrition rate (-/+ 50%)	2	(1)	(12)	11
Mortality Rate (-/+ 10%)	(2)	2	(1)	1

The sensitivity analysis above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 27 : Defined Benefits Plan (Contd..)

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

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	107	55
Between 2 and 5 years	359	219
Between 6 and 10 years	427	374
Beyond 10 years	965	1,734
Total expected payments	**1,858**	**2,382**

Average duration of the defined benefit plan obligation

Particulars	Defined Gratuity Plan	
	March 31, 2021	March 31, 2020
Weighted average duration	8 Years	16 Years

B. Defined Contribution Plan

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Contribution to provident and other funds		
Charged to statement of profit and loss	483	555

B. Leave encashment (unfunded)

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

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

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Liability at the beginning of the period	58	65
Transfer In/(Out)*	(1)	-
Benefits paid during the year	(18)	(7)
Provided during the year	5	-
Liability at the end of the year	**44**	**58**

*In relation to transfer of employees to fellow subsidiary

Note 28:

"The Scheme of Arrangement (Demerger) u/s 230-232 of the Companies Act, 2013 between the Company and HT Media Limited (HTML) and their respective shareholders and creditors (Scheme) for transfer and vesting of the Entertainment & Digital Innovation Business of HTML to and in the Company, as going concern, with effect from March 31, 2018 (closing business hours) i.e. Appointed Date, was sanctioned by the Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench vide order dated March 7, 2019 (the order). Consequent upon filing of the order passed by NCLT with the Registrar of Companies, NCT of Delhi & Haryana on April 5, 2019, the Scheme became effective from the Appointed Date.

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 28: (Contd..)

Pursuant to the Scheme, HTML has transferred its entire stake in HTDSL (i.e. 57.17%) to the Company. Consequently, HTDSL has become wholly-owned subsidiary of the Company.

The Company issued and allotted its 58,187,078 equity shares of face value of ₹ 2/- each on April 12, 2019 to the eligible shareholders of HTML.

The aforesaid equity shares were admitted for trading and listed on the stock exchanges i.e. National Stock Exchange of India Limited and BSE Limited on June 18, 2019. These equity shares have also been considered for the purpose of calculation of earnings per share and paid up share capital for the previous year.

Note 29: Related party transactions

i) List of Related Parties and Relationships:-

Parties having direct or indirect control over the Company (Holding Company)	Earthstone Holding (Two) Private Limited (Ultimate controlling party is the Promoter Group)
Holding Company	The Hindustan Times Limited
Fellow Subsidiaries (with whom transactions have occurred during the year)	HT Media Limited
	Hindustan Media Ventures Limited
	HT Overseas Pte. Ltd.
	Mosaic Media Ventures Limited
	Next Radio Limited (w.e.f. April 15, 2019)
	HT Mobile Solutions Limited
Key Managerial Persons (with whom transactions have occurred during the year)	Mr. Ajay Relan (Non-Executive independent Director, w.e.f April 18, 2019)
	Mr. Vivek Mehra (Non-Executive independent Director, w.e.f April 18, 2019)
	Ms. Suchitra Rajendra (Non-Executive independent Director, w.e.f April 18, 2019)
	Mrs. Shobhana Bhartia (Key Managerial Person of Holding Company)
	Mr. Priyavrat Bhartia
Relative of Key Managerial Persons (with whom transactions have occurred during the year)	Mr. Shamit Bhartia (Relative of Mrs. Shobhana Bhartia and Mr. Priyavrat Bhartia)

ii) Transactions with related parties

Refer Note 29A

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 (other than Inter-corporate Deposit refer note 13A)

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 29A : Related party transactions

₹ Lakhs

Particulars	Holding Company		Fellow Subsidiaries		Key Managerial Personnel (KMP's) / Directors		Relative of KMP's		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Transactions during the year with related parties										
REVENUE TRANSACTIONS										
INCOME										
Digital services	-	-	466	323		-	-	-	466	323
Service fees received	-	-	19	1,384		-	-	-	19	1,384
Multi-media content management services	-	-	11,729	16,869		-	-	-	11,729	16,869
Share of revenue received on joint sale	-	-	118	126		-	-	-	118	126
Sale of digital subscription*	-	-	-	-	-	-	-	-	-	-
EXPENSE										
Advertisement expenses	-	-	221	178		-	-	-	221	178
Infrastructure support services	-	-	1,682	2,117		-	-	-	1,682	2,117
Rent & maintenance	1,293	1,615	-	-	-	-	-	-	1,293	1,615
Interest accrued on inter corporate deposit	-	-	1,114	1,006		-	-	-	1,114	1,006
Non Executive Director's Sitting Fee	-	-	-	-	31	20	-	-	31	20
Commission & collection charges paid	-	-	20	-	-	-	-	-	20	-
Treasury & management support services	-	-	227	87		-	-	-	227	87
OTHERS										
Reimbursement of expenses incurred on behalf of the Group by parties	-	-	421	126		-	-	-	421	126
Reimbursement of expenses incurred on behalf of the party by the Group	-	-	17	19		-	-	-	17	19
Security deposit given by the Company (undiscounted value)	-	1,556	-	-	-	-	-	-	-	1,556
Issue of equity share capital	-	809	-	-	-	-	-	-	-	809
BALANCE OUTSTANDING										
Trade and other receivables (including other financial assets)**	-	-	2,360	2,904	-	-	-	-	2,360	2,904
Trade payables	-	-	125	4	-	-	-	-	125	4
Security deposit given (undiscounted value)	1,556	1,556	-	-	-	-	-	-	1,556	1,556
Prepaid expenses	508	269	-	-	-	-	-	-	508	269
Inter corporate deposit taken & interest accrued on it	-	-	10,973	9,916	-	-	-	-	10,973	9,916

*INR 9,180/- (Previous Year - INR 4,405/-) and INR 3,049/- (Previous Year - INR 2,203/-) towards sale of digital subscription to KMP and relative of KMP respectively has been rounded off to Nil.

**after off-set of amount payable in respect of gratuity and leave obligation (net) in relation to transfer of employees to fellow subsidiary.

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 30: Based on the information available with the Group, Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Principal amount	235	9
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 year 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.	-	-

Note 31 : Capital management

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

The Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital and net debt. The Group includes within net debt, interest bearing loans and borrowings, interest accrued on borrowings, less cash and cash equivalents and other bank balances.

₹ Lakhs

Particulars	March 31, 2021	March 31, 2020
Borrowings (Note 13A)	8,000	8,000
Interest accrued on borrowings (Note 15)	2,973	1,916
Less: cash and cash equivalents (Note 8A)	(2,145)	(1,091)
Less : Other bank balances(Note 8B)*	(1,800)	-
Net debt	**7,028**	**8,825**
Equity	(1,356)	3,080
Total capital	**(1,356)**	**3,080**
Capital and net debt	**5,672**	**11,905**
Gearing ratio	**124%**	**74%**

*INR 10,460/- balance in unclaimed dividend account for the year ended March 31, 2021 and March 31, 2020 has been rounded off to Nil.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 32 : Fair values

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

₹ Lakhs

Particulars	Carrying Value		Fair value		Fair value mechanism Hierarchy level
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Financial assets measured at fair value through profit and loss (FVTPL)					
Unquoted Equity Investments (refer note 6A)	10	10	10	10	Level 3*
Financial assets measured at fair value through OCI					
Quoted Equity Investments (refer note 6A)	5	-	5	-	Level 1**
Financial assets measured at amortised cost					
Balance on deposit accounts (More than 12 months maturity) (refer note 9A)	2,094	-	2,094	-	Level 2***
Security deposits given [Non-Current] (refer note 6B)	1,445	1,335	1,445	1,335	Level 2****
Financial liabilities for measured at amortised cost					
Long term borrowings (refer note 13A)	8,000	8,000	8,000	8,000	Level 2*****

*The sensitivity analysis disclosures in relation to Unquoted equity instrument classified at FVTPL is not been disclosed since the management believes that there is no movement in the fair value on the reporting date.

The management assessed that fair value of trade receivables, cash and cash equivalents, other bank balances, loan given (current), other current financial assets, trade payables, short-term borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

**Investments in quoted equity shares are valued at closing price of stock on recognised stock exchange.

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

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

*****The fair values of Long term interest-bearing borrowings are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk was assessed to be insignificant.

Note 33: Financial risk management objectives and policies

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

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the mitigation of these risks. The Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The policies for managing each of these risks, which are summarized below:-

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 33: Financial risk management objectives and policies (Contd..)

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 2021 and 31 March 2020.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has no exposure to the risk of changes in market interest since the Group has fixed interest rate debt obligation.

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 Group'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 exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

₹ Lakhs

Particulars	Outstanding balances		Change in foreign currency rate		Effect on Loss before tax	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Change in USD rate						
Trade Receivables	714	327	+/-1%	+/-1%	7	3

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 Group 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 and other financial assets

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 7 and Note 9A . The group does not hold collateral as security.

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

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made as per guidelines and within limits approved by Board of

Notes to consolidated financial statements
for the year ended March 31, 2021

Note 33: Financial risk management objectives and policies (Contd..)

Directors. Board of Directors/ Management reviews and update guidelines, time to time as per requirement. The guidelines are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

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

No loans will mature in less than one year at March 31, 2021 based on the carrying value of borrowings reflected in the financial statements.

The table below summarizes the maturity profile of the Group's financial liabilities

₹ Lakhs

	With in 1 year	More than 1 years	Total
As at March 31, 2021			
Borrowings (refer note 13A)	-	8,000	8,000
Lease liabilities (refer note 13B)	999	25	1,024
Trade and other payables (refer note 14)	2,010	-	2,010
Other financial liabilities (refer note 15)	1,647	2,973	4,620
As at March 31, 2020			
Borrowings (refer note 13A)	-	8,000	8,000
Lease liabilities (refer note 13B)	1,615	1,226	2,841
Trade and other payables (refer note 14)	1,525	-	1,525
Other financial liabilities (refer note 15)	1,281	1,916	3,197

Note 34 :

Additional information as required under Schedule III of the Companies Act, 2013, of the enterprises consolidated as subsidiary.

Particulars	Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount (₹ Lakhs)	As % of consolidated profit or loss	Amount (₹ Lakhs)	As % of consolidated other comprehensive income	Amount (₹ Lakhs)	As % of total comprehensive income	Amount (₹ Lakhs)
Current year : As on March 31, 2021								
I. Parent :								
Digicontent Limited	659	(8,942)	41	(1,773)	(37)	28	39	(1,744)
II Subsidiary :								
Indian								
HT Digital Streams Limited	(559)	7,585	59	(2,586)	137	(105)	61	(2,691)
Total	**100**	**(1,356)**	**100**	**(4,359)**	**100**	**(77)**	**100**	**(4,436)**

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 34 : (Contd..)

Particulars	Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount (₹ Lakhs)	As % of consolidated profit or loss	Amount (₹ Lakhs)	As % of consolidated other comprehensive income	Amount (₹ Lakhs)	As % of total comprehensive income	Amount (₹ Lakhs)
Current year : As on March 31, 2020								
I. Parent :								
Digicontent Limited	(304)	(9,354)	37	(1,238)	3	(3)	36	(1,241)
II Subsidiary :								
Indian								
HT Digital Streams Limited	404	12,434	63	(2,064)	97	(104)	64	(2,168)
Total	**100**	**3,080**	**100**	**(3,302)**	**100**	**(107)**	**100**	**(3,409)**

Note 35: Segment reporting

The Group operations comprise of only one segment i.e. "Entertainment & Digital Innovation Business". The Chief Operating Decision Maker (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"

There are three customers (including related parties) which represent 10% or more of the Group's total revenue with total amounting to ₹ 15,682 lakhs and ₹ 21,212 lakhs for the year ended March 31, 2021 and March 31, 2020 respectively.

Note 36 : Goodwill acquired pursuant to Schemes of Arrangement under section 391-394 of Companies Act, 1956 between HT Media Limited and HT Digital Streams Limited and Hindustan Media Ventures Limited and HT Digital Streams Limited ('the Schemes') approved by Hon'ble Hight Court of Delhi in earlier years has been accounted for as per the requirements of the Schemes whereby goodwill is required to be amortised over a period of five years. This accounting treatment as per the Schemes is different from that prescribed in the applicable Ind AS which requires such goodwill to only be tested for impairment annually. Had the Scheme not required goodwill to be amortised, the Group would have reported a profit before tax of INR 316 lakhs as against reported loss before tax of INR 3,303 lakhs , Reserves of INR 8,633 lakhs as against negative reserves of INR 9,462 lakhs and total assets of INR 34,079 lakhs as against INR 15,984 lakhs as at 31 March 2021. Such goodwill has been fully amortised as on March 31, 2021.

Note 37: Commitments

₹ Lakhs

Particulars	As at 31st March 2021	As at 31st March 2020
Estimated amount of contracts on capital account pending to be executed (Net of advances INR 13 Lakhs (As at March 31, 2020: 65 lakhs)	187	208

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 38: Group Information

Information about subsidiary

The consolidated financial statements of the company includes subsidiary listed in the table below :

Name	Principal activity	Country of incorporation	% equity interest	
			As at 31st March 2021	As at 31st March 2020
HT Digital Streams Limited	Digital services	India	100	100

Note 39: Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Note 40: The Company carries on the operating business of Entertainment and Digital Innovation and has regular revenue from this business. As at 31 March 2020, the Company holds not less than 90% of its net assets in the form of investments in equity shares and loans in/ to subsidiary company. Investments in equity shares in 100% subsidiary company constitute not less than 60% of its net assets. Till 31 March 2020, the Company did not trade in investments in shares, bonds, debentures, debt or loans in group companies and it did not carry on any other financial activity referred to in Section 45I(c) and 45I (f) of the Reserve Bank of India Act, 1934.

In this context, a question is under discussion with RBI whether the Company meets the Principal Business Criteria (PBC) for classification as a NBFC and in terms of the Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, as amended ('Regulations') issued by the Reserve Bank of India ('RBI'), to register as a Systemically Important Core Investment Company (SI-CIC), since it holds total assets of not less than ₹ 100 crore and holds public funds as at 31 March 2020.

In the view of the Management, the Company does not meet the income criterion of principal business criteria of being a Non-Banking Finance Company (NBFC) on the basis of the last audited Financial Statements for the year ended 31 March 2020.

The Company submitted representations to the RBI vide letters dated 13 January 2021 and 17 February 2021, wherein the facts of the case were stated, and unaudited provisional Balance sheet and Income statement as at 31 December 2020 and 31 January 2021 along with audited financial statements of 31 March 2020 were filed.

It was represented that the Company is not required to register as SI-CIC since it is not a NBFC based on its last audited financial statements for year ended 31 March 2020.

The Company has received a letter dated 23 March 2021 from the RBI, wherein based on the examination of the financials, RBI has stated that it appears that the Company qualifies to be a Non-Banking Financial Company and it is required either to (a) merge with another NBFC or Non-Financial Company or (b) windup the business of NBFC or (c) apply for certificate of registration as NBFC.

The Management believes that the RBI has not fully considered the Company's submissions and accordingly the Company has submitted a detailed representation, vide letter dated 9 June 2021 to RBI, reiterating that the company believes that, on the basis of the latest audited Financial Statements as on 31 March 2020, the Company does not fulfil the income criteria of the Principal Business Criteria and hence is not a NBFC. Accordingly, the management is of the view that the Company did not need to register as a SI-CIC.

Notes to consolidated financial statements

for the year ended March 31, 2021

Note 40: (Contd..)

In any view of the matter and without prejudice to the above submissions, the Company also represented that it is already in the process of merging with HT Media Limited, a Non Financial operating company and a fellow subsidiary, along with two fellow subsidiaries, the merger scheme for the same has been approved by the Boards of the respective Companies in February 2021 and filed with the Stock exchanges in March 2021 for their approval.

The Company is therefore already in the process of implementing one of the three actions stipulated by RBI in its letter dated 23 March 2021, to comply with the above-mentioned NBFC matter.

Note 41: Scheme of amalgamation between Next Mediaworks Limited (NMWL), Digicontent Limited (DCL) and HT Mobile Solutions Limited(HTMSL) with HT Media Limited (HTML)

A Composite Scheme of Amalgamation u/s 230-232 of the Companies Act, 2013 which provides for merger of Next Mediaworks Limited (NMWL), Digicontent Limited (DCL) and HT Mobile Solutions Limited (HTMSL) with HT Media Limited (HTML) ("Scheme"), has been approved by the respective Board of Directors of companies at their meetings held on February 11, 2021, subject to requisite approval(s). The application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been filed with both, NSE and BSE and their approval is awaited.

Pending sanction, impact of the Scheme has not been considered in DCL consolidated financials for FY 2020-21.

Note 42 : Management has been continuously evaluating the possible effects that may result from the pandemic relating to COVID-19 on the operations and financial results of the Group for the year ended March 31, 2021. The Group has considered and taken into account internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of financial and non financial assets. Given the uncertainties associated with nature, condition and duration of COVID-19, the impact assessment on the Group's financial information will be continuously made and provided for as required.

In terms of our report of even date attached

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

Rajesh Arora
Partner
Membership No. 076124

Place: Gurugram
Date: June 15, 2021

For and on behalf of the Board of Directors of Digicontent Limited

Vikas Prakash
Company Secretary

Ajay Sivaraman Nair
Chief Financial Officer

Puneet Jain
Chief Executive Officer

Praveen Someshwar
Director
(DIN: 01802656)

Dinesh Mittal
Director
(DIN: 00105769)

Place: New Delhi
Date: June 15, 2021

Notes to consolidated financial statements

for the year ended March 31, 2021

Annexure

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

PART "A" : SUBSIDIARIES

₹ Lakhs

Sr. No.	1
Name of the Subsidiary Company	HT Digital Streams Limited
Date since when subsidiary was acquired	31-Mar-18
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not applicable
a) Share capital	2,005
b) Reserves and surplus	5,629
c) Total assets	13,703
d) Total liabilities	13,703
e) Investments	10
f) Turnover @	25,237
g) Profit / (loss) before taxation	(1,669)
h) Provision for tax expenses/(benefits	1,056
i) Profit / (loss) after taxation	(2,725)
j) Proposed dividend (includes dividend distribution tax)	-
Extent of shareholding (%)	100%

@ includes Other Income

PART " B" : ASSOCIATES AND JOINT VENTURES

The Company doesn't have any associate and joint venture.

For and on behalf of the Board of Directors of Digicontent Limited

Vikas Prakash
Company Secretary

Ajay Sivaraman Nair
Chief Financial Officer

Puneet Jain
Chief Executive Officer

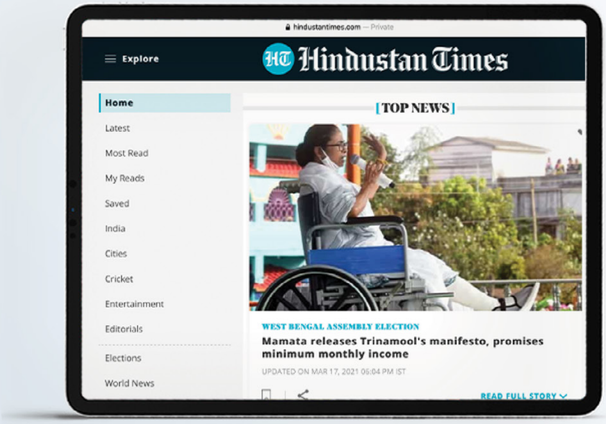
Praveen Someshwar
Director
(DIN: 01802656)

Dinesh Mittal
Director
(DIN: 00105769)

Place: New Delhi
Date: June 15, 2021

Notes

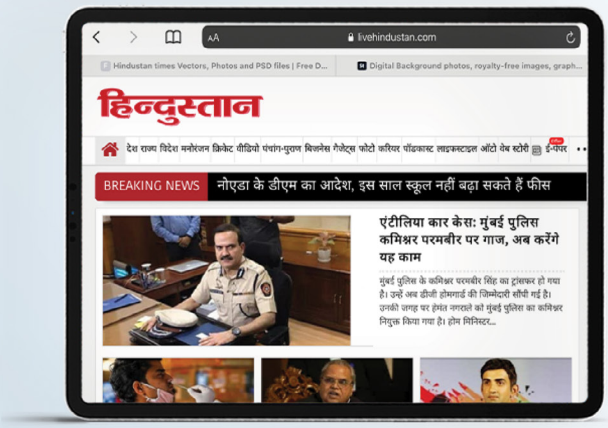
PAVING THE PATH FOR
DIGITAL TRANSFORMATION



March'21

65 Mn. UNIQUE USERS

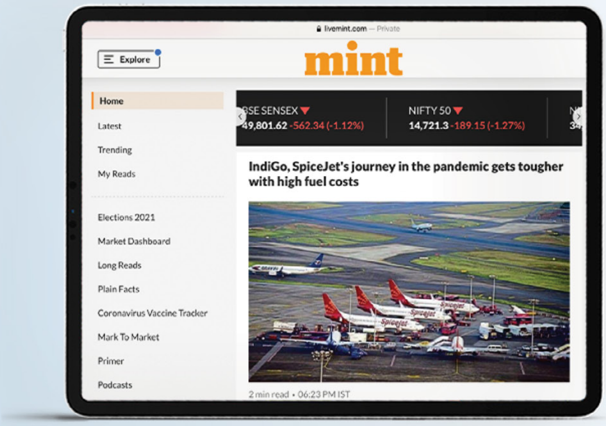
280 Mn. PAGE VIEWS



March'21

71 Mn. UNIQUE USERS

346 Mn. PAGE VIEWS



March'21

33 Mn. UNIQUE USERS

101 Mn. PAGE VIEWS

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