



HT MEDIA LIMITED
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CIN : L22121DL2002PLC117874

Ref: HTML/CS/02/2020

1st December, 2020

BSE Limited
P.J. Towers, Dalal Street
MUMBAI – 400 001

**The National Stock Exchange of
India Limited**
Exchange Plaza, C/1, G Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI – 400 051

Scrip Code: 532662

Trading Symbol: HTMEDIA

Dear Sirs,

Sub: Statement on impact of audit qualification on the revised Audited (Standalone & Consolidated) Financial Results for the quarter and financial year ended on 31st March, 2020

In continuation to our letter dated 27th November, 2020 and reference and pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the statement on impact of audit qualification on the revised Audited (Standalone & Consolidated) Financial Results for the quarter and financial year ended on 31st March, 2020.

This is for your information and record.

Thanking you,

Yours faithfully,
For **HT MEDIA LIMITED**



(Dinesh Mittal)
Group General Counsel & Company Secretary

Encl: As above

Statement on Impact of Audit Qualifications submitted
alongwith Annual Audited Standalone Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Beginning of Comparative period (INR in lakhs)		Comparative period (FY 2018-19) (INR in lakhs)	
			Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	-	-	144,683	144,087
	2.	Total Expenditure (including exceptional item)	-	-	161,884	161,877
	3.	Net Profit/(Loss) before tax	-	-	(17,201)	(17,790)
	4.	Net Profit/(Loss) after tax	-	-	(13,894)	(14,279)
	5.	Earnings Per Share	-	-	(6.03)	(6.19)
	6.	Total Assets	353,080	352,519	370,608	369,679
	7.	Total Liabilities	175,008	175,018	208,420	208,447
	8.	Net Worth	178,072	177,501	162,188	161,232
	9.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil	Nil	Nil
II.	Audit Qualification (each audit qualification separately):					
	<p>a. Details of Audit Qualification: As discussed in Note 15 to the revised standalone annual financial results, pursuant to a whistleblower complaint received, an investigation was conducted which brought out certain deficiencies in the Radio business and instances of reporting higher revenue, incorrect debtors, contractual liabilities and trade payables with consequential impact on provision for doubtful debts and taxes etc. relating to a significant stream of revenue of the radio business in the Company. Further, as brought out by the investigation, such practices were continuing since last few years. As mentioned in the note, the Company has identified an amount of INR 1,115 lakhs, which pertains to deficiencies in revenue recognised for financial years 2017-18 and 2018-19 in the Radio business. After adjusting the increase in other expenses and the deferred tax credit, the total decrease in the opening retained earnings is INR 956 lakhs. The Company has accounted for such adjustment in the retained earnings as at April 1, 2019 instead of restating the corresponding figures for the year ended March 31, 2019. This constitutes a departure from the applicable Ind AS prescribed under section 133 of the Act, thereby resulting in the non-adjustment in the amounts reported for corresponding year ended March 31, 2019 with respect to revenue from operations, expenses and taxes as well as trade receivables and other items of the balance sheet. However, this does not have any impact on the loss for the year ended March 31, 2020 or on total equity as at March 31, 2020.</p>					
	b. Type of Audit Qualification : <i>Qualified Opinion</i>					
	c. Frequency of qualification: <i>Appeared first time</i>					
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: <i>Management's Views: The Company has taken cognizance of the certain anomalies alleged by the whistleblower, which have been affirmed by the investigation conducted by a reputed law firm who in turn also appointed leading accounting firms. The anomalies affirmed are restricted to the pure money transaction segment of radio business of the Company.</i></p> <p><i>Accordingly, to reflect true and fair view of the Company's financials, the financial statements for the year ended 2019-20 have been revised. In respect of anomalies pertaining to periods on or before March 31, 2019, financial impact has been assessed and adjusted against the retained earnings as on April 1, 2019 on ground of materiality instead of restating comparative period.</i></p>					
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: <i>Not Applicable</i>					
	(i) Management's estimation on the impact of audit qualification: <i>Not Applicable</i>					
	(ii) If management is unable to estimate the impact, reasons for the same: <i>Not Applicable</i>					
	(iii) Auditors' Comments on (i) or (ii) above: <i>Not Applicable</i>					

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

Rajesh Arora
Partner
Membership No. 076124
Place: Gurugram

For and on behalf of HT Media Limited

Piyush Gupta
Group Chief Financial
Officer
Place: New Delhi

Praveen Someshwar
Managing Director &
Chief Executive Officer
Place: New Delhi

Vivek Mittal
Audit Committee Chairman
Place: Mukteshwar

Statement on Impact of Audit Qualifications submitted
alongwith Annual Audited Consolidated Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Beginning of Comparative period (INR in lakhs)		Comparative period (FY 2018-19) (INR in lakhs)	
			Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
			1.	Turnover / Total income	-	-
2.	Total Expenditure (including exceptional item)	-	-	247,081	247,074	
3.	Net Profit/(Loss) before tax	-	-	(3,610)	(4,199)	
4.	Net Profit/(Loss) after tax	-	-	1,589	1,204	
5.	Earnings Per Share	-	-	(0.52)	(0.69)	
6.	Total Assets	494,388	493,827	498,984	498,056	
7.	Total Liabilities	205,794	205,804	211,491	211,519	
8.	Net Worth	288,594	288,023	287,493	286,537	
9.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil	Nil	Nil	
II. <u>Audit Qualification (each audit qualification separately):</u>						
<p>a. Details of Audit Qualification: <i>As discussed in Note 10 to the revised consolidated annual financial results pursuant to a whistleblower complaint received, an investigation was conducted which brought out certain deficiencies in the Radio business and instances of reporting higher revenue, incorrect debtors, contractual liabilities and trade payables with consequential impact on provision for doubtful debts and taxes etc. relating to a significant stream of revenue of the radio business in the Holding Company and its subsidiary company, NRL. Further, as brought out by the investigation, such practices were continuing since last few years.</i> <i>As mentioned in the note, the Group has identified an amount of INR 1,115 lakhs, which pertains to deficiencies in revenue recognised for financial years 2017-18 and 2018-19 in the Radio business. After adjusting the increase in other expenses and the deferred tax credit, the total decrease in the opening retained earnings is INR 956 lakhs. The Group has accounted for such adjustment in the retained earnings as at April 1, 2019 instead of restating the corresponding figures for the year ended March 31, 2019. This constitutes a departure from the applicable Ind AS prescribed under section 133 of the Act, thereby resulting in the non-adjustment in the amounts reported for corresponding year ended March 31, 2019 with respect to revenue from operations, expenses and taxes as well as trade receivables and other items of the balance sheet. However, this does not have any impact on the loss for the year ended March 31, 2020 or on total equity as at March 31, 2020.</i></p>						
b. Type of Audit Qualification : <i>Qualified Opinion</i>						
c. Frequency of qualification: <i>Appeared first time</i>						
<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: <i>The Group has taken cognizance of the certain anomalies alleged by the whistleblower, which have been affirmed by the investigation conducted by a reputed law firm who in turn also appointed leading accounting firms. The anomalies affirmed are restricted to the pure money transaction segment of radio business in the Holding Company and its subsidiary company, NRL.</i> <i>Accordingly, to reflect true and fair view of the Group's financials, the financial statements for the year ended 2019-20 have been revised. In respect of anomalies pertaining to periods on or before March 31, 2019, financial impact has been assessed and adjusted against the retained earnings as on April 1, 2019 on ground of materiality instead of restating comparative period.</i></p>						
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(iii) Auditors' Comments on (i) or (ii) above: <i>Not Applicable</i>						

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

For and on behalf of HT Media Limited

Rajesh Arora
Partner
Membership No. 076124
Place: Gurugram

Piyush Gupta
Group Chief Financial
Officer
Place: New Delhi

Praveen Someshwar
Managing Director &
Chief Executive Officer
Place: New Delhi


Vivek Mehra
Audit Committee Chairman
Place: Mukteshwar