

**DIGICONTENT LIMITED**

(formerly known as HT Digital Ventures Limited)

Registered Office: Hindustan Times House (2nd Floor)
18-20, Kasturba Gandhi Marg, New Delhi 110 001, India
+91 11 6656 1234 +91 11 6656 1270
www.digicontent.co.in corporatedept@digicontent.co.in
CIN: L74999DL2017PLC322147

Ref: DCL/CS/160/2020

31st July, 2020

BSE Limited
P.J. Tower, Dalal Street
MUMBAI - 400 001

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra - Kurla Complex, Bandra (East)
MUMBAI - 400 051

Scrip Code: 542685

Trading Symbol: DGCONTENT

Dear Sirs,

Sub: Notice of Annual General Meeting (AGM) and Annual Report for FY-20

Ref: Our Letter no. DCL/CS/160/2020 dated 27th July, 2020

Dear Sir,

In continuation to our captioned letter intimating that the 3rd AGM of the Company will be held on Tuesday, 25th August, 2020 at 11:00 AM (IST) through Video Conferencing/Other Audio Visual Means, please find enclosed herewith:

1. Notice convening the 3rd AGM; and
2. Annual Report of the Company for FY-20

The aforesaid documents are available on the website of the Company viz. **www.digicontent.co.in**, and are being dispatched to all eligible shareholders whose email IDs are registered with the Company/ Depository Participant(s).

Further, please find enclosed the Secretarial Audit Report of HT Digital Streams Limited, a material unlisted Indian subsidiary of the Company for the year ended 31st March, 2020 carried out pursuant to section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said report does not contain any qualification, reservation or adverse remark.

This is for your information and records.

Thanking you,

Yours faithfully,

For **DIGICONTENT LIMITED**


(Vikas Prakash)
Company Secretary



Encl.: As above



CIN: L74999DL2017PLC322147

Registered Office: Hindustan Times House (2nd Floor), 18-20, Kasturba Gandhi Marg, New Delhi- 110 001

Ph.: +91 66561234 Fax: +91 66561270

E-mail: investor@digicontent.co.in **website:** www.digicontent.co.in

NOTICE OF 3rd ANNUAL GENERAL MEETING

NOTICE is hereby given that the Third Annual General Meeting (first post listing of equity shares) of Members of **Digicontent Limited** will be held on Tuesday, the 25th day of August 2020 at 11:00 AM (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS

ITEM NO. 1

To consider and adopt:

- a) the audited standalone financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon; and
- b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon.

ITEM NO. 2

To appoint Mr. Praveen Someshwar (DIN: 01802656) as a Director, who retires by rotation and, being eligible, offers himself for re-appointment.

ITEM NO. 3

To appoint B S R and Associates, Chartered Accountants [Firm Registration No. 128901W] as Statutory Auditor of the Company, and in this regard, to pass the following resolution(s) as *ORDINARY RESOLUTION*:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, B S R and Associates, Chartered Accountants [Firm Registration No. 128901W] be and is hereby appointed as Statutory Auditor of the Company to hold office for a period of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in the calendar year 2025, on a remuneration of Rs. 9.5 Lac payable in one or more installments and reimbursement of expenses incurred by them, to conduct the audit for financial year 2020-21, and thereafter, on payment of such remuneration and reimbursement of expenses, as may be mutually agreed between the Company and the said Statutory Auditor, and as may be further approved by the Board of Directors ("Board") from time to time, with power to the Board of Directors, to alter and vary the terms and conditions of appointment, etc., in such manner and to such extent as may be mutually agreed with the Statutory Auditor and permissible under law.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, the Board (which term shall be deemed to include any Committee of the Board authorised in the said behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid, without being required to seek any further consent or approval of Members of the Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

SPECIAL BUSINESS

ITEM NO. 4

To appoint Mr. Ajay Relan as an Independent Director, not liable to retire by rotation, and in this regard, pass the following resolution(s) as an *ORDINARY RESOLUTION*:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ajay Relan (DIN: 00002632) who was appointed as an Additional Director by the Board of Directors ("Board") w.e.f. April 18, 2019, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member signifying intention to propose the candidature of Mr. Ajay Relan for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto March 31, 2024, and not liable to retire by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, the Board (which term shall be deemed to include any Committee of the Board authorised in the said behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid, without being required to seek any further consent or approval of Members of the Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

ITEM NO. 5

To appoint Mr. Vivek Mehra as an Independent Director, not liable to retire by rotation, and in this regard, pass the following resolution(s) as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Vivek Mehra (DIN: 00101328) who was appointed as an Additional Director by the Board of Directors (“Board”) w.e.f. April 18, 2019, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member signifying intention to propose the candidature of Mr. Vivek Mehra for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto March 31, 2024, and not liable to retire by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, the Board (which term shall be deemed to include any Committee of the Board authorised in the said behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid, without being required to seek any further consent or approval of Members of the Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

ITEM NO. 6

To appoint Ms. Suchitra Rajendra as an Independent Director, not liable to retire by rotation and, in this regard, pass the following resolution(s) as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Suchitra Rajendra (DIN: 07962214) who was appointed as an Additional Director by the Board of Directors (“Board”) w.e.f. April 18, 2019, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member signifying intention to propose the candidature of Ms. Suchitra Rajendra for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto March 31, 2024, and not liable to retire by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, the Board (which term shall be deemed to include any Committee of the Board authorised in the said behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid, without being required to seek any further consent or approval of Members of the Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

ITEM NO. 7

To appoint Mr. Dinesh Mittal as Non-executive Director, liable to retire by rotation, and in this regard, pass the following resolution(s) as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 161(4) and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with rules made there under, Articles of Association of the Company and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Dinesh Mittal (DIN: 00105769) who was appointed as Non-Executive Director by the Board of Directors (“Board”) of the Company w.e.f. March 12, 2020 to fill up the casual vacancy caused due to demise of Mr. Sharad Saxena, and who is liable to hold office as such only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member signifying intention to propose the candidature of Mr. Dinesh Mittal for the office of Director, be and is hereby appointed as an Non-executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, the Board (which term shall be deemed to include any Committee of the Board authorised in the said behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid, without being required to seek any further consent or approval of Members of the Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

By Order of the Board
For **Digicent Limited**



(Vikas Prakash)
Company Secretary

Place: New Delhi
Date: July 21, 2020

NOTES:

1. In view of the COVID-19 pandemic and pursuant to circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 issued by the Ministry of Corporate Affairs (“MCA Circulars”) and circular dated May 12, 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Companies Act, 2013 (“the Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), the 3rd AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at the venue of the Annual General Meeting (AGM). Registered Office of the Company shall be deemed to be the venue of this AGM.
2. Since the ensuing AGM is being held pursuant to the MCA Circulars through VC/OAVM which does not require physical attendance of Members at the AGM, the facility to appoint proxy by the Members will not be available for this AGM and therefore, Proxy Form and Attendance Slip are not annexed to this Notice.
3. Since AGM will be held through VC/OAVM, the Route Map is not required and hence, not annexed to this Notice.
4. Members are requested to carefully read the “**Procedure for joining the AGM through VC/OAVM**” given below in this Notice.
5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Only those members, who are present in the meeting through VC/OAVM facility and have not casted their vote on resolutions through remote e-voting and are otherwise not barred from doing so, will be allowed to vote through e-voting system at the AGM (“InstaPoll”).
7. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent by email to KFin Technologies Private Limited (KFin/RTA) at **evoting@kfintech.com** through registered email address and to the Company at **investor@digicontent.co.in**.
8. Mr. Praveen Someshwar may be deemed to be interested in the resolution set out at Item No. 2 of the Notice. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under item nos. 1 to 3 of the Notice.
9. The Statement pursuant to Section 102 of the Act relating to item nos. 3 to 7 of the Notice is annexed hereto.
10. Pursuant to the provisions of Regulation 36 of SEBI LODR and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, details of Directors seeking appointment/re-appointment/confirmation at this AGM, are annexed herewith.
11. All investor related communication may be addressed to KFin at the following address:
KFin Technologies Private Limited
Unit: Digicontent Limited
Selenium Tower B
Plot No. 31 & 32
Financial District, Nanakramguda
Serilingampally Mandal
Hyderabad – 500 032
Tel: + 91-40-67162222
Fax: + 91-40-23001153
E-mail: einward.ris@Kfintech.com
12. In compliance with above mentioned MCA Circulars and SEBI Circular, the Notice calling this AGM along with the Annual Report for FY-20 is being sent only by electronic mode to those Members whose e-mail addresses are registered with the Depository Participants or the Company’s RTA. Members may note that the Notice of AGM and Annual Report for FY-20 will also be available on the Company’s website viz. **www.digicontent.co.in** and website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited (**www.bseindia.com** and **www.nseindia.com**).
13. In order to enable the Company to comply with MCA circulars issued for holding AGM via VC/OAVM and to participate in the green initiative in Corporate Governance, members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) and in respect of shares held in physical form by clicking at **https://ris.kfintech.com/email_registration/** or by writing to the RTA with details of folio number and self-attested copy of PAN card at KFin Technologies Private Limited, Unit: Digicontent Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032 or by sending email to **einward.ris@kfintech.com**. Members are advised to receive the Notice convening the AGM and Annual Report for FY-20 via e-mail, by updating their email ID by accessing the link **https://ris.kfintech.com/email_registration/**. Alternatively, Notice of AGM can be downloaded through **https://evoting.karvy.com/public/Downloads.aspx**.
14. Members may note that the shares lying with Investor Education and Protection Fund (IEPF) Authority, allotted pursuant to the Scheme of Arrangement between HT Media Limited and the Company, can be claimed back. The shareholder-wise detail of such shares is uploaded on the Company’s website i.e. **www.digicontent.co.in**. Concerned shareholders are advised to visit the weblink: **http://iepf.gov.in/IEPF/refund.html** or contact KFin to lodge claim on such share(s).
15. Members holding shares in physical form can avail the facility of nomination pursuant to the provisions of Section 72 of the Act and for the same they are advised to send their nomination in the prescribed Form No. SH-13 to KFin at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.

16. **In terms of SEBI's circular dated April 20, 2018, members holding shares in physical form and whose PAN and Bank details are not updated in the records of KFin, are requested to submit their PAN and Bank Account details, along with self-attested copy of PAN Card and original cancelled cheque/attested copy of bank passbook bearing name of the Member to the Company/KFin.**
17. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit their PAN to the Company/KFin.
18. In terms of SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, with effect from April 1, 2019, securities of listed companies can be transferred only in dematerialised form (except for transmission or transposition of securities). Accordingly, the Company will not accept any fresh lodgement of transfer of shares in physical form. In view of the same, Members are advised, in their own interest, to dematerialize the shares held by them in physical form.
19. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Company's RTA, details of such folios together with the share certificates and KYC proof(s) viz. PAN, Aadhar etc. for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon.
20. Members are requested to send their queries, if any, on the financial statements/operations of the Company, by writing email to the Company Secretary at investor@digicontent.co.in at least 7 days before the AGM, so that the information can be compiled in advance.
21. Relevant documents referred to in this Notice are available for inspection electronically without any fee by the Members on all business days (except Saturday, Sunday and Public Holidays) upto the date of AGM. The Register of Directors, Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements, in which Directors are interested, maintained under Section 189 of the Act, will be available for inspection electronically by the members during the AGM. Members seeking to inspect such documents may send request from their email id registered with the Company/RTA to the Company at investor@digicontent.co.in.
22. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI LODR, the Company is providing to its members facility to exercise their right to vote on Resolutions as set out in notice of AGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting"). Further, the facility for voting through electronic voting system will also be made available at the AGM ("InstaPoll") and members attending the Meeting who have not casted their vote(s) by remote e-voting, will be able to vote at the Meeting through InstaPoll. The Company has engaged the services of KFin as the agency to provide e-voting facility at the AGM.
23. **The remote e-voting facility will be available during the following period:**

Commencement of remote e-voting	From 9.00 a.m. (Server time) on August 21, 2020 (Friday)
End of remote e-voting	Up to 5.00 p.m. (Server time) on August 24, 2020 (Monday)

Remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFin upon expiry of aforesaid period.

24. Persons whose name appears in the Register of Member/list of Beneficial Owners as on August 18, 2020 (**Cut-off date**) shall be entitled to cast their vote by remote e-voting on the Resolutions set forth in this Notice or participating at the AGM and vote through InstaPoll. Any person who is not a Member as on the Cut-off date should treat this Notice for information purpose only.
25. The Board of Directors has appointed Mr. Sanket Jain, Company Secretary-in-Practice (C.P. No. 12583), as Scrutinizer to scrutinize the remote e-voting and InstaPoll process in a fair and transparent manner and he has communicated his willingness to get appointed and will be available for the said purpose.
26. The Scrutinizer will, after the conclusion of e-voting at the AGM, scrutinize the votes casted thereat (InstaPoll) and votes casted through remote e-voting, and will make a consolidated Scrutinizer's Report to submit the same to the Chairman/Director.
27. The result of e-voting (remote e-voting and InstaPoll) will be declared within 48 hours of the conclusion of AGM and the same along with the consolidated Scrutinizer's Report, will be placed on Company's website viz. www.digicontent.co.in and on the website of KFin viz. <https://evoting.karvy.com>. The result will be simultaneously communicated to the stock exchanges viz. NSE and BSE.
28. The resolutions as set out in the notice of AGM shall be deemed to be passed on the date of AGM subject to receipt of requisite number of votes in favour of the resolution(s).
29. Members are requested to carefully read the "**Procedure and Instructions for remote e-voting and e-voting at the AGM (InstaPoll)**" given hereunder.

PROCEDURE AND INSTRUCTIONS FOR REMOTE E-VOTING AND E-VOTING AT THE AGM (INSTAPOLL)

The procedure and instructions for remote e-voting are as under:

- I. A. **In case a member receives an e-mail from the Company/KFin [for members whose e-mail addresses are registered with the Company/Depository Participant(s)]:**

- (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- (b) Enter the login credentials (User ID and password given in the e-mail). The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use the existing password for logging in. If required, please visit <https://evoting.karvy.com> or contact at **040-67162222/1800-345-4001** (from 9:00 a.m. to 6:00 p.m.) for your existing password.
- (c) After entering these details appropriately, click on “**LOGIN**”.
- (d) You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging in for the first time. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Name of the Company viz. Digicontent Limited.
- (g) On the voting page, enter the number of shares held by you as on the Cut-off date under either “FOR” or “AGAINST” or alternatively, you may partially enter any number under “FOR”/“AGAINST”, but the total number under “FOR”/“AGAINST” taken together should not exceed your total shareholding as on the cut-off date. You may also choose to “ABSTAIN” and vote will not be counted under either head.
- (h) Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as “ABSTAINED”.
- (j) You may then cast your vote by selecting an appropriate option and click on “SUBMIT”.
- (k) A confirmation box will be displayed. Click “OK” to confirm, else “CANCEL” to modify.
- (l) Once you confirm, you will not be allowed to modify your vote.
- (m) Corporate/Institutional Members (i.e., other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution/Power of Attorney/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: sanketjaincs@gmail.com with a copy marked to evoting@Kfintech.com It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be “Corporate Name EVENT NO.”

B. In case of a member whose e-mail address is not registered/updated with the Company/KFin/Depository Participant(s), please follow the following steps to generate your login credentials:

- (a) Members holding shares in physical mode, who have not registered/updated their email addresses with the Company, are requested to register/update the same by clicking on https://ris.Kfintech.com/email_registration/ or by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at investor@digicontent.co.in or to KFin at einward.ris@Kfintech.com.
 - (b) Members holding shares in dematerialized mode who have not registered their e-mail addresses with their Depository Participant(s) are requested to register/update their email addresses with the Depository Participant(s) with whom they maintain their demat accounts.
 - (c) After due verification, the Company/KFin will forward your login credentials to your registered email address.
 - (d) Follow the instructions at I.(A) (a) to (m) to cast your vote.
- II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending further communication(s).
 - III. Once the vote on a resolution is casted by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
 - IV. **Information and instructions for InstaPoll:** Facility to cast vote through InstaPoll will be made available on Video Conferencing screen and will be activated once the InstaPoll is announced at the AGM. Member can opt for only single mode of voting per EVEN, i.e., through remote e-voting or voting at the AGM (InstaPoll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as “INVALID”.
 - V. Any person who becomes a member of the Company after dispatch of the Notice of the AGM and holding shares as on the cut-off date may obtain the User ID and password from KFin in the manner as mentioned below:
 - (a) If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to +91-9212993399
 Example for NSDL: MYEPWD <SPACE> IN12345612345678
 Example for CDSL: MYEPWD <SPACE> 1402345612345678
 Example for Physical: MYEPWD <SPACE> XXXX1234567890

- (b) If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - (c) Member may send an e-mail to evoting@kfintech.com requesting User ID and Password. However, KFin shall endeavor to send User ID and Password to those new Members whose mail ids are available.
- VI. In case of any query/grievance, in respect of e-voting, Members may refer to the Help & FAQs section/E-voting user manual available at the "Downloads" section of KFin's website: <https://evoting.karvy.com> or contact Mr. Rajkumar Kale, Senior Manager, KFin Technologies Private Limited, Unit: Digicontent Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032 | Phone No.: +91-040-67162222 | Toll-free No.: 1800-345-4001 | E-mail: evoting@Kfintech.com.

PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM:

1. The Company is providing VC/OAVM facility to its Members for participating at the AGM.
 - a) Members will be able to attend the AGM through VC at <https://emeetings.KFintech.com> by using their e-voting login credentials.

Members are requested to follow the procedure given below:

- i. Launch internet browser (chrome/firefox/safari) by typing the URL: <https://emeetings.KFintech.com>
 - ii. Enter the login credentials (i.e., User ID and password for e-voting).
 - iii. After logging in, click on "Video Conference" option
 - iv. Then click on camera icon appearing against AGM event of **Digicontent Limited**, to attend the AGM.
- b) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the e-voting instructions.
 - c) Members will be allowed to attend the AGM through VC/OAVM on first come, first served basis.
 - d) Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.Kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open from August 19, 2020 (09:00 a.m. IST) till August 21, 2020 (5:00 p.m. IST). Only those members who have registered themselves as speaker will be allowed to express their views or ask questions at the AGM. The Company reserves the right to restrict the number of questions and speakers, depending upon availability of time as appropriate for smooth conduct of the AGM. Members are requested to wait for their turn to be called by the Chairman of the Meeting during the Question and Answer Session. Due to inherent limitation of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Question and Answer Session. Hence, Members are encouraged to get themselves registered in advance to ask questions/queries etc. at the AGM.
 - e) Facility to join the meeting shall be opened 30 minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
 - f) Members who need assistance before or during the AGM can contact KFin at evoting@KFintech.com or call at 040-6716 2222/1800-345-4001. Kindly quote your name, DP ID-Client ID/Folio no. and E-voting Event Number in all your communications.
2. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 3

B S R and Associates, Chartered Accountants [Firm Registration No. 128901W] ("BSR") were appointed as Statutory Auditor of the Company w.e.f. July 11, 2019 by the Board of Directors, on the recommendation of Audit Committee, to fill the casual vacancy arising out of resignation of MRKS and Associates, Chartered Accountants [Firm Registration No. 023711N]. The same was approved by the Shareholders of the Company by way of resolution passed through postal ballot on September 22, 2019.

In terms of the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, Statutory Auditor appointed to fill casual vacancy caused due to resignation of existing auditor, shall hold office till the conclusion of the next Annual General Meeting (AGM). Further, every company shall, at the first AGM, appoint an individual or a firm as an Auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth AGM and thereafter till the conclusion of every sixth meeting.

Directors, on the recommendation of Audit Committee, have recommended the appointment of BSR as Statutory Auditor of the Company for a period of 5 (Five) years, commencing from the conclusion of this AGM till conclusion of the AGM to be held in calendar year 2025, for approval of the members.

BSR was shortlisted on evaluation of proposal(s) of renowned Chartered Accountant firms on various criteria viz. competency, technical capability, approach on transition, overall audit approach, sector expertise and understanding of the Company & its business. BSR was constituted on March 31, 2008 and is registered with the Institute of Chartered Accountants of India (ICAI). BSR has 20 partners across India and hold a valid peer review certificate.

BSR has given consent to act as Statutory Auditor of the Company, and have confirmed that their appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act, 2013.

The aggregate remuneration proposed to be paid to BSR as statutory auditor to conduct the audit for financial year 2020-21 is Rs. 9.5 Lac (including limited review), exclusive of reimbursement of out-of-pocket expenses, fee paid for any other services and applicable taxes, as applicable. The Board of Directors/Audit Committee may be conferred the power to alter and vary the

terms and conditions of appointment including any upward revision of remuneration, during the balance tenure, as permissible by law.

None of the Directors, Key Managerial Personnel and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolutions set out at Item No. 3 of the Notice for approval by the Members.

ITEM NOS. 4 TO 6

The Board of Directors at its meeting held on April 18, 2019, approved the appointment of Mr. Ajay Relan, Mr. Vivek Mehra and Ms. Suchitra Rajendra as Additional Directors (Independent) w.e.f. April 18, 2019. The Board of Directors have also recommended their appointment as Independent Directors for a term of 5 (five) consecutive years upto March 31, 2024 for approval of Members of the Company. In accordance with the provisions of Section 161 of the Companies Act, 2013 (the "Act"), the aforesaid additional directors shall hold office up to the date of ensuing AGM.

Brief profile of the Directors is as under:

Mr. Ajay Relan is one of the pioneers of the Indian private equity industry. Prior to founding CX Partners, he headed Citi's private equity business since its inception in 1995. He has worked with several financial firms in multiple geographies, starting with Citibank in 1976 and the last being the CEO of a Citi affiliated brokerage firm, Citicorp Securities & Investments Ltd. He holds an MBA from Indian Institute of Management, Ahmedabad (1976) and B.A. (Hons) Economics from St. Stephen's College, Delhi University (1974).

Mr. Vivek Mehra is a senior Chartered Accountant with an illustrious professional career spanning over 40 years and experience spanning across sectors in Tax and Regulatory domains of Merger & Acquisition specializing in Cross-border Investment and Transaction Structuring. He has held various leadership roles till April, 2017 in PriceWaterhouseCoopers Private Ltd. ('PwC') as Partner/Executive Director. He was the founder and national leader for PwC Regulatory and M&A Practices and has been elected on PwC Governance Oversight Board for two consecutive terms. He is also on the Board of Governors of Lawrence School Sanawar and Grassroot Trading Network, a SEWA organisation. He graduated in 1975 with Bachelor of Commerce (Hons.) Degree from Sri Ram College of Commerce, Delhi University. He has been a fellow member of the Institute of Chartered Accountants of India since 1979 and has also given his valuable contribution as a member of the Federation of Indian Chambers of Commerce and Industry (FICCI) Steering Committee and National Executive Committee.

Ms. Suchitra Rajendra has over 25 years of rich experience in HR domain in India, Asia Pac and Australia in a variety of sectors ranging from not for profit to consulting to FMCG. She has both line HR consulting and strategic HR experience. Currently, she is associated with Colt Technologies Services as Vice President Country Head (India) and Global Head HR for COO. Prior to this, she was Vice President and CHRO for PepsiCo (India Region). She is recipient of multiple awards and recognized across the industry. She has a Post Graduate degree in HR from XLRI Jamshedpur. She is a speaker at various national and international forums.

The Company has received a notice in writing under Section 160 of the Act from a member, signifying intention to propose the candidature of Mr. Ajay Relan, Mr. Vivek Mehra and Ms. Suchitra Rajendra for the office of Directors of the Company. The Company has also received – (a) declaration of independence from them; (b) their consent to act as Director; and (c) declaration that they are not disqualified from being appointed as Director in terms of Section 164(2) of the Act.

In the opinion of the Board, they possess appropriate skills, experience & knowledge, and fulfill the conditions specified in the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for appointment as Independent Directors of the Company. They are independent of the management and are not related to any Director(s) or Key Managerial Personnel of the Company. As Non-executive Directors, they will be entitled to receive sitting fee for attending Board/Committee meeting(s).

Draft letter(s) of appointment as Independent Directors of the Company, setting out terms and conditions of their appointment is available on the website of company viz. www.digicontent.co.in.

Other details of Mr. Ajay Relan, Mr. Vivek Mehra and Ms. Suchitra Rajendra in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 (General Meeting) is annexed to this Notice.

Mr. Ajay Relan, Mr. Vivek Mehra and Ms. Suchitra Rajendra are interested in the resolution(s) set out at Item nos. 4 to 6 of the Notice, respectively. Their relative(s) may also be deemed to be interested in the resolution(s), to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors or Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item nos. 4 to 6 of the Notice for approval by the Members.

ITEM NO. 7

The Board of Directors, on the recommendation of Nomination & Remuneration Committee, appointed Mr. Dinesh Mittal (DIN: 00105769) as Non-Executive Director w.e.f. March 12, 2020, to fill the casual vacancy caused due to demise of Mr. Sharad Saxena on January 27, 2020. As per Section 161(4) of the Companies Act, 2013 ("the Act") a Director appointed in casual vacancy holds office up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated. Consequently, Mr. Dinesh Mittal is liable to hold office up to the date of this Annual General Meeting i.e. the date up to which Late Mr. Sharad Saxena, would have held the office.

The Company has received a notice from a member under Section 160 of the Act, signifying intention to propose the candidature of Mr. Dinesh Mittal for the office of Director of the Company.

Mr. Dinesh Mittal is a qualified Company Secretary and a Post Graduate Diploma holder in Business Administration from IPM, Ghaziabad. He also holds Bachelor Degree in Law from Delhi University and Masters Degree in Law (IPR) from Queensland University, Australia. During his professional career spanning over 33 years, he has worked with renowned group such as Whirlpool of India Ltd. as Executive Director, handling Legal, Tax and Secretarial matters for India and parts of Asia, DCM Shriram

Group and JK Synthetics. Currently, he is associated with HT Group since 2006 and working as Group General Counsel & Company Secretary of HT Media Limited.

The other details of Mr. Dinesh Mittal in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 (General Meetings) is annexed to this Notice. The Board of Directors is of the opinion that Mr. Dinesh Mittal's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No.7 of this Notice relating to his appointment as a Director, liable to retire by rotation as Ordinary Resolution for your approval.

Mr. Dinesh Mittal is interested in the resolution set out at Item no. 7 of the Notice. His relative(s) may also deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors or Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolution set out at Item no. 7 of the Notice for approval by the Members.

Place: New Delhi
Date: July 21, 2020

By Order of the Board
For **Digicontent Limited**



(Vikas Prakash)
Company Secretary

Details of the Directors pursuant to the provisions of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, as applicable

Name of Director	Mr. Praveen Someshwar	Mr. Ajay Relan	Mr. Vivek Mehra	Ms. Suchitra Rajendra	Mr. Dinesh Mittal
Age	53 years	66 years	65 years	52 years	58 years
Relationship with other Directors <i>inter-se</i> and Key Managerial Personnel	None	None	None	None	None
Date of Appointment	29.03.2019	18.04.2019	18.04.2019	18.04.2019	12.03.2020
Expertise in specific functional areas	Strategic leadership, business and finance	Investment Banker	Tax, Regulatory and M&A, Tax structuring with specialization in cross border tax issues and investment structuring	Human Resource Development	Legal, taxation, corporate secretarial and general management
Qualification	Chartered Accountant and Cost Accountant	B.A (Hons.) in Economics (St. Stephen's College, Delhi University) and MBA (IIM Ahmedabad)	Chartered Accountant	PG Diploma-HR(XLRI-Jamshedpur)	Bachelor's Degree in Law from Delhi University, Master's Degree in Law (IPR) from Queensland University, Australia, Fellow member of the Institute of Company Secretaries of India and Post Graduate Diploma in Business Administration from IPM, Ghaziabad
Terms and conditions of appointment/re-appointment	Non-Executive, Non-Independent Director, liable to retire by rotation	Independent Director, not liable to retire by rotation	Independent Director, not liable to retire by rotation	Independent Director, not liable to retire by rotation	Non-Executive, Non-Independent Director, liable to retire by rotation
No. of Equity Shares of Rs.2/- each held in the Company or on behalf of any other person on beneficial basis	Nil	Nil	Nil	Nil	Nil
Remuneration last drawn (including sitting fee during FY 20)	Nil	Rs. 7 Lac (Director's Sitting Fee)	Rs. 5.5 Lac (Director's Sitting Fee)	Rs. 7 Lac (Director's Sitting Fee)	Nil
Directorship held in other companies (excluding foreign companies)#	<ul style="list-style-type: none"> • HT Media Limited (<i>Listed</i>) • Hindustan Media Ventures Limited (<i>Listed</i>) • Next Mediaworks Limited (<i>Listed</i>) • Next Radio Limited • Media Research Users Council India • The Press Trust of India Limited • The Indian Newspaper Society • Audit Bureau of Circulation • Shine HR Tech Limited 	<ul style="list-style-type: none"> • Hindustan Media Ventures Limited (<i>Listed</i>) • Next Mediaworks Limited (<i>Listed</i>) • HT Media Limited (<i>Listed</i>) • Capri Global Capital Limited (<i>Listed</i>) • Bendochy Agro Products Private Limited • Next Radio Limited • Zenrock Comtrade Private Limited • Flight Simulation Technique Centre Private Limited • HT Digital Streams Limited 	<ul style="list-style-type: none"> • HT Media limited (<i>Listed</i>) • Jubilant Life Sciences Limited (<i>Listed</i>) • Chambal Fertilisers and Chemicals Limited (<i>Listed</i>) • DLF Limited (<i>Listed</i>) • Havells India Limited (<i>Listed</i>) • Hero Future Energies Private Limited • Embassy Office Parks Management Services Private Limited • Bharat Hotels Limited • Grassroot Trading Network For Women 	<ul style="list-style-type: none"> • Next Mediaworks Limited (<i>Listed</i>) • Next Radio Limited • Colt Technology Services India Private Limited 	<ul style="list-style-type: none"> • Next Mediaworks Limited (<i>Listed</i>) • Next Radio Limited • HT Digital Streams Limited • HT Digital Media Holdings Limited • Shine HR Tech Limited • HT Education Limited • HT Music and Entertainment Company Limited • HT Global Education Private Limited (<i>Under process of Striking off</i>)

Name of Director	Mr. Praveen Someshwar	Mr. Ajay Relan	Mr. Vivek Mehra	Ms. Suchitra Rajendra	Mr. Dinesh Mittal
List of the Committees of Board of Directors (across all companies) in which Chairmanship/ Membership is held*#	<p>HT Media Limited:</p> <p>(i) Audit Committee-Member</p> <p>(ii) Stakeholders' Relationship Committee-Member</p> <p>Hindustan Media Ventures Limited:</p> <p>(i) Stakeholders' Relationship Committee-Member</p> <p>Next Mediaworks Limited:</p> <p>(i) Audit Committee-Member</p> <p>(ii) Stakeholders' Relationship Committee-Chairman</p> <p>Next Radio Limited:</p> <p>(i) Audit Committee-Member</p> <p>(ii) Stakeholders' Relationship Committee-Member</p> <p>Digicontent Limited:</p> <p>(i) Audit Committee-Member</p> <p>(ii) Stakeholders' Relationship Committee-Member</p>	<p>Digicontent Limited:</p> <p>(i) Audit Committee-Member</p> <p>(ii) Stakeholders' Relationship Committee-Chairman</p> <p>Hindustan Media Ventures Limited:</p> <p>(i) Audit Committee-Member</p> <p>(ii) Stakeholders' Relationship Committee-Chairman</p> <p>Next Mediaworks Limited:</p> <p>(i) Audit Committee-Chairman</p> <p>HT Media Limited:</p> <p>(i) Audit Committee-Member</p> <p>(ii) Stakeholders' Relationship Committee-Chairman</p> <p>Next Radio Limited:</p> <p>(i) Audit Committee-Chairman</p>	<p>Digicontent Limited:</p> <p>(i) Audit Committee-Chairman</p> <p>HT Media Limited:</p> <p>(i) Audit Committee-Chairman</p> <p>Jubilant Life Sciences Limited:</p> <p>(i) Audit Committee-Member</p> <p>Chambal Fertilisers and Chemicals Limited:</p> <p>(i) Audit Committee-Member</p> <p>DLF Limited:</p> <p>(i) Audit Committee-Member</p> <p>Bharat Hotels Limited:</p> <p>(i) Audit Committee-Member</p> <p>Hero Future Energies Private Limited:</p> <p>(i) Audit Committee-Chairman</p> <p>Embassy Office Parks Management Services Private Limited:</p> <p>(i) Audit Committee-Chairman</p> <p>(ii) Stakeholders' Relationship Committee-Member</p>	<p>Digicontent Limited:</p> <p>(i) Audit Committee-Member</p> <p>Next Mediaworks Limited:</p> <p>(i) Audit Committee-Member</p> <p>(ii) Stakeholders' Relationship Committee-Member</p> <p>Next Radio Limited:</p> <p>(i) Audit Committee-Member</p>	<p>Digicontent Limited:</p> <p>(i) Stakeholders' Relationship Committee-Member</p> <p>Next Mediaworks Limited:</p> <p>(i) Stakeholders' Relationship Committee-Member</p>
No. of Board Meetings attended during FY- 20	8	4	4	4	1

As per latest disclosure received from the Director(s).

*In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, only two Committees viz. Audit Committee and Stakeholders' Relationship Committee have been considered.

DIGITAL TRANSFORMATION PAVING A NEW PATH

Corporate Information

Board of Directors

Mr. Ajay Relan
Ms. Suchitra Rajendra
Mr. Vivek Mehra
Mr. Priyavrat Bhartia
Mr. Praveen Someshwar
Mr. Dinesh Mittal

Chief Executive Officer

Mr. Puneet Jain

Chief Financial Officer

Mr. Anup Sharma

Company Secretary

Mr. Vikas Prakash

Statutory Auditor

B S R and Associates,
Chartered Accountants

Registered Office

Hindustan Times House,
Second Floor
18-20, Kasturba Gandhi Marg,
New Delhi – 110001

Tel: +91-11-6656 1608

E-mail:
investor@digicontent.co.in

Website:
www.digicontent.co.in

Registrar and Share Transfer Agent

KFin Technologies Private
Limited
Selenium Building, Tower-B,
Plot No 31 & 32, Financial
District, Nanakramguda,
Serilingampally,
Hyderabad – 500 032

Tel: +91-40-67162222

Fax: +91-40-23001153

Email:
einward.ris@kfintech.com

Website:
www.kfintech.com

Cautionary Statements

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

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

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To view the report online,
please log on to:

www.digicontent.co.in

Management Discussion & Analysis

Indian Economy

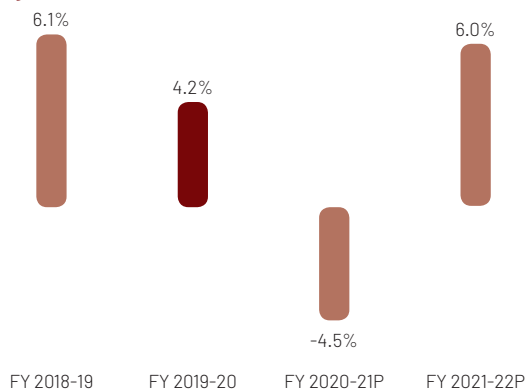
India ranked 5th among the largest economies of the world (in terms of GDP at current US dollar prices), with a size of \$2.9 trillion in 2019. According to the International Monetary Fund's (IMF) World Economic Outlook (WEO) released in June 2020, the Indian economy grew at 4.2% in FY 2019-20 compared to 6.1% in FY 2018-19. The softening of growth was on account of multiple headwinds such as slowdown in private consumption expenditure and gross fixed capital formation. Additionally, production and import of capital goods, the two key factors which influence investment activity, continued to contract during the year. The slowdown in consumption impacted most of the consumer oriented sectors of the economy.

Outlook

The Indian economy was expected to revive from the cyclical slowdown in FY 2020-21. However, on account of the restrictions imposed to curb the outbreak of COVID-19 pandemic in the country starting March 2020, significant disruption is expected across multiple sectors, which have negatively impacted the outlook. The lockdown is likely to have a sizeable impact on the economy, most significantly on consumption, which is its biggest component. The Indian economy is expected to contract by 4.5% in FY 2020-21, as per IMF WEO June 2020. However, India's GDP is expected to witness a sharp rebound in FY 2021-22 with a growth rate of 6.0% as containment efforts are gradually unwound and economic activity normalizes.

(Source: IMF WEO, RBI, Economic Survey 2019-20, KPMG Report)

GDP growth rate in India



(Source: IMF WEO)

Industry Overview

Indian Media & Entertainment Industry

The Indian Media & Entertainment (M&E) industry reached a size of \$25.7 billion in CY 2019, registering a growth of 9% over CY 2018. The industry has proved its resilience yet again, growing at a rate higher than India's GDP, backed by rising consumer demand. The industry has been largely driven by increasing digitization and internet usage, as internet penetration and adoption of digital media in India are growing at an unprecedented rate, creating huge opportunities to tap into uncharted areas within the digital space.

(Source: EY M&E Report)

Digital Advertising

The technological advancements in the ever-evolving digital industry have opened various opportunities to interact with the audience. Marketers can now choose innovative ways to reach out and cater to demand, creating unforgettable experiences. Digitization is one of the strongest factors encouraging greater consumption of content on the internet.

Indian digital market is set to become the 2nd largest segment within the Media and Entertainment industry by CY 2021. Digital Advertisement has grown by 24% YoY in CY 2019, reaching ₹ 191.5 billion. The growth was driven by increased consumption of content on digital platforms and marketers' tilt towards measurability and performance. The top five categories contributed 76% of total digital advertising spends and share of programmatic advertising has increased.

The monetisation in the M&E sector is reliant on advertising to a large extent. The recessionary impact of COVID-19 on key advertising sectors such as FMCG, e-commerce, automobiles, financial services and real estate, which are facing their own challenges and take some time to recover, could have a knock-on effect on the advertising revenues in FY 2020-21.

// The industry has proved its resilience yet again, growing at a rate higher than India's GDP, backed by rising consumer demand. //

Major Trends in Digital Advertising

- **Growing share of regional languages**

Presently, English continues to be the primary language of the internet. However, focus on vernacular has been increasing recently. It is expected that in a few years, Hindi would become the most used language on the internet, while Marathi, Bengali, Tamil and Telugu speaking internet users are expected to form ~30% of the total Indian language internet user base. Digital advertising spend on regional languages is estimated to reach to ~30% of the total digital advertising spends in the coming years.

- **Artificial Intelligence (AI), Machine Learning (ML) and Digital Advertising**

The rise of AI and ML in advertising has had a profound impact on the industry, allowing marketers to deliver relevant and engaging advertisements to customers.

- **Mobiles keep digital advertising upbeat**

Mobiles are the main growth drivers in the rise of digital media consumption. The time spent on smartphones is likely to see persistent growth in coming future.

- **Advertising platforms founded on user behaviour**

Tighter data regulations, greater advertisement blocking capabilities, privacy concerns and increasing competition are expected to push advertisers to do more with less data. This will drive advertisers to understand user behaviour and accordingly, discover platforms that drive the audience.

(Source: EY M&E Report, KPMG M&E Report, Pitch Madison Advertising Report)

Digital Content

Today India is amongst the top countries in the world in terms of digital consumption of services, second only to China. This has led to many traditional media formats prioritising their digital strategy and focusing on combining the text and video format.

A majority of the country's internet users are mobile phone users that take advantage of alternatives to expensive connections. This growth in internet and mobile phone users is expected to further augment the growth of the digital media industry. There is also an increasing focus on regional content.

Digital content consumption has seen an increase due to the lockdown and movement restrictions imposed to contain the spread of coronavirus. Even after the restriction are lifted post COVID-19, the content consumption is expected to remain high on account of habit formation. Certain sections of the consumers may remain apprehensive of crowd and display a preference for at-home media and entertainment.

(Source: KPMG M&E Reports, Statista)

Company Overview

Digicontent Limited (Digicontent) operates in the realm of Entertainment & Digital Innovation business. It provides content sourcing services and is engaged in the dissemination of news, knowledge, information, entertainment and content of general interest through various digital and electronic media, and management of advertising time and space on news websites hindustantimes.com, livemint.com and livehindustan.com. It also operates movie entertainment and review website desimartini.com, runs Fever Audio Tools, maintains a repository of copyright images and carries out brand promotion activities. The Entertainment & Digital Innovation business has significant potential for the growth and the Company is pursuing this opportunity in a focused manner with an independent strategy to maximize value creation for various stakeholders. With a focus on enhancing capabilities, improving customer experiences and maintaining agility, Digicontent is well positioned to spearhead the innovations in this era of digitization.

Product Portfolio

Digital Content Business

Digicontent produces, sources or has rights to high quality and large volume of multimedia literary content through its business. It specialises in development of literary content in the digital media sphere. The Company provides content sourcing services in the form of news formats.

hindustantimes.com

One of the fastest in the business of breaking news, hindustantimes.com has been catering to the ever growing market for digital news and information consumption in India. It has seen a sharp growth in user base with monthly page views growing by 337% and unique users by 28% on a YoY basis in March 2020 (Comscore for March 2020). It has positioned itself as a serious news destination. In an era when fake news

and fact checking are the new buzzwords, it stands apart as a credible and authentic news destination. A trusted network of journalists adds to the repository of multimedia content generated by the online editorial team.

796 million

Monthly page views

53 million

Monthly unique users

No. 2

Site in English news category

livehindustan.com

Livehindustan is one of the leading as well as fastest growing Hindi news website in India with 166% and 153% YoY growth in monthly page views and unique users, respectively, in March 2020. The portal carries exclusive news and multimedia content, detailed cricket coverage, in-depth stock market updates and business analysis from an extensive repository of content by the online editorial team, which is updated round the clock with the latest breaking news. It also provides 360 degree coverage of major events through live blogs, interviews, analysis, opinions, videos, podcasts and more. It draws on the legacy of the print brand to serve credible, authentic content to its dedicated user base.

527 million

Monthly page views

68 million

Monthly unique users

No. 2

Site in Hindi news category

livemint.com

Livemint is a premier business news website, which is well positioned as a reliable and credible source of business news owing to its cutting-edge product innovation. It is first among its peers in India to courageously adopt and embrace a mobile-first design, which is likely to set off a trend in the industry. The portal provides comprehensive business news coverage from the online news desk. User centric, personalised and mobile first approach has resulted in a YoY growth of 550% in monthly

page views and 634% in monthly unique users in March 2020. It was ranked No. 2 business news website in terms of unique users. Its efficient editorial team with a robust content line-up helps the publication to generate real-time content, targeting trending keywords and ensuring higher traffic.

278 million

Monthly page views

58 million

Monthly unique users

No. 3

Site in Business news category

desimartini.com

Desimartini is one of the best movie review and ratings website. Viewers get access to latest trailers, videos, songs, celebrity information, news, movie synopsis and release dates on the website. It is also available across platforms such as SMS, social media sites like Facebook, Twitter and mobile apps. During the year under review, Desimartini mobile and Accelerated Mobile Pages (AMP) have been redesigned for deeper engagement with search traffic and rankings matching up to the social traffic. Mobile App contributes nearly 90% of the website's traffic. A consistent effort has been put towards revamping the website to improve search and rankings. Going forward, the focus is on covering a larger segment in entertainment across television, regional cinema and OTT platforms leveraging our strong foothold in Bollywood.

7 million

Monthly page views

3 million

Monthly unique users

Fever Audio Tools (FAT)

FAT started out with distributing non-music radio content to telecom partners for VAS consumption. It later branched out into creation and aggregation of audio and video content for consumption of mobile and digital users, across a wide range of content genre viz. celebrity-led content, bollywood news, audio drama, mythology, health & fitness, biographies, reality shows etc. It has also diversified into in-store music and promotion business by partnering with multiple format stores, malls, restaurants and cafes.

Note: Data on monthly page views and unique users on this page are based on Comscore for March 2020. Rankings are based on monthly page views.

healthshots.com

Healthshots is a unique health and wellness website for millennial women. It offers tailor-made and personalized content on health and wellness, verified by health and wellness experts and industry influencers. Designed for young millennial women searching for cues on feeling good and healthy, it enjoys a strong footing based on its unique content, communities, features, podcasts, videos, and infographics on mental health, fitness, nutrition, feminine hygiene, and beauty. It aims to engage its readers and brands with impactful integrations. Featuring intuitive tools, it is a destination for holistic wellness that informs, educates, and inspires.

694k

Monthly page views*

215k

Monthly unique users*

HT Auto

HT Auto website was launched in November 2019. It covered every major test drive of new product launches in 2020 in video as well as text formats. It crossed the 1 million users mark in March 2019 and has a strong presence on social media. The website carried a 360 degree coverage of Auto Expo 2020 with all the latest unveilings and related videos.

3.5 million

Monthly page views*

1.7 million

Monthly unique users*

Livemint Subscription

In February 2020 we introduced the subscription model on Livemint. The initial months have seen a very good response in terms of subscription demand. We have also partnered with The Wall Street Journal (WSJ) whereby we are giving access of WSJ content to the subscribers along with Livemint.

Financial Performance Overview

Revenue from operations

During the year, revenue from operations stood at ₹ 259 crore, softening down by 3% from ₹ 268 crore in the previous year, primarily on account of muted advertising environment driven by macroeconomic headwinds.

Profitability

The Company's Operating EBITDA Margin declined from 11.1% in FY 2018-19 to 9.3% in FY 2019-20. Net Profit Margin also reduced from -4.4% in FY 2018-19 to -12.7% in FY 2019-20, owing to revenue softness and increase in cost on account of investment in business. Accordingly, Return on Net Worth reduced from -18.1% in FY 2018-19 to -107.2% in FY 2019-20.

Debt Equity Ratio

The Debt Equity Ratio increased to 3.2 times as on March 31 2020 from 1.4 times as on March 31 2019. This was led by reduction in equity due to loss incurred by the Company during the year.

Interest Coverage Ratio

As on March 31 2020, the Interest Coverage Ratio stood at -2.2 times as compared to -0.8 times as on March 31 2019, as the profits for the Company have declined.

Editorial Highlights

Some of the key editorial initiatives undertaken during FY 2019-20 include unprecedented coverage of the May 2019 elections, live coverage of special events including the Budget and a complete overhaul of the Livemint website. It not only revamped the content and adopted a personalized strategy to attract consumers, but also marked the Company's subscription journey with the Livemint-The Wall Street Journal partnership.

hindustantimes.com

Outbreak of Coronavirus

To generate awareness about the deadly Novel Coronavirus outbreak, hindustantimes.com not only relied on stories and videos to explain its ramifications, but also created an online Coronavirus tracker to track the spread of infection and death toll around the world, on an hourly basis. It has emerged as a credible trusted platform for credible news to counter the spread of misinformation and fake news surrounding the pandemic.

Citizenship Controversy

Amidst a plethora of conflicting reports on social media, hindustantimes.com ran a fact-based campaign explaining and analysing the evolving situation, including both text and video. It garnered 2 million page views and over 1 million video views (on-site and YouTube combined) on the controversy over the Citizenship Amendment Act.

*Based on Google Analytics for March 2020

Gandhi@150

The Company ran a special collaborative multimedia campaign to celebrate 150 years of Mahatma Gandhi. We published over 150 text stories, analyses and opinions. Besides, 17 high quality videos showcased Gandhiji's journey from Champaran to Sabarmati Ashram and retracing the historic Dandi March. The campaign attracted over 1 million page views while video views across platforms crossed 100,000.

Leadership Summit

hindustantimes.com led an unparalleled coverage of the Hindustan Times Leadership Summit 2019. A total of 68 stories were published on the site with over 90% of them being done by the digital team. The site saw over 103% and 218% growth in page views and users compared to last year to reach 731k and 522k respectively. A total of 86 videos were published which garnered more than 10 million views on-site and YouTube.

Coverage of General Elections 2019

hindustantimes.com put up an unprecedented digital coverage of the 2019 General Elections and 4 assembly elections. We put together interactive data widgets, multimedia features and exclusive data-led stories culminating in the first ever 12-hour live on-site stream on the counting day, in collaboration with known TV personality Vikram Chandra. The site went on to bag 10 million page views on the counting day.

livehindustan.com

Election Specials

The online news portal provided extensive coverage of the general elections, assembly elections as well as the municipal elections in Chhattisgarh. On counting day, real time updates were given during vote counting and results declaration. In Delhi, a special series was curated on the elections, Dilli Ka Dangal, which carried interviews of eminent personalities. The team conducted the election specials with a balanced approach, covering the opinions and views of varied parties.

Budget Special

Livehindustan presented a variety of articles before the important budget session. It not only dealt with budget expectations, but also covered in-depth analysis of the budget session and the various proposals and initiatives announced by the Finance Minister. It also offered live coverage of the Budget session and provided minute-by-minute updates.

Machhar ko Takkar

A campaign with more than 200 stories, starting from July 2019 to October 2019 helped to spread awareness about dengue and other diseases caused by mosquitoes. The stories focused on the prevention and preparedness of the government as well as private hospitals. Several stories also highlighted loopholes in the preparations and sought timely intervention to tackle dengue menace in Delhi-NCR and other cities.

livemint.com

All the major news ranging from the recent Yes Bank crisis to Coronavirus outbreak, Livemint has focused on key issues through special topic pages, which have helped the Company to build strong traction and enabled users to get easy accessibility to the news. News and events including Auto Expo, Namaste Trump, Jet Airways crisis, Ayodhya Verdict and Rediscovering Gandhi were covered. Digital-first-live webcast, live blogs, and event specific stories of events such as Mint Visionaries, Investment Summit and Banking Conclave were also covered.

Videos and Live Streams

Video Push

In a bid to emerge as a multimedia player in the evolving digital space, hindustantimes.com upped its video focus in the last one year, tripling its growth in terms of video views and engagement. From about 1 million on-site monthly views across domains in January 2019, they now have 9 million views reported on JW player in March 2020. JW player has been integrated across sites.

Growth on YouTube

The subscriber base of HT's Youtube channel has grown from 0.2 million subscribers in June 2018 to 2 million as on April 14 2020.

Live Streams

In-house capability has been developed by hindustantimes.com to conduct live streams on every trending story. The team does almost two live streams every week and is exploring opportunities to open its web channel for smart TVs.

Human Resource

Digicontent believes that people are its greatest assets and provide an edge over the others, in all qualitative and innovative initiatives undertaken by it. The primary aim is to

make the Company a great place to work with a culture of diversity, performance, future readiness and growth. As a result, the primary focus is on talent acquisition, management and development. Human Resources (HR) is a strategic partner to the business and works closely with all teams to set up the best talent pool for the Company.

Apart from work, the Company has designed an employee engagement calendar for motivating its employees. It includes formal and informal engagement initiatives like spot recognitions, health and fitness options, interest group clubs, festival celebrations and high impact events like Town hall and Rewards & Recognition to motivate employees.

Building a fast paced and future ready Company has been our key focus area. The digital world is growing leaps and bounds, and the organisation has to be designed and equipped to handle the pace and disruption happening in the sector. The organisation structure, roles and responsibilities and talent search have all been critical to the building of the Company. Readiness for pre-boarding talent has also been put in place. The HR policies and processes have been documented to build a dynamic and digitally savvy organisation. The employee strength of the Company (including its subsidiary i.e. HT Digital Streams Limited) stood at 1,661 as on March 31 2020.

7:3

Male to Female ratio

Women at Workplace

The Company has in place strict policies for women in workplace. It is fully compliant with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company's formulated policy is available on the employee intranet portal. The Internal Committee (IC) is in place. We have received no complaints during FY 2019-20. The Company has a mandatory online module for all employees to increase awareness. The Company is fully compliant with provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Risk Management

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

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

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

Further, in light of the COVID-19 scenario, the Company is continuously evaluating the evolving situation and taking necessary steps to mitigate its impact, while ensuring business continuity. The Company is also taking cost optimization efforts across businesses and functions.

Internal Control

The Company has an effective system of internal controls corresponding to its size, nature of business and complexity of operations. The internal control mechanism comprises of a well - defined organizational structure with clearly defined authority and responsibility levels and comprehensive documented policies, guidelines and procedures governing the operations of respective business areas and functions. These controls have been designed to safeguard the assets and interests of the Company and its stakeholders and also ensure compliance with Company's policies, procedures and applicable regulations. Owing to continuously evolving business practices, these controls are regularly updated by the management. Company's focus on technology and automation has driven the establishment of appropriate automated controls and has further enhanced the existing control framework. A robust ERP system is used for accounting across locations. The Company also has a Shared Service Centre and CRM application supporting centralized and standardized procurement, payment and approval processes. These systems enhance the reliability of financial and operational information by facilitating system driven control activities, segregation of duties and enabling stricter controls.

The internal control system is supplemented by an extensive program of internal audits and their reviews by the management.

The in-house internal audit function supported by professional external audit firms conducts comprehensive risk focused audits and evaluates the effectiveness of the internal control structure across locations and functions on a regular basis. In addition to internal audit activities, the Company has also developed an internal financial control framework to periodically review the effectiveness of controls laid down across all critical processes. In addition, the Company uses an online compliance management tool, and has established concurrent audit mechanism for ensuring effective compliance oversight. Further, the Company has an Audit Committee of Directors which meets at least once in every quarter to review internal control systems, accounting processes, financial information and other related areas.

Outlook

FY 2019-20 was a challenging year for the Indian Media & Entertainment industry as advertising spend was impacted on

account of weak macroeconomic environment. In FY 2020-21, the performance is expected to be impacted by the outbreak of COVID-19 pandemic. This has required the government to take measures such as isolation, lockdowns, and widespread closures as a means to slow the spread of the virus, protect lives and allow health care systems to cope.

In these trying times for the country and the world, when people are turning to using digital services, the Company has been on the forefront to provide timely and accurate news, information and entertainment content to its audience through its highly credible digital platforms. It has emerged as a trusted resource against misinformation and fake news. Hence, we expect a high demand for our services. However, it may take some time for the advertising spends to reflect this increased demand, as the current environment is likely to impact discretionary spends by advertisers. As we navigate through this unprecedented crisis, we will continue to provide engaging content to our audience and innovative solutions to our advertisers.

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present their Third Report together with the Audited Financial Statements (Standalone & Consolidated) for the financial year ended on March 31, 2020.

FINANCIAL RESULTS (STANDALONE)

Your Company's performance during the financial year ended on March 31, 2020, along with previous year's figures is summarized below:

Particulars	(₹ in Lac)	
	2019-20	2018-19*
Total Income	1,771	2,022
Earnings before interest, tax, depreciation and amortization (EBITDA) from continuing operations	85	447
Add: Exceptional Item	-	-
Less: Depreciation	20	30
Less: Finance cost	1,006	904
Profit/(Loss) before tax from continuing operations	(941)	(487)
Less: Tax Expense		
• Current tax	-	-
• Deferred tax charge/(credit)	133	(127)
Total tax expense	133	(127)
Profit for the year from continuing operations	(1,074)	(360)
Profit/(Loss) for the period	(1,074)	(360)
Add: Other Comprehensive Income (net of tax)		
a) Items that will not to be reclassified to profit or loss	(3)	(16)
b) Items that will be reclassified to profit or loss	-	-
Total Comprehensive Income for the year (net of tax)	(1,077)	(376)
Opening balance in Retained Earnings	(594)	(218)
Add: Profit/(Loss) for the year	(1,074)	(360)
Less: Items of other Comprehensive Income recognized directly in Retained Earnings		
• Re-measurements of post-employment benefit obligation (net of tax)	(3)	(16)
Total Retained Earnings	(1,671)	(594)

* Comparative figures for FY-19 have been taken from the financial statements prepared after taking into effect the Scheme of Arrangement between HT Media Limited and the Company w.e.f. the Appointed Date i.e. March 31, 2018 (closing business hours).

DIVIDEND

Due to inadequacy of profits, no dividend is recommended by the Directors for the year ended March 31, 2020.

COMPANY PERFORMANCE AND FUTURE OUTLOOK

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

RISK MANAGEMENT

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

SCHEME OF ARRANGEMENT

The Board of Directors approved a Scheme of Arrangement u/s 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") between the Company and HT Media Limited (HTML) and their respective shareholders and creditors (hereinafter referred to as "HTML-DCL Scheme") which, inter-alia, envisaged demerger of 'Entertainment & Digital Innovation Business' (Demerged Undertaking) of HTML, and transfer and vesting thereof to and in the Company, on a 'going concern' basis.

HTML-DCL Scheme was sanctioned by Hon'ble National Company Law Tribunal ('NCLT'), New Delhi Bench, on March 7, 2019 (certified copy received on March 27, 2019). Consequent upon filing of the NCLT order with the Registrar of Companies on April 5, 2019, HTML-DCL Scheme became effective from the Appointed Date i.e. March 31, 2018 (close of business hours). Accordingly, in terms of the HTML-DCL Scheme, the eligible shareholders of HTML have been allotted equity shares of the Company in the ratio of 4:1 on April 12, 2019. The said equity shares have been admitted for trading on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f. June 18, 2019.

Consequent upon allotment of shares to the eligible shareholders of HTML pursuant to HTML-DCL Scheme, The Hindustan Times Ltd., Go4i.com (Mauritius) Ltd., Mrs. Shobhana Bhartia, Mr. Priyavrat Bhartia and Mr. Shamit Bhartia have become promoters of the Company.

SUBSIDIARY COMPANY

Consequent upon effectiveness of HTML-DCL Scheme, HT Digital Streams Limited (HTDSL) became a material wholly-owned subsidiary of the Company. Your Company does not have any associate or joint venture company within the meaning of Section 2(6) of the Act, during the year under review.

In terms of the applicable provisions of Section 136 of the Act, Financial Statements of HTDSL, for the financial year ended on March 31, 2020 are available for inspection at Company's website viz. www.digicontent.co.in.

A report on the performance and financial position of HTDSL in the prescribed Form AOC-1, is annexed to the Consolidated Financial Statements of the Company and hence, not reproduced here. The 'Policy for determining Material Subsidiary(ies)' is available on the Company's website viz. www.digicontent.co.in.

The contribution of HTDSL to the overall performance of your Company is outlined in Note no. 34 of the Consolidated Financial Statements of the Company for the financial year ended March 31, 2020.

SHARE CAPITAL

Authorized share capital

During the year under review, in terms of HTML-DCL Scheme and upon effectiveness thereof, the Authorized share capital of your Company has been increased from ₹ 1,00,000/- divided into 50,000 equity shares of ₹ 2/- each to ₹ 12,00,00,000/- divided into 6,00,00,000 equity shares of ₹ 2/- each.

As on March 31, 2020, the Authorized share capital of the Company stood at ₹ 12,00,00,000/- divided into 6,00,00,000 equity shares of ₹ 2/- each.

Paid up equity share capital

During the year under review, the Board of Directors of the Company at its meeting held on April 12, 2019, issued and allotted 5,81,87,078 equity shares of face value of ₹ 2/- each, aggregating to ₹ 11,63,74,156/-, to the eligible equity shareholders of HTML, pursuant to HTML-DCL Scheme.

Further, in accordance with HTML-DCL Scheme, the entire pre-scheme paid-up equity share capital of the Company amounting to ₹ 1,00,000/- divided into 50,000 equity shares of ₹ 2/- each held by HTML & its nominees, was cancelled upon allotment of new equity shares to the eligible shareholders of HTML.

As on March 31, 2020, the paid-up equity share capital of your Company stood at ₹ 11,63,74,156/- divided into 5,81,87,078 equity shares of face value of ₹ 2/- each.

DEPOSITORY SYSTEM

The Company's equity shares are compulsorily tradeable in electronic form. As of March 31, 2020, 99.99% of the Company's total paid-up capital representing 5,81,86,129 equity shares is in dematerialized form. In view of the benefits offered by the depository system, members holding shares in physical mode are advised, in their own interest, to avail demat facility.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

During the year under review, the members at the 2nd Annual General Meeting (AGM) of the Company held on April 04, 2019 approved appointment of Mr. Praveen Someshwar as Director. Further, the Board of Directors of your Company at its meeting held on April 18, 2019 accorded approval to the appointment of Mr. Ajay Relan, Mr. Vivek Mehra and Ms. Suchitra Rajendra as Additional Directors w.e.f. April 18, 2019 to hold office as such till the date of ensuing AGM and as Independent Directors, for a term of 5 (five) years until March 31, 2024, subject to approval of Members.

Mr. Sharad Saxena, Director of your Company since incorporation, passed away on January 27, 2020 after a brief illness. The Board places on record its deep appreciation of the valuable services rendered by Late Mr. Sharad Saxena during his tenure as Director of the Company. To fill the casual vacancy caused due to demise of Late Mr. Sharad Saxena, the Board of Directors, on the recommendation of Nomination & Remuneration Committee, appointed Mr. Dinesh Mittal (DIN: 00105769) as Non-Executive Director w.e.f. March 12, 2020, subject to approval of Members.

Your Directors commend appointment of Mr. Ajay Relan, Mr. Vivek Mehra and Ms. Suchitra Rajendra as Independent Directors and Mr. Dinesh Mittal as Non-executive Director, for approval of members at the ensuing AGM.

In accordance with the applicable provisions of the Act, Mr. Praveen Someshwar retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. Your Directors commend re-appointment of Mr. Praveen Someshwar for approval of the Members at the ensuing AGM.

All the Independent Directors of the Company have confirmed that they meet the criteria of independence as prescribed

under both, the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") along with declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their registration on the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs. The Independent Directors have also confirmed that they have complied with the 'Code of Conduct' of the Company.

Brief resume, nature of expertise, details of directorship held in other companies etc. of the Directors proposed to be appointed/re-appointed at the ensuing AGM, along with their shareholding in the Company, as stipulated under Secretarial Standard-2 and Regulation 36 of SEBI Listing Regulations, is provided in the Notice of the ensuing AGM.

Key Managerial Personnel

During the year under review, the Board of Directors approved the appointment of following Key Managerial Personnel (KMPs):-

Name	Designation	Date of appointment
Mr. Abhesh Verma	Chief Executive Officer	July 31, 2019
Mr. Anup Sharma	Chief Financial Officer	April 12, 2019
Mr. Vikas Prakash	Company Secretary	April 12, 2019

PERFORMANCE EVALUATION

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

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

The Directors were evaluated on parameters such as, value addition to discussions, level of preparedness, willingness to appreciate the views of fellow directors, commitment to processes which include risk management, compliance and control, commitment to all stakeholders (shareholders, employees, vendors, customers etc.), familiarization with relevant aspects of company's business / activities amongst

other matters. Similarly, the Board as a whole was evaluated on parameters which included its composition, strategic direction, focus on governance, risk management and financial controls.

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

AUDIT & AUDITORS

Statutory Auditor

During the year under review, the Shareholders of the Company at their Extra-ordinary General Meeting held on April 1, 2019 approved the appointment of M/s. MRKS and Associates, Chartered Accountants (MRKS) [Firm Registration No. 023711N] as Statutory Auditor, to fill the casual vacancy caused due to resignation of M/s. Price Waterhouse & Co. (PWC), Chartered Accountants LLP [Firm Registration No. 304026/E-300009] vide their letter dated March 29, 2019. Thereafter, MRKS was appointed as Statutory Auditor by the Members at their Second AGM held on April 4, 2019, to hold office for a term of 5 (five) consecutive years from the conclusion of Second AGM till the conclusion of Seventh AGM of the Company to be held in the calendar year 2024.

MRKS resigned as Statutory Auditor vide letter dated July 5, 2019. To fill the casual vacancy caused due to resignation of MRKS, the Board of Directors, on the recommendation of Audit Committee, on July 11, 2019 accorded approval to the appointment of B S R and Associates, Chartered Accountants ("BSR") [Firm Registration No. 128901W] as Statutory Auditor, to hold office as such upto the conclusion of the ensuing AGM. The appointment of BSR was approved by the Members of the Company on September 22, 2019 by way of passing resolution by postal ballot.

Since, the aforesaid appointment of BSR as Statutory Auditor of the Company is valid upto the date of the ensuing AGM, on the recommendation of Audit Committee, the Board of Directors recommends to the Members, appointment of BSR as Statutory Auditor of the Company, to hold office for a period of 5 (five) consecutive years from the conclusion of ensuing AGM till the conclusion of Eighth AGM of the Company, to be held in the calendar year 2025.

The report of BSR on Annual Financial Statements (Standalone and Consolidated) for the financial year ended on March 31, 2020, is an unmodified opinion i.e. does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, and rules made thereunder, the Board of Directors appointed M/s. RMG & Associates, Company Secretaries ("RMG") (Firm Reg. No. P2001DE16100) as Secretarial Auditor, to conduct the Secretarial Audit for the financial year ended March 31, 2020 and their report is annexed herewith as "**Annexure - A**". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, the Secretarial Audit of material unlisted subsidiary viz. HT Digital Streams Limited, as required under Regulation 24A of SEBI LODR, has been conducted for the FY-20 and there were no qualification, reservation or adverse remark in the said report.

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

RELATED PARTY TRANSACTIONS

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts for the financial year ended on March 31, 2020, the applicable accounting standards have been followed and there are no material departures;
- (ii) such accounting policies have been selected and applied consistently and judgments and estimates have been

made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2020 and of the loss of the Company for the year ended on March 31, 2020;

- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a 'going concern' basis;
- (v) proper internal financial controls were in place and that such internal financial controls were adequate and operating effectively; and
- (vi) systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DISCLOSURES UNDER THE COMPANIES ACT, 2013

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

Particulars of loans given, investments made, guarantees / securities given: The details of investments made and loans/guarantees/securities given, as applicable, are given in note no. 36 to the Standalone Financial Statements.

Board Meetings: A yearly calendar of board meetings is prepared and circulated in advance to the Directors. During the financial year ended March 31, 2020, the Board met eight times on April 04, 2019, April 12, 2019, April 16, 2019, April 18, 2019, July 31, 2019, October 24, 2019, January 21, 2020 and March 12, 2020. For further details of these meetings, Members may please refer the Report on Corporate Governance which forms part of the Annual Report.

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

Remuneration Policy: The Remuneration Policy of the Company on appointment and remuneration of Directors, Key Managerial Personnel & Senior Management, as prescribed under Section 178(3) of the Act and the SEBI Listing Regulations, is available on the Company's website viz. www.digicontent.co.in. The Remuneration Policy includes, inter-alia, the criteria for appointment of Directors, KMPs, Senior Management Personnel and other employees, their remuneration structure, recommendation to the Board, all remuneration in whatever form, payable to Senior Management and disclosures in relation thereto.

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

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

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

Extract of Annual Return: Extract of the Annual Return for the financial year ended on March 31, 2020 in Form MGT-9 is annexed herewith as "**Annexure - D**", and the same is also placed on the website of the Company viz. www.digicontent.co.in. The Annual Return will be hosted on Company's website after certification by Company Secretary in practice and filing thereof with Registrar of Companies.

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

Conservation of energy & technology absorption: NIL

Foreign exchange earnings and outgo -

- Foreign Exchange earned in terms of actual inflows during the year: NIL
- Foreign Exchange outgo in terms of actual outflows during the year: ₹ 11.58 Lac

INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

No material changes/commitments have occurred after the end of financial year 2019-20 and till the date of this report, which affect the financial position of your Company.

SECRETARIAL STANDARDS

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

GENERAL

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

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

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

The Company does not have any Employee Stock Option Scheme.

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

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

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

PREVENTION OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board



Dinesh Mittal

Director

DIN: 00105769



Praveen Someshwar

Director

DIN: 01802656

Date: May 6, 2020

Place: New Delhi

ANNEXURE - A TO THE BOARD'S REPORT

SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2020

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

The Members

Digicent Limited

(CIN: L74999DL2017PLC322147)

Hindustan Times House, 2nd Floor

18-20, Kasturba Gandhi Marg

New Delhi- 110001

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Digicent Limited** (hereinafter referred as 'the Company'), having its Registered Office at Hindustan Times House, 2nd Floor, 18-20, Kasturba Gandhi Marg, New Delhi- 110001. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification, to the extent possible due to lockdown announced by Government of India on account of COVID - 19 pandemic, of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **31st March, 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder by the Depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. Further, there was no transaction of Overseas Direct Investment which was required to be reviewed during the period under audit;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations; **[Applicable with effect from 18th June, 2019, being equity shares of the Company listed and admitted to dealings on the Stock Exchanges vis a vis BSE and NSE]**
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **[Applicable with effect from 18th June, 2019, being equity shares of the Company listed and admitted to dealings on the Stock Exchanges vis a vis BSE and NSE]**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **[Applicable to the extent of listing of equity shares of the Company on stock exchanges vis a vis BSE and NSE, pursuant to Scheme of Arrangement under Section 230-232 of the Act];**

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not Applicable as the Company has not offered any shares or granted any options pursuant to any employee benefit scheme during the period under review];**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review];**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **[Not Applicable during the period under review];**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable as the Company has not delisted/propose to delist its equity shares from any Stock Exchange during the period under review];**
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 **[Not Applicable as the Company has not bought back/propose to buy-back any of its securities during the period under review].**

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

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

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

1. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **[Applicable with effect from 18th June, 2019, being equity shares of the Company listed and admitted to dealings on the Stock Exchanges vis a vis BSE and NSE]**

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

We further report that -

The Board of Directors of the Company comprise of Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and consequently the committees were re-constituted, whenever required.

The Company has constituted all the mandatory Committees of the Board viz. Audit Committee, Nomination & Remuneration Committee and Stakeholder's Relationship Committee, having adequate constitution during the financial year in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

As per the minutes of the meetings of the Board and Committees of the Board, signed by the Chairman, all the decisions of the Board/its Committees were adequately taken and the dissenting members' views, if any, was captured and recorded as part of the minutes.

As per the records, the Company has generally filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.

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

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

1. The Shareholders of the Company at their Extra-ordinary General Meeting held on 1st April, 2019 approved the appointment of M/s. MRKS and Associates, Chartered Accountants (MRKS) as Statutory Auditors, to fill the casual vacancy caused due to resignation of M/s. Price Waterhouse & Co., Chartered Accountants LLP. Further, in the Annual General Meeting held on 4th April, 2019 shareholders approved the appointment of M/s. MRKS & Associates as Statutory Auditors to hold office for a term of Five consecutive years from the conclusion of 2nd AGM upto the conclusion of 7th AGM of the Company to be held in the calendar year 2024.
2. The appointment of M/s BSR and Associates, Chartered Accountants [Firm Registration No. 128901W] as Statutory Auditor was made by the Shareholders of the Company by passing a resolution vide postal ballot on 22nd September, 2019, to hold office as such upto the conclusion of ensuing AGM to fill the casual vacancy caused due to resignation of M/s. MRKS & Associates, Chartered Accountants.
3. The Scheme of Arrangement between HT Media Limited (Demerged Company) and Digicontent Limited (Resulting Company) and their respective Shareholders and Creditors, was sanctioned by the New Delhi Bench

of the Hon'ble National Company Law Tribunal vide order dated 7th March, 2019, which came into effect from 5th April, 2019 ("the Scheme") i.e. filing of certified copy of the order sanctioning the Scheme with concerned Registrar of Companies and consequently lead to the following material changes:

- a) the Authorized Share Capital of the Company has been increased from ₹ 1,00,000/- divided into 50,000 equity shares of ₹ 2/- each to ₹ 12,00,00,000/- divided into 6,00,00,000 equity shares of ₹ 2/- each.
 - b) post allotment of equity shares as per the ratio enshrined in the Scheme to the eligible shareholders of Demerged Company, the equity shares of the Company were listed and admitted to dealings on the Stock Exchanges vis a vis BSE and NSE, with effect from 18th June, 2019.
 - c) HT Digital Streams Limited ("HTDSL") became wholly owned subsidiary of the Company and consequently the material subsidiary of the Company in pursuance to the Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. The Board of Directors at its Board Meeting held on 18th April, 2019, appointed Mr. Ajay Relan (DIN: 00002632), Ms. Suchitra Rajendra (DIN: 07962214) and Mr. Vivek Mehra (DIN: 00101328) as Independent Directors, subject to the approval of shareholders in the ensuing Annual General Meeting.

For **RMG & Associates**

Company Secretaries
Firm Registration No. P2001DE16100
Peer Review No. : 734 / 2020

CS Manish Gupta

Partner

Place: New Delhi FCS: 5123;
Date: 06-05-2020 C.P. No.: 4095
UDIN: F005123B000208395

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

ANNEXURE - I TO THE SECRETARIAL AUDIT REPORT

The Members

Digicontent Limited

Our Secretarial Audit Report for the financial year ended 31st March, 2020 of even date is to be read along with this letter:

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.

6. We have tried to verify the physical records maintained by the Company to the extent possible in order to verify the compliances, however, reliance was also placed on electronic records for verification due to lockdown announced by Government of India on account of COVID-19 pandemic.

For **RMG & Associates**

Company Secretaries

Firm Registration No. P2001DE16100

Peer Review No. : 734 / 2020

CS Manish Gupta

Partner

Place: New Delhi

FCS: 5123;

Date: 06-05-2020

C.P. No.: 4095

UDIN: F005123B000208395

ANNEXURE - C TO THE BOARD'S REPORT

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

- (i) The ratio of remuneration of each Director to the median remuneration of the employees and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year ended on March 31, 2020, is as under -

Name of Director/KMP & designation	Remuneration for FY-20 (₹ in Lac)	% increase in remuneration in FY-20	Ratio of remuneration of each Director to median remuneration of employees in FY-20 [®]
Mr. Priyavrat Bhartia <i>Chairman & Non-Executive Director</i>	Nil	Not Applicable	Not Applicable
Mr. Ajay Relan <i>Independent Director</i>	7.0*	Not Applicable	0.64
Ms. Suchitra Rajendra <i>Independent Director</i>	7.0*	Not Applicable	0.64
Mr. Vivek Mehra <i>Independent Director</i>	5.5*	Not Applicable	0.50
Mr. Praveen Someshwar <i>Non-Executive Director</i>	Nil	Not Applicable	Not Applicable
Late Mr. Sharad Saxena [§] <i>Non-Executive Director</i>	Nil	Not Applicable	Not Applicable
Mr. Dinesh Mittal [§] <i>Non-Executive Director</i>	Nil	Not Applicable	Not Applicable
Mr. Abhesh Verma [^] <i>Chief Executive Officer</i>	Nil	Not Applicable	Not Applicable
Mr. Anup Sharma ^{^^} <i>Chief Financial Officer</i>	116.8	Not Applicable	Not Applicable
Mr. Vikas Prakash ^{^^^} <i>Company Secretary</i>	20.2	Not Applicable	Not Applicable

[®]The median remuneration of employees during FY-20 was ₹ 10.95 Lac

*Sitting fee paid for attending Board/Committee meetings

[§]Appointed as Director w.e.f. March 12, 2020

[§]Ceased to be Director w.e.f. January 27, 2020

[^]Appointed as Chief Executive Officer w.e.f. July 31, 2019. He draws remuneration from the subsidiary company i.e. HT Digital Streams Limited

^{^^}Appointed as Chief Financial Officer w.e.f. April 12, 2019

^{^^^}Appointed as Company Secretary w.e.f. April 12, 2019

- (ii) **Increase in the median remuneration of employees of the Company in FY-20** - Not applicable, as the Company did not have any employee during FY-19.
- (iii) As on March 31, 2020, there were 72 permanent employees on the rolls of the Company.
- (iv) **Average percentage increase in remuneration of employees, other than managerial personnel, during FY-20** - Not applicable, as the Company did not have any employee during FY-19.
- (v) It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board



Dinesh Mittal
Director
DIN: 00105769



Praveen Someshwar
Director
DIN: 01802656

Date: May 6, 2020
Place: New Delhi

ANNEXURE - D TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

For the financial year ended March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Sl. No.	Particulars	Details
I	Corporate Identification Number (CIN)	L74999DL2017PLC322147
II	Registration Date	August 14, 2017
II	Name of the Company	Digicontent Limited
IV	Category/ Sub-Category of the Company	Public Company/ Limited by Shares
V	Address of the Registered Office and contact details	Hindustan Times House, 2 nd Floor 18-20, Kasturba Gandhi Marg New Delhi - 110001 Tel: +91-11-66561608 Fax: +91-11-66561445 Email : investor@digicontent.co.in
VI	Whether listed company	Yes
VII	Name, address and contact details of Registrar and Transfer Agent	KFin Technologies Private Limited Selenium Tower B Plot No. 31 & 32 Financial District, Nanakramguda Serilingampally Mandal Hyderabad - 500 032 Tel: +91-40-67162222, Fax: +91-40-23001153 Email : einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / Services	NIC Code of the products/ service	% to total turnover of the Company
1	Brand promotion	731*	88.71

*Source: National Industrial Classification-2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of equity shares held	Applicable Section
1	The Hindustan Times Limited HT House 18-20, Kasturba Gandhi Marg New Delhi-110001	U74899DL1927PLC000155	Holding	69.50	2(46)
2	HT Digital Streams Limited Budh Marg, Patna-800001, Bihar	U74900BR2015PLC025243	Subsidiary	100.00	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	Promoter and Promoter Group									
(1)	Indian									
(a)	Individual /HUF	5	0	5	0.00	5	0	5	0.00	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	4,04,38,621	0	4,04,38,621	69.50	4,04,38,621	0	4,04,38,621	69.50	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	4,04,38,626	0	4,04,38,626	69.50	4,04,38,626	0	4,04,38,626	69.50	0.00
(2)	Foreign									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	5,645	0	5,645	0.01	5,645	0	5,645	0.01	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	5,645	0	5,645	0.01	5,645	0	5,645	0.01	0.00
	Total A=A(1)+A(2)	4,04,44,271	0	4,04,44,271	69.51	4,04,44,271	0	4,04,44,271	69.51	0.00
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds /UTI	34,88,704	0	34,88,704	5.99	0	0	0	0.00	5.99
(b)	Financial Institutions /Banks	50,676	0	50,676	0.09	72	0	72	0.00	(0.09)
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	14,16,250	0	14,16,250	2.43	26,369	0	26,369	0.04	(2.39)
(f)	Foreign Institutional Investors	33,43,713	0	33,43,713	5.75	22,05,023	0	22,05,023	3.79	(1.96)
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	82,99,343	0	82,99,343	14.26	22,31,464	0	22,31,464	3.83	1.55
(2)	Non-Institutions									
(a)	Bodies Corporate	22,41,770	0	22,41,770	3.85	41,30,207	0	41,30,207	7.10	3.25
(b)	Individuals									
(i)	Individuals holding nominal share capital upto ₹ 1 lac	41,23,561	12,463	41,36,024	7.11	44,47,117	949	44,48,066	7.64	0.53
(ii)	Individuals holding nominal share capital in excess of ₹ 1 lac	15,20,973	0	15,20,973	2.62	54,39,045	0	54,39,045	9.35	6.73
(c)	Others									
	Clearing Members	9,911	0	9,911	0.02	12,486	0	12,486	0.02	0.00
	Foreign Nationals	134	0	134	0.00	134	0	134	0.00	0.00
	HUF	4,06,843	0	4,06,843	0.70	7,63,605	0	7,63,605	1.31	0.61
	IEPF	2,643	0	2,643	0.00	2,643	0	2,643	0.00	0.00
	NBFC	92	0	92	0.00	0	0	0	0.00	0.00
	Non Resident Indians	2,12,277	0	2,12,277	0.36	1,71,235	0	1,71,235	0.30	(0.07)
	NRI Non-Repatriation	3,67,765	0	3,67,765	0.63	1,03,016	0	1,03,016	0.18	(0.45)
	Trustee of HT Media Employee Welfare Trust*	5,44,572	0	5,44,572	0.94	4,40,871	0	4,40,871	0.76	(0.18)
	Trusts	460	0	460	0.00	35	0	35	0.00	(0.00)

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	94,31,001	12,463	94,43,464	16.23	1,55,10,394	949	1,55,11,343	26.66	10.42
	Total B=B(1)+B(2) :	1,77,30,344	12,463	1,77,42,807	30.49	1,77,41,858	949	1,77,42,807	30.49	0.00
	Total (A+B) :	5,81,74,615	12,463	5,81,87,078	100.00	5,81,86,129	949	5,81,87,078	100.00	11.97
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C) :	5,81,74,615	12,463	5,81,87,078	100.00	5,81,86,129	949	5,81,87,078	100.00	11.97

© 5 shares are held as nominee of Go4i.com (Mauritius) Limited

* shares held by HT Media Employee Welfare Trust has been categorized as 'Non-Promoter Non-Public' category in the stock exchange filings. However, to conform to the format of Form MGT-9, the same has been categorized under 'Public' category.

Note: Pursuant to the Scheme of Arrangement between the Company and HT Media Limited (HTML), sanctioned by Hon'ble NCLT ("Scheme"), the entire pre-Scheme paid-up equity share capital of the Company held by HTML and its nominees was cancelled, and new equity shares were allotted to the eligible shareholders of HTML on April 12, 2019 in the ratio of 1 equity share of the Company of ₹ 2/- each for every 4 equity shares held in HTML as on the record date i.e. April 10, 2019. Accordingly, the above details have been given for the period April 12, 2019 to March 31, 2020.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	
1	The Hindustan Times Limited	4,04,38,621	69.50	4,04,38,621	4,04,38,621	69.50	4,04,38,621	0.00
2	Go4i.Com (Mauritius) Limited	5,645	0.01	5,645	5,645	0.01	5,645	0.00
3	Mrs. Shobhana Bhartia	5*	0.00	5*	5*	0.00	5*	0.00
4	Mr. Priyavrat Bhartia	--	--	--	--	--	--	--
5	Mr. Shamit Bhartia	--	--	--	--	--	--	--
6	HT Media Limited	--	--	--	--	--	--	--
	Total	4,04,44,271	69.51	4,04,44,271	4,04,44,271	69.51	4,04,44,271	0.00

* held as nominee of Go4i.com (Mauritius) Limited

Note: Pursuant to the Scheme of Arrangement between the Company and HT Media Limited (HTML), sanctioned by Hon'ble NCLT ("Scheme"), the entire pre-Scheme paid-up equity share capital of the Company held by HTML and its nominees was cancelled, and new equity shares were allotted to the eligible shareholders of HTML on April 12, 2019 in the ratio of 1 equity share of the Company of ₹ 2/- each for every 4 equity shares held in HTML as on the record date i.e. April 10, 2019. Accordingly, the above details have been given for the period April 12, 2019 to March 31, 2020.

(iii) Change in Promoters

As on April 1, 2019, HT Media Limited (HTML) was the beneficial owner of 100% of the equity share capital of the Company. Pursuant to the Scheme of Arrangement between the Company and HTML and upon issue of new equity shares on April 12, 2019, the entire pre-Scheme paid-up equity share capital of the Company held by HTML & its nominees was cancelled. Accordingly, HTML ceased to be the promoter of the Company and The Hindustan Times Limited, Go4i.Com (Mauritius) Limited, Mrs. Shobhana Bhartia, Mr. Priyavrat Bhartia and Mr. Shamit Bhartia, have become promoters of the Company.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of equity shares	% of total shares of the company	No. of equity shares	% of total shares of the company
1	Karma Capital Advisors Private Limited [#]				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	17,91,813	3.08	17,91,813	3.08
	Sold during the year	0	0.00	17,91,813	3.08
	At the end of the year	17,91,813	3.08	17,91,813	3.08
2	Government Pension Fund Global				
	At the beginning of the year	17,40,000	2.99	17,40,000	2.99
	Bought during the year	0	0.00	17,40,000	2.99
	Sold during the year	0	0.00	17,40,000	2.99
	At the end of the year	17,40,000	2.99	17,40,000	2.99
3	Finquest Financial Solutions Pvt. Ltd. [#]				
	At the beginning of the year	33,520	0.06	33,520	0.06
	Bought during the year	9,23,150	1.58	9,56,670	1.64
	Sold during the year	0	0.00	9,56,670	1.64
	At the end of the year	9,56,670	1.64	9,56,670	1.64
4	Mr. Gajesh Abani [#]				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	8,01,204	1.38	8,01,204	1.38
	Sold during the year	0	0.00	8,01,204	1.38
	At the end of the year	8,01,204	1.38	8,01,204	1.38
5	Mr. Shashank S Khade [#]				
	At the beginning of the year	375	0.00	375	0.00
	Bought during the year	7,25,332	1.25	7,25,707	1.25
	Sold during the year	0	0.00	7,25,707	1.25
	At the end of the year	7,25,707	1.25	7,25,707	1.25
6	Vijit Asset Management Pvt. Ltd. [#]				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	4,74,394	0.82	4,74,394	0.82
	Sold during the year	0	0.00	4,74,394	0.82
	At the end of the year	4,74,394	0.82	4,74,394	0.82
7	Trustee of HT Media Employee Welfare Trust				
	At the beginning of the year	5,44,572	0.94	5,44,572	0.94
	Bought during the year	0	0.00	5,44,572	0.94
	Sold during the year	1,03,701	0.18	4,40,871	0.76
	At the end of the year	4,40,871	0.76	4,40,871	0.76

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of equity shares	% of total shares of the company	No. of equity shares	% of total shares of the company
8	Ms. Rohini Nilekani				
	At the beginning of the year	5,58,225	0.96	5,58,225	0.96
	Bought during the year	0	0.00	5,58,225	0.96
	Sold during the year	1,65,000	0.28	3,93,225	0.68
	At the end of the year	3,93,225	0.68	3,93,225	0.68
9	Ms. Nisha Ajay Patil [#]				
	At the beginning of the year	14,250	0.02	14,250	0.02
	Bought during the year	3,85,750	0.67	4,00,000	0.69
	Sold during the year	0	0.00	4,00,000	0.69
	At the end of the year	4,00,000	0.69	4,00,000	0.69
10	Mr. Ajaykumar Bhaskar Patil [#]				
	At the beginning of the year	22,500	0.04	22,500	0.04
	Bought during the year	3,77,500	0.65	4,00,000	0.69
	Sold during the year	0	0.00	4,00,000	0.69
	At the end of the year	4,00,000	0.69	4,00,000	0.69
11	Mr. Nandan M Nilekani				
	At the beginning of the year	4,82,890	0.83	4,82,890	0.83
	Bought during the year	0	0.00	4,82,890	0.83
	Sold during the year	1,67,890	0.29	3,15,000	0.54
	At the end of the year	3,15,000	0.54	3,15,000	0.54
12	Franklin India Smaller Companies Fund [*]				
	At the beginning of the year	27,61,717	4.75	27,61,717	4.75
	Bought during the year	0	0.00	27,61,717	4.75
	Sold during the year	27,61,717	4.75	0	0.00
	At the end of the year	0	0.00	0	0.00
13	ICICI Lombard General Insurance Company Limited [*]				
	At the beginning of the year	14,16,250	2.43	14,16,250	2.43
	Bought during the year	0	0.00	14,16,250	2.43
	Sold during the year	14,16,250	2.43	0	0.00
	At the end of the year	0	0.00	0	0.00
14	Finquest Securities Pvt. Ltd. - Client Beneficiary [*]				
	At the beginning of the year	11,61,400	2.00	11,61,400	2.00
	Bought during the year	0	0.00	11,61,400	2.00
	Sold during the year	11,51,250	1.98	10,150	0.02
	At the end of the year	10,150	0.02	10,150	0.02

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of equity shares	% of total shares of the company	No. of equity shares	% of total shares of the company
15	Reliance Capital Trustee Co. Ltd-A/c Reliancesmall*				
	At the beginning of the year	7,26,987	1.25	7,26,987	1.25
	Bought during the year	0	0.00	7,26,987	1.25
	Sold during the year	7,26,987	1.25	0	0.00
	At the end of the year	0	0.00	0	0.00
16	Bajaj Allianz Life Insurance Company Ltd.*				
	At the beginning of the year	4,19,306	0.72	4,19,306	0.72
	Bought during the year	0	0.00	4,19,306	0.72
	Sold during the year	4,19,306	0.72	0	0.00
	At the end of the year	0	0.00	0	0.00
17	Danske Invest Sicav - SIF - Emerging and Frontier*				
	At the beginning of the year	3,37,070	0.58	3,37,070	0.58
	Bought during the year	0	0.00	3,37,070	0.58
	Sold during the year	3,37,070	0.58	0	0.00
	At the end of the year	0	0.00	0	0.00

* Not in the list of top 10 shareholders as on April 12, 2019. The same has been reflected above as the shareholder was one of the top 10 shareholders as on March 31, 2020.

* Ceased to be in the list of top 10 shareholders as on March 31, 2020. The same is reflected above, as the shareholder was one of the top 10 shareholders as on April 12, 2019.

Notes:

1. Year in the above table means the period from April 12, 2019 to March 31, 2020.
2. Any member desirous of obtaining date-wise particulars of sale/purchase by the above shareholders may write to the Company Secretary at the Registered Office of the Company

(v) Shareholding of Directors and Key Managerial Personnel (KMP)

Sl. No.	Name of the Director/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of equity shares	% of total shares of the Company	No. of equity shares	% of total shares of the Company
1	Mr. Priyavrat Bhartia*	5	0.00	-	-
2	Late Mr. Sharad Saxena*	5	0.00	-	-

*held as nominee of HT Media Limited, and these shares were cancelled upon allotment of new equity shares on April 12, 2019 pursuant to the Scheme of Arrangement.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Lac)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 2019-20				
i) Principal Amount	--	8,000.00	--	8,000.00
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	1,010.27	--	1,010.27
Total (i+ii+iii)	--	9,010.27	--	9,010.27
Change in Indebtedness during the financial year 2019-20				
Additions	--	905.80	--	905.80
(Reduction)	--	--	--	--
Net Change	--	905.80	--	905.80
Indebtedness at the end of the financial year 2019-20				
i) Principal Amount	--	8,000.00	--	8,000.00
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	1,916.08	--	1,916.08
Total (i+ii+iii)	--	9,916.08	--	9,916.08

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Not Applicable

B. Remuneration to other directors

(₹ In Lac)

Sl. No.	Particulars of Remuneration	Non-executive Independent Directors			
		Mr. Ajay Relan	Ms. Suchitra Rajendra	Mr. Vivek Mehra	Total
1	Name of Directors				
	Fee for attending Board /committee meetings	7.00	7.00	5.50	19.50
	Others	--	--	--	--
	Total (A)	7.00	7.00	5.50	19.50
2	Other Non-executive Directors	No other remuneration was paid during FY 20			
	Total (B)	7.00	7.00	5.50	19.50
	Total Managerial Remuneration (A+B)	19.50			
	Overall Ceiling as per the Act	Not Applicable*			

*Since no remuneration is paid to the Directors other than sitting fee, the computation of ceiling of managerial remuneration in terms of Sections 197 & 198 of the Companies Act, 2013 is not applicable.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Anup Sharma (Chief Financial Officer)	Mr. Vikas Prakash (Company Secretary)	Total
1	Gross salary			
	(a) Salary as per Provisions contained in section 17(1) of the Income Tax Act, 1961	1,13,10,038	19,70,785	1,32,80,823
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	16,500	-	16,500
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option (No. of options granted during the year)	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others- Retirement Benefits	3,51,756	48,000	3,99,756
	Total	1,16,78,294	20,18,785	1,36,97,079

Note: Mr. Abhesh Verma, Chief Executive Officer, draws remuneration from subsidiary company i.e. HT Digital Streams Limited

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

For and on behalf of the Board



Dinesh Mittal
Director
DIN: 00105769



Praveen Someshwar
Director
DIN: 01802656

Date: May 6, 2020
Place: New Delhi

ANNEXURE - E TO THE BOARD'S REPORT

CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE

The Members

Digicontent Limited

(CIN: L74999DL2017PLC322147)

Hindustan Times House, 2nd Floor,

18-20, Kasturba Gandhi Marg

New Delhi- 110001

We have examined the compliance of conditions of Corporate Governance by Digicontent Limited (CIN: L74999DL2017PLC322147) having its Registered Office at Hindustan Times House, 2nd Floor, 18-20, Kasturba Gandhi Marg, New Delhi- 110001 (hereinafter referred to as "the Company"), being equity shares of the Company listed and admitted to dealings on the Stock Exchanges vis a vis BSE and NSE with effect from 18th June, 2019, for the year ended on 31st March, 2020, as stipulated in the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations").

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

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

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

For **RMG & Associates**

Company Secretaries

Firm Registration No. P2001DE16100

Peer Review No. : 734 / 2020

CS Manish Gupta

Partner

Place: New Delhi

Date: 06-05-2020

FCS: 5123;

C.P. No.: 4095

UDIN: F005123B000206687

REPORT ON CORPORATE GOVERNANCE

In your Company, Corporate Governance embraces the tenets of Trusteeship, Accountability and Transparency. Adherence to each of these principles has set a culture in the Company, wherein good Corporate Governance underlines interface with all stakeholders. With this belief, the Company has initiated and implemented significant measures for balanced care for all stakeholders.

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

BOARD OF DIRECTORS

Composition of the Board

As on March 31, 2020, the Board comprised of six Directors, all of whom were Non-Executive Directors. In accordance with SEBI Listing Regulations, more than one-half of the Board of Directors comprised of Non-executive Directors. The Company has one Woman Director (Independent) on the Board in terms of applicable provisions of the Companies Act, 2013 (the "Act"). Your Company also complies with the requirement of at least one-half of the Board to comprise of Independent Directors. The Chairman of the Board is a Non-Executive Director (Promoter).

The composition of the Board of Directors as on March 31, 2020 was as follows -

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

During the year, Mr. Sharad Saxena ceased to be Director of the Company, due to his sad demise on January 27, 2020.

None of the Directors serve as Independent Director in more than seven listed companies or three listed companies, in case he/she serves as Whole-time Director/Managing Director in a listed company, as the case may be. The Non-executive Directors do not hold any shares or convertible instruments in the Company.

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

The Directors hold qualifications, and possess requisite experience in general corporate management, finance, legal, banking, economics and other allied fields, which enable them to contribute effectively to the Company. Detailed profile of each of the Directors is available on the Company's website viz. www.digicontent.co.in.

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

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

Area of skill/expertise	Board of Directors as on March 31, 2020					
	Mr. Priyavrat Bhartia	Mr. Ajay Relan	Ms. Suchitra Rajendra	Mr. Vivek Mehra	Mr. Praveen Someshwar	Mr. Dinesh Mittal
Part A – Industry knowledge/experience						
Knowledge of Entertainment & Digital Industry	√	√	√	√	√	√
Understanding of laws, rules, regulations and policies applicable to Entertainment & Digital Industry	√	-	-	√	√	√
Part B- Technical skills/experience						
General management	√	√	√	√	√	√
Accounting & finance	√	√	-	√	√	√
Strategic planning/ business development	√	√	√	√	√	√
Information technology	√	-	√	√	√	√
Talent management	√	√	√	√	√	√
Compliance & risk management	√	√	√	√	√	√
Part C: Behavioural competencies						
Integrity and ethical standards	√	√	√	√	√	√
Decision making	√	√	√	√	√	√
Problem solving skills	√	√	√	√	√	√

DIRECTORS' ATTENDANCE AND DIRECTORSHIPS HELD

Meetings of the Board are held at the registered office of the Company in New Delhi. Eight Board meetings were held during the financial year ended on March 31, 2020, details whereof are as follows:

Date of Board Meeting	Board strength	Number of Directors present	Number of Independent Directors present
April 4, 2019	3	3	Not Applicable
April 12, 2019	3	2	Not Applicable
April 16, 2019	3	2	Not Applicable
April 18, 2019	6	2	None [#]
July 31, 2019	6	5	3 out of 3
October 24, 2019	6	4	3 out of 3
January 21, 2020	6	4	3 out of 3
March 12, 2020	6	6	3 out of 3

[#]Independent Directors were appointed in this meeting, pursuant to applicable provisions of the Act

Attendance record of Directors at the above Board Meetings, and details of other Directorships/Committee positions held by them as on March 31, 2020, in Indian public limited companies, are as follows:

Name of the Director	No. of Board Meetings attended during FY-20	No. of other Directorships held	Committee positions held in other companies [^]		Category of Directorship and name of other listed companies
			Chairperson	Member ¹	
Mr. Priyavrat Bhartia	6	6	-	6	Hindustan Media Ventures Limited <i>Non-executive Director</i>
					HT Media Limited <i>Non-executive Director</i>
					Jubilant Life Sciences Limited <i>Non-executive Director</i>
					Jubilant Industries Limited <i>Non-executive Director</i>
Mr. Ajay Relan	4	6	4	3	Hindustan Media Ventures Limited <i>Independent Director</i>
					Next Mediaworks Limited <i>Independent Director</i>
					HT Media Limited <i>Independent Director</i>
					Capri Global Capital Limited <i>Independent Director</i>
Ms. Suchitra Rajendra	4	2	0	3	Next Mediaworks Limited <i>Independent Director</i>
Mr. Vivek Mehra	4	6	1	4	Jubilant Life Sciences Limited <i>Independent Director</i>
					HT Media Limited <i>Independent Director</i>
					DLF Limited <i>Independent Director</i>
					Chambal Fertilizers and Chemicals Limited – <i>Independent Director</i>
Mr. Praveen Someshwar	8	9	1	5	Hindustan Media Ventures Limited <i>Managing Director</i>
					HT Media Limited <i>Managing Director & CEO</i>
					Next Mediaworks Limited <i>Non-executive Director</i>
Late Mr. Sharad Saxena*	1	6	0	1	-
Mr. Dinesh Mittal [#]	1	8	0	1	Next Mediaworks Limited <i>Non-executive Director</i>

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

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

*Ceased to be director w.e.f. January 27, 2020

[#]Appointed as Non-executive Director w.e.f. March 12, 2020

The Directors are not members of more than ten board committees or Chairman of more than five such committees. The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within the respective limits prescribed under the Act and SEBI Listing Regulations.

Mr. Priyavrat Bhartia, Mr. Praveen Someshwar and Late Mr. Sharad Saxena, Directors attended the last Annual General Meeting of the Members of the Company held on April 4, 2019 (i.e. prior to listing of equity shares of the Company).

BOARD PROCEDURE

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

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

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

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

DETAILS OF REMUNERATION PAID TO DIRECTORS

During financial year ended on March 31, 2020, the Non-executive Independent Directors were paid sitting fee @ ₹50,000/- per meeting for attending meetings of Committees of the Board of Directors and @ ₹ 1,00,000/- per meeting for attending meetings of Board of Directors. The details of sitting fee paid during FY-20 are as under:

Name of the Director	Sitting fee (₹ In Lac)
Mr. Ajay Relan	7.00
Ms. Suchitra Rajendra	7.00
Mr. Vivek Mehra	5.50

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

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

BOARD COMMITTEES

During the year, four standing committees of the Board of Directors were constituted w.e.f. April 18, 2019, which were delegated requisite powers to discharge their functions.

These Committees are as follows –

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination & Remuneration Committee
- Banking & Finance Committee

The role and composition of the committees, particulars of meetings held during the financial year ended on March 31, 2020 and attendance of Directors thereat, are given hereunder.

(a) Audit Committee

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

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

with the management, performance of statutory and internal auditors and adequacy of the internal control systems; and reviewing the functioning of the whistle blower mechanism.

During the financial year ended on March 31, 2020, three meetings of the Audit Committee were held. Particulars of composition of Audit Committee, date on which the meetings were held and attendance of Directors at the said meetings was as follows:

Name of the Director	Category	Meetings attended		
		July 31, 2019	October 24, 2019	January 21, 2020
Mr. Vivek Mehra (Chairman)	Non-executive Independent Director	√	√	√
Mr. Ajay Relan	Non-executive Independent Director	√	√	√
Ms. Suchitra Rajendra	Non-executive Independent Director	√	√	√
Mr. Praveen Someshwar	Non-executive Director	√	√	√

Chairman of the Audit Committee is a Non-executive Independent Director and Chartered Accountant by qualification.

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

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

Company Secretary acts as Secretary to the Committee.

(b) Stakeholders' Relationship Committee

Stakeholders' Relationship Committee (SRC) of the Board of Directors comprises of three Directors. The Chairman of the Committee is a Non-executive Independent Director.

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

dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

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

During the financial year ended on March 31, 2020, the SRC met once. The composition of SRC, date on which the meeting was held and attendance of Directors at the meeting was as follows:

Name of the Director	Category	Meeting Attended
		March 12, 2020
Mr. Ajay Relan (Chairman)	Non-executive Independent Director	-
Mr. Praveen Someshwar	Non-executive Director	√
Mr. Dinesh Mittal [®]	Non-executive Director	√

[®]Inducted as member of SRC w.e.f. March 12, 2020

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

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

Opening Balance	Received	Resolved	Closing Balance
Nil	Nil	Nil	Nil

(c) Nomination & Remuneration Committee

Nomination & Remuneration Committee (NRC) comprise of four Non-executive Directors. Chairman of NRC is a Non-executive Independent Director.

The terms of reference of NRC are in accordance with the requirements of the Act and SEBI Listing Regulations, which include, *inter-alia*, identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal; carry out evaluation of every director's performance; formulate the criteria for determining qualifications, positives attributes and independence of

a director; and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees; recommends to the Board all remuneration in whatever form, payable to Senior management.

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

During the financial year ended on March 31, 2020, three meetings of NRC were held. The composition of NRC, date on which meetings were held and attendance of all Directors was as follows:

Name of the Director	Category	Meetings Attended		
		July 31, 2019	January 21, 2020	March 12, 2020
Mr. Ajay Relan, Chairman	Non-executive Independent Director	√	√	√
Ms. Suchitra Rajendra	Non-executive Independent Director	√	√	√
Mr. Praveen Someshwar	Non-executive Director	√	√	√
Mr. Dinesh Mittal [®]	Non-executive Director	Not Applicable	Not Applicable	Not Applicable

[®]Inducted as member of NRC w.e.f. March 12, 2020

(d) Banking & Finance Committee

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

During the financial year ended on March 31, 2020, the BFC met once. The composition of the Committee, date on which meeting was held and attendance of the Directors at the said meeting was as follows:

Name of the Director	Category	Meeting Attended
		March 12, 2020
Mr. Praveen Someshwar	Non-executive Director	√
Mr. Priyavrat Bhartia	Non-executive Director	-
Mr. Dinesh Mittal [®]	Non-executive Director	√

[®]Inducted as member of BFC w.e.f. March 12, 2020

GENERAL BODY MEETINGS

Since the Company was incorporated on August 14, 2017, details of last two Annual General Meetings are as under:

Date & Time	April 04, 2019 at 11:00 a.m.	September 17, 2018 at 3:00 p.m.
Venue	Hindustan Times House, 2 nd Floor, 18-20, Kasturba Gandhi Marg, New Delhi-110001	
Special resolution(s) passed	None	None

During the last 3 (three) financial years, 6 (Six) Extra-ordinary General Meetings (EGMs) were held on August 24, 2017, October 04, 2017, January 04, 2018, June 28, 2018, March 26, 2019 and April 01, 2019. Out of which, special resolution(s) passed at these EGMs are as under:

Date & Time	March 26, 2019 at 04:00 p.m.	October 04, 2017 at 03:00 p.m.	August 24, 2017 at 04:00 p.m.
Venue	Hindustan Times House, 2 nd Floor, 18-20, Kasturba Gandhi Marg, New Delhi - 110001		
Special resolution(s) passed	<ul style="list-style-type: none"> • Adoption of new set of Articles of Association • Approval for increase in limit to invest/lend funds etc. prescribed under Section 186 of the Companies Act, 2013 	Approval of change of name of the Company	<ul style="list-style-type: none"> • Approval of acquisition of equity shares of HT Digital Streams Limited • Approval of borrowings in excess of limit laid down under Section 180(1)(c) of the Companies Act, 2013 • Authorized mortgage, hypothecation and/or otherwise charge etc. on the assets of the Company in terms of Section 180(1)(a) of the Companies Act, 2013

POSTAL BALLOT

During the financial year ended March 31, 2020, Members of the Company have approved, by requisite majority, the resolution for appointment of M/s. B S R and Associates, Chartered Accountants as Statutory Auditor in casual vacancy, by way of Postal Ballot (including e-voting). The Postal Ballot Notice dated August 19, 2019, along with Postal Ballot Form were sent in electronic form to the members whose e-mail IDs were registered with the Company / respective Depository Participants. For shareholders whose e-mail IDs were not registered, physical copies of the Postal Ballot Notice along with Postal Ballot Form were sent by registered post, along with self-addressed postage pre-paid Business Reply Envelope. The Company had published a notice in the newspaper on August 24, 2019 in 'Hindustan Times' (English Newspaper) and 'Hindustan' (Hindi Newspaper) in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard - 2. The e-voting commenced from Saturday, August 24, 2019, at 9:00 a.m. (server time) and ended on Sunday, September 22, 2019 at 5:00 p.m. (server time).

The voting rights of members were reckoned on the paid-up value of shares registered in the name of member/ beneficial owner (in case of electronic shareholding) as on Friday, August 16, 2019. The Board had appointed Mr. Sanket Jain, Company Secretary-in-Practice (CP No. 12583) as Scrutinizer to scrutinize the voting through Postal Ballot and e-voting process in a fair and transparent manner and had engaged Kfin Technologies Private Limited, Registrar & Share Transfer Agent to provide e-voting facility.

Scrutiniser submitted his report on voting by way of Postal Ballot on September 23, 2019. The results were displayed on the website of the Company viz. www.digicontent.co.in, and also communicated to the Stock Exchanges. The resolution was considered as passed on September 22, 2019, being the last date for e-voting and receipt of duly completed postal ballot forms.

The detail of the voting pattern is given as under:

Resolution passed through Postal Ballot (including e-voting)	Voting in favour of the resolution (%)	Voting against the resolution (%)
Appointment of B S R and Associates, Chartered Accountants (Firm Regn. No. 128901W) as Statutory Auditor in casual vacancy	99.9977	0.0023

At present, no Special Resolution is proposed to be passed through Postal Ballot.

DISCLOSURES

During the financial year ended on March 31, 2020, all transactions entered into with the Related Parties as defined under the Act and Regulation 23 of SEBI Listing Regulations was in the ordinary course of business and on arm's length terms, and they do not attract the provisions of Section 188 of the Act. There was also no materially significant related party transaction that may have a potential conflict with the interests of the Company at large. The Audit Committee reviews the statement containing details of every transactions with the related parties, on quarterly basis.

The required disclosures on related parties and transactions with them, are appearing in Note No. 30 and 30A of the Standalone Financial Statements. The Company has formulated the 'Policy on Materiality of and dealing with Related Party Transactions', which is hosted on Company's website viz. www.digicontent.co.in.

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

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

The Independent Directors have the requisite qualifications and experience which enable them to contribute effectively. Terms and conditions of appointment of Independent Directors are posted on Company's website viz. www.digicontent.co.in. The Independent Directors meet criteria of independence specified in Section 149(6) of the Act and Regulation 16 of SEBI Listing Regulations, and are independent of the management.

The Company has complied with some of the non-mandatory requirements of SEBI Listing Regulations on Corporate Governance.

In the spirit of good corporate governance, the Company sends quarterly financial results via email to the members whose email address are registered with Depository Participant(s)/Company, after they are approved by the Board of Directors and disseminated to the Stock Exchanges. The Auditors have submitted their Report with unmodified opinion on the financial statements for the financial year ended on March 31, 2020.

The Whistle Blower Policy provides opportunity to the directors/employees/stakeholders of the Company to report concerns about unethical behavior, actual or suspected fraud by any Director and/or employee of the Company or any violation of the Company's Code of Conduct. The policy provides for adequate safeguards against victimization of the Whistle Blower. The Policy is posted on the Company's website viz. www.digicontent.co.in. During FY-20, no person was denied access to the Audit Committee.

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

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

The Company has only one subsidiary company viz. HT Digital Streams Limited (HTDS). HTDS (a material wholly-owned subsidiary) is managed by its Board, which is entrusted with the responsibility to manage the affairs in the best interest of the stakeholders. The Company has formulated "Policy for determining Material Subsidiary(ies)" in compliance of the SEBI Listing Regulations, which is hosted on the Company's website viz. www.digicontent.co.in.

During the year under review, the Company has complied with all mandatory requirements specified in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2) of SEBI Listing Regulations, as applicable.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

FEES PAID/PAYABLE TO STATUTORY AUDITOR

Details of fee paid/payable by the Company and its subsidiary for FY-20 on a consolidated basis, to B S R and Associates, Chartered Accountants, Statutory Auditor and all entities in

the network firm/network entity of which the Statutory Auditor is a part, for all services rendered by them, are as follows:

Particulars	Amount (₹ in Lac)*
Audit Fee	16.00
Limited Review	3.50
Tax Audit	3.00
Total	22.50

*excluding reimbursement of out of pocket expenses

PERFORMANCE EVALUATION

The process followed for evaluation of performance of the Board, its Committees, individual Directors and the Chairperson for the financial year ended on March 31, 2020 alongwith criteria for the same, is outlined in the Board's Report.

FAMILIARIZATION PROGRAMME

Your Company has an induction and familiarization programme for Independent Directors. The Company, through such programme, familiarizes the Independent Directors with the background of the Company, nature of the industry in which it operates, business model, business operations, etc. The programme also includes interactive sessions with senior leadership team and business & functional heads for better understanding of business strategy, operational performance, product offerings, marketing initiatives etc. Details of the familiarization programme for Independent Directors are hosted on the Company's website viz. www.digicontent.co.in.

MEETING OF INDEPENDENT DIRECTORS

During the year, a meeting of Independent Directors was held on January 21, 2020 without the presence of Non-Independent Directors and members of the management.

CODE OF CONDUCT

The Company has adopted a "Code of Conduct" governing the conduct of Directors and Senior Management Personnel, which is available on the website of the Company viz. www.digicontent.co.in.

The Board Members and Senior Management Personnel are expected to adhere to the Code, and have accordingly, affirmed compliance of the same during FY-20. The declaration given by the CEO of the Company affirming compliance of the Code by the Board Members and Senior Management Personnel of the

Company during FY-20, is appearing at the end of this report as "Annexure – B".

PROHIBITION OF INSIDER TRADING

In compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the "Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons" and "Code for Fair Disclosure of Unpublished Price Sensitive Information".

During the year under review, the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons was revised by the Board of Directors of the Company on January 21, 2020.

CREDIT RATING

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

MEANS OF COMMUNICATION

- **Financial results** - The quarterly, half yearly and annual financial results of the Company are published in 'Hindustan' (Hindi newspaper), 'Mint' (English Business newspaper) and 'Hindustan Times' (English newspaper) (optional). The financial results are also forwarded to the investors via e-mail, where e-mail address is available. Investors are encouraged to avail this service / facility by providing their e-mail address to the Depository Participant (DP)/ Company.
- **Company's Website** - Important shareholders' information such as Annual Report, financial results etc. are displayed on the website of the Company viz. www.digicontent.co.in.
- **Official News releases, presentations etc.** - Official news releases, shareholding pattern, press releases etc. are also available on the Company's website viz. www.digicontent.co.in.
- **Stock Exchange filings** - All information are filed electronically on the portal of BSE and NSE.
- **Management Discussion and Analysis** - Management Discussion and Analysis covering the operations of the Company, forms part of this Annual Report.
- **Designated E-mail Id** - The Company has designated an E-mail Id viz. investor@digicontent.co.in, for sending investor requests/ complaints.

GENERAL SHAREHOLDER INFORMATION

Forthcoming Annual General Meeting (AGM)

Day, Date & Time:	Tuesday, 25 th August, 2020 at 11:00 AM
Venue:	AGM will be conducted through video conferencing / OAVM due to COVID-19 outbreak, in accordance with the circulars issued by Ministry of Corporate Affairs, in this regard, and as such there is no particular venue of the AGM. For details, please see the Notice of this AGM.

FINANCIAL YEAR

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

Financial Calendar (Tentative)

Results for quarter ending June 30, 2020	End July, 2020
Results for quarter and half-year ending September 30, 2020	First week of November, 2020
Results for quarter and nine months ending December 31, 2020	End January, 2021
Results for the quarter and year ending March 31, 2021	Third week of May, 2021
Annual General Meeting	Mid September, 2021

Dividend Payment Date

The Board of Directors has not recommended any dividend for the financial year ended on March 31, 2020.

REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Private Limited
 Selenium Building, Tower-B,
 Plot No 31 & 32, Financial District, Nanakramguda,
 Serilingampally,
 Hyderabad, Rangareddi,
 Telangana - 500 032
 Tel: +91-40-67162222
 Fax: +91-40-23001153
 Email: einward.ris@kfintech.com
 Website: www.kfintech.com

SHARE TRANSFER SYSTEM

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, equity shares can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of shares. Members are advised, in their own interest, to dematerialise

the shares held by them in physical form. Transfer of equity shares in electronic form is effected through the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL).

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

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

ALLOTMENT OF EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) AUTHORITY

Upon effectiveness of the Scheme of Arrangement between HT Media Limited and the Company, sanctioned by Hon'ble National Company Law Tribunal on March 7, 2019, the Company allotted its equity shares to the eligible shareholders of HTML in the ratio as enshrined in the Scheme. Accordingly, 2,643 equity shares of face value of ₹ 2/- each were allotted to IEPF Authority, during the year under review, on account of equity shares held in the name of IEPF in HT Media Limited. Detail of shareholders who can claim such shares from IEPF is available on Company's website viz. www.digicontent.co.in.

LISTING OF EQUITY SHARES ON STOCK EXCHANGES AND STOCK CODES

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

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

The annual listing fee for the financial year 2020-21 has been paid to both BSE and NSE.

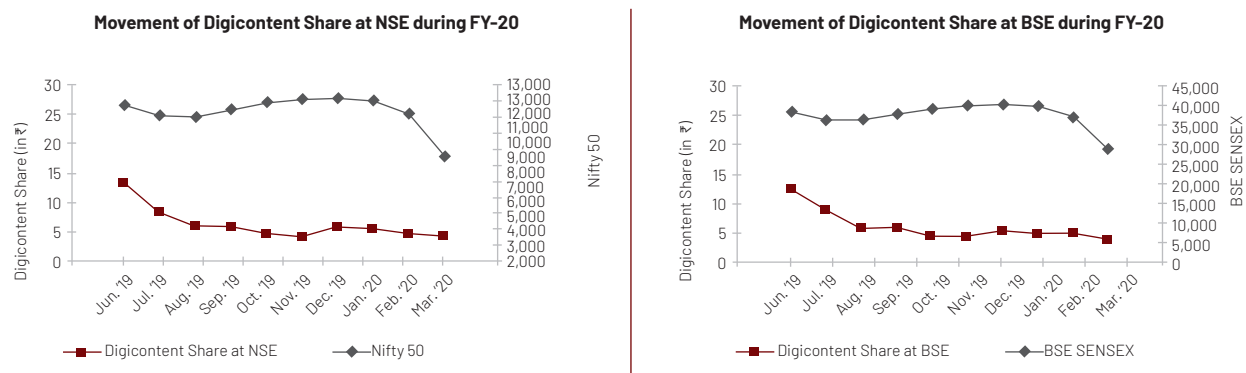
The ISIN of the Equity Shares of the Company is 'INE03JI01017'.

STOCK PRICE DATA

Month	BSE				NSE			
	DGCONTENT		SENSEX		DGCONTENT		NIFTY 50	
	High (in ₹)	Low (in ₹)	High	Low	High (in ₹)	Low (in ₹)	High	Low
Jun '19	16.00	12.35	40,312.07	38,870.96	16.00	12.55	12,103.05	11,625.10
Jul '19	15.00	6.90	40,032.41	37,128.26	14.20	8.05	11,981.75	10,999.40
Aug '19	9.98	5.76	37,807.55	36,102.35	9.25	5.65	11,181.45	10,637.15
Sep '19	6.60	5.55	39,441.12	35,987.80	6.65	5.55	11,694.85	10,670.25
Oct '19	6.25	4.48	40,392.22	37,415.83	6.00	4.50	11,945.00	11,090.15
Nov '19	4.85	3.55	41,163.79	40,014.23	5.00	3.05	12,158.80	11,802.65
Dec '19	6.67	4.77	41,809.96	40,135.37	6.70	4.30	12,293.90	11,832.30
Jan '20	6.75	4.97	42,273.87	40,476.55	6.25	5.10	12,430.50	11,929.60
Feb '20	4.97	4.29	41,709.30	38,219.97	5.60	4.30	12,246.70	11,175.05
Mar '20	5.25	4.00	39,083.17	25,638.90	5.50	3.65	11,433.00	7,511.10

Note: Since Digicontent Limited was listed on June 18, 2019, the above data is presented for the period June, 2019 to March, 2020

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



Distribution of Shareholding by size as on March 31, 2020

No. of Equity Shares held	No. of Shareholders	% of total no. of Shareholders	No. of Equity Shares held	% of total no. of Shares
Upto 500	27,903	95.55	16,38,570	2.82
501 - 1,000	515	1.76	3,80,725	0.65
1,001 - 5,000	597	2.04	12,78,858	2.20
5,001 - 10,000	75	0.26	5,23,413	0.90
10,001 & above	113	0.39	5,43,65,512	93.43
TOTAL	29,203	100.00	5,81,87,078	100.00

Category of Shareholders as on March 31, 2020 (in both physical and demat form)

Category	No. of Equity Shares held	% of Shareholding
Promoters & Promoter Group (A)	4,04,44,271	69.51
Public Shareholding (B)		
Banks, Financial Institutions and Insurance Companies	26,441	0.05
Foreign Institutional Investors (FIIs)	22,05,023	3.79
Non-Resident Indians	2,74,385	0.47
Bodies Corporate (Indian & Foreign)	41,30,207	7.10
Public	98,87,111	16.99
Clearing Members	12,486	0.02
HUF	7,63,605	1.31
Others (Trusts, AIF etc.)	35	0.00
IEPF	2,643	0.00
Total Public Shareholding (B)	1,73,01,936	29.73
Non Promoter –Non Public(C)		
Trustee of HT Media Employee Welfare Trust	4,40,871	0.76
Total Shareholding (A+B+C)	5,81,87,078	100.00

Dematerialization of Shares and liquidity as on March 31, 2020

Category	No. of Equity Shares held	% of Shareholding
Shares held in Demat form	5,81,86,129	99.999
Shares held in Physical form	949	0.001
TOTAL	5,81,87,078	100.000

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

No GDRs/ADRs/Warrants or any convertible instruments have been issued by the Company during FY-20.

Commodity price risk or foreign exchange risk and hedging activities

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

Plant Locations

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

Address for correspondence

Company Secretary
 Digicontent Limited
 Hindustan Times House, 2nd Floor
 18-20, Kasturba Gandhi Marg
 New Delhi - 110 001
 Tel : + 91 - 11 - 6656 1608
 Fax: + 91 - 11 - 6656 1445
 Email: investor@digicontent.co.in
 Website: www.digicontent.co.in

Compliance Officer

Mr. Vikas Prakash, Company Secretary
 Tel: + 91 -11 - 6656 1608

Company Registration Details

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

COMPLIANCE CERTIFICATE

A certificate dated May 6, 2020 of RMG & Associates, Company Secretaries, regarding compliance of conditions of 'Corporate Governance' as stipulated under Schedule V of SEBI Listing Regulations, is annexed to the Board's Report.

NOMINATION FACILITY

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

ANNEXURE-A TO REPORT ON CORPORATE GOVERNANCE

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

The Members

Digicontent Limited

(CIN: L74999DL2017PLC322147)

Hindustan Times House, 2nd Floor

18-20, Kasturba Gandhi Marg

New Delhi- 110001

We have examined the relevant registers, records, forms and returns maintained/filed by **Digicontent Limited (CIN: L74999DL2017PLC322147)** having its Registered Office at **Hindustan Times House, 2nd Floor, 18-20, Kasturba Gandhi Marg, New Delhi- 110001** (hereinafter referred to as "**the Company**") and notices and disclosures received from the Directors of the Company and produced before us by the Company for the purpose of issuing this certificate, in accordance with **Regulation 34(3) read with Schedule V Para C sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015**, as amended from time to time (hereinafter referred to as "Listing Regulations").

In our opinion and to the best of our information and according to the verifications (including verification of Director Identification Number status at the portal www.mca.gov.in) as considered necessary by us and explanations furnished to us by the Company, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the Financial year ended on March 31, 2020 have been debarred or disqualified from being appointed or continuing as directors

of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

S. No	DIN	Name	Begin date
1	00020603	Mr. Priyavrat Bhartia	14-08-2017
2	01802656	Mr. Praveen Someshwar	29-03-2019
3	00002632	Mr. Ajay Relan	18-04-2019
4	00101328	Mr. Vivek Mehra	18-04-2019
5	07962214	Ms. Suchitra Rajendra	18-04-2019
6	00105769	Mr. Dinesh Mittal	12-03-2020

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

For **RMG & Associates**

Company Secretaries

Firm Registration No. P2001DE16100

Peer Review No. : 734 / 2020

CS Manish Gupta

Partner

FCS: 5123;

C.P. No.: 4095

Place: New Delhi

Date: May 6, 2020

UDIN: F005123B000206489

ANNEXURE-B TO REPORT ON CORPORATE GOVERNANCE

DECLARATION OF COMPLIANCE WITH 'CODE OF CONDUCT' OF THE COMPANY

May 4, 2020

I, Abhesh Verma, Chief Executive Officer of the Company, do hereby confirm that all the Board members and Senior Management Personnel of the Company have complied with the 'Code of Conduct' during the financial year 2019-20.

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

For **DIGICONTENT LIMITED**



Abhesh Verma

Chief Executive Officer

Independent Auditor's Report

To the Members of **Digicontent Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Digicontent Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by the Companies Act, 2013 ("Act") in the manner so required and in the context of overriding effect of the provision in the scheme of arrangement as detailed in Emphasis of Matter paragraph below, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and 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 Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with

the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Emphasis of matter

We draw attention to Note 29 to the standalone financial statements in respect to a Scheme of Arrangement (Demerger) between the Digicontent Limited and HT Media Limited (HTML) and their respective creditors and shareholders, as sanctioned by the Hon'ble National Company Law Tribunal. The Scheme, inter-alia, prescribed demerger of Entertainment and Digital Innovation business of HT Media Limited (Demerged Company) including strategic investment and vesting thereof into Digicontent Limited w.e.f. closing business hours of 31 March 2018 (the Appointed Date) as compared to acquisition date under common control business combination as per the applicable Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013.

Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Investment in subsidiary

See note 5 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company has identified investment in its wholly owned subsidiary company ('HTDS') of ₹ 17,580 lacs as a separate cash generating unit ('CGU'). The Company has performed an impairment assessment on its investment in subsidiary as at 31 March 2020.</p> <p>The annual impairment testing of the above investment is considered as a key audit matter as it involves significant judgements and estimates in assessing the recoverable value. The recoverable value is considered to be the higher of the Company's assessment of the value in use (VIU) and fair value less cost of disposal (FVLCD). The economic slowdown owing to the Covid-19 pandemic may impact the future cash flows of HTDS and the key assumptions taken while computing VIU.</p>	<p>How the matter was addressed in the audit</p> <ul style="list-style-type: none"> - The Company's assessment included use of computation of value in use (VIU) to check the impairment assessment. In this regard, we obtained and assessed the recoverable amount as determined by the Company as under: <ul style="list-style-type: none"> - Assessed the method of determining recoverable amount and key assumptions used therein through historical information, budgets / projections, market data and other relevant information. Challenged the key assumptions and judgements within the build up and methodologies used by the Company and its experts. - Assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions. - Compared the implied multiple arising from the VIU to the market multiples - Involved internal specialists to assist us in performing above mentioned procedures.

Other Information

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

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

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

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

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

of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

We draw your attention to the fact that corresponding figures for the year ended 31 March 2019 included in the standalone annual financial statements have been extracted from the audited special purpose standalone financial statements which were audited by predecessor auditor who expressed an unmodified opinion dated 16 April 2019. The said financial statements were considered as special purpose standalone financial statements as they were prepared for filing information memorandum for listing purpose and are not the statutory standalone financial statements

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditor's Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under 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

Place: Gurugram
Date: 06 May 2020

Membership No. : 076124
UDIN: 20076124AAAAAR4336

Annexure A

referred to in our Independent Auditor's Report to the members of Digicontent Limited on the standalone financial statements for the year ended 31 March 2020

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (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 has granted loan to a company covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:
- a) The terms and conditions of the grant of such loan are not prejudicial to the Company's interest;
- b) The schedule of repayment of principal and payment of interest has been stipulated. There has been no repayment of principal and payment of interest in the financial year ended 31 March 2020; and
- c) There is no amount overdue for more than 90 days in respect of the above mentioned loan.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loans given or investments made by the Company which are not in compliance with Section 185 and 186 of the Companies Act, 2013. There are no guarantees given or securities provided by the Company as specified under Section 185 and 186 of the Companies Act, 2013.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- (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 services tax, duty of customs, cess, professional tax 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, service 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, goods and services tax, duty of customs, cess, professional tax and other statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, service tax, goods and services tax, sales tax, value added tax and duty of customs which have not been deposited by the Company with the appropriate authorities on account of any dispute as at 31 March 2020.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or borrowings from financial institutions, banks and government and has not issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to information and explanations given to us, the remuneration paid during the current year by the Company to its directors is in accordance with the provisions of Section 197 of the Act.
- (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 standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the current year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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

Rajesh Arora
Partner

Place: Gurugram
Date: 06 May 2020

Membership No. : 076124
UDIN: 20076124AAAAAR4336

Annexure B

to the Independent Auditor's report on the standalone financial statements of Digicontent Limited for the year ended 31 March 2020.

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

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Digicontent Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone 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 standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone 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 standalone financial statements, whether due to fraud or error.

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

Place: Gurugram
Date: 06 May 2020

Membership No. : 076124
UDIN: 20076124AAAAAR4336

Balance Sheet

as at March 31, 2020

(₹ Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1) Non-current assets			
(a) Property, plant and equipment	3	1	2
(b) Intangible assets	4	13	33
(c) Investment in subsidiaries	5	17,580	17,580
(d) Deferred tax assets (net)	19	-	133
(e) Income tax assets (net)	11	50	2
Total Non-current assets		17,644	17,750
2) Current assets			
(a) Financial assets			
(i) Trade receivables	7	143	848
(ii) Cash and cash equivalents	8A	630	341
(iii) Bank balances other than (ii) above	8B	-	-
(iv) Loans	6	1,851	1
(v) Other financial assets	9A	209	1,838
(b) Contract assets	9B	12	2
(c) Other current assets	10	10	1
Total current assets		2,855	3,031
TOTAL ASSETS		20,499	20,781
II EQUITY AND LIABILITIES			
1) Equity			
(a) Equity share capital	12	1,164	-
(b) Share suspense account	12	-	1,164
(c) Other equity	13	9,032	10,109
Total equity		10,196	11,273
2) Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	8,000	8,000
(ii) Other financial liabilities	16	1,916	1,010
(b) Provisions	17	52	45
Total non-current liabilities		9,968	9,055
Current liabilities			
(a) Financial liabilities			
(i) Trade payable			
a) Total outstanding dues of micro enterprises and small enterprises	15	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	146	317
(ii) Other financial liabilities	16	143	5
(b) Provisions	17	6	18
(c) Other current liabilities	18	40	113
Total current liabilities		335	453
Total liabilities		10,303	9,508
TOTAL EQUITY AND LIABILITIES		20,499	20,781
Summary of significant accounting policies	2		

See accompanying notes to the standalone financial statements.
In terms of our report of even date attached

For B S R and Associates

Chartered Accountants
(ICAI Firm registration Number: 128901W)

Rajesh Arora

Partner
Membership No. 076124

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

Vikas Prakash

Company Secretary

Anup Sharma

Chief Financial Officer

Abhesh Verma

Chief Executive Officer

Praveen Someshwar

Director
(DIN: 01802656)

Dinesh Mittal

Director
(DIN: 00105769)

Place: Gurugram
Date: May 6, 2020

Place: New Delhi
Date: May 6, 2020

Statement of Profit and Loss

for the year ended March 31, 2020

(₹ Lakhs)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
I Income			
a) Revenue from operations	20	1,560	2,004
b) Other income	21	211	18
Total Income		1,771	2,022
II Expenses			
a) Employee benefits expense	22	1,109	965
b) Finance costs	23	1,006	904
c) Depreciation and amortization expense	24	20	30
d) Other expenses	25	577	610
Total Expenses		2,712	2,509
III Profit before tax (I-II)		(941)	(487)
IV Earnings before interest, tax, depreciation and amortization (EBITDA) [III+II(b)+II(c)]		85	447
V Income tax expense			
Current tax	19	-	-
Deferred tax charge/(credit)	19	133	(127)
Total tax expense		133	(127)
VI Loss for the year and attributable to owners after tax (III-V)		(1,074)	(360)
VII Other comprehensive income			
Items that will not to be reclassified to profit or loss	26		
Remeasurement gain/(loss) on defined benefit plans		(3)	(22)
Income tax effect		-	6
Other comprehensive income for the year and attributable to owners, net of tax		(3)	(16)
VIII Total comprehensive income for the year and attributable to owners, net of tax (VI+VII)		(1,077)	(376)
IX Earnings/(loss) per share (₹)	27		
Basic (Nominal value of share ₹ 2/-)		(1.85)	(0.62)
Diluted (Nominal value of share ₹ 2/-)		(1.85)	(0.62)
Summary of significant accounting policies	2		

See accompanying notes to the standalone financial statements.

In terms of our report of even date attached

For B S R and Associates

Chartered Accountants

(ICAI Firm registration Number: 128901W)

Rajesh Arora

Partner

Membership No. 076124

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

Vikas Prakash

Company Secretary

Anup Sharma

Chief Financial Officer

Abhesh Verma

Chief Executive Officer

Praveen Someshwar

Director
(DIN: 01802656)

Dinesh Mittal

Director
(DIN: 00105769)

Place: Gurugram

Date: May 6, 2020

Place: New Delhi

Date: May 6, 2020

Statement of Cash Flow

for the year ended March 31, 2020

Particulars	(₹ Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities:		
Loss before tax:	(941)	(487)
Adjustments for:		
Impairment for doubtful debts and advances (includes bad debts written off)	1	64
Depreciation and amortization expense	20	30
Interest cost on borrowings	1,006	904
Interest income from deposits	(40)	(18)
Unclaimed balances/unspent liabilities written back	(6)	-
Interest income from inter- corporate loan given	(165)	-
Changes in operating assets and liabilities		
(Increase)/decrease in trade receivables	704	(145)
(Increase)/ decrease in current and non-current financial assets and other current and non-current assets	1,765	(292)
Increase/ (decrease) in current and non-current financial liabilities and other current and non-current liabilities and provisions	(106)	55
Cash generated from operations	2,238	111
Income taxes paid	(48)	(2)
Net cash from operating activities (A)	2,190	109
Cash flows from investing activities:		
Interest received on deposits	34	18
Interest received on Inter- corporate loan given	16	-
Inter-corporate deposits given	(1,850)	-
Purchase of property, plant and equipment	(1)	-
Net cash from investing activities (B)	(1,801)	18
Cash flows from financing activities:		
Interest paid	(100)	(112)
Net cash flows from financing activities (C)	(100)	(112)
Net increase/ (decrease) in cash and cash equivalents (D= A+B+C)	289	15
Cash and cash equivalents at the beginning of the year (E)	341	326
Cash and cash equivalents at year end (D+E)	630	341
Components of cash & cash equivalents as at end of the year		
Cash and cheques on hand	-	-
Balances with banks		
- on deposit accounts	524	257
- in current accounts	106	84
Cash and cash equivalents as per Cash Flow Statement	630	341

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

Particulars	(₹ Lakhs)
	Non Current Borrowings
Closing Balance as at March 31, 2018	8,000
Change during the year	-
Closing Balance as at March 31, 2019	8,000
Change during the year	-
Closing Balance as at March 31, 2020	8,000

See accompanying notes to the standalone financial statements.

In terms of our report of even date attached

For B S R and Associates

Chartered Accountants

(ICAI Firm registration Number: 128901W)

Rajesh Arora

Partner

Membership No. 076124

For and on behalf of the Board of Directors of Digicontent Limited**Vikas Prakash**

Company Secretary

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Chief Executive Officer

Praveen Someshwar

Director

(DIN: 01802656)

Dinesh Mittal

Director

(DIN: 00105769)

Place: Gurugram

Date: May 6, 2020

Place: New Delhi

Date: May 6, 2020

Statement of Changes in equity

for the year ended March 31, 2020

A. Equity Share Capital (Refer Note 12)

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

Particulars	Number of shares	₹ Lakhs	
		Amount	
Balance as at March 31, 2018	-	-	
Changes in share capital during the year	-	-	
Balance as at March 31, 2019	-	-	
Changes in share capital during the year	5,81,87,078	1,164	
Balance as at March 31, 2020	5,81,87,078	1,164	

B. Share Suspense Account (Refer Note 12)

Particulars	Number of shares	₹ Lakhs	
		Amount	
Balance as at March 31, 2018	5,81,87,078	1,164	
Change in share suspense during the year	-	-	
Balance as at March 31, 2019	5,81,87,078	1,164	
Change in share suspense during the year	(5,81,87,078)	(1,164)	
Balance as at March 31, 2020	-	-	

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

Particulars	Number of shares	₹ Lakhs	
		Amount	Amount
Balance as at March 31, 2018	(218)	10,703	10,485
Profit / (Loss) for the year	(360)	-	(360)
Items of other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligation, net of tax	(16)	-	(16)
Balance as at March 31, 2019	(594)	10,703	10,109
Profit/(loss) for the year	(1,074)	-	(1,074)
Items of other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligation, net of tax	(3)	-	(3)
Balance as at March 31, 2020	(1,671)	10,703	9,032

See accompanying notes to the standalone financial statements.
In terms of our report of even date attached

For B S R and Associates

Chartered Accountants
(ICAI Firm registration Number: 128901W)

Rajesh Arora

Partner
Membership No. 076124

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

Vikas Prakash

Company Secretary

Anup Sharma

Chief Financial Officer

Abhesh Verma

Chief Executive Officer

Praveen Someshwar

Director
(DIN: 01802656)

Dinesh Mittal

Director
(DIN: 00105769)

Place: Gurugram
Date: May 6, 2020

Place: New Delhi
Date: May 6, 2020

Notes to Standalone Financial Statements

for the year ended March 31, 2020

1. Corporate information

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

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

Entertainment & Digital Innovation Business" includes the following-

Fever Audio Tool	Carries out: <ul style="list-style-type: none"> Aggregation and creation of audio and multi-screen videos Audio feed which plays music inside across various stores Distribution of in-house creative and niche celeb based content to mobile and digital users
Desi Martini	Carries out internet related business for providing movie reviews and ratings in the name of www.desimartini.com
Photo Library	Maintains Repository of the copyrighted images
Brand Promotion	<ul style="list-style-type: none"> Carries out media tool to build, promote and amplify brand communication Covers various brand activities like events, promotions, parties, campaigns, product launches across various HT Media Platforms

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

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

The financial statement of the company for the year ended March 31, 2020 are authorised for issue in accordance with a resolution of the Board of Directors on May 6, 2020

2. Significant accounting policies followed by company

2.1 Basis of preparation

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

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

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

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

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

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

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

Notes to Standalone Financial Statements

for the year ended March 31, 2020

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The Company has identified twelve months as its operating cycle.

b) Foreign currencies

Transactions and Balances

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or as expenses in the period in which they arise. They are deferred in equity if they relate to qualifying cash flow hedges.

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

c) Fair value measurement

The Company measures financial instruments, such as, derivatives and certain investments at fair value at each reporting/ balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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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

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

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

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

Contract asset and unbilled receivables

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

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

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

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

Online Advertising

Revenue from digital platforms by display of internet advertisements is typically contracted for a period of one to twelve months. Revenue in this respect is recognized as and when advertisement is published/ displayed. Unearned revenues are reported on the balance sheet as deferred revenue/ contract liability..

Revenue from Content Selling

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

Brand Promotion

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

Interest income

Interest income is recorded using the effective interest rate (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

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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

The Government of India, on September 20, 2019, vide Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAB in the Income Tax Act, 1961, which gives option to the Company to pay Income Tax at reduced rates as per the provisions/ conditions defined in the said section. The Company is in the process of evaluating the impact of this Ordinance.

Current income tax

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

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

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

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

Appendix C to Ind AS 12, Income Taxes dealing with accounting for uncertainty over income tax treatments is applicable from accounting periods beginning on or after 1 April 2019. It does not have any material impact on financial statements of the Company.

Deferred tax

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

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

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

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

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

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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:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- 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)
IT Equipment	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 II 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/discharged 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 indefinite useful life are not amortised, but are tested for impairment annually, either individually or

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at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

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

Intangible Assets	Useful life (in years)
Software	1 - 6

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

h) Borrowing costs

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

i) Leases

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

Company as a lessee

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

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lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. As a practical expedient a lessee (the company) has elected, by class of underlying asset, not to separate lease components from any associated non-lease components. A lessee (the company) accounts for the lease component and the associated non-lease components as a single lease component.

Company as a lessor

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

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

It introduces a single, on-balance sheet lease accounting model for lessees.

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

Identification of lease:

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

Leases previously classified as operating leases:

- The Company has recognised a lease liability at the date of initial application for leases previously classified as an operating lease applying Ind AS 17 (other than those which does not satisfy the lease definition criteria under Ind AS 116). The Company has measured lease liability at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at the date of initial application.
- The Company has recognised a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying Ind AS 17 (other than those which does not satisfy the lease definition criteria under Ind AS 116). The Company has opted to measure right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

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- The Company has relied on its assessment of whether leases are onerous applying Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, immediately before the date of initial application as an alternative to performing an impairment review.
- The Company has opted not to apply the above transition requirements to leases for which the lease term ends within 12 months of the date of initial application.

Leases previously classified as finance leases:

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

There is no impact on transition as on 1 April 2019.

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

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obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Compensated Absences

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

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

k) Impairment of non-financial assets

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

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

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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.

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.

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Impairment of financial assets

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

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

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

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

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

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix

is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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Subsequent measurement

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.

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.

o) 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.

p) Earnings per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:

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

Diluted earnings per share

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

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

q) Investments in subsidiaries

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2020

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

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

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

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

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

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

2.3. Significant accounting judgements, estimates and assumptions

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

The areas involving critical estimates or Judgement are as below:

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and

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

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

Defined benefit plans

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

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Further details about gratuity obligations are given in Note 28.

Fair value measurement of financial instruments

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

Impairment of financial assets

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

Impairment of non- financial assets

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

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 3 : Property, plant and equipment

Particulars	(₹ Lakhs)	
	Office equipments	Total
Cost		
As at March 31, 2018	3	3
Change during the year	-	-
As at March 31, 2019	3	3
Change during the year	-	-
As at March 31, 2020	3	3
Depreciation/ impairment		
As at March 31, 2018	-	-
Charge for the year	1	1
As at March 31, 2019	1	1
Charge for the year	1	1
As at March 31, 2020	2	2
Net block		
As at March 31, 2020	1	1
As at March 31, 2019	2	2

Note 4 : Intangible Assets

Particulars	(₹ Lakhs)	
	Software Licenses	Total
Gross carrying amount		
As at March 31, 2018	62	62
Change during the year	-	-
As at March 31, 2019	62	62
Change during the year	-	-
As at March 31, 2020	62	62
Accumulated amortisation		
As at March 31, 2018	-	-
Charge for the year	29	29
As at March 31, 2019	29	29
Charge for the year	19	19
As at March 31, 2020	48	48
Net carrying amount		
As at March 31, 2020	13	13
As at March 31, 2019	33	33

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 5 : Investment in subsidiaries

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Investment in subsidiary (at cost)		
Unquoted		
HT Digital Streams Limited	17,580	17,580
200.50 Lakhs (previous Year 200.50 Lakhs) equity shares of ₹ 10/- each fully paid up		
Total	17,580	17,580
Provision for impairment in value of investment (B)	-	-
Total investment in subsidiary (A) - (B)	17,580	17,580
Current	-	-
Non - Current	17,580	17,580
Aggregate book value of unquoted investments	17,580	17,580
Aggregate amount of impairment in value of investments	-	-

Note 6 : Loans

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Security deposit	1	1
Inter- corporate loan given (refer note 30A)	1,850	-
Total Loans	1,851	1
Current	1,851	1
Non - Current	-	-

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Secured, considered good	-	-
Unsecured, considered good	1,851	1
Total	1,851	1

Note 7 : Trade receivables

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Trade receivables	142	131
Receivables from related parties (refer note 30A)	74	791
Provision for doubtful debts	(73)	(74)
Total	142	848
Current	142	848
Non - Current	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 7 : Trade receivables (Contd..)

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Secured, considered good	-	-
Unsecured, considered good	142	848
Unsecured, considered doubtful	73	74
Total	215	922
Impairment for unsecured doubtful debts	(73)	(74)
Total Trade receivables	142	848

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

Note 8 A: Cash and cash equivalents

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Balance with banks :		
- On current accounts	106	84
- Deposits with original maturity of less than three months	524	257
Total	630	341

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

Note 8 B : Other bank balance

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Bank balances other than (8A) above		
- Unclaimed dividend account*	-	-
Total	-	-

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

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

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

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Balance with banks :		
- On current accounts	106	84
- Deposits with original maturity of less than three months	524	257
	630	341

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 9A: Other financial assets

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Other receivables from related party (refer note 30A)	-	1,838
Interest accrued on inter-company deposits (refer note 30A)	149	-
Interest accrued on bank deposits	6	-
Unbilled revenue (refer note 30A)	54	-
Total	209	1,838
Current	209	1,838
Non - Current	-	-

Break up of financial assets carried at amortised cost

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Trade receivables (Note 7)	143	848
Cash and cash equivalents (Note 8A)	630	341
Other bank balances (Note 8B)	-	-
Other financial assets (Note 9A)	209	1,838
Loans (Note 6)	1,851	1
Total financial assets carried at amortised cost	2,833	3,028

Note 9B: Contract assets

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Income accrued but not due	12	2
Total	12	2
Current	12	2
Non - Current	-	-

*Amount billed during FY 2019-2020 from contract assets at the beginning of the year is ₹ 2 lakhs. Balance of ₹ 12 Lacs as at March 31, 2020 pertains to current year transactions.

Note 10: Other current assets

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Advances given	4	1
Prepaid expenses	1	-
Balance with statutory/government authorities	5	-
Total	10	1

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 11 : Income tax assets (net)

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Income tax assets (net) [related to current tax]	50	2
Total	50	2
Current	-	-
Non-Current	50	2

Note 12 : Share Capital

Authorised Share Capital

Particulars	(₹ Lakhs)	
	Number of shares	Amount
At March 31, 2018	50,000	1
Increase/(decrease) during the year	-	-
At March 31, 2019	50,000	1
Increase/(decrease) during the year	5,99,50,000	1,199
As at March 31, 2020	6,00,00,000	1,200

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share.

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

Share suspense account

Equity shares of ₹ 2 each issued, subscribed and fully paid	(₹ Lakhs)	
	Number of shares	Amount
At March 31, 2018	5,81,87,078	1,164
Changes during the year	-	-
At March 31, 2019	5,81,87,078	1,164
Changes during the year (refer note 29)	(5,81,87,078)	(1,164)
As at March 31, 2020	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Issued and subscribed capital

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

Particulars	(₹ Lakhs)	
	Number of shares	Amount
At March 31, 2018	-	-
Changes during the year	-	-
At March 31, 2019	-	-
Changes during the year (refer note 29)	5,81,87,078	1,164
As at March 31, 2020	5,81,87,078	1,164

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

Particulars	(₹ Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	-	-	-	-
Shares Issued during the year	5,81,87,078	1,164	-	-
Shares cancelled during the year	-	-	-	-
Shares outstanding at the end of the year	5,81,87,078	1,164	-	-

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

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

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
The Hindustan Times Limited, the holding company		
4,04,38,621 (March 31, 2019- Nil) equity shares of ₹ 2 each fully paid	809	-

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

Particulars	(₹ Lakhs)			
	March 31, 2020		March 31, 2019	
	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹ 2 each fully paid				
The Hindustan Times Limited, the holding company	4,04,38,621	69.5%	-	-

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

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 13: Other Equity

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Retained earnings	(1,671)	(594)
Capital reserve	10,703	10,703
Total	9,032	10,109

Retained Earnings

Particulars	(₹ Lakhs)	
	Amount	
At March 31, 2018	(218)	
Net loss for the year	(360)	
Add: Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of defined benefits obligation, net of tax	(16)	
At March 31, 2019	(594)	
Net loss for the year	(1,074)	
Add: Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of defined benefits obligation, net of tax	(3)	
As at March 31, 2020	(1,671)	

Capital Reserve*

Particulars	(₹ Lakhs)	
	Amount	
At March 31, 2018	10,703	
Changes during the year	-	
At March 31, 2019	10,703	
Changes during the year	-	
As at March 31, 2020	10,703	

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

Note 14 : Borrowings

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Non- current borrowings		
Unecured		
Inter corporate deposit (note below)(refer note 33)	8,000	8,000
Aggregate Secured Loans	-	-
Aggregate Unsecured Loans	8,000	8,000

Notes to Standalone Financial Statements

for the year ended March 31, 2020

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

Note 15: Trade payables

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 31)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
- payable to related parties (refer note 30A)	31	159
- Payable to others	115	158
Total	146	317
Current	146	317
Non- Current	-	-

Note 16 : Other financial liabilities

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
I. Other financial liabilities at amortised cost		
Interest accrued but not due on borrowings and others	1,916	1,010
Unclaimed dividend*	-	-
Other payables	143	5
Total	2,059	1,015
Current	143	5
Non- Current	1,916	1,010

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

Break up of financial liabilities carried at amortised cost

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Borrowings (non-current) (Note 14)	8,000	8,000
Trade payables (Note 15)	146	317
Others (Note 16)	2,059	1,010
Total	10,205	9,327

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 17: Provisions

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Provision for employee benefits		
Provision for gratuity (refer note 28)	53	46
Provision for compensated absences (refer note 28)	5	17
Total	58	63
Current	6	18
Non- Current	52	45

Note 18 : Other current liabilities

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Customers and agents credit balances	-	1
Statutory dues	40	112
Total	40	113

Note 19 : Deferred Tax assets (net)

The major components of income tax expense for the year ended 31 March 2020 are :

Statement of profit and loss :

Profit or loss section

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Current income tax :		
Current income tax charge	-	-
Deferred tax :		
Deferred tax charge/ (credit)	133	(127)
Income tax expense reported in the statement of profit or loss	133	(127)

OCI section :

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

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Net loss / (gain) on remeasurements of defined benefit plans	-	6
Income tax charged to OCI	-	6

Notes to Standalone Financial Statements

for the year ended March 31, 2020

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

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Accounting loss before income tax	(941)	(487)
At India's statutory income tax rate of 26%	(245)	(127)
At the effective income tax rate	(245)	(127)
Non-recognition of deferred tax asset	245	-
On account of reversal of opening deferred tax asset position	133	-
Income tax expense reported in the statement of profit and loss	133	(127)

Deferred tax

Deferred tax relates to the following:

Particulars	(₹ Lakhs)		
	March 31, 2020	March 31, 2019	Movement During the year
Deferred tax assets			
Unabsorbed depreciation	-	92	(92)
Differences in depreciation in block of property, plant and equipment as per tax books and financial books	-	17	(17)
Effect of expenditure debited to Statement of profit and loss in the period but allowed for tax purposes in following period	-	1	(1)
Provision for doubtful debts and advances	-	23	(23)
Deferred Tax assets (net)	-	133	(133)

Reconciliation of deferred tax assets (net):

Particulars	(₹ Lakhs)	
	Amount	
Closing balance as at 31 March 2018	-	
Tax income/(expense) during the period recognised in profit or loss	127	
Tax income/(expense) during the period recognised in OCI	6	
Closing balance as at 31 March 2019	133	
Tax income/(expense) during the period recognised in profit or loss	(133)	
Tax income/(expense) during the period recognised in OCI	-	
Closing balance as at 31, March 2020	-	

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 20 : Revenue from operations

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Sale of services		
- Advertisement revenue	1,448	1,917
- Airtime sales	112	87
Total	1,560	2,004

Note 21 : Other income

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Interest income on EIR method		
- Bank deposit	40	18
- Interest on inter corporate deposit given to subsidiary company (refer note 30A)	165	-
Other non - operating income		
Miscellaneous Income	6	-
Total	211	18

Note 22 : Employee benefits expense

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Salaries, wages and bonus	1,058	924
Contribution to provident and other funds (refer note 28)	39	27
Gratuity expense (refer note 28)	12	13
Workmen and staff welfare expenses	-	1
Total	1,109	965

Note 23 : Finance costs

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Interest on borrowings	1,006	904
Bank charges*	-	-
Total	1,006	904

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

*₹ 485/- bank charges for the year ended March 31, 2019 has been rounded off to Nil.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 24 : Depreciation and amortization expense

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Depreciation of tangible assets (refer note 3)	1	1
Amortization of intangible assets (refer note 4)	19	29
Total	20	30

Note 25 : Other expenses

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Advertising and sales promotion	110	116
Communication costs	2	3
Newsservice and dispatches	21	10
Repairs and maintenance:		
Plant and machinery	32	63
Impairment for doubtful debts and advances (includes bad debts written off)	1	64
Legal and professional fees	76	26
Payment to auditor (refer note I)	12	3
Rates and taxes	-	23
Insurance	5	-
Service charges on ad revenue	-	4
Rent*	117	145
Director's sitting fees	20	-
Travelling and conveyance	180	148
Miscellaneous expenses	1	5
Total	577	610

*Expenses related to short term leases.

Note I: Payment to auditors

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
As auditor :		
- Audit fee	6	3
- Limited review	4	-
- Tax audit fee	1	-
Reimbursement of expenses	1	-
Total	12	3

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 26 : Other comprehensive income

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

During the year ended 31 March 2020

(₹ Lakhs)

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

During the year ended 31 March 2019

(₹ Lakhs)

Particulars	Retained earnings	Total
Re- measurement gains(losses) on defined benefit plans	(22)	(22)
Income tax relating to items that will not be reclassified to profit or loss	6	6
Total	(16)	(16)

Note 27: EPS computation (refer note 29)

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Particulars	March 31, 2020	March 31, 2019
Loss attributable to equity holders (₹ Lakhs)	(1,074)	(360)
Number of outstanding Equity shares for basic and diluted EPS	5,81,87,078	5,81,87,078
Earnings per share for continuing and discontinued operations		
Basic EPS	(1.85)	(0.62)
Diluted EPS	(1.85)	(0.62)

Note 28 : Gratuity

(₹ Lakhs)

Particulars	March 31, 2020	March 31, 2019
Gratuity plan	53	46
Total	53	46
Current	53	46
Non- Current	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2020

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

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

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

Defined gratuity plan

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2020 :

Present value of Obligation

Particulars	₹ Lakhs	
	March 31, 2020	March 31, 2019
Opening Balance	46	11
Current Service Cost	8	12
Interest Expense or cost	4	1
Re-measurement (or Actuarial)(gain) / loss arising from:		
- change in financial assumptions	5	2
- experience variance (i.e. Actual experience vs. assumptions)	(2)	20
Benefits Paid	(7)	-
Total	53	46

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

Particulars	March 31, 2020 %	March 31, 2019 %
Discount Rate	6.85%	7.75%
Salary Growth Rate	5.00%	5.00%
Withdrawal Rate		
Mortality rate	100% of IALM 2006-08	100% of IALM 2012-14
Normal retirement age	58 Years	58 Years
Up to 30 years	3.00%	3.00%
31 - 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Notes to Standalone Financial Statements

for the year ended March 31, 2020

A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

(₹ Lakhs)

Particulars	March 31, 2020	March 31, 2019
Defined Benefit Obligation (Base)	53	46

Impact on defined benefit obligation

(₹ Lakhs)

Particulars Assumptions	March 31, 2020		March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	7	(5)	6	(6)
Salary Growth Rate (-/+ 1%)	(6)	7	(6)	6
Attrition Rate (-/+ 50%)	(0)	1	(2)	0
Mortality Rate (-/+ 10%)	0	0	-	-

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

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

(₹ Lakhs)

Particulars	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	1	1
Between 2 and 5 years	5	5
Between 6 and 10 years	56	10
Beyond 10 years	69	145
Total expected payments	131	161

Average duration of the defined benefit plan obligation

Particulars	March 31, 2020	March 31, 2019
Range of duration	16 Years	16 Years

Defined Contribution Plan

(₹ Lakhs)

Particulars	March 31, 2020	March 31, 2019
Contribution to Provident and Other funds		
Charged to statement of profit and loss	39	27

Leave Encashment (unfunded)

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

Notes to Standalone Financial Statements

for the year ended March 31, 2020

The expenses recognised in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year :
(₹ Lakhs)

Particulars	March 31, 2020	March 31, 2019
Liability at the beginning of the year	17	-
Interest Expense or Cost	1	-
Re-measurement (or Actuarial)(gain) / loss arising from:		
- experience variance (i.e. actual experience vs assumptions)	(13)	-
Benefits paid during the year	(1)	-
Provided during the year	-	17
Liability at the end of the year	5	17

Note 29:

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

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

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

Note 30: Related party transactions

i) List of Related Parties and Relationships:-

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

ii) Transactions with related parties

Refer Note 30A

iii) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash (other than Inter-corporate Deposit refer note 6 and note 14).

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 30A : Related party Transactions

(₹ Lakhs)

Particulars	Holding Company		Subsidiary		Fellow Subsidiary		Key Managerial Personnel (KMPs) / Directors		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Transactions during the year with related parties										
REVENUE TRANSACTIONS										
INCOME										
Service fees received	-	-	-	-	1,384	1,771	-	-	1,384	1,771
Share of revenue received on joint sale	-	-	38	91	-	-	-	-	38	91
Interest earned on inter corporate loan	-	-	165	-	-	-	-	-	165	-
EXPENSE										
Infrastructure support services	-	-	-	-	116	145	-	-	116	145
Advertisement expenses, sales promotion	-	-	-	-	50	-	-	-	50	-
Interest on inter corporate deposits	-	-	-	-	1,006	904	-	-	1,006	904
Commission charges	-	-	1	-	-	-	-	-	1	-
Treasury & management support services	-	-	-	-	9	-	-	-	9	-
Non Executive Director's sitting fee and commission	-	-	-	-	-	-	20	-	-	-
OTHERS										
Reimbursement of expenses incurred on behalf of the company by parties	-	-	79	91	3	38	-	-	82	129
Reimbursement of expenses incurred on behalf of the parties by company	-	-	2	-	-	-	-	-	2	-
Issue of equity share capital	809	-	-	-	-	-	-	-	809	-
Inter corporate deposit received by the company	-	-	1,850	-	-	-	-	-	1,850	-
BALANCE OUTSTANDING										
Share suspense account*	-	809	-	-	-	-	-	-	-	809
Investment in Shares (including premium)	-	-	17,580	-	-	-	-	-	17,580	-
Trade and other receivables (including other financial assets)	-	-	-	118	128	2,512	-	-	128	2,629
Trade payables	-	-	29	-	2	159	-	-	31	159
Inter corporate deposit taken & interest accrued on it	-	-	-	-	9,916	9,010	-	-	9,916	9,010
Inter corporate deposit given & interest accrued on it	-	-	1,999	-	-	-	-	-	1,999	-

* Represents face value of equity shares of Digicontent Limited to be issued to Holding company.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

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

Particulars	(₹ Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Principal amount	-	-
Interest due thereon at the end of the accounting year	-	-
The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year for delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006.	-	-

Note 32 : Capital management

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

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

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Borrowings (refer Note 14)	8,000	8,000
Interest accrued on borrowings (refer note 16)	1,916	1,010
Less: cash and cash equivalents (refer Note 8A)	(630)	(341)
Less: other bank balance (refer Note 8B)*	-	-
Net debt	9,286	8,669
Equity & other equity	10,196	11,273
Total capital	10,196	11,273
Capital and net debt	19,482	19,942
Gearing ratio	48%	43%

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

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 33 : Fair values

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

(₹ Lakhs)

Particulars	Carrying Value		Fair value		Fair value mechanism Hierarchy level
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	
Financial liabilities for measured at amortised cost					
Long term borrowings (refer note 14)	8,000	8,000	8,000	8,000	Level 2*

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

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

Note 34 : Segment Information

The Company operations comprise of only one segment i.e. "Entertainment & Digital Innovation Business". The Chief operating decision maker (CODM) uses "Entertainment and Digital Business" as single segment to assess performance and for allocating resources. In view of the same separate segment information is not required to be given as per the requirement of Ind AS 108 on Operating Segments.

There are certain customers (including related parties) which represent 10% or more of the Company's total revenue with total amounting to ₹ 1,384 lakhs and ₹ 1,771 lakhs for the year ended March 31, 2020 and March 31, 2019 respectively.

Note 35: Financial risk management objectives and policies

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

Market risk

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

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Currently, the Company does not have any foreign currency risk exposure.

Interest rate risk

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

Notes to Standalone Financial Statements

for the year ended March 31, 2020

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

Credit risk

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

Trade receivables and other financial assets

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 7 and Note 9A. The Company does not hold collateral as security.

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

Financial instruments and cash deposits

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

Liquidity risk

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

No loans will mature in less than one year at March 31, 2020 based on the carrying value of borrowings reflected in the financial statements.

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

Particulars	₹ Lakhs		
	With in 1 year	More than 1 years (refer note below)	Total
As at March 31, 2020			
Borrowings (refer note 14)	-	8,000	8,000
Trade and other payables (refer note 15)	146	-	146
Other financial liabilities (refer note 16)	143	1,916	2,059
As at March 31, 2019			
Borrowings (refer note 14)	-	8,000	8,000
Trade and other payables (refer note 15)	317	-	317
Other financial liabilities (refer note 16)	5	1,010	1,015

The outstanding loan of ₹ 9,916 Lakhs (including interest accrued) from HTML as on 31.3.2020 is payable on 28 December, 2022. There is positive Net Assets Position (after off-setting liability of ₹ 9,916 Lakhs) of ₹ 10,196 Lakhs including Investment in HTDSL (100% subsidiary) of ₹ 17,580 Lakhs as on 31.3.2020.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

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

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

						(₹ Lakhs)	
Name of the Loanee	Rate of Interest	Due Date	Secured/ Unsecured	Purpose of Loan	March 31, 2020	March 31, 2019	
HT Digital Streams Limited (Subsidiary)	10% p.a. compounded annually	Repayable on demand	Unsecured	To meet the business requirements and other general corporate purposes.	1,850	-	

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

Details of Investments made are given under note 5.

Note 37: 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, 2020."

Note 38 : Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year classification.

Note 39: Management has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of assets of the Company. In developing the assumptions relating to the possible future uncertainties because of this pandemic, the Company, as at the date of adoption of these standalone financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects that the carrying amount of assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of adoption of audited financial statements for the year ended 31 March 2020.

See accompanying notes to the standalone financial statements.

In terms of our report of even date attached

For B S R and Associates

Chartered Accountants

(ICAI Firm registration Number: 128901W)

Rajesh Arora

Partner

Membership No. 076124

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

Vikas Prakash

Company Secretary

Anup Sharma

Chief Financial Officer

Abhesh Verma

Chief Executive Officer

Praveen Someshwar

Director
(DIN: 01802656)

Dinesh Mittal

Director
(DIN: 00105769)

Place: Gurugram

Date: May 6, 2020

Place: New Delhi

Date: May 6, 2020

Independent Auditor's Report

To the Members of Digicontent Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Digicontent Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 ("Act") in the manner so required and in the context of overriding effect of the provision in the scheme of arrangements as detailed in Emphasis of Matters paragraph below, give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We

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

Emphasis of matters

We draw attention to Note 28 to the consolidated financial statements in respect to a Scheme of Arrangement (Demerger) between the holding company and HT Media Limited (HTML) and their respective creditors and shareholders, as sanctioned by the Hon'ble National Company Law Tribunal. The Scheme, inter-alia, envisages demerger of Entertainment and Digital Innovation business of HT Media Limited (Demerged Company) including strategic investment and vesting thereof into the holding company w.e.f. closing business hours of 31 March 2018 (the Appointed Date) as compared to acquisition date under common control business combination as per the applicable Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013.

Our opinion is not modified in respect of this matter.

We draw attention to Note 38 to the consolidated financial statements, where in goodwill acquired under Scheme 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 Scheme), in the previous years, is being amortised as per the scheme of arrangement sanctioned by Hon'ble High Courts. This accounting treatment as envisaged in the Scheme is different from that prescribed in the applicable Ind AS which only requires to test such goodwill annually for impairment purposes.

Our opinion is not modified in respect of this matter

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

First-time adoption of Ind AS 116 “Leases” in financial year ended 31 March 2020

See accounting policy 2.3(j) and note 26A to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>Ind AS 116 replaces the existing standard Ind AS 17 and sets out the principles for the recognition, measurement, presentation and disclosure for both lessors and lessees.</p>	<p>Through our inquiries with Group, we understood the process of identifying the lease contracts or contracts which contain leases.</p>
<p>The Group has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019. The Group has applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognized on the date of initial application. Accordingly, the Group has not restated comparative information.</p>	<p>We inspected the contracts for identification of leases under IND AS 116.</p>
<p>As on April 1, 2019, the Group has recognized a right of use asset at an amount equivalent to the lease liability. Consequently there is no adjustment to the opening balance of retained earnings as on April 1, 2019. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.</p>	<p>We obtained the Group’s quantification of ROU assets and lease liabilities. We agreed the inputs used in the quantification to the lease agreement, tested the discount rate and checked computations.</p>
<p>We considered the first-time implementation of Ind AS 116 as a key audit matter. This is due to the significant nature of the leases on the consolidated financial statements and significance of the Group’s judgements needed in establishing the underlying key assumptions including lease term and discount rates.</p>	<p>We also considered the adequacy of disclosures in Note 26A to the consolidated financial statements.</p>

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done, 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’ Responsibilities for the Consolidated Financial Statements

The Holding Company’s management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively

for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

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

Other Matter

We draw your attention to the fact that corresponding figures for the year ended 31 March 2019 included in the consolidated annual financial statements have been extracted from the special purpose consolidated financial statements which were audited by predecessor auditor who expressed an unmodified opinion dated 16 April 2019. The said consolidated financial statements were considered as special purpose consolidated financial statements as they were prepared for filing information memorandum for listing purpose and are not the statutory consolidated financial statements.

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

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the directors of the Group companies is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There were no pending litigations as at 31 March 2020 which would impact the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company during the year ended 31 March 2020.
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.
- C. With respect to the matter to be included in the Auditor's report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under 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

Place: Gurugram
Date: 06 May 2020

Membership No. : 076124
UDIN:20076124AAAAAS8676

Annexure A

to the Independent Auditor's report on the consolidated financial statements of Digicontent Limited ('hereinafter referred to as "the Holding Company') for the year ended 31 March 2020

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or

fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Rajesh Arora

Partner

Place: Gurugram
Date: 06 May 2020

Membership No. : 076124
UDIN:20076124AAAAS8676

Consolidated Balance sheet

as at March 31, 2020

(₹ Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1) Non-current assets			
(a) Property, plant and equipment	3	193	219
(b) Right - of - use assets	26A	3,216	-
(c) Goodwill	4	3,619	7,238
(d) Other intangible assets	4	125	124
(e) Intangible assets under development	4	-	3
(f) Financial assets			
(i) Investments	6A	10	10
(ii) Loans	6B	1,335	7
(g) Other non-current assets	6C	65	-
(h) Deferred tax assets (net)	18	2,459	1,772
(i) Income tax assets	5	3,214	2,964
Total Non-current assets		14,236	12,337
2) Current assets			
(a) Financial assets			
(i) Trade receivables	7	3,122	4,648
(ii) Cash and cash equivalents	8A	1,091	1,219
(iii) Bank balances other than (ii) above	8B	-	-
(iv) Loans	6B	1	2
(v) Other financial assets	9A	1,094	1,748
(b) Contract assets	9B	338	201
(c) Other current assets	10	159	312
Total current assets		5,805	8,130
TOTAL ASSETS		20,041	20,467
II EQUITY AND LIABILITIES			
1) Equity			
(a) Equity share capital	11	1,164	-
(b) Share suspense account	11	-	1,164
(c) Other equity	12	1,916	5,325
Total equity		3,080	6,489
2) Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13A	8,000	8,000
(ii) Lease liabilities	13B	1,226	-
(iii) Other financial liabilities	15	1,916	1,010
(b) Provisions	16	52	45
Total non-current liabilities		11,194	9,055
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	13B	1,615	-
(ii) Trade payable			
a) Total outstanding dues of micro enterprises and small enterprises	14	9	53
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	14	1,516	2,109
(iii) Other financial liabilities	15	1,281	1,381
(b) Contract liabilities	17B	141	45
(c) Provisions	16	775	488
(d) Other current Liabilities	17A	430	847
Total current liabilities		5,767	4,923
TOTAL EQUITY AND LIABILITIES		16,961	13,978
Summary of significant accounting policies	2	20,041	20,467

See accompanying notes to the consolidated financial statements.

In terms of our report of even date attached

For B S R and Associates

Chartered Accountants

(ICAI Firm Registration Number: 128901W)

Rajesh Arora

Partner

Membership No. 076124

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

Vikas Prakash

Company Secretary

Anup Sharma

Chief Financial Officer

Abhesh Verma

Chief Executive Officer

Praveen Someshwar

Director

(DIN:01802656)

Dinesh Mittal

Director

(DIN: 00105769)

Place: Gurugram

Date: May 6, 2020

Place: New Delhi

Date: May 6, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ Lakhs)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
I Income			
a) Revenue from operations	19	25,910	26,797
b) Other Income	20	177	58
Total Income		26,087	26,855
II Expenses			
a) Employee benefits expense	21	14,212	13,900
b) Finance costs	22	1,241	912
c) Depreciation and amortization expense	23	5,290	3,765
d) Other expenses	24	9,296	9,931
Total Expenses		30,039	28,508
III Profit before tax (I-II)		(3,952)	(1,653)
IV Earnings before interest, tax, depreciation and amortization (EBITDA) [III+II(b)+II(c)]		2,579	3,024
V Income tax expense			
Current tax	18	-	-
Deferred tax credit	18	(650)	(476)
[Adjustment of deferred charge/(credit) tax related to earlier years of ₹ 0.15 lakhs [Previous Year ₹ 33 lakhs]]			
Total tax expense		(650)	(476)
VI Loss for the year and attributable to owners after tax (III-V)		(3,302)	(1,177)
VII Other comprehensive Income	25		
Items that will not to be reclassified to profit or loss			
i) Remeasurement of the defined benefit plan gain/(loss)		(144)	43
ii) Income tax relating to items that will not be reclassified to profit or loss		37	(11)
Other comprehensive income for the year and attributable to owners, net of tax		(107)	32
VIII Total comprehensive Income for the year and attributable to owners, net of tax (VI+VII)		(3,409)	(1,145)
IX Earnings/(loss) per share (₹)			
Basic (Nominal value of share ₹ 2/-)	26	(5.67)	(2.02)
Diluted (Nominal value of share ₹ 2/-)	26	(5.67)	(2.02)
Summary of significant accounting policies	2		

See accompanying notes to the consolidated financial statements.

In terms of our report of even date attached

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(DIN: 00105769)

Place: Gurugram

Date: May 6, 2020

Place: New Delhi

Date: May 6, 2020

Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities:		
Loss before tax:	(3,952)	(1,653)
Adjustments for:		
Interest Income from deposits and others	(128)	(35)
Depreciation and amortization expense	5,290	3,765
Finance cost	1,241	904
Impairment of doubtful debts and advances (including bad debts written off)	75	71
Unclaimed balances/unspent liabilities written back (net)	(26)	-
Exchange differences	(17)	-
Profit on sale of property, plant and equipment (net)	-	(1)
Changes in operating assets and liabilities		
(Increase)/Decrease in trade receivables	1,486	(2,024)
Increase in current and non-current financial assets and other current and non-current assets	(1,159)	(356)
Decrease in current and non-current financial liabilities and other current and non-current liabilities and provisions	(903)	(177)
Cash generated from operations	1,907	494
Income tax paid	(192)	(880)
Net cash flows from operating activities (A)	1,715	(386)
Cash flows from investing activities:		
Interest received on deposits	45	35
Purchase of investments	-	(10)
Payment for purchase of property, plant and equipment & intangible assets	(168)	(198)
Net cash used in/from investing activities (B)	(123)	(173)
Cash flows from financing activities:		
Repayment of lease liabilities	(1,615)	-
Interest paid	(105)	(112)
Net cash flows from financing activities (C)	(1,720)	(112)
Net increase/ (decrease) in cash and cash equivalents (D= A+B+C)	(128)	(671)
Cash and cash equivalents at the beginning of the year (E)	1,219	1,890
Cash and cash equivalents at year end (D+E)	1,091	1,219

Particulars	(₹ Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Components of Cash & Cash Equivalents as at end of the year		
Cash in hand	2	1
Balances with banks		
- on deposit accounts	871	1,094
- in current accounts	218	124
Total cash and cash equivalents	1,091	1,219
Cash and cash equivalents as per Cash Flow Statement	1,091	1,219

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

Particulars	(₹ Lakhs)	
	Non Current Borrowings	
Closing Balance as at March 31, 2018	8,000	
Change during the year	-	
Closing Balance as at March 31, 2019	8,000	
Change during the year	-	
Closing Balance as at March 31, 2020	8,000	

Note : Refer note 26A for movement on lease liabilities.

See accompanying notes to the consolidated financial statements.

In terms of our report of even date attached

For B S R and Associates

Chartered Accountants
(ICAI Firm Registration Number: 128901W)

Rajesh Arora

Partner
Membership No. 076124

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

Company Secretary

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Chief Financial Officer

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Chief Executive Officer

Praveen Someshwar

Director
(DIN:01802656)

Dinesh Mittal

Director
(DIN: 00105769)

Place: Gurugram

Date: May 6, 2020

Place: New Delhi

Date: May 6, 2020

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

A. Equity Share Capital (Refer Note 11)

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

(₹ Lakhs)

Particulars	Number of shares	Amount
Balance as at March 31, 2018	-	-
Changes in share capital during the year	-	-
Balance as at March 31, 2019	-	-
Changes in share capital during the year	5,81,87,078	1,164
Balance as at March 31, 2020	5,81,87,078	1,164

B. Share Suspense Account (Refer Note 11)

(₹ Lakhs)

Particulars	Number of shares	Amount
Balance as at March 31, 2018	5,81,87,078	1,164
Change in share suspense during the year	-	-
Balance as at March 31, 2019	5,81,87,078	1,164
Change in share suspense during the year	(5,81,87,078)	(1,164)
Balance as at March 31, 2020	-	-

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

(₹ Lakhs)

Particulars	Retained earnings	Capital Reserve	Total
Balance as at March 31, 2018	(472)	6,942	6,470
Profit/(loss) for the year	(1,177)	-	(1,177)
Items of other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligation, net of tax	32		32
Balance as at March 31, 2019	(1,617)	6,942	5,325
Profit/(loss) for the year	(3,302)	-	(3,302)
Items of other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligation, net of tax	(107)	-	(107)
Balance as at March 31, 2020	(5,026)	6,942	1,916

See accompanying notes to the consolidated financial statements.

In terms of our report of even date attached

For B S R and Associates

Chartered Accountants
(ICAI Firm Registration Number: 128901W)

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(DIN: 00105769)

Abhesh Verma

Chief Executive Officer

Place: Gurugram
Date: May 6, 2020

Place: New Delhi
Date: May 6, 2020

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

1. Corporate information

Digicent Group consists of Digicent Limited (“the Company” or “the Parent Company”) and its wholly owned subsidiary (HT Digital Streams Limited) [hereinafter referred to as “the Group”].

Pursuant to Scheme of Arrangement (‘The Scheme’) between the Company and HT Media Limited (HTML) and their respective creditors and shareholders, the “Entertainment & Digital Innovation Business” of HTML along with its related assets and liabilities, and the related strategic investment in HT Digital Streams Limited (HTDSL) has been transferred to the Company upon the

sanction of the Scheme by Hon’ble National Company Law Tribunal (NCLT), New Delhi Bench vide order dated 7 March, 2019 (certified copy received by the Company on 27 March, 2019) has sanctioned the Scheme (“the order”). The certified copy of the order sanctioning the Scheme has been filed with the Registrar of Companies, NCT of Delhi and Haryana on April 05, 2019. Accordingly, the Scheme has been given effect from March 31, 2018 (closing business hours), i.e. Appointed Date.

Pursuant to the Scheme, HTML has transferred its entire stake in HTDSL (i.e. 57.17%) to Digicent Limited. Consequently, HTDSL has become wholly-owned subsidiary of Digicent Limited.

“Entertainment & Digital Innovation Business” includes the following-

Fever Audio Tool	Carries out: <ul style="list-style-type: none"> • Aggregation and creation of audio and multi-screen videos • Audio feed which plays music inside across various stores • Distribution of in-house creative and niche celeb based content to mobile and digital users
Desi Martini	Carries out internet related business for providing movie reviews and ratings in the name of www.desimartini.com
Photo Library	Maintains Repository of the copyrighted images
Brand Promotion	<ul style="list-style-type: none"> • Carries out media tool to build, promote and amplify brand communication • Covers various brand activities like events, promotions, parties, campaigns, product launches across various HT Media Platforms

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

Information on related party relationship of the Company is provided in Note No 29.

The registered office of the Company is located at Hindustan Times House, 2nd Floor, 18-20, K.G. Marg, New Delhi-110001.

The consolidation financial statement of the group for the year ended March 31, 2020 are authorised for issue in

accordance with a resolution of the board of directors on May 6, 2020.

2. Significant accounting policies followed by the Group

2.1 Basis of preparation

The Consolidated financial statements (CFS) of the Group have been prepared in accordance with the Indian Accounting Standards (‘Ind-AS’) specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Companies Act 2013 (the “accounting principles generally accepted in India”).

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

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

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

The consolidated financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

i) Subsidiary:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as property, plant and equipment are eliminated in full). Ind-AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as

appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method, other than common control transactions. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind-AS 12 Income Tax and Ind-AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share - based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind-AS 102 Share-based Payments at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind-AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind-AS 109, it is measured in accordance with the appropriate Ind-AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount,

the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combinations - common control transactions

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Common control business combination are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves

b) Current versus non-current classification

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

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

All other assets are classified as non-current. A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

c) Foreign currencies

The Group's consolidated financial statements are presented in ₹, which is also the parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and Balances

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

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

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchangerates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

d) Fair value measurement

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

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

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants

would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

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Other fair value related disclosures are given in the relevant notes :

- Disclosures for valuation methods, significant estimates and assumptions (Note 32)
- Quantitative disclosures of fair value measurement hierarchy (Note 32)
- Financial instruments (including those carried at amortised cost) (Note 32)

e) Revenue recognition

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

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

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

Contract asset and unbilled receivables

Contract asset represents the Group's right to consideration in exchange for services that the Group 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 Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

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

Online Advertising

Revenue from digital platforms by display of internet advertisements is typically contracted for a period of one to twelve months. Revenue in this respect is recognized as and when advertisement is published/ displayed. Unearned revenues are reported on the balance sheet as deferred revenue/ contract liability.

Revenue from Content Selling

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

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.

Brand Promotion

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

Interest income

Interest income is recorded using the effective interest rate (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

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calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

f) Taxes

The Government of India, on September 20, 2019, vide Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAB in the Income Tax Act, 1961, which gives option to the Group to pay Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Group is in the process of evaluating the impact of this Ordinance.

Current income tax

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

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

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

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

Appendix C to Ind AS 12, Income Taxes dealing with accounting for uncertainty over income tax

treatments is applicable from accounting periods beginning on or after 1 April 2019. It 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
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary

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differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on

the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

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

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

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

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

g) Property, plant and equipment

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

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

Recognition:

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

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

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All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Depreciation methods, estimated useful life and residual value

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

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

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

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

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

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

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

h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

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

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

Intangible Assets	Useful life (in years)
Software Licenses	1-6
Goodwill	5
Website Development	6

i) Borrowing costs

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

j) Leases

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

Group as a lessee

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using

the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

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

The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are

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recognised as an expense on a straight-line basis over the lease term.

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

Group as a lessor

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

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information. As on April 1, 2019, the Group has recognized a right of use asset at an amount equivalent to the lease liability and consequently there is no adjustment to the opening balance of retained earnings as on April 1, 2019. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for

the right-to-use asset, and finance cost for interest accrued on lease liability.

Identification of lease:

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

Leases previously classified as operating leases:

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

Leases previously classified as finance leases:

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

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

There is no impact on transition as on 1 April 2019.

k) Provisions

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

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

l) Employee benefits

Short term employee benefits and defined contribution plans:

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

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the

scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

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

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

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

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

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

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

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

Termination benefits

The Group recognizes termination benefit as a liability and an expense when the Group has a present

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

Compensated Absences

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

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

m) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable 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,

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had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

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

Equity investments

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial

assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

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

- a) Financial assets are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result

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from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables' in these financial statements)

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

- Trade receivables or contract revenue receivables; and

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as

income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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

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

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

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.

De-recognition

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

Offsetting of financial instruments

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

o) Cash and cash equivalents

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

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

p) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be

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

q) Measurement of EBITDA

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

r) Earnings per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:

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

Diluted earnings per share

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

2.3. Significant accounting judgements, estimates and assumptions

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

The areas involving critical estimates or Judgement are as below:

Property, Plant and Equipment

The Group, based on technical assessment management estimate, depreciates certain assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management has estimated, supported by technical assessment, the useful lives of certain plant and machinery as 16 to 21 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 Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Companies.

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

Further details on taxes are disclosed in Note 18.

Defined benefit plans

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

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

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

Further details about gratuity obligations are given in Note 27.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of financial assets

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

Impairment of non- financial assets

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

the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent markets transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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

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

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

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

For further details about leases, refer to accounting policy on leases and Note 26A.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 3 : Property, plant and equipment

(₹ Lakhs)

Particulars	Office equipments	Plant and machinery	Total
Cost			
As at March 31, 2018	45	353	398
Additions during the year	2	181	183
Less : Disposals/ adjustments	-	5	5
As at March 31, 2019	47	529	576
Additions during the year	2	80	82
Less : Disposals/ adjustments	-	2	2
As at March 31, 2020	49	607	656
Depreciation/ Impairment			
As at March 31, 2018	1	262	263
Charge for the year	2	96	98
Less : Disposals/ adjustments	-	4	4
As at March 31, 2019	3	354	357
Charge for the year	4	104	108
Less : Disposals/ adjustments	-	2	2
As at March 31, 2020	7	456	463
Net Block			
As at March 31, 2020	42	151	193
As at March 31, 2019	44	175	219

Note 4 : Intangible assets and intangible assets under development

(₹ Lakhs)

Particulars	Other Intangible Assets			Total	Goodwill (Refer note 38)
	Website Development	Software Licenses	Intangible Assets under development		
Gross carrying amount					
As at March 31, 2018	91	81	-	172	18,095
Additions during the year	-	27	3	30	-
As at March 31, 2019	91	108	3	202	18,095
Additions during the year	-	46	-	46	-
Less : Disposals/ adjustments	-	-	3	3	-
As at March 31, 2020	91	154	-	245	18,095
Accumulated amortisation					
As at March 31, 2018	14	13	-	27	7,238
Charge for the year	15	33	-	48	3,619

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 4 : Intangible assets and intangible assets under development (Contd..)

(₹ Lakhs)

Particulars	Other Intangible Assets			Total	Goodwill (Refer note 38)
	Website Development	Software Licenses	Intangible Assets under development		
As at March 31, 2019	29	46	-	75	10,857
Charge for the year	15	30	-	45	3,619
As at March 31, 2020	44	76	-	120	14,476
Net carrying amount					
As at March 31, 2020	47	78	-	125	3,619
As at March 31, 2019	62	62	3	127	7,238

Note 5 : Income tax assets (net)

(₹ Lakhs)

Particulars	March 31, 2020	March 31, 2019
Income tax assets (net)[related to current tax]	3,214	2,964
Total Income tax assets	3,214	2,964
Current	-	-
Non-Current	3,214	2,964

Note 6A: Investment

(₹ Lakhs)

Particulars	March 31, 2020	March 31, 2019
Investments at Fair Value through profit and loss		
Unquoted		
Investment in equity instruments	10	10
Total investments	10	10
Current	-	-
Non - Current	10	10
Aggregate amount of quoted investment	-	-
Aggregate amount of unquoted investment	10	-

Note 6B : Loans

(₹ Lakhs)

Particulars	March 31, 2020	March 31, 2019
Security Deposit (refer note 29A)	1,336	9
Total	1,336	9
Current	1	2
Non - Current	1,335	7

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 6B : Loans (Contd..)

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Secured, considered good	-	-
Unsecured, considered good	1,336	9
Total	1,336	9

Note 6C : Other non- current assets

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Capital advance	65	-
Total	65	-

Note 7 : Trade Receivables

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Trade receivables	1,668	1,311
Receivables from related parties (refer note 29A)	1,826	3,629
Provision for doubtful debts	(372)	(292)
Total	3,122	4,648
Current	3,122	4,648
Non - Current	-	-

Note 7 : Trade Receivables

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Unsecured, considered good	3,122	4,648
Unsecured, considered doubtful	372	292
Total	3,494	4,940
Impairment for unsecured doubtful debts	(372)	(292)
Total Trade Receivables	3,122	4,648

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. For details of amount due from Related Parties refer note 29A.

Note 8A: Cash and Cash Equivalents

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Balance with banks :		
- On current accounts	218	124

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 8A: Cash and Cash Equivalents (Contd..)

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
- Deposits with original maturity of less than three months	871	1,094
Cash on hand	2	1
Total	1,091	1,219

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

Note 8B : Other bank balance

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Bank balances other than (8A) above		
- Unclaimed dividend account*	-	-
Total	-	-

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

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

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

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Balance with banks :		
- On current accounts	218	124
- Deposits with original maturity of less than three months	871	1,094
Cash on hand	2	1
Total	1,091	1,219

Note 9A: Other financial assets

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Other Financial Assets at Amortised Cost		
Income accrued on bank deposit	6	-
Employee receivables	28	28
Other receivables from related party (refer note 29A)	-	1,720
Unbilled revenue (refer note 29A)	1,078	-
Provision for doubtful receivables	(18)	-
Total	1,094	1,748
Current	1,094	1,748
Non - Current	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Break up of financial assets carried at amortised cost

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Trade receivables (Note 7)	3,122	4,648
Cash and cash equivalents (Note 8)	1,091	1,219
Other bank balances (Note 8B)	-	-
Other financial assets (Note 9A)	1,094	1,748
Loans (Note 6B)	1,336	9
Total	6,643	7,624

Break up of financial assets at fair value through profit and loss

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Investments (Note 6A)	10	10
Total	10	10

Note 9B: Contract assets

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Income accrued but not due *	338	201
Total	338	201
Current	338	201
Non - Current	-	-

*Amount billed during FY 2019-2020 from contract assets at the beginning of the year is ₹ 201 lakhs. Balance of ₹ 338 Lacs as at March 31, 2020 pertains to current year transactions.

Note 10: Other current assets

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Prepaid expenses* (refer note 29A)	107	50
Other receivables	22	34
Goods and service tax (GST) credit receivable	30	228
Total	159	312

*₹ 269 lakhs adjusted in FY 2019-20 on account of receivables and payables from the same party.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 11 : Share Capital

Autorised Share Capital

Particulars	Number of shares	(₹ Lakhs)
		Amount
At March 31, 2018	50,000	1
Increase/(decrease) during the year	-	-
At March 31, 2019	50,000	1
Increase/(decrease) during the year	5,99,50,000	1,199
At March 31, 2020	6,00,00,000	1,200

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share.

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

Share Suspense Account

Equity shares of ₹ 2 each issued, subscribed and fully paid	Number of shares	(₹ Lakhs)
		Amount
At March 31, 2018	5,81,87,078	1,164
Changes during the year	-	-
At March 31, 2019	5,81,87,078	1,164
Changes during the year (refer note 28)	(5,81,87,078)	(1,164)
At March 31, 2020	-	-

Issued and subscribed capital

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

Particulars	Number of shares	(₹ Lakhs)
		Amount
At March 31, 2018	-	-
Changes during the year	-	-
At March 31, 2019	-	-
Changes during the year (refer note 28)	5,81,87,078	1,164
At March 31, 2020	5,81,87,078	1,164

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

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

(₹ Lakhs)

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	Amount (₹ Lakhs)	Number of shares	Amount (₹ Lakhs)
Shares outstanding at the beginning of the year	-	-	-	-
Shares Issued during the year	5,81,87,078	1,164	-	-
Shares cancelled during the year	-	-	-	-
Shares outstanding at the end of the year	5,81,87,078	1,164	-	-

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

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

(₹ Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
The Hindustan Times Limited, the holding company		
4,04,38,621 (March 31, 2019- Nil) equity shares of ₹ 2 each fully paid	809	-

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

(₹ Lakhs)

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹ 2 each fully paid				
The Hindustan Times Limited, the holding company	4,04,38,621	69.5%	-	-

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

Note 12: Other Equity

(₹ Lakhs)

Particulars	March 31, 2020	March 31, 2019
Retained earnings	(5,026)	(1,617)
Capital reserve	6,942	6,942
Total	1,916	5,325

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Retained Earnings

		(₹ Lakhs)
Particulars		Amount
At March 31, 2018		(472)
Net loss for the year		(1,177)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of defined benefits obligation, net of tax		32
At March 31, 2019		(1,617)
Net loss for the year		(3,302)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of defined benefits obligation, net of tax		(107)
At March 31, 2020		(5,026)

Capital Reserve*

		(₹ Lakhs)
Particulars		Amount
At March 31, 2018		6,942
Changes during the year		-
At March 31, 2019		6,942
Changes during the year		-
At March 31, 2020		6,942

* In relation to past business acquisitions

Note 13 A : Borrowings

		(₹ Lakhs)	
Particulars	March 31, 2020	March 31, 2019	
Non- current Borrowings			
Unsecured			
Inter corporate loans (note below)(refer note 29A)	8,000	8,000	
Total	8,000	8,000	
Aggregate Secured Loans	-	-	
Aggregate Unsecured Loans	8,000	8,000	

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 13B : Lease liabilities

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Unsecured		
Lease liabilities* (refer note 26A)	2,841	-
Total	2,841	-
Current	1,615	-
Non- current	1,226	-

*₹ 269 lakhs adjusted in FY 2019-20 on account of receivables and payables from the same party.

Note 14: Trade payables

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 30)	9	53
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- payable to related parties (refer note 29A)	4	176
- payable to others	1,512	1,933
Total	1,525	2,162
Current	1,525	2,162
Non- Current	-	-

Note 15 : Other financial liabilities

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
I. Other financial liabilities at amortised cost		
Unclaimed dividend *	-	-
Employee payables	1,240	1,362
Interest accrued but not due on borrowings (refer note 29A)	1,916	1,010
Creditors for capital purchases	41	19
Total	3,197	2,391
Current	1,281	1,381
Non- Current	1,916	1,010

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Break up of financial liabilities carried at amortised cost

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Borrowings (non-current)(Note 13A)	8,000	8,000
Lease Liabilities (Note 13B)	2,841	-
Trade payables (Note 14)	1,525	2,162
Other financial liabilities (Note 15)	3,197	2,391
Total financial liabilities carried at amortised cost	15,563	12,553

Note 16 : Provisions

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Provision for gratuity (refer note 27)	769	468
Provision for compensated absences (refer note 27)	58	65
Total	827	533
Current	775	488
Non- Current	52	45

Note 17A : Other current liabilities

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Advances from customers	-	15
Statutory dues	430	832
Total	430	847

Note 17B : Contract liabilities

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Unearned revenue*	141	45
Total	141	45
Current	141	45
Non Current	-	-

*Amount of revenue recognised during FY 2019-2020 from contract liabilities at the beginning of the year is 45 lakhs. Balance of ₹ 141 Lacs as at March 31, 2020 pertains to current year transactions.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 18 : Income tax

The major components of income tax expense for the year ended 31 March 2020 are :

Statement of profit and loss :

Profit or loss section

	(₹ Lakhs)	
Particulars	March 31, 2020	March 31, 2019
Current income tax :		
Current income tax charge	-	-
Deferred tax :		
Deferred tax credit	(650)	(443)
Adjustments in respect of previous year *	-	(33)
Income tax expense reported in the statement of profit or loss	(650)	(476)

*₹ 14,888/- represents tax true up impact for the year ended March 31, 2020 has been rounded off to Nil.

OCI section :

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

	(₹ Lakhs)	
Particulars	March 31, 2020	March 31, 2019
Income tax (charge)/credit on remeasurements of defined benefit plans	37	(11)
Income tax charged to OCI	37	(11)

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

	(₹ Lakhs)	
Particulars	March 31, 2020	March 31, 2019
Accounting loss before income tax	(3,952)	(1,652)
At India's statutory income tax rate of 26%	(1,028)	(430)
At the effective income tax rate	(1,028)	(430)
Non-recognition of deferred tax asset	245	-
On account of reversal of opening Deferred tax asset position	133	-
Impact due to change in tax rate	-	(13)
Tax true up impact*	-	(33)
Income tax expense reported in the statement of profit and loss	(650)	(476)

*₹ 14,888/- represents tax true up impact for the year ended March 31, 2020 has been rounded off to Nil.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Deferred tax

Deferred tax relates to the following:

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Deferred tax assets		
Differences in depreciation in block of property, plant and equipment as per tax books and financial books	567	135
Unabsorbed depreciation	1,553	1,377
Provision for doubtful debts and advances	72	79
Effect of expenditure debited to statement of profit and loss in the current year/ earlier years but allowed for tax purposes in following years	267	181
Gross deferred tax assets	2,459	1,772
Deferred tax assets (net)	2,459	1,772

Reconciliation of deferred tax assets (net):

Particulars	(₹ Lakhs)
Opening balance as of 1 April 2018	1,307
Tax income/(expense) during the period recognised in profit or loss	476
Tax income/(expense) during the period recognised in OCI	(11)
Closing balance as at March 31, 2019	1,772
Tax income/(expense) during the year recognised in profit or loss	650
Tax income/(expense) during the year recognised in OCI	37
Closing balance as at March 31, 2020	2,459

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 19 : Revenue from operations

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Sale of services	25,910	26,797
Total	25,910	26,797

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 20 : Other income

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Interest income on EIR method		
- Bank deposits	51	35
- income tax refund	58	-
- Others	19	-
Other non - operating income		
Unclaimed balances/unspent liabilities written back (net)	26	1
Exchange differences (net)	17	-
Net gain on disposal of property, plant and equipment	-	1
Miscellaneous income	6	21
Total	177	58

Note 21 : Employee benefits expense

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Salaries, wages and bonus	13,456	13,251
Contribution to provident and other funds (refer note 27)	555	471
Gratuity expense (refer note 27)	166	139
Workmen and staff welfare expenses	35	39
Total	14,212	13,900

Note 22 : Finance costs

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Interest on inter corporate deposit from holding company (refer note 29A)	1,006	904
Interest on lease liabilities (refer note 26A)	230	-
Bank Charges	5	8
Total	1,241	912

Note 23 : Depreciation and amortization expense

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Depreciation of tangible assets (refer note 3)	1,519	98
Depreciation expense of right-of-use assets (refer note 26A)	107	-
Amortization of intangible assets (refer note 4)	3,664	3,667
Total	5,290	3,765

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 24 : Other expenses

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Advertising and sales promotion	361	265
Power and fuel	2	3
Communication Costs	56	43
Legal and professional fees	401	264
Newsservice and dispatches	3,055	2,858
Repairs and maintenance		
Plant and machinery	1,335	1,419
Rates and taxes	1	24
Insurance	84	81
Service Charges on ad revenue	-	4
Rent & maintenance	2,130	3,314
Travelling and conveyance	1,621	1,434
Net impairment losses on financial assets	75	71
Exchange differences (net)	-	3
Director's sitting fees (refer note 29A)	20	-
Payment to auditor (refer details below)	25	17
Security Charges	19	20
Housekeeping charges	44	50
Miscellaneous expenses	67	61
Total	9,296	9,931

Note : Payment to auditors

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
As auditor :		
- Audit fee	16	12
- Limited review	4	-
- Tax audit fee	3	2
In other capacities :		
- Other services	-	2
Reimbursement of expenses	2	1
Total	25	17

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for the year ended March 31, 2020

Note 25 : Other comprehensive income

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

During the year ended March 31, 2020

Particulars	(₹ Lakhs)	
	Retained earnings	Total
Re- measurement gains (losses) on defined benefit plans	(144)	(144)
Tax impact	37	37
Total	(107)	(107)

During the period ended March 31, 2019

Particulars	(₹ Lakhs)	
	Retained earnings	Total
Re- measurement gains (losses) on defined benefit plans	43	43
Tax impact	(11)	(11)
Total	32	32

Note 26: Earnings per share (EPS) (refer note 28)

Basic and Diluted EPS amounts are calculated by dividing the profit for the period attributable to equity holders by the number of Equity shares outstanding during the year after considering the impact of the Scheme. As at March 31, 2020, 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	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Loss attributable to equity holders (₹ Lakhs)	(3,302)	(1,177)
Weighted average number of equity shares for basic and diluted earnings per share (lakhs)	5,81,87,078	5,81,87,078
Earnings per share (face value of ₹ 2/- Each)		
Basic EPS (₹)	(5.67)	(2.02)
Diluted EPS (₹)	(5.67)	(2.02)

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 26A: Leases

"The Group has taken office premises under lease arrangement.

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

Particulars	(₹ Lakhs)	
		Buildings
Balance at 1 April 2019		-
Additions to right-of-use assets		4,736
Depreciation charge for the year		(1,518)
Derecognition of right-of-use assets		-
Balance at 31 March 2020		3,216

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

Particulars	(₹ Lakhs)	
		Amount
Balance at 1 April 2019		-
Additions		4,225
Accretion of interest		230
Payments		1,615
Balance at 31 March 2020		2,841
Current		1,615
Non- Current		1,226

The maturity analysis of lease liabilities are disclosed in Note 33.

iii) Amounts recognised in profit or loss:

Particulars	(₹ Lakhs)	
		Amount
Interest on lease liabilities		230
Depreciation expense of right-of-use assets		(1,518)
Expenses relating to short-term leases		2,130

iv) Amounts recognised in statement of cash flows:

Particulars	(₹ Lakhs)	
		Amount
Total cash outflow for leases		1,615

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for the year ended March 31, 2020

Note 27 : Defined Benefits Plan

A. Gratuity

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Gratuity	769	468
Total	769	468
Current	717	423
Non- Current	52	45

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

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

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

A. Post employment obligations

Gratuity Plan

Changes in the defined benefit obligation and fair value of plan assets as at 31 March, 2020 :

Present value of Obligation

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
	Present value of Obligation	Present value of Obligation
Opening balance	737	725
Current service cost	130	109
Interest expense or cost	58	58
Re-measurement (or actuarial)(gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	89	20
- experience variance (i.e. actual experience vs assumptions)	58	(72)
Benefits paid	(123)	(103)
Total	948	737

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for the year ended March 31, 2020

Fair Value of Plan Assets

(₹ Lakhs)

Particulars	March 31, 2020		March 31, 2019	
Opening balance		269		352
Investment income		21		28
Benefits paid		(114)		(102)
Return on plan assets, excluding amount recognised in net interest expenses		3		(9)
Total		179		269

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

(₹ Lakhs)

Particulars	Defined Gratuity Plan	
	March 31, 2020	March 31, 2019
Investment in funds managed by insurer	100%	100%

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

(₹ Lakhs)

Particulars	March 31, 2020		March 31, 2019	
		%		%
Discount Rate		6.85%		7.75%
Salary Growth Rate		5.00%		5.00%
Withdrawal Rate				
Up to 30 years		3%		3%
31 - 44 years		2%		2%
Above 44 years		1%		1%

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:

(₹ Lakhs)

Particulars	March 31, 2020		March 31, 2019	
Defined benefit obligation (Base)		949		738

Impact on defined benefit obligation

(₹ Lakhs)

Particulars	March 31, 2020		March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount rate(-/+1%)	116	(98)	85	(73)
Salary growth rate(-/+1%)	(100)	117	(75)	86
Attrition rate(-/+ 50%)	(12)	11	(15)	12

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

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

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

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	55	62
Between 2 and 5 years	219	189
Between 6 and 10 years	374	259
Beyond 10 years	1,734	1,525
Total expected payments	2,382	2,035

Average duration of the defined benefit plan obligation

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Weighted average duration	16 Years	16 Years

B. Defined Contribution Plan

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Contribution to provident and other funds		
Charged to statement of profit and loss	555	471

B. Leave encashment (unfunded)

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

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

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Liability at the beginning of the period	65	65
Benefits paid during the year	(19)	(6)
Provided during the year	10	6
Liability at the end of the year	56	65

Note 28:

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

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order). Consequent upon filing of the order passed by NCLT with the Registrar of Companies, NCT of Delhi & Haryana on April 5, 2019, the Scheme became effective from the Appointed Date.

Pursuant to the Scheme, HTML has transferred its entire stake in HTDSL (i.e. 57.17%) to the Company. Consequently, HTDSL has become wholly-owned subsidiary of the Company. The Consolidated results for year ended March 31, 2019 were prepared for filing information memorandum for listing purpose.

The Company issued and allotted its 58,187,078 equity shares of face value of ₹ 2/- each on April 12, 2019 to the eligible shareholders of HTML.

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

Note 29: Related party transactions

i) List of Related Parties and Relationships:-

Parties having direct or indirect control over the Company (Holding Company)	Earthstone Holding (Two) Private Limited (Ultimate controlling party is the Promoter Group)
Holding Company	The Hindustan Times Limited
Fellow Subsidiaries (with whom transactions have occurred during the year)	HT Media Limited Hindustan Media Ventures Limited HT Digital Media Holdings Limited HT Overseas Pte. Ltd. HT Learning Centres Limited
Key Managerial Persons (with whom transactions have occurred during the year)	Mr. Ajay relan (Non-Executive independent Director, w.e.f April 18, 2019) Mr. Vivek Mehra (Non-Executive independent Director, w.e.f April 18, 2019) Mrs. Suchitra Rajendra (Non-Executive independent Director, w.e.f April 18, 2019)

ii) Transactions with related parties

Refer Note 29A

iii) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash (other than Inter-corporate Deposit refer note 13A)

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 29A : Related party transactions

(₹ Lakhs)

Particulars	Holding Company		Fellow Subsidiaries		Key Managerial Personnel (KMP's) / Directors		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Transactions during the year with related parties								
REVENUE TRANSACTIONS								
INCOME								
Digital services	-	-	323	68	-	-	323	68
Service fees received	-	-	1,384	1,771	-	-	1,384	1,771
Multi-media content management services	-	-	16,869	18,880	-	-	16,869	18,880
Share of revenue received on joint sale	-	-	126	98	-	-	126	98
EXPENSE								
Advertisement expenses	-	-	178	44	-	-	178	44
Share of revenue given on joint sale	-	-	-	84	-	-	-	84
Infrastructure support services	-	-	2,117	2,456	-	-	2,117	2,456
Rent & maintenance	1,615	800	-	-	-	-	1,615	800
Interest accrued on inter corporate deposit	-	-	1,006	904	-	-	1,006	904
Non Executive Director's Sitting Fee and Commission	-	-	-	-	20	-	20	-
Treasury & management support services	-	-	87	-	-	-	87	-
OTHERS								
Reimbursement of expenses incurred on behalf of the Group by parties	-	-	126	210	-	-	126	210
Reimbursement of expenses incurred on behalf of the party by the Group	-	-	19	33	-	-	19	33
Security deposit given by the Company	1,556	-	-	-	-	-	1,556	-
Issue of equity share capital	809	-	-	-	-	-	809	-
BALANCE OUTSTANDING								
Share suspense account*	-	809	-	-	-	-	-	809
Trade and other receivables (including other financial assets)	-	-	2,904	5,349	-	-	2,904	5,349
Trade payables	-	-	4	176	-	-	4	176
Security deposit given	1,556	-	-	-	-	-	1,556	-
Prepaid expenses	269	-	-	-	-	-	269	-
Inter corporate deposit & interest accrued on it	-	-	9,916	9,010	-	-	9,916	9,010

* Represents face value of equity shares of Digicontent Limited to be issued to Holding company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 30: Based on the information available with the Group, Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Principal amount	9	53
Interest due thereon at the end of the accounting year	-	-
The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year for delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006.	-	-

Note 31 : Capital management

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

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

Particulars	(₹ Lakhs)	
	March 31, 2020	March 31, 2019
Borrowings (Note 13A)	8,000	8,000
Interest accrued on borrowings (Note 15)	1,916	1,010
Less: cash and cash equivalents (Note 8A)	(1,091)	(1,219)
Less : Other bank balances (Note 8B)*	-	-
Net debt	8,825	7,791
Equity	3,080	6,489
Total capital	3,080	6,489
Capital and net debt	11,905	14,280
Gearing ratio	74%	55%

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

Notes to Consolidated Financial Statements

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Note 32 : Fair values

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

(₹ Lakhs)

Particulars	Carrying Value		Fair value		Fair value mechanism Hierarchy level
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Financial assets measured at fair value through profit and loss (FVTPL)					
Unquoted Equity Investments (refer note 6A)	10	10	10	10	Level 3*
Financial assets measured at amortised cost					
Security deposits given [Non-Current] (refer note 6B)	1,335	7	1,335	7	Level 2**
Financial liabilities for measured at amortised cost					
Long term borrowings (refer note 13A)	8,000	8,000	8,000	8,000	Level 2***

*The sensitivity analysis disclosures in relation to Unquoted equity instrument classified at FVTPL is not been disclosed since the management believes that there is no movement in the fair value on the reporting date.

**The Security deposits given are evaluated by the Company based on parameters such as interest rate, risk factors, risk characteristics and individual credit-worthiness of the counterparty. Based on this evaluation, allowances are taken into account for the expected losses.

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

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 and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Note 33: Financial risk management objectives and policies

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

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the mitigation of these risks. The Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The policies for managing each of these risks, which are summarized below:-

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.

Notes to Consolidated Financial Statements

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This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019.

Interest rate risk

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

Foreign currency risk

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

Foreign currency sensitivity

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

(₹ Lakhs)

Particulars	Change in foreign currency rate		Effect on profit before tax	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Change in USD rate				
Trade Receivables	+/-1%	+/-1%	3	1

Credit risk

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

Trade receivables and other financial assets

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 7 and Note 9A. The group does not hold collateral as security.

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

Financial instruments and cash deposits

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

Liquidity risk

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

No loans will mature in less than one year at March 31, 2020 based on the carrying value of borrowings reflected in the financial statements.

Notes to Consolidated Financial Statements

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

Particulars	With in 1 year	More than 1 years	Total
As at March 31, 2020			
Borrowings (refer note 13A)	-	8,000	8,000
Lease liabilities (refer note 13B)	1,615	1,226	2,841
Trade and other payables (refer note 14)	1,525	-	1,525
Other financial liabilities (refer note 15)	1,281	1,916	3,197
As at March 31, 2019			
Borrowings (refer note 13A)	-	8,000	8,000
Trade and other payables (refer note 14)	2,162	-	2,162
Other financial liabilities (refer note 15)	1,381	1,010	2,391

Note 34 :

Additional information as required under Schedule III of the Companies Act, 2013, of the enterprises consolidated as subsidiary.

(₹ Lakhs)

Particulars	Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount (₹ Lakhs)	As % of consolidated profit or loss	Amount (₹ Lakhs)	As % of consolidated other comprehensive income	Amount (₹ Lakhs)	As % of total comprehensive income	Amount (₹ Lakhs)
Current year :								
As on March 31, 2020								
I. Parent :								
Digicontent Limited	(304)	(9,354)	37	(1,238)	3	(3)	36	(1,241)
II. Subsidiary :								
Indian								
HT Digital Streams Limited	404	12,434	63	(2,064)	97	(104)	64	(2,168)
Total	100	3,080	100	(3,302)	100	(107)	100	(3,409)

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(₹ Lakhs)

Particulars	Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount (₹ Lakhs)	As % of consolidated profit or loss	Amount (₹ Lakhs)	As % of consolidated other comprehensive income	Amount (₹ Lakhs)	As % of total comprehensive income	Amount (₹ Lakhs)
Previous year :								
As on March 31, 2019								
I. Parent :								
Digicent Limited	(97)	(6,307)	31	(360)	(51)	(16)	33	(376)
II. Subsidiary :								
Indian								
HT Digital Streams Limited	197	12,796	69	(817)	151	48	67	(769)
Total	100	6,489	100	(1,177)	100	32	100	(1,145)

Note 35: Commitments

(₹ Lakhs)

Particulars	March 31, 2020	March 31, 2019
Estimated amount of contracts on capital account pending to be executed (Net of advances ₹ 65 Lakhs (As at March 31, 2019: Nil))	208	34

Note 36: Segment reporting

The Group operations comprise of only one segment i.e. "Entertainment & Digital Innovation Business". The Chief Operating Decision Maker (CODM) uses "Entertainment and Digital Business" as single segment to assess performance and for allocating resources. In view of the same separate segment information is not required to be given as per the requirement of Ind AS 108 on "Operating Segments".

There are certain customers (including related parties) which represent 10% or more of the Group's total revenue with total amounting to ₹ 21,212 lakhs and ₹ 20,650 lakhs for the year ended March 31, 2020 and March 31, 2019 respectively.

Note 37: Group Information

Information about subsidiaries

The consolidated financial statements of the company includes subsidiaries listed in the table below :

Particulars	Principal activity	Country of incorporation	% equity interest	
			March 31, 2020	March 31, 2019
HT Digital Streams Limited	Digital services	India	100	100

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Note 38 : Goodwill acquired under Scheme 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 Scheme'), in the previous years, is being amortised as per the scheme of arrangement sanctioned by Hon'ble Hight Courts.

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Unit (CGU). The recoverable amount of the CGU was based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and sensitivity analysis of changes in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carrying amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU over a period of 5 years. Key assumptions used are as follows:

- i) Annual revenue growth and margin included in the cash flow projections.
- ii) Discount rate considering weighted average cost of capital of the Company.

Note 39: Standards issued but not yet effective

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

Note 40 : Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year classification.

Note 41 : Management has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of assets of the Group. In developing the assumptions relating to the possible future uncertainties because of this pandemic, the Group, as at the date of adoption of these consolidated financial statements has used internal and external sources of information. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects that the carrying amount of assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of adoption of audited financial statements for the year ended 31 March 2020.

In terms of our report of even date attached

For B S R and Associates

Chartered Accountants

(ICAI Firm Registration Number: 128901W)

Rajesh Arora

Partner

Membership No. 076124

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

Vikas Prakash

Company Secretary

Anup Sharma

Chief Financial Officer

Abhesh Verma

Chief Executive Officer

Praveen Someshwar

Director

(DIN:01802656)

Dinesh Mittal

Director

(DIN: 00105769)

Place: Gurugram

Date: May 6, 2020

Place: New Delhi

Date: May 6, 2020

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Annexure

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

PART "A" : SUBSIDIARIES

Sr. No.	1
Name of the Subsidiary Company	HT Digital Streams Limited
Date since when subsidiary was acquired	31-Mar-18
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not applicable
a) Share capital	2,005
b) Reserves and surplus	8,459
c) Total assets	19,148
d) Total liabilities	19,148
e) Investments	10
f) Turnover [@]	24,483
g) Profit / (loss) before taxation	(3,011)
h) Provision for tax expenses/(benefits)	(783)
i) Profit / (loss) after taxation	(2,228)
j) Proposed dividend (includes dividend distribution tax)	-
Extent of shareholding (%)	100%

[@]includes Other Income

PART "B" : ASSOCIATES AND JOINT VENTURES

The Company doesn't have any associate and joint venture.

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

Vikas Prakash
Company Secretary

Anup Sharma
Chief Financial Officer

Abhesh Verma
Chief Executive Officer

Dinesh Mittal
Director
(DIN: 00105769)

Praveen Someshwar
Director
(DIN:01802656)

Place: New Delhi

Date: May 6, 2020

HTDS DIGITAL NEWS PLATFORMS GROW EXPONENTIALLY!



MARCH '20

53 Mn.
UNIQUE USERS

796 Mn.
PAGE VIEWS



MARCH '20

58 Mn.
UNIQUE USERS

278 Mn.
PAGE VIEWS



MARCH '20

68 Mn.
UNIQUE USERS

527 Mn.
PAGE VIEWS



Hindustan Times House,
18-20 (2nd floor), Kasturba Gandhi Marg
New Delhi-110001.

Email: investor@digicontent.co.in

Website: www.digicontent.co.in

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31/03/2020

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HT DIGITAL STREAMS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my/our verification of the HT DIGITAL STREAMS LIMITED books, papers, minute books (on virtual basis), forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by HT DIGITAL STREAMS LIMITED ("The Company") for the financial year ended on 31st March, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings.#



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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws applicable specifically to the Company namely:-
- (a) Information Technology Act, 2000 and the rules made thereunder;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; *

**[Not Applicable as the Company is not Listed Entity during the financial year under review];*
#[No Transaction held during the financial year under review]

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



We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period:-

(i) *The Company passed the resolution to borrow money(ies) by way of Inter Corporate Deposits in one or more tranches from Digicontent Limited (Holding Company) upto an aggregate amount of Rs. 25 Crore.*

(ii) *M/s B S R and Associates, Chartered Accountants, [Firm Registration No. 128901W] were appointed as Statutory Auditors of the Company w.e.f. July 12, 2019, to fill the casual vacancy arising out of resignation of M/s Price Waterhouse & Co Chartered Accountants LLP [Firm Registration No. 304026E/E-300009]*

Place: New Delhi
Date: 05/05/2020

For N C Khanna Company Secretaries



A handwritten signature in blue ink, appearing to read "N C Khanna".

N C Khanna

Proprietor

FCS No. 4268

CP No.5143

UDIN: F004268B000203258

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

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

Annex A

Our Secretarial Audit Report of even date, for the financial year ended 31st March 2020 is to be read along with this letter.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Disclaimer

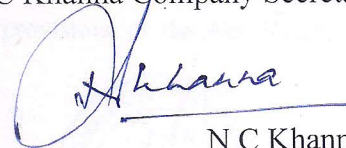
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Place: New Delhi
Date: 05/05/2020



For N C Khanna Company Secretaries



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

UDIN: F004268B000203258