INDEPENDENT AUDITOR'S REPORT

To the Members of HT Digital Streams Limited

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and 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 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 Opinion

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

Emphasis of matter

We draw attention to Note 36 to the 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 Company would have reported a profit before tax of Rs. 1,950 lakhs as against reported loss before tax of Rs. 1,669 lakhs, Reserves of Rs. 8,374 lakhs as against negative reserves of Rs. 9,721 lakhs and total assets of Rs. 31,798 lakhs as against Rs. 13,703 lakhs as at 31 March 2021.

Our opinion is not modified in respect of this matter.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

   d) Except for the overriding effect of the Scheme of Arrangement approved by Hon'ble High Courts as described in Emphasis of Matter paragraph, in our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 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.

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

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

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

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

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

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

(C) With respect to the matter to be included in the Auditors' 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:21076124AAAABV5575

Place: Gurugram
Date: 15 June 2021

Annexure A referred to in our Independent Auditor’s Report to the members of HT Digital Streams Limited on the 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.

(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 not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.

(iv) 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 investment or given any loan, or provided any guarantee or security as specified under Section 185 or 186 o the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.

(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.

(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, employees' state insurance, income tax, goods and service tax (GST), duty of customs, 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 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, employees' state insurance, income tax, GST, duty of customs, 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 and 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.

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

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

(xv) According to information and explanations given to us 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.

(xvi) According to information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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

Rajesh Arora
Partner
Membership No. 076124
UDIN: 21076124AAAABV5575

Place: Gurugram
Date:15 June 2021

Annexure B to the Independent Auditor's report on the financial statements of HT Digital Streams Limited for the year ended 31 March 2021.

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

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

Opinion

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures

selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Rajesh Arora
Partner
Membership No.: 076124
UDIN: 21076124AAAABV5575

Place: Gurugram
Date: 15 June 2021

HT Digital Streams Limited
Balance Sheet as at March 31, 2021

	Notes	As at 31st March 2021 INR Lakhs	As at 31st March 2020 INR Lakhs
I ASSETS			
1) Non-current assets			
(a) Property, plant and equipment	3	217	192
(b) Right - of - use assets	25	1,431	3,216
(c) Goodwill	4	-	3,619
(d) Other intangible assets	4	82	111
(e) Intangible assets under development	4	42	-
(f) Financial assets			
(i) Investments	5A	10	10
(ii) Loans	5B	1,445	1,335
(g) Deferred tax assets (net)	10	1,440	2,459
(h) Income tax assets (net)	6A	146	3,165
(i) Other non-current assets	6B	15	65
Total Non- current assets		**4,828**	**14,172**
2) Current assets			
(a) Financial assets			
(i) Trade receivables	7A	3,486	3,006
(ii) Cash and cash equivalents	7B	2,120	461
(iii) Other bank balances other than (ii) above	7C	1,800	-
(iv) Loans	5B	1	1
(v) Other financial assets	7D	1,207	1,034
(b) Contract assets	8	55	326
(c) Other current assets	9	206	148
Total current assets		**8,875**	**4,976**
TOTAL ASSETS		**13,703**	**19,148**
II EQUITY AND LIABILITIES			
1) Equity			
(a) Equity share capital	11	2,005	2,005
(b) Other equity	12	5,629	8,459
Total equity		**7,634**	**10,464**
2) Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	13B	25	1,226
Total non- current liabilities		**25**	**1,226**
Current liabilities			
a) Financial liabilities			
(i) Borrowings	13A	-	1,850
(ii) Lease liabilities	13B	999	1,615
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	14A	235	9
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	14A	1,536	1,400
(iv) Other financial liabilities	14B	1,615	1,286
b) Contract liabilities	15	311	141
c) Other current liabilities	16	501	388
d) Provisions	17	847	769
Total current liabilities		**6,044**	**7,458**
Total liabilities		**6,069**	**8,684**
TOTAL EQUITY AND LIABILITIES		**13,703**	**19,148**
Summary of significant accounting policies	2		

See accompanying notes to the 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
HT Digital Streams Limited

Utsav Saini
Company Secretary

Ajay Sivaraman Nair
Chief Financial Officer

Puneet Jain
Chief Executive Officer

Dinesh Mittal
Director
(DIN: 00105769)

Sandeep Rao
Director
(DIN: 08711910)

Place: New Delhi
Date: June 15, 2021

HT Digital Streams Limited
Statement of Profit and Loss for the year ended March 31, 2021

	Particulars	Notes	Year Ended 31st March 2021 INR Lakhs	Year Ended 31st March 2020 INR Lakhs
I	**Income**			
	a) Revenue from operations	18	24,780	24,350
	b) Other Income	19	457	133
	Total Income		**25,237**	**24,483**
II	**Expenses**			
	a) Employee benefits expense	20	11,560	13,105
	b) Finance costs	21	239	400
	c) Depreciation and amortisation expense	22	5,207	5,271
	d) Other expenses	23	9,900	8,718
	Total Expense		**26,906**	**27,494**
III	**Loss before tax (I-II)**		**(1,669)**	**(3,011)**
IV	**Earnings before interest, tax, depreciation and amortisation (EBITDA) [III+II(b+c)]**		**3,777**	**2,660**
V	**Income tax expense**			
	Current tax	10	-	-
	Deferred tax charge/(credit)	10	1,056	(783)
	Total tax expense		**1,056**	**(783)**
VI	**Loss for the year and attributable to owners (III-V)**		**(2,725)**	**(2,228)**
VII	**Other comprehensive Income**	24		
	Items that will not to be reclassified to profit or loss			
i)	Remeasurement of the defined benefit plans		(142)	(141)
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		**(105)**	**(104)**
VIII	**Total comprehensive loss for the year and attributable to owners, net of tax (VI+VII)**		**(2,830)**	**(2,332)**
IX	**Loss per share (INR)**			
	Basic (Nominal value Rs.10 each)	26	(13.59)	(11.11)
	Diluted (Nominal value Rs.10 each)	26	(13.59)	(11.11)
	Summary of significant accounting policies	2		

See accompanying notes to the financial statements.

In terms of our report of even date attached

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

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

Rajesh Arora
Partner
Membership No. 076124

Utsav Saini
Company Secretary

Ajay Sivaraman Nair
Chief Financial Officer

Puneet Jain
Chief Executive Officer

Dinesh Mittal
Director
(DIN: 00105769)

Sandeep Rao
Director
(DIN: 08711910)

Place: Gurugram
Date: June 15, 2021

Place: New Delhi
Date: June 15, 2021

HT Digital Streams Limited
Statement of Cash Flows for the year ended March 31, 2021

Particulars	Year ended March 31, 2021 INR Lakhs	Year ended March 31, 2020 INR Lakhs
Cash flows from operating activities:		
Loss before tax:	**(1,669)**	**(3,011)**
Adjustments for:		
Interest income from deposits and others	(405)	(89)
Depreciation and amortisation expense	5,207	5,271
Loss allowance for doubtful debts and advances	65	73
Interest expense	239	400
Unclaimed balances/liabilities written back (net)	(51)	(21)
Unrealised exchange differences	29	(17)
Net gain on disposal of property, plant and equipment	(1)	-
Changes in operating assets and liabilities		
(Increase) / decrease in trade receivables	(574)	756
(Increase)/ decrease in current and non-current financial assets and other current and non-current assets	36	(2,806)
Increase/ (decrease) in current and non-current financial liabilities and other current and non-current liabilities and provisions	1,277	(886)
Cash generated from operations	**4,153**	**(330)**
Income taxes refund/ (paid)	3,163	(145)
Net cash flow from/(used in) from operating activities (A)	**7,316**	**(475)**
Cash flows from investing activities:		
Interest received on deposits	10	12
Fixed deposits made with original maturity of more than three months but upto 12 months	(1,800)	-
Payment for purchase of property, plant and equipment & intangible assets (including intangible under development)	(179)	(169)
Net cash used in investing activities (B)	**(1,969)**	**(157)**
Cash flows from financing activities:		
Interest paid	(303)	(21)
Repayment of lease liabilities	(1,536)	(1,615)
Repayment of Inter-corporate deposits received	(1,850)	-
Inter-corporate deposits received	-	1,850
Net cash flows from/(used in) financing activities (C)	**(3,689)**	**214**
Net increase/ (decrease) in cash and cash equivalents (D= A+B+C)	**1,659**	**(418)**
Cash and cash equivalents at the beginning of the year (E)	461	879
Cash and cash equivalents at year end (D+E)	**2,120**	**461**

HT Digital Streams Limited
Statement of Cash Flows for the year ended March 31, 2021

Particulars	Year ended March 31, 2021 INR Lakhs	Year ended March 31, 2020 INR Lakhs
Components of Cash & Cash Equivalents as at end of the year		
Cash on hand	1	2
Balances with banks		
- on deposit accounts	1,947	347
- in current accounts	172	112
Statement of cash flows	**2,120**	**461**

Note : Refer note 13A for debt reconciliation and note 25 for movement on lease liabilities.

See accompanying notes to the financial statements.

In terms of our report of even date attached

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

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

Rajesh Arora
Partner
Membership No. 076124

Utsav Saini
Company Secretary

Ajay Sivaraman Nair
Chief Financial Officer

Puneet Jain
Chief Executive Officer

Dinesh Mittal
Director
(DIN: 00105769)

Sandeep Rao
Director
(DIN: 08711910)

Place: Gurugram
Date: June 15, 2021

Place: New Delhi
Date: June 15, 2021

HT Digital Streams Limited
Statement of changes in equity for the year ended March 31, 2021

A. Equity share capital (Refer note 11)
Equity Shares of INR 10 each issued, subscribed and fully paid up

(INR Lakhs)

Particulars	Number of shares	Amount
Balance as at 1 April, 2019	20,050,000	2,005
Changes in share capital during the year	-	-
Balance as at March 31, 2020	20,050,000	2,005
Changes in share capital during the year	-	-
Balance as at March 31, 2021	20,050,000	2,005

B. Other Equity (Refer note 12) (INR Lakhs)

Particulars	Securities premium reserve	Retained earnings	Total
Balance as at 1 April, 2019	**15,350**	**(4,559)**	**10,791**
(Loss) for the year	-	(2,228)	(2,228)
Items of other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligation, net of tax	-	(104)	(104)
Balance as at March 31, 2020	**15,350**	**(6,891)**	**8,459**
(Loss) for the year	-	(2,725)	(2,725)
Items of other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligation, net of tax	-	(105)	(105)
Items of other comprehensive income recognised directly in retained earnings	**15,350**	**(9,721)**	**5,629**

See accompanying notes to the 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 HT Digital Streams Limited

Utsav Saini
Company Secretary

Ajay Sivaraman Nair
Chief Financial Officer

Puneet Jain
Chief Executive Officer

Dinesh Mittal
Director
(DIN: 00105769)

Sandeep Rao
Director
(DIN: 08711910)

Place: New Delhi
Date: June 15, 2021

1. Corporate information

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

Pursuant to Scheme of Arrangement (The scheme) between the Digicontent Limited 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 has been transferred to the Digicontent Limited 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 the Company (i.e. 57.17%) to Digicontent Limited. Consequently, the Company has become wholly-owned subsidiary of Digicontent Limited.

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

Information on related party relationship of the Company is provided in Note No 27 and 27A.

The registered office of the Company is located at Budh Marg, Patna - 800001.

2. Significant accounting policies followed by Company

2.1 Basis of preparation

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

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

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

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

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

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

The financial statement 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.

2.2 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 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 Company classifies all other liabilities as non-current.

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

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

b) Foreign currencies

Transactions and Balances

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

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

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

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

c) Fair value measurement

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

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which 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 are not received by the Company on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.

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-

a) 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.

b) Revenue from Syndication

Revenue from Content Selling is recognized basis report shared by customer on usage and monetization of content.

c) 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 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 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

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

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

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

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

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

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

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

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of 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)
Plant and Machinery	3-6
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.

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 finite life are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite 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. Also refer note 36.

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

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.

<u>Company as a lessee</u>

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

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

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

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

Company as a lessor

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

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 credit method.

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

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

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

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

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income

Termination benefits

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.

Re-measurements, comprising of actuarial gains and losses, are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non- current liability.

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 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) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

m) 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 consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to

a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

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

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

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

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

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is

adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.
ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

• Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is 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 Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

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

Loans and borrowings

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings. For more information refer Note 13A.

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.

n) 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.

o) Contingent Liabilities

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

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.

Diluted earnings per share

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

2.3. Significant accounting judgements, estimates and assumptions

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

The areas involving critical estimates or Judgement are as below:

Property, Plant and Equipment

The Company, 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 higher 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 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.

Further details on taxes are disclosed in Note 10

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. For more information refer Note 31.

Impairment of financial assets

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

Impairment of non- financial assets

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

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

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

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

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

For further details about leases, refer to accounting policy on leases and Note 25.

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HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Note 3 : Property, plant and equipment

(INR Lakhs)

Particulars	Plant and machinery	Office equipments	Total
Cost			
As at 1 April, 2019	**526**	**47**	**573**
Additions during the year	80	2	82
Less : Disposals/ adjustments	2	-	2
As at 31 March 2020	**604**	**49**	**653**
Additions during the year	142	5	147
Less : Disposals/ adjustments	17	2	19
As at 31 March 2021	**729**	**52**	**781**
Accumulated depreciation/ Impairment			
As at 1 April, 2019	**353**	**3**	**356**
Charge for the year	104	3	107
Less : Disposals/ adjustments	2	-	2
As at 31 March 2020	**455**	**6**	**461**
Charge for the year	117	4	121
Less : Disposals/ adjustments	17	1	18
As at 31 March 2021	**555**	**9**	**564**
Net Block			
As at 31 March 2021	**174**	**43**	**217**
As at 31 March 2020	**149**	**43**	**192**

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Note 4 : Intangible assets and intangible assets under development

(INR Lakhs)

Particulars	Website Development	Software Licenses	Total Intangible Assets	Goodwill (Refer note 36)	Intangible Assets under development
Gross Carrying Amount					
As at 1 April, 2019	**91**	**46**	**137**	**18,095**	**3**
Additions during the year	-	46	46	-	-
Less : Disposals/ adjustments	-	-	-	-	3
As at 31 March 2020	**91**	**92**	**183**	**18,095**	**-**
Additions during the year	-	-	-	-	42
As at 31 March 2021	**91**	**92**	**183**	**18,095**	**42**
Accumulated amortisation					
As at 1 April, 2019	**29**	**16**	**45**	**10,857**	**-**
Charge for the year	15	12	27	3,619	-
As at 31 March 2020	**44**	**28**	**72**	**14,476**	**-**
Charge for the year	15	14	29	3,619	-
As at 31 March 2021	**59**	**42**	**101**	**18,095**	**-**
Net Carrying Amount					
As at 31 March 2021	**32**	**50**	**82**	**-**	**42**
As at 31 March 2020	**47**	**64**	**111**	**3,619**	**-**

(INR Lakhs)

Net Book Value	March 31, 2021	March 31, 2020
Intangible Assets	82	3,730
Intangible Assets under development	42	-
Total	**124**	**3,730**

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Note 7B : Cash and cash equivalents

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Cash in hand	1	2
Balance with banks :		
- On current accounts	172	112
- Deposits with original maturity of less than three months	1,947	347
Total	**2,120**	**461**

Note 7C : Other bank balances

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Bank balances other than (7B) above		
Deposits with original maturity of more than three months but upto 12 months	1,800	-
	1,800	**-**

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.

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

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Cash on hand	1	2
Balance with banks :		
- On current accounts	172	112
- Deposits with original maturity of less than three months	1,947	347
	2,120	**461**

Note 7D : Other financial assets

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Receivables from employees	21	28
Unbilled revenue (refer note 27A)	1,206	1,024
Interest accrued on deposits with banks	1	-
Expected credit loss	(21)	(18)
Total Other Financial Assets	**1,207**	**1,034**
Current	**1,207**	**1,034**
Non - Current	**-**	**-**

Break up of financial assets carried at amortised cost

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Trade receivables (Note 7A)	3,486	3,006
Cash and cash equivalents (Note 7B)	2,120	461
Other Bank balances (Note 7C)	1,800	-
Other financial assets (Note 7D)	1,207	1,034
Loans (Note 5B)	1,446	1,336
Total financial assets carried at amortised cost	**10,059**	**5,837**

Note 8 : Contract assets

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Income accrued but not due*	55	326
Total	**55**	**326**
Current	**55**	**326**
Non - Current	**-**	**-**

*Amount billed during FY 2020-2021 from contract assets at the beginning of the year is Rs. 326 lakhs. Balance of Rs. 55 Lacs as at March 31, 2021 pertains to current year transactions.

Note 9 : Other current assets

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Prepaid expenses [(after offsetting lease liability of INR 508 Lacs (Previous Year March 31, 2020: INR 269 Lacs)] (refer note 27A)	149	105
Advances recoverable	25	18
Goods and service tax (GST) credit receivable	32	25
Total	**206**	**148**

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Note 5A : Investments

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Investments at Fair Value through profit and loss		
Unquoted		
Investment in equity instruments	10	10
Total	**10**	**10**
Current	**-**	**-**
Non - Current	**10**	**10**
Aggregate amount of quoted investment	**-**	**-**
Aggregate amount of unquoted investment	**10**	**10**

Note 5B : Loans

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Security deposit (refer note 27A)	1,446	1,336
Total	**1,446**	**1,336**
Current	**1**	**1**
Non - Current	**1,445**	**1,335**

Particulars	31st March 2021	31st March 2020
Secured, considered good	-	-
Unsecured, considered good	1,446	1,336
Total	**1,446**	**1,336**

Note 6A : Income tax assets (net)

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Income tax assets (net)	146	3,165
Total Income tax assets	**146**	**3,165**
Non-Current	**146**	**3,165**
Current	**-**	**-**

Note 6B : Other non- current assets

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Capital advance	15	65
Total	**15**	**65**

Note 7A : Trade Receivables

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Trade receivables	2,612	1,523
Receivables from related parties (refer note 27A)	1,203	1,781
Expected credit loss	(329)	(298)
Total	**3,486**	**3,006**
Current	**3,486**	**3,006**
Non - current	**-**	**-**

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	3,486	3,006
Unsecured, considered doubtful	329	298
Total	**3,815**	**3,304**
Expected credit loss	(329)	(298)
Total Trade Receivables	**3,486**	**3,006**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. For details of amount due from related parties please refer note 27A.

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Note 10 : Income Tax

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

Statement of profit and loss :

Profit or loss section

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Current income tax :		
Current income tax charge	-	-
Deferred tax :		
Deferred tax charge/(Deferred tax credit)	1,055	(783)
Adjustment of deferred tax in respect of previous year*	1	-
Income tax expense reported in the Statement of Profit or Loss	**1,056**	**(783)**

*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 ended March 31, 2021:

(INR Lakhs)

Particulars	31st March 2021	31st March 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

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Accounting loss before income tax	(1,669)	(3,011)
At India's statutory income tax rate of 26%	(434)	(783)
At the effective income tax rate	**(434)**	**(783)**
Impact due to change in tax rate	-	-
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**	**(783)**

#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:

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Deferred tax assets		
Unabsorbed depreciation	970	1,553
Provision for doubtful debts and advances	91	72
Differences in depreciation in block of property, plant and equipment as per tax books and financial books	16	567
Effect of expenditure debited to Statement of profit and loss in the current year but allowed for tax purposes in following year	363	267
Gross deferred tax assets	**1,440**	**2,459**
Deferred tax assets (net)	**1,440**	**2,459**

Reconciliation of deferred tax assets (net):

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Opening balance as of 1 April	**2,459**	1,639
Tax income/(expense) during the period recognised in profit or loss	(1,056)	783
Tax income/(expense) during the period recognised in OCI	37	37
Closing balance	**1,440**	**2,459**

The company 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.

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Note 11 : Share Capital
Authorised Share Capital

Particulars	No. of shares	INR Lakhs
As at April 1, 2019	25,000,000	2,500
As at 31 March 2020	25,000,000	2,500
As at 31 March 2021	25,000,000	2,500

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

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

Issued and subscribed capital
Equity shares of INR 10 each issued, subscribed and fully paid

Particulars	No. of shares	INR Lakhs
As at April 1, 2019	20,050,000	2,005
As at 31 March 2020	20,050,000	2,005
As at 31 March 2021	20,050,000	2,005

Reconciliation of the equity shares outstanding at the beginning and at the end of the year : **(INR Lakhs)**

Particulars	31st March 2021		31st March 2020	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	20,050,000	2,005	20,050,000	2,005
Shares outstanding at the end of the year	**20,050,000**	**2,005**	**20,050,000**	**2,005**

Shares held by holding company
Out of equity shares issued by the Company, shares held by its holding company are as below: **(INR Lakhs)**

Particulars	31st March 2021	31st March 2020
Digicontent Limited, the holding company		
20,050,000 (previous year 20,050,000) equity shares of INR 10 each fully paid	2,005	2,005

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

Particulars	31st March 2021		31st March 2020	
	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 10 each fully paid				
Digicontent Limited, the holding company	20,050,000	100%	20,050,000	100%

As per records of the Company, including its register of shareholders/members and other declaration received from the shareholders, Digicontent Limited owns 100% beneficial interest in above shares (Holding Company) whereas Six equity shares are held through individual nominees holding one share each.

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Note 12 : Other equity

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Securities premium	15,350	15,350
Retained earnings	(9,721)	(6,891)
Total	**5,629**	**8,459**

Securities premium

Particulars	INR Lakhs
As at April 1, 2019	**15,350**
As at 31 March 2020	**15,350**
As at 31 March 2021	**15,350**

Retained earnings

Particulars	INR Lakhs
As at April 1, 2019	**(4,559)**
Net loss for the year	(2,228)
Items of gain of other comprehensive income recognised directly in retained earnings	
- Remeasurements of defined benefits obligation, net of tax	(104)
As at 31 March 2020	**(6,891)**
Net loss for the year	(2,725)
Items of gain of other comprehensive income recognised directly in retained earnings	
- Remeasurements of defined benefits obligation, net of tax	(105)
As at 31 March 2021	**(9,721)**

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Note 13A : Borrowings

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Current Borrowings		
Unsecured		
Inter corporate loans (note below) (refer note 27A)	-	1,850
Total	**-**	**1,850**
Current	**-**	**1,850**
Non-Current	**-**	**-**

Intercompany loan from Digicontent Limited was drawn in various tranches INR 1000 Lakhs on April 26, 2019, INR 500 Lakhs on May 28, 2019 & INR 350 Lakhs on May 30, 2019 and was due for repayment on demand along with an interest of 10% compounded annually. The same has been repaid during the current year.

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

Particulars	Current Borrowings (INR Lakhs)
As at 1 April, 2019	-
Change during the year	1,850
Balance as at March 31, 2020	**1,850**
Change during the year	(1,850)
Balance as at March 31, 2021	**-**

Note 13B : Lease liabilities

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Unsecured		
Lease liabilities [(after offsetting prepaid expenses of INR 508 Lacs (Previous Year March 31, 2020: INR 269 Lacs)] (refer note 25)	1,024	2,841
Total	**1,024**	**2,841**
Current	**999**	**1,615**
Non-Current	**25**	**1,226**

Note 14A : Trade payables

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 33)	235	9
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
- payable to related parties (refer note 27A)	-	2
- Payable to others	1,536	1,398
Other than micro enterprises and small enterprises	**1,536**	**1,400**
Total	**1,771**	**1,409**
Current	**1,771**	**1,409**
Non- Current	**-**	**-**

Note 14B : Other financial liabilities

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
I. Other financial liabilities at amortised cost		
Interest accrued but not due on borrowings and others (refer note 27A)	-	149
Employee payables	1,615	1,096
Creditors for capital purchases*	-	41
Total financial liabilities carried at amortised cost	**1,615**	**1,286**
Current	**1,615**	**1,286**
Non- Current	**-**	**-**

*INR 34,308/- Creditors for capital purchases for the period ended March 31, 2021 has been rounded off to Nil.

Break up of financial liabilities carried at amortised cost

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Interest accrued but not due on borrowings and others (Note 14B)	-	149
Trade payables (Note 14A)	1,771	1,409
Others (Note 14B)	1,615	1,137
Total financial liabilities carried at amortised cost	**3,386**	**2,695**

Note 15 : Contract liabilities

(INR Lakhs)

Particulars	31st March 2021	31st March 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 Rs. 141 lakhs. Balance of Rs. 311 Lacs as at March 31, 2021 pertains to current year transactions.

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Note 16 : Other current liabilities

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Advances from customers	129	-
Goods and service tax (GST) payable	104	135
Other statutory dues	268	253
Total	**501**	**388**

Note 17 : Provisions

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Provision for employee benefits		
Provision for compensated absences (refer Note 28)	41	53
Provision for gratuity (refer Note 28)	806	716
Total	**847**	**769**
Current	**847**	**769**
Non- Current	**-**	**-**

Note 18 : Revenue from operations

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Sale of services		
- Revenue from digital services	13,051	7,481
- Revenue from multi-media content management services	11,729	16,869
Total	**24,780**	**24,350**

Reconciliation of revenue recognised with the contracted price is as follows: (INR Lakhs)

Particulars	31st March 2021	31st March 2020
Contract price	25,233	24,350
Adjustments to the contract price	(453)	-
Revenue Recognised	**24,780**	**24,350**

The reduction towards variable consideration comprises of volume discounts.

Note 19 : Other income

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Interest income on EIR method		
- Bank deposits	11	12
- Income tax refund	287	58
- Other	107	19
Other non - operating income		
Unclaimed balances/liabilities written back (net)	32	21
Exchange differences (net)	-	17
Net gain on disposal of property, plant and equipment	1	-
Miscellaneous income*	19	6
Total	**457**	**133**

*includes INR 18 Lakhs (previous year Nil) pertains to lease modification.

Note 20 : Employee benefits expense

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Salaries, wages and bonus	10,873	12,399
Contribution to provident and other funds (refer note 28)	468	517
Gratuity expense (refer note 28)	166	154
Workmen and Staff welfare expenses	53	35
Total	**11,560**	**13,105**

Note 21 : Finance costs

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Interest on inter corporate deposit from holding company (refer note 27A)	140	165
Interest on lease liabilities (refer note 25)	85	230
Bank charges	14	5
Total	**239**	**400**

Note 22 : Depreciation and amortisation expense

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Depreciation of tangible assets (refer note 3)	121	107
Depreciation expense of right-of-use assets (refer note 25)	1,438	1,518
Amortisation of intangible assets (refer note 4)	3,648	3,646
Total	**5,207**	**5,271**

Note 23 : Other expenses

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Newsservice and dispatches	2,969	3,034
Service Charges on Advertisement Revenue	67	-
Power and fuel	-	2
Advertising and sales promotion	370	251
Rent	1,635	2,013
Rates and taxes	76	1
Insurance	127	79
Repairs and maintenance:		
-Plant and machinery	1,843	1,303
-Building*	-	5
-Others**	-	-
Travelling and conveyance	1,167	1,441
Communication costs	48	54
Loss allowance for doubtful debts and advances	65	73
Legal and professional fees	1,394	328
Payment to auditor (refer details below)	11	11
Exchange differences (net)	29	-
Security Charges	19	19
Housekeeping charges	41	44
Miscellaneous expenses	39	60
Total	**9,900**	**8,718**

*INR 1,885/- repairs and maintenance - building for the period ended March 31, 2021 has been rounded off to Nil.
**INR 5,590/- repairs and maintenance - others for the period ended March 31, 2020 has been rounded off to Nil.

Note : Payment to auditors

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
As auditor :		
- Audit fee	10	10
Reimbursement of expenses	1	1
Total	**11**	**11**

Note 24 : 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

(INR Lakhs)

Particulars	Retained earnings	Total
Re- measurement gains(losses) on defined benefit plans	(142)	(142)
Income tax relating to items that will not be reclassified to profit or loss	37	37
Total	**(105)**	**(105)**

During the year ended March 31, 2020

(INR Lakhs)

Particulars	Retained earnings	Total
Re- measurement gains(losses) on defined benefit plans	(141)	(141)
Income tax relating to items that will not be reclassified to profit or loss	37	37
Total	**(104)**	**(104)**

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Note 25: Leases
The Company has taken office premises under lease arrangement.

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

Particulars	Buildings in INR Lakhs
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**

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

Particulars	Amount in INR Lakhs
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 30.

iii) Amounts recognised in statement of profit or loss: **(INR Lakhs)**

Particulars	31st March 2021	31st March 2020
Interest on lease liabilities	85	230
Depreciation expense of right-of-use assets	1,438	1,518
Expenses relating to short-term leases	1,635	2,013

iv) Amounts recognised in statement of cash flows: **(INR Lakhs)**

Particulars	Amount	Amount
Total cash outflow for leases	1,536	1,615

Note 26: Earnings per share (EPS)

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	31st March 2021	31st March 2020
Loss for the year after tax (INR Lakhs)	(2,725)	(2,228)
Loss attributable to equity holders for basic earnings (INR Lakhs)	**(2,725)**	**(2,228)**
Weighted average number of Equity shares for basic EPS (no's in Lakhs)	200.50	200.50
Weighted average number of Equity shares adjusted for the effect of dilution	**200.50**	**200.50**
Loss per share		
Basic EPS (INR)	**(13.59)**	**(11.11)**
Diluted EPS (INR)	**(13.59)**	**(11.11)**

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Note 27 : 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)
Parent Company of Holding Company	The Hindustan Times Limited#
Holding Company	Digicontent 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
	HT Mobile Solutions Limited
Key Managerial Persons (with whom transactions have occurred during the year)	Mrs. Shobhana Bhartia
	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)
# The Hindustan Times Limited (HTL) does not hold any direct investment in the Company.	

ii) Transactions with related parties
Refer Note 27A

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).

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Note 27A : Related party transactions

(INR Lakhs)

Particulars	Holding Company/ Parent Company		Fellow Subsidiaries		Key Managerial Personnel (KMP)		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**
Commission & collection charges received	1	1	-	-	-	-	-	-	**1**	**1**
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	-	-	212	128	-	-	-	-	**212**	**128**
Share of revenue given on joint sale	24	37	-	-	-	-	-	-	**24**	**37**
Infrastructure support services	-	-	1,633	2,001	-	-	-	-	**1,633**	**2,001**
Treasury & management support services		-	200	78					**200**	**78**
Rent & maintenance	1,293	1,615	-	-	-	-	-	-	**1,293**	**1,615**
Commission & collection charges paid	-	-	20	-					**20**	**-**
Interest on inter corporate deposit	140	165		-	-	-	-	-	**140**	**165**
OTHERS										
Reimbursement of expenses incurred on behalf of the Company by parties	-	2	374	123	-	-	-	-	**374**	**126**
Reimbursement of expenses incurred on behalf of the party by Company	41	79	17	19	-	-	-	-	**58**	**98**
Security deposit given by the Company (undiscounted value)	-	1,556	-	-	-	-	-	-	**-**	**1,556**
Inter corporate loan taken by the Company	-	1,850	-	-	-	-	-	-	**-**	**1,850**
Inter Corporate Loan repaid by the Company	1,850	-	-	-			-	-	**1,850**	**-**
BALANCE OUTSTANDING										
Trade and other receivables (including other financial assets)**	49	29	2,360	2,776	-	-	-	-	**2,409**	**2,805**
Prepaid expenses	508	269	-	-					**508**	**269**
Trade payables	-	-	-	2	-	-	-	-	**-**	**2**
Inter corporate deposit & interest accrued on it	-	1,999	-	-	-	-	-	-	**-**	**1,999**
Security deposit given (undiscounted value)	1,556	1,556		-	-	-	-	-	**1,556**	**1,556**

*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.

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Note 28 : Gratuity

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Gratuity	806	716
Total	**806**	**716**
Current	**806**	**716**
Non- Current	**-**	**-**

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

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

A. Post employment obligations

Gratuity Plan
Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2021 :

Present value of Obligation (INR Lakhs)

Particulars	31st March 2021 Present value of Obligation	31st March 2020 Present value of Obligation
Opening balance	896	691
Current service cost	117	121
Interest expense or cost	61	54
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in financial assumptions	186	84
- experience variance (i.e. Actual experience vs. assumptions)	(39)	60
Benefits paid	(206)	(114)
Transfer In/(Out)*	(14)	-
Total	**1,001**	**896**

*In relation to transfer of employees to fellow subsidiary.

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Fair Value of Plan Assets

(INR Lakhs)

Particulars	31st March 2021 Present value of Obligation	31st March 2020 Present value of Obligation
Opening balance	180	269
Investment income	12	21
Benefits paid	-	(113)
Return on plan assets, excluding amount recognised in net interest expenses	3	3
Total	**195**	**180**

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

Particulars	India gratuity Plan	
	31st March 2021	31st March 2020
Investment in Funds managed by HTML and HMVL Gratuity Trust	100%	100%

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

Particulars	31st March 2021 %	31st March 2020 %
Discount rate	6.15%	6.85%
Salary growth rate	6.00%	5.00%
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:

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Defined benefit obligation (Base)	1,001	896

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Impact on defined benefit obligation **(INR Lakhs)**

Particulars	31st March 2021		31st March 2020	
Assumptions	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	89	(77)	109	(92)
Salary Growth Rate (-/+ 1%)	(78)	89	(95)	110
Attrition Rate (-/+ 50%)	2	(2)	(12)	11
Mortality Rate (-/+ 10%)	(1)	1	(1)	1

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

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

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Within the next 12 months (next annual reporting year)	107	54
Between 2 and 5 years	354	214
Between 6 and 10 years	422	319
Beyond 10 years	951	1,665
Total expected payments	**1,834**	**2,252**

Average duration of the defined benefit plan obligation

Particulars	31st March 2021	31st March 2020
Weighted Average duration	8 Years	12 Years

B. Defined Contribution Plan

Particulars	31st March 2021	31st March 2020
Contribution to Provident and Other funds		
Charged to Statement of Profit and Loss	468	517

Leave Encashment (unfunded)

The Company recognises the leave encashment expenses in the Statement of Profit & Loss based on actuarial valuation.
The expenses recognised in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year.

(INR Lakhs)

Particulars	31st March 2021	31st March 2020
Liability at the beginning of the year	53	48
Transfer In/(Out)*	(1)	-
Benefits paid during the year	(18)	(6)
Provided during the year	7	11
Liability at the end of the year	**41**	**53**

*In relation to transfer of employees to fellow subsidiary.

Note 29 : Segment Information

The Chief Operating Decision Marker (CODM) uses "Entertainment and Digital Business" as single segment to assess performance and for allocating resources. In view of the same separate segment information is not required to be given as per the requirement of Ind AS 108 on "Operating Segments".

There are three customers (including related parties) which represent 10% or more of the Company's total revenue with total amounting to Rs. 15,663 lakhs and Rs. 19,828 lakhs for the year ended March 31, 2021 and March 31, 2020 respectively.

Note 30: Financial risk management objectives and policies

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

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

This is based on the financial assets and financial liabilities held at 31 March 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 Company has no exposure to the risk of changes in market interest since the Company 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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(INR Lakhs)

Particulars	Outstanding balances		Change in foreign currency rate		Effect on Loss before tax	
	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2021	Year ended 31st March 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 Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and foreign exchange transactions.

Trade receivables 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 7A and Note 7C. 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.

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

(INR Lakhs)

Particulars	With in 1 year	More than 1 year	Total
As at 31st March 2021			
Lease liabilities (refer note 13B)	999	25	1,024
Trade and other payables (refer note 14A)	1,771	-	1,771
Other financial liabilities (refer note 14B)	1,615	-	1,615
As at 31st March 2020			
Borrowings (refer note 13A)	1,850	-	1,850
Lease liabilities (refer note 13B)	1,615	1,226	2,841
Trade and other payables (refer note 14A)	1,409	-	1,409
Other financial liabilities (refer note 14B)	1,286	-	1,286

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Note 31 : Fair values
Set out below, is a comparison by class of the carrying amounts and fair value of the companies financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying Value		Fair value		Fair value mechanism Hierarchy level
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Financial assets measured at fair value through profit and					
Investment in equity instruments - Unquoted (refer note 5A)	10	10	10	10	**Level 3***
Financial assets measured at amortised cost					
Security deposits given [Non-Current] (refer note 5B)	1,445	1,335	1,445	1,335	**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:

**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.

Note 32 : Capital management
For the purpose of the Company's capital management, capital includes issued equity capital, securities 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.

(INR Lakhs)

Particulars	March 31, 2021	March 31, 2020
Borrowings (Note 13A)	-	1,850
Interest accrued on borrowings (Note 14B)	-	149
Less: cash and cash equivalents (Note 7B)	(2,120)	(461)
Less: Other bank balances (Note 7C)	(1,800)	-
Net debt	**(3,920)**	**1,538**
Equity & other equity	7,634	10,464
Total capital	**7,634**	**10,464**
Capital and net debt	**3,714**	**12,002**
Gearing ratio	**-106%**	**13%**

Note 33: Based on the information available with the Company, Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

(INR 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.	-	-

HT Digital Streams Limited
Notes to financial statements for the year ended March 31, 2021

Note 34: Commitments

(INR 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

Note 35: 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 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 Company would have reported a profit before tax of INR 1,950 lakhs as against reported loss before tax of INR 1,669 lakhs, Reserves of INR 8,374 lakhs as against negative reserves of INR 9,721 lakhs and total assets of INR 31,798 lakhs as against INR 13,703 lakhs as at 31 March 2021. Such goodwill has been fully amortised as on March 31, 2021.

Note 37 :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 HT Digital Streams Limited

Utsav Saini
Company Secretary

Ajay Sivaraman Nair
Chief Financial Officer

Puneet Jain
Chief Executive Officer

Dinesh Mittal
Director
(DIN: 00105769)

Sandeep Rao
Director
(DIN: 08711910)

Place: New Delhi
Date: June 15, 2021