DILIGENT MEDIA CORPORATION LIMITED

CIN : L22120MH2005PLC151377

ANNUAL REPORT 2018-19

YOUR GUIDE TO THIS REPORT

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prodent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dinesh Kumar Garg (w.e.f. 30/3/2019)
Non- Executive Chairman

Uma Mandavgane (till 17/5/2019)
Independent Director

Vishal Malhotra
Independent Director

Shilpi Asthana (w.e.f. 29/5/2019)
Independent Director

Manoj Agarwal (w.e.f. 29/5/2019)
Independent Director

A V Ramachandran
Executive Director

SENIOR MANAGEMENT

Sanjeev Garg
Chief Executive Officer

Dinesh Agarwal
Chief Financial Officer

Deepak Lokhande
Managing Editor - Daily News & Analysis (DNA)

Vijay Kuvalekar
Editor-in-Chief - ZEE Marathi Disha (ZMD)

Ankit Shah
Company Secretary

AUDITORS
M/s. B S Sharma & Co.
Chartered Accountants

BANKERS
Yes Bank Limited
IDBI Bank Limited

DEBENTURE TRUSTEE
IDBI Trusteeship Services Ltd

OFFICES

Registered & Corporate Office

18th Floor, A Wing,
Marathon Futurex,
N M Joshi Marg,
Lower Parel,
Mumbai - 400 013.

Printing Press

Plot No. EL-201,
TTC Industrial Area, MIDC, Mahape,
Navi Mumbai - 400 705

REGIONAL OFFICES

Uttar Pradesh
Essel Studio, FC-09,
Sector -16 A ,
Noida - 201 301

Gujarat
Office No. 201/208,
2nd Floor, Venus Atlantis,
Prahladnagar,
Ahmedabad - 380 015

Notice

Notice is hereby given that the 14th Annual General Meeting of the Members of Diligent Media Corporation Limited will be held on Thursday, the 19th day of September 2019 at 4.00 p.m. at The Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 including the Balance Sheet as at March 31, 2019, the Statement of Profit & Loss for the financial year ended on that date and the Reports of the Auditors and Directors thereon.

2. To appoint a Director in place of Mr. A V Ramachandran (DIN 06926801), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the rules made thereunder, Mr. Dinesh Kumar Garg (DIN 02048097), who was appointed by the Board of Directors as an Additional Director, pursuant to Section 161 of the Act with effect from March 30, 2019 and who holds such office up to the date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

4. To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the rules made thereunder, read with Schedule IV to the Act, Mr. Manoj Agarwal (DIN 00590535), who being eligible was appointed as an Additional Director in the category of Independent Director by the Board of Directors with effect from May 29, 2019 and who holds such office up to the date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for the period up to May 28, 2022."

5. To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the rules made thereunder, read with Schedule IV to the Act, Mrs. Shilpi Asthana (DIN 08465502), who being eligible was appointed as an Additional Director in the category of Independent Director by the Board of Directors with effect from May 29, 2019 and who holds such office up to the date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for the period up to May 28, 2022."

6. To consider and if thought fit to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time and subject to such regulatory or other approvals and consents as may be required including from the lender(s), consent of the Members be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to sell, lease, transfer, convey, assign or otherwise dispose-off entire assets at Company's Printing Press located at TTC Industrial Area, MIDC, Mahape, Navi Mumbai 400 705, Maharashtra, including *inter alia* the rights on the leasehold land together with existing building, structures, rights and fixtures thereon along with all benefits accruing in respect of the said land and/ or the Plant & Machinery installed at the Printing Press, either in part or full, to any person(s) and /or entity(ies), other than related parties, as may be determined by the

Board, for such consideration and on such terms and conditions as the Board may deem fit in the best interests of the Company."

By order of the Board

Place: Mumbai
Date: August 9, 2019

Ankit Shah
Company Secretary

Registered Office:
18th Floor, A Wing, Marathon Futurex,
N M Joshi Marg, Lower Parel,
Mumbai 400 013
CIN: L22120MH2005PLC151377
Website: www.dnaindia.com
e-mail: companysecretary@dnaindia.net

NOTES:

1. Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. A person can act as proxy on behalf of not exceeding 50 (fifty) Members and holding in the aggregate not more than 10% of the total Paid-up Share Capital of the Company. Any Member holding more than 10% of total Paid-up Share Capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member. The instrument appointing proxy should, be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.

2. Corporate members are requested to send to the registered office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative(s) to attend and vote at the Annual General Meeting.

3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Businesses to be transacted at the Annual General Meeting is annexed.

4. Queries on accounts and operations of the Company, if any, may be sent at least seven days before the Annual General Meeting to Company Secretary at the registered office or by email at companysecretary@dnaindia.net so as to enable the management to keep the information ready at the meeting.

5. Details as required in sub-regulation (3) of Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of this Notice. Requisite declarations have been received from the Directors seeking appointment/re-appointment.

   In connection with the proposal for appointment of Mr. Manoj Agarwal and Mrs. Shilpi Asthana as Independent Directors, the Board of Directors have reviewed declarations confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Board is of the opinion that Mr. Manoj Agarwal and Mrs. Shilpi Asthana fulfill the conditions specified in the Act and the rules made there under and are independent of the management of the Company.

6. Copy of the Annual Report of the Company for financial year 2018-19 is being sent by email to all the Members whose email address is registered with the Company/ Depository Participants(s) for communication. For members who have not registered their email address or members who have sent appropriate request, physical copies of the Annual Report for financial year 2018-19 is being sent. The Annual Report may also be accessed on Company's website www.dnaindia.com.

7. SEBI had vide Notification Nos. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and SEBI/LAD-NRO/GN/2018-19 dated November 30, 2018 read with circulars issued by BSE and NSE in this regard, directed that transfer of securities would be carried out in dematerialised form only with effect from April 1, 2019, except in case of transmission or transposition of securities. Accordingly, Members holding securities in physical form are requested to consider dematerialising shares held by them in physical form. However, the transfer deed(s) lodged prior to April 1 deadline and returned due to deficiency in the document, may be re-lodged for

transfer even after the deadline with Company's Registrar & Share Transfer Agent, M/s Link Intime Pvt. Ltd. in physical mode at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083 or in electronic mode at rnt.helpdesk@linkintime.co.in.

8. **E-voting**

In compliance with Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote on all items of business included in the Notice of 14th Annual General Meeting (AGM) by electronic means. The facility of casting votes by a member using an electronic voting system (remote e-voting) from a place other than venue of the AGM will be provided by Central Depository Services (India) Limited (CDSL) for all the business as detailed in this notice.

The remote e-voting period for all items of business contained in this Notice shall commence from Saturday, September 14, 2019 at 9.00 a.m. and will end on Wednesday, September 18, 2019 at 5.00 p.m. During this period Members holding equity shares of the Company either in physical form or in dematerialized form as on the cut-off date of Thursday, September 12, 2019, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any member, they shall not be allowed to change it subsequently.

9. The facility for voting shall also be made available at the venue of the meeting and eligible members attending the meeting who have not already cast their vote by remote e-voting earlier shall be able to exercise their right to vote at the meeting.

10. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to vote again.

11. The voting rights of Members either by way of remote e-voting prior to the meeting or voting at the meeting shall be in proportion to their shareholding in the Company as on the cut-off date of Thursday, September 12, 2019.

12. The Company has appointed FCS Satish K. Shah, Practicing Company Secretary (holding ICSI Certificate of Practice No. 3142) as Scrutinizer to supervise and conduct remote e-voting process as well as voting process at the ensuing AGM in a fair and transparent manner.

13. The Scrutinizer, immediately after conclusion of voting at the Annual General Meeting, shall first count votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and submit within 48 hours of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or to any other Director of the Company, who shall countersign the same and declare the result of the voting forthwith.

14. The results declared along with Scrutinizer's report shall be placed on the website of the Company and shall simultaneously be forwarded to the Stock Exchanges. The resolutions shall be deemed to be passed, if approved, on the date of Annual General Meeting.

15. The instructions and process for e-voting are as under:

    (i) The voting period begins on Saturday, September 14, 2019 and ends on Wednesday, September 18, 2019. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Thursday, September 12, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

    (iii) Click on Shareholders.

    (iv) Now Enter your User ID
        a. For CDSL: 16 digits beneficiary ID
        b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
        c. Members holding shares in Physical Form should enter Folio Number registered with the Company

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted electronically earlier for any Company, then use your existing password to cast your vote.

(vii) If you are a first-time user follow the steps given below:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the E-voting Sequence Number (EVSN).
Dividend Bank Details OR Date of Birth	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or the Company, please enter the Folio number in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used, in future, for voting for resolutions of any other company which has opted for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of Diligent Media Corporation Limited.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution.

(xiv) After selecting the resolution, you decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the Login / Password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT UNDER SECTION 102 OF COMPANIES ACT, 2013

Item No. 3

Based on recommendations of the Nomination & Remuneration Committee, the Board of Directors at the meeting held on March 29, 2019, had approved appointment of Mr. Dinesh Kumar Garg (DIN 02048097) as an Additional Director in the category of Non-Executive Director of the Company with effect from March 30, 2019. Pursuant to Section 161(1) of the Companies Act, 2013, Mr. Dinesh Kumar Garg holds office of Additional Director till this Annual General Meeting. The Company has received appropriate notice from a member proposing appointment of Mr. Dinesh Kumar Garg as a Director of the Company, liable to retire by rotation and requisite consent has been received from Mr. Dinesh Kumar Garg, pursuant to Section 152 of the Companies Act, 2013 for the said appointment. Brief Profile and other details of Mr. Dinesh Kumar Garg is annexed to this Notice.

Your Board recommends the Ordinary Resolution as set out in Item No. 3 of the Notice for your approval

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Dinesh Kumar Garg (whose appointment is proposed in this resolution) are in any way concerned or interested in the resolution.

Item No. 4

Based on recommendation of the Nomination & Remuneration Committee and after reviewing confirmation of Independence, the Board of Directors of the Company had approved appointment of Mr. Manoj Agarwal (DIN 00590535), as an Additional Director of the Company, in the category of Independent Director, with effect from May 29, 2019. Pursuant to Section 161(1) of the Companies Act, 2013, Mr. Manoj Agarwal holds office till the date of this Annual General Meeting. Appropriate notice has been received from a member proposing appointment of Mr. Manoj Agarwal as an Independent Director of the Company and requisite consent has been received from Mr. Manoj Agarwal, pursuant to provisions of Section 152 of the Companies Act 2013. In the opinion of the Board, Mr. Manoj Agarwal who is proposed to be appointed as an Independent Director of the Company, not liable to retire by rotation for the period up to May 28, 2022 fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act, 2013 and is independent of the management. Brief Profile and other details of Mr. Manoj Agarwal is annexed to this Notice.

Your Board recommends the Ordinary resolution as set out in Item No 4 for approval of Members.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Manoj Agarwal (whose appointment is proposed in this resolution), are in any way concerned or interested in this resolution.

Item No. 5

Based on recommendation of the Nomination & Remuneration Committee and after reviewing confirmation of Independence, the Board of Directors of the Company had approved appointment of Mrs. Shilpi Asthana (DIN 08465502), as an Additional Director of the Company, in the category of Independent Director, with effect from May 29, 2019. Pursuant to Section 161(1) of the Companies Act 2013, Mrs. Shilpi Asthana holds office till the date of this Annual General Meeting. Appropriate notice has been received from a member proposing appointment of Mrs. Shilpi Asthana as an Independent Director of the Company and requisite consent has been received from Mrs. Shilpi Asthana, pursuant to provisions of Section 152 of the Companies Act, 2013. In the opinion of the Board, Mrs. Shilpi Asthana who is proposed to be appointed as an Independent Director of the Company, not liable to retire by rotation for the period up to May 28, 2022 fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act, 2013 and is independent of the management. Brief Profile and other details of Mrs. Shilpi Asthana is annexed to this Notice.

Your Board recommends the Ordinary resolution as set out in Item No 5 for approval of Members.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mrs. Shilpi Asthana (whose appointment is proposed in this resolution), are in any way concerned or interested in this resolution.

Item No. 6

Under the authority of Special Resolution passed by the Shareholders pursuant to Section 180(1)(a) of the Companies Act, 2013, at the 13th Annual General Meeting held on September 21, 2018, the Board of Directors had during FY 2018-19 sold leasehold rights relating to 3 plots adjacent to Company's Printing Press at TTC Industrial Area, MIDC, Mahape, Navi Mumbai 400 705, Maharashtra. The said plots admeasuring in the aggregate 14,533.76 Sq. Mtrs. were sold at consideration of ₹ 57.32 Crores to a non-related party.

The Printing press of the Company housed in the building constructed on leasehold land admeasuring approx. 16,286 Sq. Mtrs., has hi-tech Printing machines with capacity to print 6 lakh Newspaper of 24 pages each, per day. However, in view of scaled down operations only 20% of installed capacity is being used towards printing of Newspapers distributed by the Company and Job work printing for external parties, with no possibility of increase in utilization in the near future.

Under-utilization of capacity coupled with fixed cost required to be spent to keep the printing press running has been major contributor to Company's losses and accordingly in order to bring down the cost of operations, it is proposed to shift the newspaper printing to toll printing model and sell entire assets including Land, Building and Plant & Machinery. The consideration (net of expenditure) to be received on the sale shall be utilized towards paying-off debts. Accordingly, the proposed shift to toll-printing mode is not only expected to reduce cost of operations, the utilization of sale proceeds to repay debt will also help in reducing interest cost.

Accordingly, approval of Shareholders is sought, pursuant to Section 180(1)(a) of the Companies Act, 2013, to sell, lease, transfer, convey, assign or otherwise dispose-off, in one or more tranches, entire assets at the Company's Printing Press including *inter alia* leasehold land admeasuring approx. 16,286 Sq. Mtrs, Building and Plant & Machinery to any person(s) and/or entity(ies), other than related parties, as may be determined by the Board, at such consideration and on such terms and conditions as the Board may deem fit in the best interests of the Company.

The Company is currently in the process of seeking expression of interest from potential purchaser(s). The process, after negotiation on terms of sale would involve due-diligence and measurement of area by the potential purchaser(s) and shall require regulatory approvals including approval of MIDC and consent/no-objection from the Lender(s). In view of this the Board of Directors of the Company at the meeting held on August 9, 2019 had authorised seeking Shareholders approval for the proposed sale.

Considering that the sale of the Printing Press together with land on which the Printing Press is situated and the Plant & Machinery, would benefit the Company by way of reduction in cost of operations and repayment of debt would enable saving in the interest cost, your Board recommends the Special resolution as set out in Item No. 6 for the Member's approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution as detailed in Item No. 6 of this Notice.

ANNEXURE

Details of Directors seeking appointment / re-appointment at the Annual General Meeting:

Mr. A V Ramachandran (Age 54 years) (DIN 06926801), BSc. Hons. in Chemistry from University of Calicut, is a professional with experience of over 3 decades in all facets of manufacturing process right from procurement, man-power planning, production, printing & finishing, vendor development and revenue generation with various print media entities including Burda India Pvt Ltd, Thomson Press Limited, Gujarat Samachar and Times Publishing Limited. His last assignment was as Executive Director with Pri-Media Services Pvt Ltd (since merged with the Company).

Mr. A V Ramachandran neither holds any other Directorship nor holds any shares of the Company. Further Mr. A V Ramachandran is not related to any other Director of the Company.

Mr. Dinesh Kumar Garg (Age 51 years) (DIN 02048097), is a Chartered Accountant with professional experience of over 25 years with Essel Group including a long stint as Chief Financial Officer of Zee Media Corporation Ltd an Essel Group entity.

Apart from the Company, Mr. Dinesh Kumar Garg holds directorship in Central Bombay Cable Network Ltd, Ez-Mall Online Ltd, Essel International Ltd, Asian Sky Shop Ltd, Zee Akaash News Pvt Ltd, New Media Broadcasting Pvt Ltd, Agrani Infrastructure Works Pvt Ltd, Altilis Technologies Pvt Ltd, Procall Pvt Ltd, Essel Media Ventures Pvt Ltd, Ez Buy Pvt Ltd, Greatway Estates Pvt Ltd and Sabka Development Association. Mr. Dinesh Kumar Garg does not hold any shares of the Company and is not related to any other Director of the Company.

Mr. Manoj Agarwal (Age 52 years) (DIN 00590535), a Commerce Graduate, is a first-generation entrepreneur with hands-on experience in running and managing businesses. Mr. Agarwal currently manages his own Home Textile and Steel Trading business. Apart from business, Mr. Agarwal is also an active member of a charitable institution viz. Pranami Seva Samiti.

Apart from the Company, Mr. Manoj Agarwal holds directorship in Shirpur Gold Refinery Ltd, Ceska Cormen Ltd, Siti Siri Digital Network Pvt Ltd and Super Dynic Clothing Pvt Ltd. Mr. Manoj Agarwal does not hold any shares of the Company and is not related to any other Director of the Company.

Mrs. Shilpi Asthana (Age 41 years) (DIN 08465502), a Commerce graduate from Delhi University, MBA from Sikkim Manipal University and Diploma in Industrial Relations and Labor Law from Symbiosis, Pune, is a Professional with experience in various facets of HR function including Manpower Planning, Industrial relations, People Management etc. During around a decade of work experience, Mrs. Asthana was associated with reputed Companies in Real Estate, Infrastructure & Project Engineering industry.

Mrs. Shilpi Asthana neither holds any other Directorship nor holds any shares of the Company. Further Mrs. Shilpi Asthana is not related to any other Director of the Company.

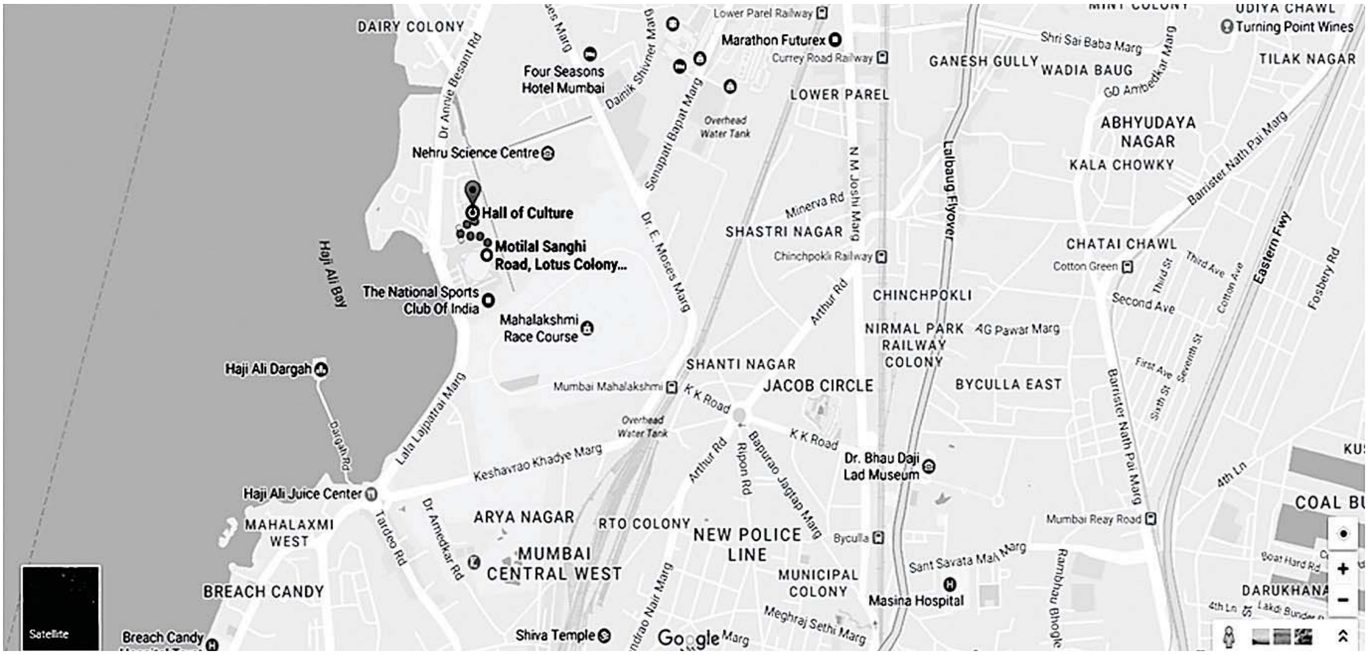
By order of the Board

Place: Mumbai
Date: August 9, 2019

Ankit Shah
Company Secretary

Registered Office:
18th Floor, A Wing, Marathon Futurex,
N M Joshi Marg, Lower Parel,
Mumbai 400 013
CIN: L22120MH2005PLC151377
Website: www.dnaindia.com
e-mail: companysecretary@dnaindia.net

ROUTE MAP FOR VENUE OF 14TH AGM



Directors' Report

To the Members

Your Directors present the 14th Annual Report of your Company together with the Audited Financial Statements for the year ended March 31, 2019, prepared as per Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

FINANCIAL HIGHLIGHTS

The financial performance of your Company for the year ended March 31, 2019 is summarized below:

(₹ in Lakhs)

Particulars	31-3-2019	31-3-2018
Revenue from Operations	11,421.55	12,403.51
Other Income	373.18	308.55
Total Revenues	**11,794.73**	**12,712.06**
Total Expenses	18,684.79	18,709.55
Loss before tax	**(6,890.06)**	**(5,997.49)**
Tax Expenses	(1,126.67)	3,820.02
Net Loss after tax	**(5,763.39)**	**(9,817.51)**

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report which may have an adverse effect on the financial position of the Company. Based on internal financial control framework and compliance systems established in the Company, verified by the statutory and internal auditors and reviews performed by the management and/or the Audit Committee of the Board, your Board is of the opinion that Company's internal financial controls were adequate and operating effectively during the financial year 2018-19.

DIVIDEND

In view of the carry forward losses and losses during the year, your Board express their inability to recommend any dividend for the year under review.

REVIEW OF OPERATIONS

During the year under review your Company re-worked its business strategy to restrict the quantum of loss and work towards reducing the same to attain better sustainability over next couple of years. As a step towards increasing operational efficiency, your Company started focusing both on cost optimization as well as revenue maximization. Your Company optimized its Marketing & Sales promotion cost, carried out detailed review of distribution model to reduce redundancies and optimized sales team which resulted in overall reduction of approx. 30% in other expenses. Your Company further evaluated performance of various editions and based on such review, scaled down operations of Delhi edition and suspended publication and distribution of Jaipur edition of DNA Newspaper. Further, with a focus to transform itself into a digital player too, your company invested in its digital property "dnaindia.com" which has been gaining traction in terms of increase in page views.

Based on authority granted by the Shareholders vide Special resolution passed on September 21, 2018, your Company sold its non-core assets comprising of leasehold land admeasuring 14,533.76 Sq. Mtrs. adjacent to the Printing Press at Navi Mumbai at a consideration of ₹ 57.32 Crores. Your Company has been evaluating various options to optimize cost and rework business strategies. Based on the cost optimization exercise done during the year along with plans for more in near future, coupled with stringent focus towards increasing revenue and cash flows, your Company is committed to service its obligations towards all its stakeholders at a much faster pace in times to come.

CREDIT RATING

During the year under review, in February 2019, ICRA Limited, revised the Outlook in connection with Credit rating 'ICRA (A) (SO) Stable' assigned to Company's Non-convertible Debenture of principal value of Rs. 250 Crores and 'ICRA A2+ (SO)' assigned to the Non-Fund based facility of Rs. 20 Crores availed by the Company from Yes Bank Ltd to 'Rating watch with negative implications' due to reduced financial flexibility of the Promoters as an after effect of decline in market capitalisation of listed entities of Essel Group.

CORPORATE GOVERNANCE & POLICIES

Your Company is in strict compliance with the Corporate Governance requirements mentioned under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and applicable provisions of Companies Act, 2013. Additionally, your company has complied with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

A Report on Corporate Governance as stipulated in the Listing Regulations as also a Management Discussion and Analysis Report forms part of this Annual Report. Certificate from the Statutory Auditors of the Company, M/s B S Sharma & Co., Chartered

Accountants, confirming compliance with the provisions of Corporate Governance as stipulated under the Listing Regulations, is annexed to the said Corporate Governance Report.

In compliance with the requirements of the Companies Act, 2013 and the Listing Regulations, your Board had approved various Codes and Policies including Code of Conduct for Directors & Senior Management, Policy for determining Material Events, Policy for Preservation of Documents and Archival of Records, Related Party Transaction Policy, Whistle Blower and Vigil Mechanism Policy and Remuneration Policy. Further in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, your Board had approved and implemented Insider Trading Code and Policy on Fair Disclosure of Unpublished Price Sensitive Information. All these Codes and Policies along with the terms and conditions of appointment of Independent Directors and brief on Directors Familiarization Programs can be viewed on Company's website www.dnaindia.com. In line with the amendment to SEBI (Prohibition of Insider Trading) Regulations, 2015, Company's Insider Trading Code and Policy on Fair Disclosure of Unpublished Price Sensitive Information was revised with effect from April 1, 2019.

The Nomination & Remuneration Committee of your Board has fixed criteria for nominating a person on the Board which *inter alia* include desired size and composition of the Board, age limit, qualification/experience, areas of expertise and independence of individual. In line with this, the Committee had also approved in-principle that the initial term of an Independent Director shall not exceed 3 years.

DIRECTORS & KEY MANAGERIAL PERSONNEL

As at March 31, 2019, your Board comprised of 4 (Four) Directors including two (2) Independent Directors, one (1) Non-Executive Director and one (1) Executive Director. Independent Directors provide declarations both at the time of appointment and annually, confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and Listing Regulations. Additionally, as per Listing Regulations, the Independent Directors in the annual confirmation issued in April 2019 had confirmed that there are no circumstances or situations which exist or may be reasonably anticipated that could impair their ability to discharge their duties with an objective independent judgement and without any external influence. During FY 18-19 your Board met 6 (six) times details of which are available in the Corporate Governance Report annexed to this report.

During the year under review, (i) Mr. Mukund Galgali resigned as Non-Executive Non-Independent Director with effect from August 1, 2018; (ii) Mr. Ashok Venkatramani who was appointed as Non-Executive Non-Independent Director from August 1, 2018, resigned with effect from February 25, 2019; and (iii) Mr. Dinesh Kumar Garg was appointed as an Additional Director in the category of Non-Executive Non-Independent Director with effect from March 30, 2019.

Further subsequent to March 31, 2019:

a) Mrs. Uma Mandavgane an Independent Director, resigned with effect from May 17, 2019, citing conflict of interest due to impairment provision made by Zee Media Corporation Ltd, an entity where she holds the position of Independent Director, in connection with its investments in the Preference Shares of the Company; and

b) Mr. Manoj Agarwal and Mrs. Shilpi Asthana were appointed as Additional Directors in the category of Independent Directors of the Company with effect from May 29, 2019.

Your Board places on record their appreciation for contributions of Mr. Mukund Galgali, Mr. Ashok Venkatramani and Mrs. Uma Mandavgane during their tenure as Directors of the Company. Further, consequent to resignation of Mr. Ashok Venkatramani, Mr. Dinesh Kumar Garg was nominated as Non-Executive Chairman of the Board with effect from March 30, 2019. As per Section 161 of the Companies Act, 2013, Mr. Dinesh Kumar Garg, Mr. Manoj Agarwal and Mrs. Shilpi Asthana shall hold the office as Additional Directors of the Company till ensuing Annual General Meeting. Your Company has received notice from Member(s) proposing their appointment and requisite proposals seeking your approval for the appointment of these Directors shall form part of the Notice of ensuing Annual General Meeting. Your Board recommends these proposals for approval of Shareholders.

As per Section 152 of the Companies Act, 2013, Mr. A V Ramachandran, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. The re-appointment of Mr. A V Ramachandran at the ensuing Annual General Meeting as a Director retiring by rotation would not constitute break in his appointment as Executive Director of the Company. Your Board recommends his re-appointment.

As at March 31, 2019, Mr. A V Ramachandran, Executive Director, Mr. Dinesh Agarwal, Chief Financial Officer and Mr. Ankit Shah, Company Secretary were nominated as Key Managerial Personnel in compliance with the requirements of Section 203 of the Companies Act, 2013. During the year under review, Mr. Prathamesh Joshi resigned as Company Secretary with effect from December 24, 2018 and Mr. Ankit Shah was appointed as Company Secretary with effect from March 30, 2019.

BOARD EVALUATION

At a separate meeting of Independent Directors held without the presence of other Directors and management, the Independent Directors had evaluated performance of the Board and Board Committees based on various criteria, and also performance of Executive Director. Independent Directors comment on outcome of evaluation process was taken on record by the Board and further, the Board had in compliance with the requirements of Companies Act, 2013 evaluated performance of all Independent Directors based on various parameters including attendance, contribution etc. The details of the evaluation process are set out in the Corporate Governance Report annexed to this Report.

BOARD COMMITTEES

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board had constituted Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. Details of constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company www.dnaindia.com. Further the details of constitution, terms of reference, number of meetings of the Board Committees held during Financial year ended on March 31, 2019 along with the details of attendance of Committee Members therein forms part of the Corporate Governance Report annexed to this report.

AUDITORS

Statutory Audit: M/s. B. S. Sharma & Co., Chartered Accountants, holding Firm Registration No. 128249W, were appointed as Statutory Auditors of the Company by the Members at the 12th Annual General Meeting held on July 20, 2017, to hold such office for the second term of five (5) years until the conclusion of 17th Annual General Meeting to be held in the year 2022, subject to ratification by the Members at every Annual General Meeting. Pursuant to an amendment to Section 139 of the Companies Act, 2013 effective May 7, 2018, ratification by the Shareholders every year for the appointment of Statutory Auditors was no longer required and accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment. The Company has received certificate of eligibility from M/s. B. S. Sharma & Co., Chartered Accountants in accordance with the provisions of the Companies Act, 2013 read with rules thereunder along with a confirmation that they continue to hold valid Peer Review Certificate as required under Listing Regulations.

The report of the Statutory Auditors to the Members forming part of this Annual report does not contain any qualification, reservation or adverse remarks. The Auditors' Report however includes an Emphasis of Matters drawing members attention to Note No. 53 to the Notes to financial statment in connection with preparation of financial statment on going concern basis inspite of losses and erosion of Networth. During FY 19 the Statutory Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013 and therefore no disclosures are required pursuant to Section 134(3) (ca) of the Companies Act, 2013.

Secretarial Audit: In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit for the financial year ended March 31, 2019 was carried out by Mr. Satish K Shah, Practicing Company Secretary (holding ICSI Certificate of Practice No. 3142). Copy of the Secretarial Audit report *inter alia* confirming compliance with applicable regulatory requirements by the Company during the financial year ended March 31, 2019 is annexed to this report. Additionally, in compliance with the requirements of Listing Regulations as amended with effect from April 1, 2019, the Secretarial Auditor had also provided Annual Secretarial Compliance Report for financial year ended on March 31, 2019 and the same was filed with Stock Exchanges.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Requisite Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2019 is annexed to this Report as Annexure A.

PARTICULARS OF EMPLOYEES

Your Company had 362 employees as at March 31, 2019. The information required under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with statement showing names and other particulars of top 10 employees including employees drawing remuneration in excess of the limits prescribed under the said rules is annexed to this report as Annexure B.

DISCLOSURES

i. Particulars of loans, guarantees and investments: Particulars of loans, guarantees and investments made by the Company as required under Section 186(4) of the Companies Act, 2013 are given in Note No. 34 to the Financial Statements.

ii. Transactions with Related Parties: All contracts/ arrangements/transactions entered by the Company during the financial year 18-19 with related parties were on arm's length basis, in the ordinary course of business and in compliance with applicable provisions of the Companies Act, 2013 and Listing Regulations. During the year under review there have been no materially significant transactions of the types prescribed under Section 188(1) with related parties as defined under Section 2(76) of the Companies Act, 2013 (Act) and accordingly the information as prescribed under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 are not provided.

Related party transactions proposed to be entered into by the Company are placed before the Audit Committee for its approval and statement of all executed related party transactions are placed before the Audit Committee for its review on quarterly basis.

iii. Internal Financial Controls and their adequacy: Your Company has implemented internal financial controls and policies/processes for orderly and efficient conduct of the business including safeguarding of assets, prevention and detection of frauds and errors, ensuring accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

iv. Deposits: Your Company has not accepted any public deposit as prescribed under Chapter V of the Companies Act, 2013.

v. Annual Return: In accordance with recent amendment to Section 134 of the Companies Act, 2013, Annual Return of the Company for Financial Year ended March 31, 2019 will be available on the website of the Company www.dnaindia.com.

vi. Sexual Harassment: Your Company has zero tolerance towards sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and the Rules thereunder. In accordance with POSH Act, your Company has constituted Internal Complaints Committee. There was no complaint on sexual harassment during the year under review.

vii. Regulatory Orders: No significant or material orders were passed by any regulators or courts or tribunals which impact the going concern status and Company's operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Companies Act, 2013, in relation to the Annual Financial Statements for the Financial Year 2018-19, your Directors confirm that:

a) The Financial Statements of the Company comprising of the Balance Sheet as at March 31, 2019 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis;

b) In preparation of the Financial Statements, applicable accounting standards have been followed and there are no material departures;

c) Accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019, and, of the loss of the Company for the year ended on that date;

d) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act, to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;

e) Requisite Internal financial controls were laid down and that such financial controls are adequate and operating effectively; and

f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Board takes this opportunity to place on record its appreciation for the dedication and commitment of employees shown at all levels. Your Directors also express their gratitude for the valuable support and co-operation extended by all stakeholders including banks, financial institutions, customers, vendors, service providers and regulatory authorities.

For and on behalf of the Board

Dinesh Kumar Garg
Chairman

Place: Mumbai
Date : May 29, 2019

A V Ramachandran
Executive Director

Annexure A to Directors' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

The Company continuously evaluates cost of energy and uses cheapest alternatives, without compromising on quality/efficiency. Company's manufacturing facility continued its efforts to reduce the specific energy consumption. Specific and total energy consumption is tracked on daily basis at factory/block level and also at consolidated manufacturing level. Energy meters are installed on every major machine to monitor energy consumption and take corrective action if there are unusual discrepancies. Energy audits are conducted at the manufacturing unit periodically and the finding of such audit is implemented if feasible. The measures taken at Company's manufacturing unit are briefly enumerated as below:

1. Providing translucent sheet on roof-tops to sufficiently provide sunlight during the day eliminating need of electrical lamps at day time. Further weekly cleaning of rough transparent sheet is done to save electricity consumption.
2. Installing Air Compressors on quadra mode to enable compressors to switch off totally and stand in ready mode.
3. Installation of A.P.F.C to maintain unity Power Factor.
4. R.O's reject tank - Reject water of the RO plant is used for gardening purposes.
5. Ambiators - Most Energy efficient system of maintaining the temperature & humidity of the machine area by sequential starting of Air blowers, Pumps & Exhaust fans.
6. Central Console is being connected to UPS to shut off the system during machine's idle period.
7. Individual control for lighting given for different sections so that they can switch off lights after use to save energy.
8. Arrangements are made to shut off compressors when printing machines are not in production.
9. Aluminum fans replaced by FRP blades in cooling towers & exhaust blowers reducing the energy consumption by nearly 4-6%.
10. Converting the Electrical load of Machines from 130KWX4 to 130KWX3.
11. Rain water harvesting envisaged during monsoon and necessary civil works has been completed for collection of monsoon water. This initiative will help in reducing consumption of supplied water for daily usage thereby resulting in savings and maintaining ground water balance.
12. As a part of Eco friendly initiatives the Company has introduced chemical free Aluminum plates in the CTP (Computer to Plate) process thereby reducing the impact on the environment.
13. LED lights installed with highway conventional lights.

Technology Absorption:

The Company uses latest technology and has benefits derived like product improvement, cost reduction, product development or import substitution re-engineering. The Company has successfully completed various projects of Indigenisation of imported spares.

The above enabled the Company to reduce paper wastage and help in water conservation thru rain water harvesting.

None of the technology has been imported and the Company has not incurred any cost in Research and Development.

Foreign Exchange Earning & Outgo

During the year under review, your company had foreign exchange earnings of ₹ 14.69 Lakhs and out go of ₹ 2975.48 Lakhs.

Dinesh Kumar Garg
Chairman

Place: Mumbai
Date : May 29, 2019

A V Ramachandran
Executive Director

Annexure B to Directors' Report

Particulars of Remuneration of Employees as required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

A. Particulars of increase in remuneration of each Director and Key Managerial Personnel (KMP) during Financial year 2018-19 along with Ratio of remuneration of Directors to the Median remuneration of employees:

Name of Director / Key Managerial Personnel	% increase in Remuneration during Financial Year	Ratio of Director's Remuneration to median remuneration
Non-Executive Directors @		
Uma Mandavgane	NA	NA
Vishal Malhotra	NA	NA
Mukund Galgali (till August 1, 2018)	NA	NA
Dinesh Kumar Garg	NA	NA
Ashok Venkatramani (till February 25, 2019)	NA	NA
Executive Director		
A V Ramachandran	8%	5.24:1
Key Managerial Personnel		
Sanjeev Garg (till April 17, 2018)	NA	NA
Dinesh Agarwal	8%	1.89:1
Prathamesh Joshi (till December 24, 2018) $	15%	NA
Ankit Shah (w.e.f. March 30, 2019)	NA	NA

@ Non-executive Directors are not paid any remuneration.
$ Remunerated by one of the group entity.

Sr	Requirement	Disclosure
1	The Percentage increase / (decrease) in median remuneration of employees in financial year	7%
2	Number of permanent employees on the rolls of the Company	362
3	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase in the salaries of employees during the year was 6%, while Executive Director was given increment of 8%, since his increment was additionally linked to the Job Work revenue.
4	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration is as per the remuneration policy of the Company.

B. During FY 2018-19, none of the Employees drew remuneration in excess of ₹ 8.50 Lakhs per month or ₹ 1.02 Crores per annum. Particulars of Top Ten (10) Employees in terms of Remuneration drawn are mentioned herein:

Name	Age	Designation	Remuneration	Qualification Exp.	Exp. in Years	Date of Joining	Date of Cessation	Last Employment
A V Ramachandran	54	Executive Director	34,07,724	BSc. Hons.	31	02-Apr-12	-	Pri-Media Services Pvt Ltd
Anto Joseph	51	Business Editor	38,27,544	Master's in FM & International Relations	27	21-Mar-14	-	Deccan Chronicle Holdings Ltd
Deepak Lokhande	51	Managing Editor	35,08,680	Master's in Politics	25	01-Oct-14	-	Mid-Day Multimedia Ltd
Prashant Saxena	43	Vice President - Circulation	34,98,890	PG Diploma in Sales & Marketing	19	03-Jul-13	-	HT Media Ltd
Rajat Kumar	47	Chief Revenue Officer	58,80,000	PGDBA	21	15-Nov-17	-	HT Media Ltd
Yogesh Pawar	51	Deputy News Editor	27,41,567	Master's in Medical and Psychiatric Social Work	23	07-Sep-10	-	NDTV Ltd
Ravindra Shettye	53	Vice President - Ad Sales	26,32,178	B.Com., Diploma in Marketing	28	01-April-18	-	Zee Unimedia Ltd
Vipul Singh	47	Vice President - Ad Sales	21,05,846	MBA	20	01-April-18	-	Zee Unimedia Ltd
Rajeev Kakkar	58	Deputy Vice President - Ad Sales	25,06,402	M.Com.	34	01-April-18	-	Zee Unimedia Ltd
Sanjeev Garg	52	CEO	15,32,268	MBA	25	01-Sep-17	17-Apr-18	Siti Networks Ltd

Notes:

1. All appointments are contractual and terminable by notice on either side.
2. Other than Mr. A V Ramachandran, Executive Director, none of the employees are related to any Directors.
3. Remuneration includes Salary, Allowances, Company's contribution to Provident Fund, Medical Benefits, LTA & other perquisites and benefits valued as per Income Tax Act, 1961 and in case of employees resigned during the year the remuneration includes terminal benefits.
4. None of the Employees hold 2% or more of the Equity Shares of the Company.

Dinesh Kumar Garg
Chairman

Place: Mumbai
Date : May 29, 2019

A V Ramachandran
Executive Director

Secretarial Audit Report – 2018-19

To,
The Members of
Diligent Media Corporation Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Diligent Media Corporation Limited (CIN: L22120MH2005PLC151377) (hereinafter called 'the Company') for F.Y. 2018-19. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute 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, I hereby report that in my opinion, during the audit period covering the financial year ended on 31st March, 2019 ('Audit Period'), the Company has 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.

I 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, 2019 according to the provisions of following acts and regulations, to the extent applicable to the Company during the Audit period:

I. The Companies Act, 2013 (the Act) and Companies Act, 1956 (to the extent applicable) the Rules made thereunder including any re-enactment thereof;

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;

IV. Foreign Exchange Management Act, 1999 and the applicable Rules and Regulations made thereunder;

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

   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; and

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

VI. Since the Company is engaged in the business of printing, publication and distribution of Newspaper, the regulatory requirements prescribed by Registrar of Newspapers of India have been identified by the Company as law specifically applicable to the Company in relation to its business.

I have also examined compliance with the applicable clauses of the Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India.

During the Audit period under review, based on the said verifications and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules,Regulations, Guidelines, Standards etc., as mentioned hereinabove.

I further report that:

- Compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.
- The Board of Directors of the Company is duly constituted as per listing regulations issued by SEBI. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act and SEBI Listing Regulations.
- 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.
- Decisions at the Board Meetings, as represented by the management and recorded in the minutes, were generally unanimous.

I 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.

I further report that during the Audit period, in pursuance of the special resolution passed at the Annual General Meeting held on September 21, 2018 by the Shareholders under Section 180(1)(a) of the Companies Act, 2013, the Company had assigned part of the leasehold land adjacent to its Printing press at Mahape, Navi Mumbai, Maharashtra, admeasuring 14,533.76 Sq. Mtrs., at an aggregate consideration of ₹ 57,32,14,401/-.

Place : Mumbai
Date : May 29, 2019

CS Satish K. Shah
FCS1313/CP3142

Corporate Governance Report

PHILOSOPHY

Corporate Governance encompasses ethically driven business systems and processes in order to ensure accountability, transparency and fairness in the conduct of the Company's affairs in the widest sense. It requires strict adherence to moral and ethical principles, legal and regulatory framework and the adoption of practices in consonance with the regulatory requirements. Good corporate governance promotes sustainable value creation in the larger interest of the stakeholders.

The Corporate Governance philosophy at Diligent Media Corporation Limited (the Company) is founded on the principles of Transparency, Fairness, Integrity, Honesty & Accountability which ensures that the Company is managed and monitored in a responsible manner for creating and sharing value.

A report on compliance with the principles of Corporate Governance, as prescribed under Listing Regulations is given below:

BOARD OF DIRECTORS

Composition & Category of Directors: As at March 31, 2019 the Board of your Company comprised of 4 (four) Directors including 1 (one) Executive Director, 1 (one) Non-Executive Director and 2 (two) Independent Directors, including 1 (one) Woman Director. Subsequent to closure of Financial Year 2018-19, Mrs. Uma Mandavgane resigned as Independent Director with effect from May 17, 2019 and Mr. Manoj Agarwal and Mrs. Shilpi Asthana were appointed as Additional Directors in the category of Independent Directors with effect from May 29, 2019. The composition of the Board of Directors of the Company is in accordance with Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

The Policy on criteria for nomination of a person on the Board, as decided by the Nomination and Remuneration Committee suggests that the qualification and experience of Directors are desired in the following disciplines viz. Finance, Legal, Print Media, Social Media, Marketing, Advertisement, Business Development & Technology /Digital. In line with the said criteria, currently the Board has Directors with experience in Finance, Print Media, Business Development & Technology.

Independent Directors of the Company provide appropriate certifications annually and at the time of their appointment to the Board confirming satisfaction of the conditions of their being independent, as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations. In opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

During the year under review, 6 (six) meetings of the Board were held on May 18, 2018, July 20, 2018, September 10, 2018, October 26, 2018, January 30, 2019 and March 29, 2019.Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings detailed above held during the Financial Year 2018-19 along with the details of the Board / Board Committees of Indian Public Companies wherein the Directors of the Company were Directors and/or Chairperson as at March 31, 2019 are as under:

Name of Director	Attendance at		No. of Directorship in other public companies		No. of Committee positions held in other public companies	
	Board Meeting (Total 6 Meetings)	13th AGM held on Sept. 21, 2018				
			Member	Chairperson	Member	Chairperson
Non-Executive Director						
Mukund Galgali	2	NA	NA	NA	NA	NA
Ashok Venkatramani	3	Yes	NA	NA	NA	NA
Dinesh Kumar Garg	NA	NA	4	-	-	-
Independent Director						
Uma Mandavgane	6	Yes	2	-	1	1
Vishal Malhotra	6	No	-	-	-	-
Executive Director						
A V Ramachandran	6	Yes	-	-	-	-

Notes:

1. None of the Directors held directorship in more than 8 Listed Companies. Further none of the Independent Directors of the Company served as Independent Director in more than 7 Listed Companies.
2. None of the Directors held directorship in more than 20 Indian Companies, with not more than 10 public limited companies.
3. None of the Directors is a member of more than 10 Committees or Chairperson of more than 5 Committees across all the Public Limited Companies in which he/she is Director. As per Listing Regulations, only membership of Audit Committee and Stakeholders Relationship Committee have been taken into consideration for the purpose of ascertaining the limit.
4. None of the Directors of the Company are related inter-se and none of the Directors of the Company hold any equity shares of the Company.
5. The Company has separate post of Chairman held by Mr. Dinesh Kumar Garg, Non-Executive Director and the Executive Director held by Mr. A V Ramachandran, who is also nominated as Key Managerial Personnel in the category of CEO of the Company.

During the year under review:

a) Mr. Mukund Galgali resigned as Non-Executive Director with effect from August 1, 2018

b) Mr. Ashok Venkatramani who was appointed as Non-Executive Director on August 1, 2018, resigned with effect from February 25, 2019; and

c) Mr. Dinesh Kumar Garg was appointed as an Additional Director in the category of Non-Executive Non-Independent Director with effect from March 30, 2019.

None of the Independent Directors resigned during the year. Subsequent to closure of the financial year Mrs. Uma Mandavgane, an Independent Director, resigned with effect from May 17, 2019, citing conflict of interest due to impairment provision made by Zee Media Corporation Ltd, an entity where she holds the position of Independent Director, in connection with its investments in the Preference Shares of the Company.

Details of Directorship of Directors in other Listed entities as at March 31, 2019 are as under:

Sr	Name of Director	Directorship in other Listed entities
1	Dinesh Kumar Garg	None
2	Uma Mandavgane	Zee Media Corporation Ltd as Independent Director
3	Vishal Malhotra	None
4	A V Ramachandran	None

Board Procedure: Board meetings are generally held at the Registered Office of the Company at Mumbai. Board agenda alongwith the explanatory notes are sent to the Directors well in advance to enable them to take informed decisions. The Chief Financial Officer normally attends the Board meetings to provide necessary insight into the working of the Company and for discussing corporate strategies. Any Board Member may, in consultation with the Chairman and with the consent of all Independent Directors present at the meeting, bring up any matter at the meeting for consideration by the Board. All relevant information required to be placed before the Board as per Companies Act, 2013 and/or SEBI Listing Regulations are considered and taken on record/approved by the Board. The Board periodically reviews certificates in respect of compliance of various laws and regulations applicable to the Company.

Independent Directors Meeting & Board Evaluation Process: In compliance with the requirements of Regulation 25 of Listing Regulations and Section 149 read with Schedule IV of the Companies Act, 2013, Independent Directors of the Company met on March 29, 2019 to evaluate performance of the Board / Board Committees including the performance of Executive Director and to review flow of information between the management and the Board. The evaluation process was carried out based on an assessment sheet structured in line with ICSI guidance note and the guidance note issued by SEBI in this regard.

The parameters for evaluation of performance of the Board & Board Committees include the structure & composition, contents of agenda, quality and timelines of information provided, decision-making process & review thereof, attention to the Company's longterm strategic issues, evaluation of strategic risks, overseeing and review of major plans of action, corporate restructuring, acquisitions, divestment, etc. Outcome of such evaluation exercise was discussed at subsequent board meeting.

The performance of the Independent Directors was also evaluated taking into account the time devoted, attention given to professional obligations for independent decision making, contribution towards providing strategic guidance, determining important policies, utilising their expertise and independent judgment that contributes objectively in the Board's deliberations - particularly on issues of strategy, performance and conflict management etc.

Familiarisation Program for Independent Directors: Independent Directors are familiarized with their roles, rights and responsibilities at the time of their appointment as Directors and regular discussions covering business operations are done at the Meetings. The details of familiarisation programme can be viewed on the Company's website www.dnaindia.com.

Code of Conduct: The Company has adopted a Code of Conduct for the Members of the Board of Directors and Senior Management and all the Directors and senior functionaries as defined in the Code provide their annual confirmation of compliance with the Code. The role and responsibilities of Independent Directors as prescribed in Schedule IV of the Companies Act, 2013 and/or prescribed in SEBI Listing Regulations forms part of the appointment letters issued to Independent Directors. Copy of the Code and the terms of appointment of Independent Directors is available on the website of the Company www.dnaindia.com.

A declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management Personnel is given below:

Declaration

I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the Code of Conduct for Members of the Board and Senior Management of the Company for the financial year ended March 31, 2019.

A V Ramachandran
Executive Director
Mumbai, May 29, 2019

BOARD COMMITTEES

Particulars of Meetings of Board Committees held during FY 2018-19 and Directors' attendance at such Committee Meeting(s) are detailed herein:

Particulars	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee
No. of Meetings held	**5**	**3**	**4**
Directors attendance			
Mrs. Uma Mandavgane	5	3	NA
Mr. Vishal Malhotra	5	3	2
Mr. Dinesh Kumar Garg	NA	NA	NA
Mr. Mukund Galgali	2	2	2
Mr. A V Ramachandran	NA	NA	4
Mr. Ashok Venkatramani	2	NA	2

Note:

1. NA denotes that the Director is not a Member of such Committee
2. Mr. Ashok Venkatramani was Director during the period from August 1, 2018 to February 25, 2019 and Mr. Mukund Galgali was Director till August 1, 2018.
4. Mr. Dinesh Kumar Garg was appointed as Director w.e.f. March 30, 2019.

Details of Board Committees are as under:

(a) Audit Committee

Constitution: As at March 31, 2019, the Audit Committee comprised of three (3) Directors including Mrs. Uma Mandavgane, an Independent Director as Chairperson and Mr. Vishal Malhotra, Independent Director and Mr. Dinesh Kumar Garg, Non-Executive Director as Members. Subsequent to year end, consequent to resignation of Mrs. Uma Mandavgane, Mrs. Shilpi Asthana was appointed as Chairperson of the Audit Committee w.e.f. May 29, 2019.

During the year under review, Audit Committee met five (5) times on May 18, 2018, July 20, 2018, October 26, 2018, January 30, 2019 and March 29, 2019.

Terms of reference: The Terms of reference and role of the Audit Committee are as per SEBI Listing Regulations and Section 177 of Companies Act, 2013. The terms of reference of the Audit Committee broadly includes:

- Oversight of Company's financial reporting process, Internal Financial Control and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
- Review and recommend for approval of the Board quarterly and annual financial statements before submission to the Board for approval.
- Review and approve internal audit report, related party transactions and functioning of Whistle Blower and Vigil Mechanism Policy.
- Review with the management, external and internal auditors, the adequacy of internal control systems.
- Recommend to the Board for approval, the proposal for appointment of and payment of remuneration to the Statutory auditors/Internal auditors.
- Review the adequacy of internal audit function and recommend appointment and remuneration payable to Internal Auditor.

Audit Committee meetings are generally attended by the Chief Financial Officer and representative of the Statutory Auditors of the Company. Internal Auditor attends the Audit Committee Meetings wherein the Internal Audit report is considered by the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

All recommendations made by the Audit Committee during the year under review were accepted by the Board.

(b) Nomination & Remuneration Committee

Constitution: As at March 31, 2019 the Nomination & Remuneration Committee comprised of Mrs. Uma Mandavgane as Chairperson and Mr. Vishal Malhotra, Independent Director and Mr. Dinesh Kumar Garg, Non-Executive Director as its Members. Subsequent to the year end, consequent to resignation of Mrs. Uma Mandavgane, Mr. Manoj Agarwal was appointed as Chairman of the Committee w.e.f. May 29, 2019.

During the year under review the Committee met for three (3) times on May 18, 2018, July 20, 2018 and March 29, 2019.

Terms of reference: The terms of reference of the Nomination & Remuneration Committee are as per SEBI Listing Regulations and Section 177 of Companies Act, 2013 and broadly includes:

- 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 their appointment to the Board;
- Formulating criteria for determining qualification, positive 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;
- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees/directors of the quality required to run the Company successfully;
- Ensuring that relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Formulating policy with regard to remuneration of directors, key managerial personnel and senior management involving a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Additionally, in compliance with requirements of Regulation 19 (4) read with Part D of the Schedule II of the Listing Regulations, the Nomination and Remuneration Committee recommends for approval of the Board, remuneration, in whatever form, payable to the Executive Director of the Company.

Remuneration Policy: The guiding principle of the remuneration policy of the Company is that the remuneration and other terms of engagement/employment shall be competitive enough to ensure that the Company is in position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's management year on year thereby creating long-term value for all stakeholders of the Company. Focus on productivity and pay-for-performance have been the cornerstones of the Company's reward philosophy with differentiated compensation growth to high performing employees. The Remuneration Policy of the Company can be accessed on Company's website www.dnaindia.com.

Remuneration paid to Executive Director: Particulars of the remuneration paid to Mr. A V Ramachandran as an Executive Director of the Company for FY 2018-19 is as detailed herein:

(₹ in Lakhs)

Particulars	Amount
Salary, Allowances & Perquisites	31.67
Employer's Contribution to Provident Fund	2.41
Total	**34.08**

Remuneration payable to Non-Executive Directors: Non-Executive Directors of the Company who are in employment with an Essel group entity are not paid any remuneration either by way of Sitting Fees or otherwise. The Independent Directors are paid sitting fee of ₹ 20,000 for attending the meetings of Board and Board Committees.

Particulars of Sitting Fees paid to Independent Directors of the Company during financial year 2018-19 is as detailed herein:

(₹ in Lakhs)

Name of Director	Amount
Uma Mandavgane	2.80
Vishal Malhotra	2.80
Total	**5.60**

Independent Directors do not have any other material pecuniary relationships or transactions with the Company or its directors/senior management other than in the normal course of business.

(c) Stakeholders Relationship Committee

Constitution: As at March 31, 2019, the Stakeholders Relationship Committee of the Board comprised of Mr. Dinesh Kumar Garg, Non-Executive Director, as Chairman and Mr. A V Ramachandran, Executive Director and Mr. Vishal Malhotra as Members. The Company Secretary is the Secretary of the Committee.

During the year under review the Committee met four (4) times on April 18, 2018, July 12, 2018, October 12, 2018 and January 30, 2019.

Terms of reference: In line with amendment to SEBI Listing regulations the terms of reference of Stakeholders Relationship Committee was revised effective April 1, 2019 to include resolving investors grievances / complaints; review measures taken for effective exercise of voting rights; review adherence of service standards by Company and RTA and review management actions for reducing unclaimed dividend / shares etc. The Committee has delegated powers for approving shareholders requests for transfer, transmission, rematerialisation, dematerialisation etc. of Equity shares to the executives in secretarial department jointly with representative(s) of Registrar and Share Transfer Agent of the Company.

Mr. Ankit Shah, Company Secretary has been appointed as Compliance Officer pursuant to SEBI Listing Regulations. The designated email for investor service and correspondence is companysecretary@dnaindia.net.

Details of number of complaints received and resolved during the year ended March 31, 2019 are as under:

Nature of Correspondence	Received	Replied / Resolved	Pending
Non-receipt of Dividend	0	0	0
Non-receipt of Shares	1	1	0
Non-receipt of Annual Report	0	0	0
Letter from Stock Exchanges / SEBI	0	0	0
Total	**1**	**1**	**0**

GENERAL MEETINGS

The 14th Annual General Meeting of the Company for the Financial Year 2018-19 will be held on Thursday, September 19, 2019 at 4.00 p.m. at The Hall of Harmony, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018.

The location, date and time of the Annual General Meetings held during last 3 years along with Special Resolution(s) passed thereat are as follows:

Year	Date and Time	Special Resolutions passed	Venue
2017-18	September 21, 2018 – 11.30 a.m.	Appointment of & payment of remuneration to Mr. A V Ramachandran as an Executive Director for term of 3 years with effect from September 1, 2017.	The Hall of Culture, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018
		Maintenance of Register of Members at the office of the Registrar and Share Transfer Agent instead of Registered office of the Company.	
		Approval for sale/lease/ disposal of Property / Undertaking pursuant to Section 180(1)(a) of the Companies Act, 2013.	
2016-17	July 20, 2017 – 11.00 a.m.	Appointment of Mrs. Uma Mandavgane as an Independent Director for second term of 3 years with effect from December 19, 2017.	Registered Office: 11th Floor, Tower - 3, Indiabulls Finance Center, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013
		Appointment of Mr. Vishal Malhotra as an Independent Director for the second term of 3 years with effect from March 26, 2018.	
		Enhancement of Borrowing powers of the Board to ₹ 1,000 Crores in excess of limits prescribed u/s. 180(1)(c) of the Companies Act, 2013.	
		Grant of authority to the Board to give loan(s), make investment(s), provide guarantee(s)/ security(ies) in excess of limits prescribed under Section 186 of the Companies Act, 2013 upto financial limits of ₹ 1,000 Crores.	
		Adoption of new set of Article of Association of the Company.	
2015-16	August 2, 2016 – 5.00 p.m.	None	

POSTAL BALLOT

No Resolutions were passed by way of Postal Ballot during financial year 2018-19. Since the Company is providing E-voting facility to its Shareholders, none of the resolution(s) proposed at the ensuing AGM are required to be passed by way of Postal Ballot.

MEANS OF COMMUNICATION

The Company has promptly reported all material information including declaration of financial results etc., to all Stock Exchanges where the shares of the Company are listed. Such information is also simultaneously displayed on the Company's website www.dnaindia.com.The extract of financial results, quarterly, half yearly and annual results and other statutory information were communicated to the shareholders by way of publication in English newspapersviz. 'DNA' and 'Business Standard' and in a vernacular language newspaper viz 'Punya Nagari'as per the requirements of the Stock Exchanges and requisite information are filed with Stock Exchange(s) in compliance with the Listing Regulations. Additionally, the financial and other information are filed by the Company on the electronic platforms of NSE and BSE.

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements madeby the Company, Annual Report, quarterly /annual financial statements, Shareholding patterns, StockExchange filing along with applicable policies of the Company.

Management Discussion and Analysis Report forming part of this Annual Report is annexed separately.

SHAREHOLDERS' INFORMATION

1	**Date, Time and Venue of Shareholder's Meeting**	Meeting : Annual General Meeting Day & Date : Thursday, 19th day of September 2019 Time : 4.00 p.m. Venue : The Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018
2	**Financial Year**	April 1, 2018 to March 31, 2019
3	**Registered Office**	18th Floor, A Wing, Marathon Futurex,N M Joshi Marg, Lower Parel, Mumbai 400 013, India Tel: +91-22-71061234 / +91-22-3988 8888 | Fax: +91-22- 2300 2107 Website: www.dnaindia.com
4	**Plant Location**	Plot No. EL-201, TTC Industrial Area, MIDC, Mahape, Navi Mumbai 400 705, India Tel: +91-22-3980 2200
5	**Listing on Stock Exchanges**	BSE Limited (BSE) - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 The National Stock Exchange of India Limited (NSE)- Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 The Company has paid requisite Listing Fees to the Stock Exchanges for FY 2018-19.
6	**Stock Code**	BSE- 540789 NSE- DNAMEDIA-EQ.
7	**ISIN No.**	INE016M01021
8	**Corporate Identity Number**	L22120MH2005PLC151377
9	**Registrar & Share Transfer Agent**	Link Intime India Private Limited C-101, 247, Park, L B S Marg, Vikhroli (West), Mumbai 400083, India Tel: +91-22- 4918 6000 | Fax: +91-22- 4918 6060 E-Mail: rnt.helpdesk@linkintime.co.in
10	**Investor Relations Officer**	Mr. Ankit Shah Tel: +91-22-7106 1234 | Fax: +91-22-2300 2107 E-mail: companysecretary@dnaindia.net

11. Dividend

In view of losses, no Dividend has been recommended by the Board of Directors for FY 2018-19.

12. Change of Address

Members holding equity share(s) in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above.

13. Share Transfer System

Equity Shares sent for physical transfer or for dematerialization are generally registered and returned within a period of 7 days from the date of receipt of completed and validly executed documents.The Company & its Registrar endeavours to attend to all the investors' grievances/ queries/ information requests within a period of 5 working days, except when constrained due to pending legal proceeding or court/statutory orders.

Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

14. Dematerialisation of Equity Shares & Liquidity

To facilitate trading of Equity Shares of the Company in dematerialised form the Company has made arrangements with both the depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2019, 99.93% of the total issued and paid-up Equity Share Capital of the Company are held by 88,811 shareholders in Dematerialized form and the balance 0.07% are held by 1,901 shareholders in physical form.

15. Shareholders' Correspondence

The Company has attended to all the investors' grievances/ queries/ information requests except for the cases where we are constrained because of some pending legal proceeding or court/statutory orders.The Company endeavours to reply all letters received from the shareholders within a period of 5 working days.

All correspondence may be addressed to the Registrar & Share Transfer Agent at the address given above. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Investor Relation Officer at the address given above.

16. Share Capital Build-up

a) Equity Shares

Particulars	No. of shares issued	Date of issue
Issued to Subscribers	50,000	February 17, 2005
Preferential Issue	50,000	May 25,2005
Preferential Issue	6,383	July 19,2005
Preferential Issue	38,033,617	October 29, 2005
Preferential Issue	31,180,000	March 31,2009
Preferential Issue	16,677,533	January 24,2011
Preferential Issue	3,098,009	April 30,2011
Sub-Division of Face Value of Shares from Rs. 10 each to ₹ 1 each	890,955,420	November 2, 2016
Cancellation of entire Pre -Scheme Paid-up Equity Share Capital of the Company pursuant to the Scheme approved by NCLT	(890,955,420)	October 9, 2017
Allotment Pursuant to Scheme approved by NCLT on June 8, 2017	117,708,018	October 9, 2017
Issued & paid up Capital as on March 31, 2019	**117,708,018**	

b) Preference Share

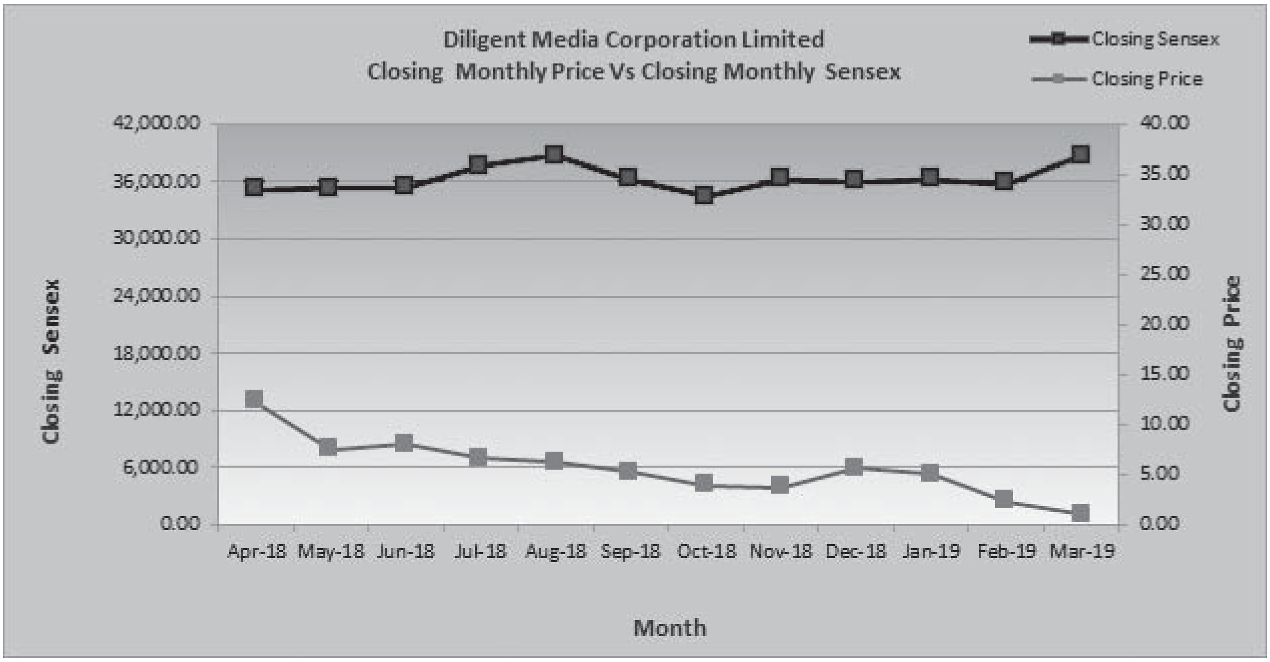
Particulars	No. of shares issued	Date of issue
Preferential Issue	436,26,56,265	November 2, 2016

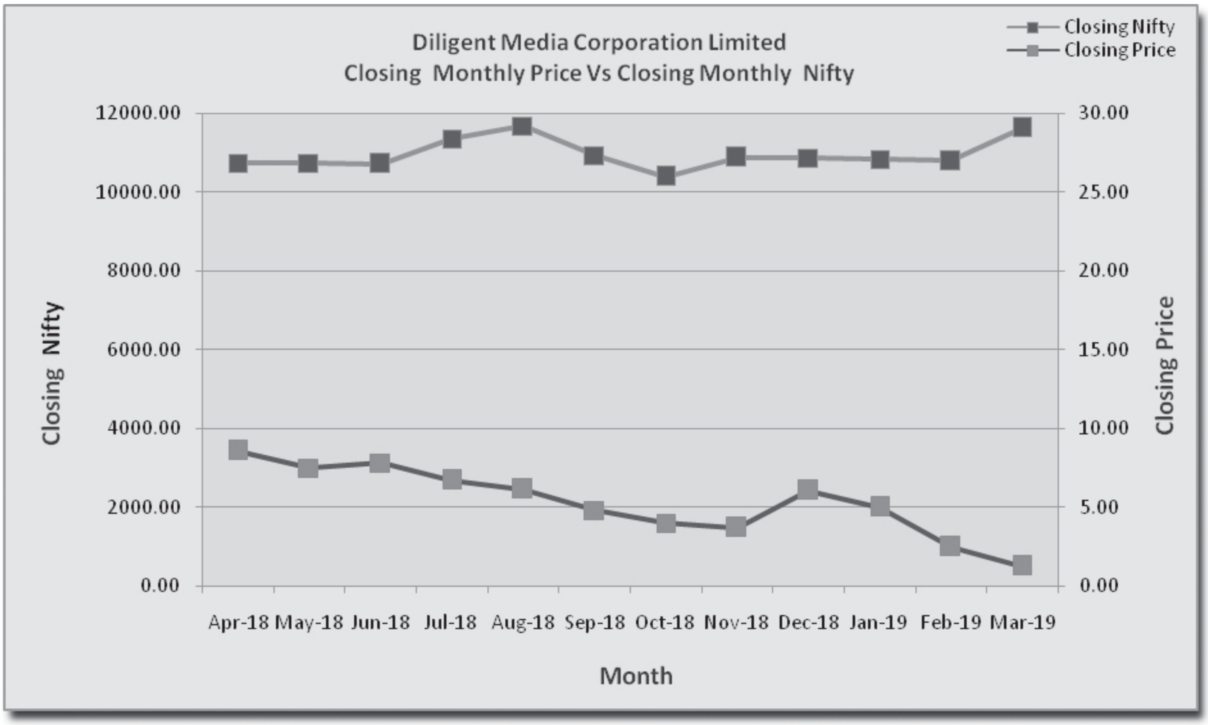
17. Stock Market data relating to Shares Listed in India

Monthly high and low quotations and volume of shares traded on BSE & NSE, during financial year 2018-19:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume of Share Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2018	10.40	7.40	241,522	10.35	7.80	1,730,167
May 2018	9.20	7.50	298,017	9.50	7.50	699,211
June 2018	9.45	7.40	276,608	9.00	7.30	564,013
July 2018	8.29	6.31	143,652	8.65	6.25	394,802
August 2018	7.35	5.46	123,094	7.20	5.90	506,234
September 2018	7.14	5.00	123,413	7.05	4.70	394,041
October 2018	5.30	3.79	76,446	5.80	3.65	391,580
November 2018	4.75	3.52	76,862	4.50	3.65	477,981
December 2018	5.66	3.20	65,210	6.10	3.55	555,671
January 2019	7.19	4.75	145,385	7.25	5.00	597,601
February 2019	5.10	2.35	539,904	5.00	2.50	521,976
March 2019	2.46	1.03	3,712,697	2.55	1.25	1,753,628

18. Relative Performance of Diligent Media Corporation Limited Shares Vs. BSE Sensex & Nifty Index





19. Distribution of Shareholding as on March 31, 2019

No. of Equity Shares	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Up to 5000	90093	99.32%	11,334,190	9.63%
5001 – 10000	292	0.32%	2,155,202	1.83%
10001-20000	147	0.16%	2,065,508	1.75%
20001-30000	59	0.06%	1,465,329	1.25%
30001-40000	25	0.03%	850,651	0.72%
40001-50000	23	0.03%	1,051,856	0.89%
50001-100000	32	0.03%	2,209,077	1.88%
100001 and Above	41	0.05%	96,576,205	82.05%
Total	**90,712**	**100.00%**	**117,708,018**	**100.00%**

20. Categories of Shareholders as on March 31, 2019

Category	No. of shares held	% of shareholding
Promoters	76,044,408	64.60%
Individuals/HUF	30,240,168	25.69%
Bodies Corporate / Clearing Members/NBFC	4,008,047	3.41%
FIs, Mutual funds, Trust & Banks	5,852	0.01%
FPIs, OCBs & NRIs	7,409,543	6.29%
Total	**117,708,018**	**100.00%**

21. Particulars of Shareholding

a) Promoter Shareholding as on March 31, 2019

Sr.	Name of Shareholder	No. of Shares held	% of shareholding
1	25FPS Media Private Ltd	37,924,613	32.22%
2	Sprit Infrapower & Multiventures Pvt Ltd	65	0.00%
3	Arm Infra & Utilities Pvt Ltd	38,113,821	32.38%
4	Primat Infrapower & Multiventures Pvt Ltd	5,909	0.00%
	Total	**76,044,408**	**64.60%**

b) Top Ten (10) Public Shareholding as on March 31, 2019

Sr.	Name of Shareholder	No. of Shares held	% of shareholding
1	Dilip Kumar Lakhi	3,170,322	2.69%
2	Acacia Partners LP	2,008,533	1.71%
3	India Opportunities Growth Fund Ltd- Pinewood Strategy	1,525,000	1.30%
4	Viral Amal Parikh	1,499,792	1.27%
5	Vinay R Somani	1,228787	1.04%
6	Acacia Institutional Partners, LP	1,296,653	1.10%
7	India Bulls Housing Finance Limited- Client account	1,031,424	0.88%
8	Acacia Conservation Fund LP	900,900	0.77%
9	Chirag DilipkumarLakhi	774,636	0.66%
10	Nimesh Sumatilaa	735,000	0.62%
	Total	**14,171,047**	**12.04%**

Note: Shares held in multiple accounts having same PAN are consolidated for the purpose of this disclosure.

22. Disclosures

i. All transactions entered into by the Company with related parties during the financial year 2018-19 were in ordinary course of business and on arms-length basis. The related party transactions undertaken by the Company during the year under review were in compliance with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of the Annual Report. All ongoing related party transactions along with the estimated transaction value and terms thereof are approved by the Audit Committee before the commencement of financial year and thereafter reviewed on quarterly basis by the Audit Committee.

   In compliance with the requirements of Regulation 23 of Listing Regulations, the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on www.dnaindia.com.

   There are no materially significant related party transactions between the Company and its promoters, directors or key management personnel or their relatives, having any potential conflict with interests of the Company at large.

ii. There has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Stock Exchanges or any other statutory authority on any matter relating to capital markets since listing of Equity Shares of the Company on Stock Exchanges in December, 2017.

iii. As per Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation. This Policy (copy of which is uploaded on the website of the Company) safeguards whistleblowers from reprisals or victimization.

Your Board affirms that no personnel has been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.

iv. In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information. Mr. Ankit Shah, Company Secretary is Compliance Officer for the purposes of Insider Trading Code, while the Chief Executive Officer/Executive Director of the Company has been assigned responsibility under Fair Disclosure policy as Investor Relations Officer. In line with the amendment to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Insider Trading Code and Policy for Fair Disclosure of Unpublished Price Sensitive Information was revised with effect from April 1, 2019. The revised Code and Policy can be viewed on Company's website www.dnaindia.com.

v. The Board of Directors of the Company has in accordance with the requirements of Companies Act, 2013 and Listing Regulations approved and adopted various policies including Material Events Determination and Disclosure Policy, Document Preservation Policy etc. These policies can be viewed on Companies website at www.dnaindia.com

vi. The Company does not carry out any hedging activities including those for hedging risk associated with commodity price risk or foreign exchangerisk.

vii. Your Board hereby confirms that the Company has obtained a certificate from a Company Secretary in Practice confirming that none of the Directors on the Board of the Company at March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors by SEBI, Ministry of Corporate Affairs or any such other statutory authority.

viii. As disclosed in Note No. 27 to the Financial Statements for the year ended March 31, 2019, the Company had paid an aggregate remuneration of ₹ 14.55 Lakhs (excluding taxes and out of pocket expenses) to its Statutory Auditor, M/s. B S Sharma & Co., Chartered Accountants, including ₹ 9 Lakhs towards Statutory Audit Fees and ₹1 Lakh towards Tax Audit Fees and ₹ 4.55 Lakhs towards fees for Certification and Tax representations.

ix. Your Company has zero tolerance towards sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. There was no complaint on sexual harassment during the year under review.

x. Details in respect of Equity Shares lying in the Unclaimed suspense account, is as under:

Description	**Number of Shareholders**	**Number of Equity Shares**
Aggregate number of shareholders and outstanding shares lying Unclaimed as at April 1, 2018	817	35,743
Fresh Undelivered Cases during the financial year 2018-19	2	339
Number of shareholders who approached the Company for transfer of shares from Unclaimed Suspense account till March 31, 2019	2	226
Number of shareholders to whom shares were transferred from the Unclaimed Suspense account till March 31, 2019	2	226
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense account lying as on March 31, 2019	**817**	**35,856**

The voting rights on the shares outstanding in the Suspense Account as on March 31, 2019 shall remain frozen till the rightful owner of such shares claims the shares.

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and applicable requirements of Regulation 46 of Listing Regulations, as amended.

Independent Auditor's Certificate on Corporate Governance

To
The Members,
Diligent Media Corporation Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 25 September 2018.

2. This report contains details of compliance of conditions of Corporate Governance by Diligent Media Corporation Ltd., ("the Company") for the year ended 31 March 2019, as stipulated in Regulation 17 to 27; Regulation 46(2); and paragraphs C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations"), pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance with the conditions of Corporate Governance is the responsibility of the Company's Management, including the preparation and maintenance of all relevant supporting, records and documents. This responsibility includes the design, the implementation and maintenance of internal control and procedure to ensure the compliance with the condition of the Corporate Governance, stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

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

5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, for the year ended 31 March 2019.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certification for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this Certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics, issued by ICAI.

7. We have compiled with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that performs Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. 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 specified in Regulations 17 to 27; Regulation 46(2); and paragraphs C,D and E of the Schedule V of the Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on use

10. This certificate is issued solely for the purpose of complying with the aforesaid regulation and may not be suitable for any other purpose.

For B S Sharma & Co.,
Chartered Accountants
Firm's Registration No. 128249W

CA B S Sharma
Proprietor
Membership Number FCA 031578

Place: Mumbai
Date: May 29, 2019

Management Discussion and Analysis

Investors are hereby informed that statements in this MD&A describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those suggested or implied by such 'forward-looking statements'. Important developments that could affect the Company's operations to cause such difference may include factors like Risks inherent in Company's growth strategies, General economic & business conditions in India and other countries; Regulatory changes and our ability to respond to them; Our ability to successfully implement our strategy, our growth & expansion plans; Technological changes; Our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments; The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices; the performance of the financial markets in India and globally; and Changes in industry competition etc. The following discussions and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

Indian Economic Overview & Outlook

India continued to be the fastest growing major economy despite the challenges faced during the year. In FY19, the GDP of the country grew by 6.6% on GVA basis, a marginal deceleration from the previous year. While the growth in the first half of the fiscal was strong, it moderated during the second half due to liquidity concerns and stress in the agriculture sector. However, after a strong mandate, the expectation is that the new government will address these concerns on priority and inject stimulus to revive economic activity. While the Indian economy has expanded at an average annualized growth rate of around 7% over the past several years, there have been patches of slower growth in-between. However, consumption growth has remained quite resilient throughout this period. During FY19, despite a slowdown in overall GDP growth, private final consumption (PFCE) accelerated to 12.0% from 10.6% in FY18. Over the last five-year period, PFCE has grown at a CAGR of 11.8% in nominal terms. This, alongwith the trend of organized businesses gradually gaining market share in various sectors, augurs well for the growth of the media industry.

Indian Media & Entertainment Industry

The Indian media and entertainment (M&E) industry witnessed another year of all-round growth. The pace of growth accelerated marginally in CY18 despite the challenges faced by the economy towards the end of the year. According to the FICCI-EY Report 2019, (the Report), the M&E industry grew by 13.4% YoY in CY18, to 1,674 billion. India witnessed a significant increase in content consumption due to increase in availability and improvement in affordability. According to the Report, the Indian M&E industry is expected to grow at a CAGR of 12.0% to 2,349 billion over the next three years, with growth in all the segments.

During the year, television increased its reach and engagement with the audience, retaining its position as the default entertainment medium for Indian consumers. Growth in online video consumption accelerated, helped by the increased availability of affordable data and content on digital platforms. Print media continued to grow, albeit at a much slower pace. The movie industry surpassed all the previous box-office records on the back of strong performances in both domestic and international markets. Radio, in addition to entering new cities, is diversifying into new business offerings like concerts and activations. Growth in live events was led by premium properties, sports events and digital integration.

Print Media

The Print industry is facing head winds in all major markets across the world with the readership and circulations dropping across the board. However, the Indian market has bucked this trend.

According to the FICCI-E&Y report, Print segment grew 0.7% in 2018 to reach INR 305.5 billion. The segment is expected to reach INR 338 billion by 2021, growing at a CAGR of 3.4%.

Print was static in 2018

- Print segment grew 0.7% in 2018 to reach INR 305.5 billion.
- Advertising revenues grew 0.4% in 2018, while circulation grew 1.2%. Circulation revenues contributed 29% of the total revenues of the print segment.
- Magazines contributed about 4% of total print segment revenues. Print segment's share in total advertising reduced to 29%.
- Advertising revenues were INR 217 billion in 2018.
- Newspaper advertising revenue grew 1% while magazine advertising fell 8%.

- FMCG and auto were the largest contributors to print revenues, with a contribution of 14% each, followed by education at 10%.
- Importance of events in the revenue mix increased.
- Ad volumes in print fell 1% in 2018 compared to 2017 as per TAM AdEX ad volume data.
- Hindi newspaper publications continued to lead with 37% of total ad volumes, while the share of English publications stood at 25%.
- English magazines dominated magazine ad volumes with a 54% share.
- Kannada, Assamese, Hindi, Oriya and Marathi language publications increased ad volumes. De-growth in advertising volumes was noted in English, Malayalam and Punjabi. Subscription revenues grew on the back of deeper penetration and cover price growth.
- Subscription revenues grew marginally by 1.2% in 2018 to reach INR 88.3 billion.
- The number of registered publications grew by 3% to 118,239 in March 2018.
- Circulation grew around 2% as per ABC data
- Hindi contributed 45% of total circulated copies, followed by English, a distant second at 12%
- The top five magazines lost 7% in terms of circulated copies
- 245 million individuals consumed news online, with page views growing 59% in 2018

  Rising newsprint prices and a depreciation in the value of the Indian Rupee led to pressure on print sector margins in 2018
- The print segment will benefit from the upcoming general elections in 2019, particularly on the back of the DAVP rate increase, as well as stable newsprint prices
- Cover prices will need to increase going forward
- Print companies will tilt their sales pitch towards performance, linking physical space sales with digital inventory, activations (both physical and digital), interactive concepts, digital couponing, etc.

Future outlook

The media consumption pattern in favor of Print is influenced by many factor such as:

<u>Demographics:</u> Media consumption is a matter of habits, and these habits are difficult to change in old age and middle age population. They have mostly grown up while reading newspapers at leisure, at the start of the day with a cup of tea or read on the way to office.

<u>Credibility:</u> There is a distrust towards the verity of the news, which is not published and available only digitally, especially in the old and middle age population.

<u>Cost of Access:</u> Print has the lowest cost and ease of access for the newly literate population. Hence, increasing literacy in India is likely to drive growth in print media. Thismeans that growth will be more in newspapers in regional languages.

<u>Upward Mobility:</u> With increasing English speaking population in the country and social status attached with the language, regional language print audience is likely to upgrade to English papers. Hence, this segment is also likely to register growth, albeit at a slower rate.

Company Overview

Diligent Media is mainly engaged in the business of printing, publication and distribution of newspapers. It covers print, digital and on ground activation opportunities to give a 360 degree touch point to consumers for advertisers. It is part of the 92-year-old diversified Essel Group of Companies, one of India's prominent business houses with an established presence in diverse sectors such as media & entertainment, technology-enabled services, infrastructure development, education, precious metals and financial services. Essel Group's media and entertainment vertical is one of the largest and leading player in India with offering basket that includes Digital, General Entertainment Channels (GEC), Niche Channels, and News and Current Affairs Channels. “Zee TV” is group's flagship GEC and “Zee News” is its marquee channel in the News and Current Affairs category.

The Company was formed in February 2005, as a Joint Venture between Essel Group and Bhaskar Group, India's leading media giantsand began its journey with launch ofMumbai edition of Daily News Analysis (DNA), an English daily broadsheet, in July 2005. Bhaskar group exited the JV in 2012, after which the Company was consolidated under Zee Media Corporation Limited, an Essel Group Company, as a step-down subsidiary. With the changes in regulatory landscape and considering the scale achieved, the Print media business was demerged and consolidated independently under the Company as part of a strategic move to chart an independent direction and create more value for the stakeholders.

The restructuring was affected through a Scheme of Arrangement and Amalgamation that was approved by the Mumbai Bench of Hon'ble National Company Law Tribunal

(NCLT) by its order dated 8th June 2017. Under the scheme, the Print Media Undertaking of Zee Media Corporation Limited along with its equity investment in 2 print media subsidiaries viz. Mediavest India Pvt Ltd and Pri-Media Services Pvt Ltd, was demerged and vested with the Company and upon such vesting, the said print Media subsidiaries viz. Mediavest India Private Limited and Pri-Media Services Private Limited got amalgamated with the Company with effect from Appointed Date of April 1, 2017. As per the Scheme, the entire pre-Scheme Paid-up Equity Share Capital of the Company was cancelled and in consideration of the Demerger of Print Media Undertaking, the Company had issued and allotted an aggregate of 11,77,08,018 Equity Shares of ₹ 1 each to the Shareholders of Zee Media Corporation Limited. The shares of the Company got listed and commenced trading on BSE Limited (Scrip Code: 540789) and National Stock Exchange of India Limited (Scrip Code: DNAMEDIA) on and from December 11, 2017.

Business Overview

DNA &Zee Marathi Disha (Daily &Weekly Newspaper)

The Company currently publishes an English daily newspaper 'DNA' with editions in Mumbai,and Ahmedabad.In FY 18-19 DNA had scaled down operations of Delhi edition and suspended publication and distribution of Jaipur edition of DNA Newspaper.DNA is a leading newspaper in the Mumbai city, and was launched in 2005 while the Ahmedabad edition was launched in the year 2017. The Company has also launched a Marathi weekly newspaper 'Zee Marathi Disha'in December 2017. The Company has its own hi-tech printing press in Mahape, Navi Mumbai in Maharashtra, which apart from printing the Mumbai edition of DNA and Zee Marathi Disha, also provides printing facility to various other newspapers in Maharashtra on job work basis and also does printing of books, magazines, inserts, annual reports etc.

DNA in its 14 year history has always been a dominant brand with high acceptance in the New Consumer Classification System (NCCS) A and B segments. The content curation in the newspaper follows the philosophy of 'extraordinary together' such that the newspaper has something for everyone, every single day. Its objective is to bring the family together.

The newspaper includes distinct sections or supplements that cater to the different reader needs within a family:

<u>DNA Afterhrs:</u> 4 page pull out published daily with trends from the glamour world of fashion, lifestyle and cinema apart from exclusive stories.

<u>DNA Money:</u> 4 page supplement with business news including analysis of stock market movements, emerging trends, reporting on brands across industry.

<u>DNA Sports:</u> Daily section containingnews and in-depth stories on sports.

<u>DNA Property:</u> Supplement with hottest property tips, laws, rates and trends alongside important news that affect readerslooking to purchase their dream home.

In addition to the above, the newspaper also offers seasonal features like 'Zeegnition' for the auto industry that cover topical news, expert views, latest trends and forecast for therespective consumers and industry.

DNA is known amongst its readers for its focus on investigative journalism and deep analysis supported by editorial strength and capability. It has differentiated itself in the market from other daily broadsheets through a differential story treatment, by offering a holistic perspective supporting graphical data visualization and focus on news that can be used by all types of readers within a family. Hence, it has a well-balanced readership across pages and sections.

Events Business

The Company is focused on offering reach with richness, so as to offer a greater value for the advertisers. It currently has 200 active street on feet in Mumbai, who can provide a direct reach to more than 3,000 active consumers in a day with mailers, SMS campaign, and promotional activities. This affords advertisers to have a hyper-local connect with consumers in proximity of their homes, thus increasing effectiveness of the marketing communication. The promotional activities are offered at high footfall and attention grabbing locations such as airport and leading hotel chains to target on-the-go urbanites. The Company has also created event and contest platforms to provide large scale, direct engagement opportunities for advertisers.

<u>DNA eco-Ganesha:</u> Contest and platform for eco-friendly Ganeshotsav celebrations in Mumbai

<u>DNA Auto Show:</u> Exhibition platform for the automotive industry and a complete family outing experience, while browsing best cars and bikes.

<u>DNA FPH Winners in Life:</u> Winners in Life is a one of kind initiative by DNA and FPH along with Zee Business to celebrate the victory of physically and mentally challenged and brave souls who have faced the greatest challenge but have lived their lives to the fullest and have inspired others.

Digital

The Company offers a wider reach and diversified consumer touch points to complement its newspaper by the way of its responsive and dynamic news website www.dnaindia.com and e-paper edition (http://epaper2.dnaindia.com). The Company is also present across social platforms such as Twitter, Facebook, YouTube, Instagram etc., with 1.38 million likes on its Facebook pageand a total followership of 1.98 million for its Twitter accounts,as of March 2019. Overall page views on its website were 795.0 million, where as unique page viewsfor FY2018-19 were 256.9 million. The Company bundles sale of its web properties to its print advertisers, which enables them to reach print and digital readers, specifically the youth.

OPPORTUNITIES & THREATS

Business Strategy

Right from the time of first launch, DNA as a brand has always resonated with NCCS A and B, the most lucrative segments for advertisers, in a leading market within the country. The reach of newspaper editions is supplemented with the richness of consumer engagement through a seamlessly integrated 360o media covering digital and on-the-ground activities. The Company is purposefully set to increase its reach among this segmentacross the country and in similar segments with the objective of being a one-stop-shop for media solutions. In doing so, the Company intends to build on and leverage its brand strengths where it is seen as a trustworthy source of news and content for the entire family and has become a habit for its readers that is hard to break.

The Company has set itself an objective to turn profitable from the previous loss making yearsby offering exponential returns to its partners who advertise with it and ensure optimal returns to all the stakeholders in our ecosystem. It seeks to do so by:

- Maximizing advertising revenue by moving towards convergence and offering its clients and advertisers integrated media solutions and consumer reach. Consolidating print and digital media sale,as part of a long term strategy,would lead to bridging of gap between new-age consumers and advertisers. This would lead to maximization of product value by being recent and immediate (through digital) and also give the readers the right perspective (through analysis in print). The value multiplies through delivery of more engaging experience by connecting on-ground platforms. While doing so, the Company believes in giving simple and impactful solutions that drive businesses for the partners.
- Focusing on corporate business through editorial integrations. Few major categories, which are the biggest contributor to the print businessare Government, Automobile, FMCG, BFSI and Real Estate. The Company will focus on these through editorial and content route across its daily main issue or through dedicated supplements.Based on the opportunity and feasibility, the Company also creates event properties to offer enhanced engagement opportunity with consumers for these sectors, in order to provide a 360 degree solution.
- Increasing readership by consistently offeringthe readers, fair, independent, and extremely relevant content that informs and positively engages them as having satisfied and engaged readers is the key to building a robust and scalable business.
- Leveraging Essel Group digital properties by cross-sell and mutual marketing of content, especially digital, resulting in increase in reachand revenues.
- To optimize editorial and content costs and strengthen content differentiation thecompany is leveraging group'snews content database through IMN network and wire services for regular reporting of political, city and business news. Also the company will focus on creating differentiation thru investigative stories and opinion writers.
- Company further evaluated performance of various editions and based on such review scaled down operations of Delhi edition and suspended publication and distribution of Jaipur edition of DNA Newspaper.

RISK FACTORS & MITIGATION

Some of the key risks faced by the Company and mitigation strategies are as follows:

Increasing Competition in the Industry

More and more players are expanding their presence in major markets, including the Company's markets nationally, by launching editions or newer properties, thus competitiveness in the print news is ever increasing. With the reading habits shifting online, there is increased competition from purely online news portals apart from the digital properties of print competitors. The Company is doing its best to constantly evolve itself in tune with viewer preferences by serving captivating content across platforms. The Company focuses on news that the consumer can use to increase salience with differentiated story treatment and content curation. It is also aligning better with the needs of the advertisers than the competition by offering Reach with Richness that offers direct connect with 3,000+ active consumers.

Changing Customer Preferences or Slowdown in Advertising Spends

While the newspaper circulation in the country continues to increase steadily due to improving literacy ratios, the share of

TV and digital media in news consumption is inching upwards among urban population in India's major cities, especially in the English segment. Also, this shift may impact overall demand for newspapers in future. This trend may impact readership that determines advertising spends. The advertising spends may also be impacted by the overall economic environment that may have an adverse effect on the advertisement spends. Apart from better alignment with consumer tastes, the Company has addressed these risks by spreading its presence on the digital medium through dnaindia.com and its social media accounts, whereas a group company Zee Media is already present in the TV news segment. 360° presence will allow the Company to capture a higher share of media spends even in a slowdown by delivering better value to the customers.

Unexpected Changes in Regulatory Environment

The Company is subject to regulations where it needs license/ permit from Registrar of Newspapers for India (RNI) to publish newspaper and further licenses, permits and approvals from regulatory authorities to print newspapers in its own facilities. In addition to this, it is answerable for its reportage to the Press Council of India (PCI), which oversees conduct of print media. Any alterationsor introduction of new lawsmay have a direct adverse impact on the Company's operations or by favoring its competition. Company's representation across industry bodies enabling the Company to put across its viewpoint on any prospective legislation or regulatory changes is one way to manage and minimize the risk of unwelcome changes, which the Company intends to pursue.

Delayed Success or Failure of New Launches

The Company may on an ongoing basis launch new editions of DNA or newer pull-outs under DNA or regional language properties or digital initiatives to promote sales growth. Success of such launches would depend on multiple factors, some within the control of the Company such as content, pricing, marketing mix and intensity, etc. and others related to the external environment such as competitive intensity, prevailing economic situation, etc. Any setback in gaining acceptance or monetization of reach for such new launches is likely to delay breakeven on the investments and also significantly impact profitability of the Company for that period. While the Company cannot assure success of all its new initiatives, it has internal committees and review mechanisms in place to ensure judicious allocation of capital for viable launches. The Company also has in place and can assemble a team, which has the capability to deliver success.

Cost Inflation

Newsprint is the key raw material and forms a substantial portion of the overall cost for the Company. Adverse movement in price of newsprint on account of increase in cost of paper pulp, fuel and foreign exchange rates would affect the operating margins for the Company. Long term supply contracts and strong relationships with vendors is one of the way in which Company manages to insulate itself from any volatility in newsprint costs.

Accumulated Losses affecting Viability as a Going Concern

Company has incurred losses during its existence leading to wiping out of its paid up capital and reserves. However, considering the business plan and revenue growth demonstrated by the Company, the promoters are committed to the business and have assured continued financial support to ensure no disruption to normal operations of the Company.

Liability Risks

Publishing or posting of inaccurate news or defamatory content due to errors or subversion of established procedures by the editors, journalists/ stringers, freelancers, news wires and agencies that the Company relies on for news and other content may exposethe Company to litigation. This may expose the Company to financial loss and/ or damage to its brand. In addition to multiple checks and balances built into its processes and systems to prevent such an occurrence, the Company continuously sensitizes its staff and other stakeholders on the importance of preventing inaccurate or defamatory content. It also promotes a culture of strongly focusing on accurate and factual reporting / content.

Key employee retention

The Company's ability to attract and retain senior management personnel is central to the success of the Company.Loss of such critical staff members can affect and disrupt its business operations. Industry mostly faces an intense challenge of demand-supply mismatch in availability of experienced senior managers with technical and industry expertise, giving rise to intense competition. This competition may also lead to escalation in employee costs, which are one-fourth of the total operating costs. The Company provides a vibrant work environment that is engaging and encouraging, apart from investment in training and development of its staff. It has fair and considerate policies promoting staff welfare. All these activities help in minimizing undesired attrition without reliance only on remuneration as a tool for retention.

Disruption of newspaper distribution network

Newspapers are distributed through an extensive multi-tiered network of agents and vendors for the sale and circulation of newspapers. The Company supplies its newspapers to the circulation agents as per their demands, who in turn distribute newspapers to a network of vendors, all on a non-exclusive basis. Disruption of this network due to disputes, competitive actions such as higher commission or incentives, natural or man-made disasters or any unforeseen circumstances can have a short or medium-term impact on circulation of the Company's newspapers. This would have a major impact on the revenue, operations and reputation. Company's distribution team maintains cordial relations with all its circulation agents and is on a constant watch to prevent threats from such disruptions.

OUTLOOK

The Company is expected to operate in an encouraging external environment with growth in media consumption, advertising expenditure and continued acceptance of print medium, as indicated in the previous sections. Growth in advertisements from retail players is expected to have a big impact on the growth of the print segment. Entry of newer players in the food and beverages segment and e-commerce, and increasing popularity of these sectors is expected to positively impact advertisement revenues. In addition, a great number of financial companies and affordable real estate segment are trying to cater to semi-urban population, leading to local advertisement growth in these areas. This will be over and above the growth expected from traditional advertising sectors such as auto, FMCG, durables, etc. Another factor contributing to the encouraging outlook is expected upsurge in media spends due to many state elections in 2018 and the general elections in mid-2019.

The Company is well placed to execute its business plans and deliver growth by capturing a good share of this opportunity in its existing markets and also through expansion in newer markets. The strategy and business plan are focused on achieving break even at the earliest in the near future.

INTERNAL CONTROL SYSTEMS

The Company places a premium on personal and professional integrity exhibited by its staff by recognizing and encouraging it. However, it alsohas adequate internal control systems in place to avoid mismanagement, prevent fraud or sabotage, legal compliance and avert surprises that would impact business performance of the Company or damage its reputation/ brand. Qualified professionals have been appointed to conduct regular internal auditsof different departments/functions of the Company to ensure conformity to laid-down rules and procedures.A robustManagement Information System (MIS) has been developed, and is an integral part of the control mechanism,which reports all the operating parameters that ought to be controlled. This is used for periodic review of business performance to enable speedy course correction at a tactical and/ or strategic level. Business performance and capital allocation is monitored in comparison with the budgetperiodically for effective budgetary control. The Company regularly updates and upgrades its internal controls and business processes in line with global and industry best practices.

HUMAN RESOURCES

The Company is focused on providing a vibrant and stimulating environment to its people to get the best out of them. In addition to grooming talent through mentoring and challenging work assignments, the Company keeps them motivated through various engagement activities.

The Company's employee count as on March 31, 2019 was 362 in comparison to 425 on March 31, 2018.

The total headcount includes 124 employees, who are employed at its printing press. The Company has done its best to maintain harmonious industrial relations by fostering mutual trust and co-operation. It maintains proactive communication and has a highly engaging partnership with the Unions in order to maintain and improve productivity every year.

FINANCIAL YEAR 2018-19 PERFORMANCE

Financial Results

The financial performance of your Company for the year ended March 31, 2019 is summarized below:

₹ in Lakhs

Particulars	March 31, 2019	March 31, 2018
Income		
Revenue from operations	11,421.55	12,403.51
Other income	373.18	308.55
Total Income	**11,794.73**	**12,712.06**
Expenses		
Cost of raw material consumed	3,579.53	3,011.42
(Increase)/Decrease in inventories	0.07	(1.11)
Employee benefits expense	4,466.91	3,468.43
Other expenses	5,069.53	7,172.75
Total Operational Expenses	**13,116.04**	**13,651.48**
Operating Loss	**1,321.31**	**939.43**
Finance costs	4,291.68	3,803.17
Depreciation and amortisation expense	1,277.07	1,254.89
Loss Before Tax	**6,890.06**	**5,997.49**
Deferred tax charge /(benefit)	(1.126.67)	3,820.02
Loss After Tax	**5,763.39**	**9,817.51**

Financial Performance

The financial effect of the Scheme of Arrangement and Amalgamation, inter alia for demerger of Print Media Undertaking of Zee Media Corporation Ltd (ZMCL) vesting with the Company and amalgamation of two print media subsidiaries of ZMCL viz. Mediavest India Private Limited and Pri-Media Services Private Limited, effective from Appointed Date of April 1, 2017, has been given in the financial statement for FY2017-18.

During the previous year, the Company evaluated the performance of various editions and based on such review scaled down operations of Delhi edition and suspended publication and distribution of Jaipur edition of DNA Newspaper.

Revenue from Operations

Revenue from Operations mainly includes Advertisement Income, Circulation revenue and Job revenue. During FY 19 Total revenue declined by 7% including other income during FY 2018-19 at ₹ 11,794 lakhs, compared to ₹ 12,712 lakhs for FY 2017-18. Revenue from advertisement declined by 21% during FY 2018-19 to ₹ 6,496 lakhs, as compared to ₹ 8,182 lakhs in FY 2017-18. The Company has earned job-work revenue of ₹ 3,528 lakhs during FY 2018-19 as compared to ₹ 2,744 in FY 2017-18.

<u>Expenses:</u> The primary raw material cost, i.e. cost of newsprint, increased by 19% to ₹ 3,579 lakhs for FY 2018-19, as compared to ₹ 3,011 lakhs in FY 2017-18. Employee costs decreased by 29% on account of the scaled down operations of Delhi edition and suspended publication and distribution of Jaipur edition of DNA Newspaper. Other Operating Expenses decreased by 29%, mainly due to focus on cost optimisation.

<u>Operating Loss:</u> Operating loss for the Company increasedby 41% in FY 2018-19 on account of decrease in advertising revenues and circulation revenue.during the year.

<u>Loss before tax:</u> Loss before tax for the Company increased by 15% from ₹ 5,998 lakhs in FY 2017-18 to ₹ 6,890 Lakhs in FY 2018-19.

Certification on Financial Statements of the Company

We, A V Ramachandran, Executive Director and Dinesh Agarwal, Chief Financial Officer of Diligent Media Corporation Limited ('the Company'), certify that:

a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2019 are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the Internal Control Systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

d) During the year:

   i) there has not been any significant change in internal control over financial reporting;

   ii) there have not been any significant changes in accounting policies; and

   iii) there have been no instances of significant fraud of which we are aware that involve management or an employee having significant role in the Company's internal control system over financial reporting.

A V Ramachandran
Executive Director

Dinesh Agarwal
Chief Financial Officer

Mumbai, 29th May 2019

Independent Auditor's Report on the Financial Statements

To,
The Members of
DILIGENT MEDIA CORPORATION LIMITED

1. Opinion

We have audited the accompanying financial statements of DILIGENT MEDIA CORPORATION LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, the statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

3. Emphasis of Matters:

We draw attention to Note No 53 to the Notes to the financial statement which states that the Company has incurred a net loss of ₹ 6,890.06 Lakhs for the year ended 31st March, 2019 and the accumulated negative net owned funds stands at ₹ 46,891.65 Lakhs as at that date, resulting in erosion and negative net worth of the Company. Considering the future business plan with the expectation of substantial growth in revenue with cost controls and the continued financial support from promoters, the Company is confident of its ability to meet funds requirements and will continue its business as a going concern. Accordingly, the financial statements have been prepared on going concern basis.

Our opinion on the financial statements is not modified in respect of the above matter.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31st March, 2019. These matters were addressed in the context of our audit of standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Contingent liabilities (Refer note no. 32 of the financial statements):</u>

Claims against the Company not acknowledge as debt amounting to ₹ 5,330.93 Lakhs as at 31st March, 2019 of which ₹ 5,289.53 Lakhs is pending rectification under Section 154 of the Income tax Act 1961, for adjustment of unabsorbed loss. Further the Company has received legal notices of claims, law suits filed against it relating to defamation etc., in relation to the news published in DNA newspaper, of which no liability is ascertained, as in the opinion of the management, no liability is likely to arise in connection with such claims. The existence and probability of payment against these claims requires management judgment to ensure disclosure of most appropriate values of contingent liabilities. Due to level of judgment required relating to estimation and presentation of contingent liability, this is considered to be a key audit matter.

Auditor's Response:

Our audit procedures included, among others, assessing the appropriateness of the management's judgment in estimating the contingent liabilities.

We have obtained details of pending legal cases and demand/claims as at 31 March 2019 from the management. We assessed the completeness of the details of these claims through discussions with senior management personnel. We have also reviewed the outcome of the disputed cases pending at various forums. We have also assessed the appropriateness of presentation of the contingent liabilities in the financial statements.

5. Principal Audit Procedures

We have evaluated the appropriateness of the management's judgment on uncertainty or non-availability of convincing other evidence that sufficient taxable profits will be available in future. We have involved our internal experts to review the management estimation of the future taxable profits of the company. Further, we have also considered the matters which may cast significant doubt on the Company's ability to continue as a going concern as reported above.

6. Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

7. Responsibility of Management for the Financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the IND AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

8. Auditor's Responsibility for the audit of the financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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.

9. Report on Other Legal and Regulatory Requirements

A) As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, ("the Order"), and on the basis of such checks of the books and records of the Company, as we consider appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

B) As required by Section 143(3) of the Act, based on our audit we report that:

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

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

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the IND AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the Directors as at 31st March, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors including Executive Director during the year is in accordance with the provisions of Section 197 of the Act.

h) 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 explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the IND AS financial statements;

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

iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

For **B S SHARMA & CO.,**
Chartered Accountants
FR No. 128249W

CA B S SHARMA,
Proprietor
Membership No.031578

Place: Mumbai
Dated: 29 May 2019

Annexure "A" to the Independent Auditor's Report

Referred to in Paragraph 9(A) under the heading of "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" of our report of even date to the members of Diligent Media Corporation Limited on the Ind AS financial statements for the year ended 31 March 2019:

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') to the members of Diligent Media Corporation Limited, ("the Company")

(i) In respect of its fixed assets:

a) The company has maintained proper records showing full particulars including Quantitative details and situation of its fixed assets.

b) According to the information and explanation given to us by the management of the company, majority of the fixed assets of the company have been physically verified, in phased manner, by the management during the year and the intervals of such verification had also been reasonable. As informed, no discrepancies were noticed on such verification.

c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of leasehold land including improvement thereon and buildings are held in the name of the Company.

ii) a) The inventories have been physically verified by the Management at reasonable intervals during the year.

b) In our opinion the procedure of such physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.

c) In our opinion, the Company has maintained proper records of inventory and no material discrepancies were noticed on such verification of stock as compared to book records.

(iii) Based on our verification of the books and records and as per information and explanations given and documents produced before us by the management, the company has not granted any secured or unsecured loans to companies, firms, limited liabilities partnership firms or others parties covered in the Registers maintained under Section 189 of the Companies Act, 2013 (the Act).

(iv) In our opinion, according to the information and explanations given to us, the Company has neither given any loans to director/s nor has given any guarantee/s or has not provided any security/ies during the year. The company has not made any investments. Hence provisions of Section 185 and Section 186 of the Act are not applicable.

(v) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public as covered under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, hence clause (v) of the Order is not applicable.

(vi) We have been informed by the management that the maintenance of cost records has not been prescribed by the Central Government under section (1) of section 148 of the Act.

(vii) a) According to the books, records as produced and examined by us in accordance with Generally Accepted Auditing Practices in India and also based on management representations, statutory dues in respect of provident fund, employee state insurance, income tax, wealth tax, service tax, sales tax, value added tax, excise duty, cess and other material statutory dues have generally been regularly deposited by the company.

b) According to information and explanations given to us, there are disputed amounts payable in respect of income tax, outstanding as on 31st March, 2019:

Name of Statute	Nature of Dues Dispute is Pending	Forum where the Amount Relates	Period to which the Amount Unpaid	₹ in Lakhs
a. Fringe Benefit Tax Act 1986	Tax on employees benefits	CIT (A)-12 Mumbai	A Y 2006-07	3.63
b. Income Tax Act 1961	Income tax	-do-	A Y 2010-11	33.37
c. -do-	-do-	-do-	A Y 2011-12	**
d. -do-	-do- Penalty	-do-	A Y 2008-09	4.40

** pending rectification under Section 154 of the Act for adjustment of loss for the year and brought forward Losses against the addition, which will make demand of ₹ 52,89.53 lakhs to NIL

Income Tax assessments have been completed till Assessment Year 2016-17.

c) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, GST, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(viii) As observed by us and as per the information and explanations given by the management, on the basis of the records verified, there are no loans taken from financial institutions or banks during the year under audit, hence the clause (viii) of the Order is not applicable.

(ix) The Company has not raised any money/s by way of initial public offer or further public offer (including debt instruments) or term loans hence reporting under the clause (ix) of the Order is not applicable.

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company, hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review hence the clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Act are not applicable.

(xvi) In our opinion and according to the information given, the company is not required to be registered under Section 45-I of the Reserve Bank of India Act 1934.

For **B S SHARMA & CO.,**
Chartered Accountants
FR No. 128249W

CA B S SHARMA,
Proprietor
Membership No.031578

Place: Mumbai
Dated: 29 May 2019

Annexure "B" to the Independent Auditor's Report

Report on the Internal Financial Controls Over Financial Reporting (IFCOFR) under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act"), as referred to in paragraph 9(B)(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date, to the Members of Diligent Media Corporation Limited, on the financial statements for the year ended 31 March 2019.

We have audited the internal financial controls over financial reporting of **Diligent Media Corporation Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

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

Auditor's Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on "Audit of Internal Financial Controls Over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures on test basis to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting:

A company's internal financial control over financial reporting 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 control over financial reporting 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 authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting, checked on test basis, considering the nature and size of business and operations with internal checks and controls, were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **B S SHARMA & CO.,**
Chartered Accountants
FR No. 128249W

CA B S SHARMA,
Proprietor
Membership No.031578

Place: Mumbai
Dated: 29 May 2019

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Balance Sheet as at 31st March, 2019

(₹ in lakhs)

Particulars	Note	31-03-2019	31-03-2018
A. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	5	18,795.08	25,642.15
(b) Capital work-in-progress	6	196.74	257.34
(c) Financial assets			
(i) Loans	7 (a)	-	-
(ii) Other financial assets	7(b)	41.43	46.65
(d) Income tax assets (net)	8	493.13	438.45
(e) Deferred tax assets	9	10,985.92	9,870.52
(f) Other non-current assets	10	-	-
Total non-current assets		**30,512.30**	**36,255.11**
2. Current assets			
(a) Inventories	11	699.97	961.97
(b) Financial assets			
(i) Trade receivables	12	3,523.73	3,184.93
(ii) Cash and cash equivalents	13(a)	526.68	565.61
(iii) Other bank balances	13(b)	298.28	647.00
(iv) Loans	7 (a)	-	14.00
(v) Other financial assets	7(b)	207.33	384.35
(c) Other current assets	10	6,339.16	2,316.40
Total current assets		**11,595.15**	**8,074.26**
Total assets		**42,107.45**	**44,329.37**
B. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	14(a)	1,177.08	1,177.08
(b) Instruments entirely equity in nature	14(b)	-	-
(c) Other equity	15	(48,068.73)	(42,332.81)
Total equity		**(46,891.65)**	**(41,155.73)**
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(a) Redeemable preference shares	16(a)	43,626.56	43,626.56
(b) Others	16(b)	38,169.84	34,110.67
(ii) Other financial liabilities	17	90.45	93.32
(b) Provisions	18	396.88	331.13
(c) Other Non Current Liabilities	19	2.19	5.38
Total non-current liabilities		**82,285.92**	**78,167.06**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	-	-
(ii) Trade payables	20		
Dues of micro enterprises and small enterprises		71.91	34.95
Dues of creditors other than micro enterprises and small enterprises		1,526.31	2,109.32
(iii) Other financial liabilities	17	3,331.83	3,246.71
(b) Provisions	18	15.38	9.65
(c) Other current liabilities	19	1,767.75	1,917.41
Total current liabilities		**6,713.18**	**7,318.04**
Total equities and liabilities		**42,107.45**	**44,329.37**

Notes forming part of the Financial Statements 1-55

As per our attached report of even date

For B S Sharma & Co.
Chartered Accountants
Firm Registration No. : 128249W

CA B S Sharma
Proprietor
Membership No. 031578

Place: Mumbai
Date: 29 May 2019

For and on behalf of the Board

Dinesh Kumar Garg
Chairman

A V Ramachandran
Executive Director

Ankit Shah
Company Secretary

Dinesh Agarwal
Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	Note	31-03-2019	31-03-2018
Revenue			
Revenue from operations	21	11,421.55	12,403.51
Other income	22	373.18	308.55
Total		**11,794.73**	**12,712.06**
Expenses			
Cost of Raw Material Consumed	23(a)	3,579.53	3,011.42
(Increase)/Decrease in Inventories	23(b)	0.07	(1.11)
Employee benefit expense	24	4,466.91	3,468.43
Finance costs	25	4,291.68	3,803.17
Depreciation and amortisation expense	26	1,277.07	1,254.89
Other expenses	27	5,069.53	7,172.75
Total expenses		**18,684.79**	**18,709.55**
Profit/(Loss) before Tax		**(6,890.06)**	**(5,997.49)**
Less: Tax expense			
Current tax - current year		-	-
- earlier year		-	-
Deferred tax charge /(benefit)	31	(1,126.67)	3,820.02
Net Profit/(Loss) after tax		**(5,763.39)**	**(9,817.51)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gains and (losses) on defined benefit obligations		38.74	(51.39)
Tax impact thereon		(11.27)	14.96
Total other comprehensive income		**27.47**	**(36.43)**
Total comprehensive loss for the year, net of tax		**(5,735.92)**	**(9,853.94)**
Earning/Loss per share (face value of ₹ 1 each)	38		
Basic		(4.90)	(8.34)
Diluted		(4.90)	(8.34)

Notes forming part of the Financial Statements 1-55

As per our attached report of even date
For B S Sharma & Co.
Chartered Accountants
Firm Registration No. : 128249W

CA B S Sharma
Proprietor
Membership No. 031578

Place: Mumbai
Date: 29 May 2019

For and on behalf of the Board

Dinesh Kumar Garg
Chairman

A V Ramachandran
Executive Director

Ankit Shah
Company Secretary

Dinesh Agarwal
Chief Financial Officer

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

(₹ in lakhs)

Particulars	31-03-2019	31-03-2018
A. Cash flow from operating activities		
Loss before Tax	(6,890.06)	(5,997.49)
Adjustments for:		
Depreciation and amortization expense	1,277.07	1,254.89
Bad debts and advances written off, allowance for credit losses on financial assets (net)	28.47	92.47
Balances written back	(0.01)	(176.32)
Profit/(Loss) on sale of fixed assets	(73.42)	2.39
Exchange adjustments (net)	132.56	11.16
Remeasurement gains / (losses) on defined benefit plan	38.74	(51.39)
Interest expense	4,261.41	3,774.54
Interest income	(34.93)	(42.80)
Operating loss before working capital changes	**(1,260.17)**	**(1,132.55)**
Adjustments for:		
(Increase)/decrease in trade and other receivables	(4,197.37)	1,749.21
(Increase)/decrease in inventories	262.00	109.20
(Increase)/decrease in trade and other payables	(880.46)	767.12
Cash generated from operations	**(6,076.00)**	**1,492.98**
Direct taxes (net of refunds)	(54.68)	(1.75)
Net cash generated by operating activities (A)	**(6,130.68)**	**1,491.23**
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	(62.17)	(1,156.49)
Sale of property, plant and equipment	5,766.19	18.71
Interest received	39.01	27.34
Net cash used in investing activities (B)	**5,743.03**	**(1,110.44)**
C. Cash flow from financing activities		
Repayment of short-term borrowings	(0.00)	(2.57)
Interest paid	-	-
Net cash used in financing activities (C)	**(0.00)**	**(2.57)**
Net changes in cash and cash equivalents (A+B+C)	(387.65)	378.22

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

(₹ in lakhs)

Particulars	31-03-2019	31-03-2018
Cash and cash equivalents at the beginning of the year	1,212.61	727.01
Add: Cash and cash equivalents required pursuant to the scheme (Refer Note No. 43)	-	107.38
Cash and cash equivalents at the end of the year	**824.96**	**1,212.61**

Notes:

1 Cash flow statement for previous year ended 31 March 18 has been prepared after considering transfer of assets and liabilities on appointed date 01st April 2017 pursuant to Scheme (Refer Note No. 43) .

2 Cash and cash equivalents at the end of the year includes other bank balances of ₹ 298.28 Lakhs (₹ 647.00 lakhs) (Refer Note No. 13B)

3 Previous year figures are regrouped / reclassified wherever considered necessary.

As per our attached report of even date
For B S Sharma & Co.
Chartered Accountants
Firm Registration No. : 128249W

CA B S Sharma
Proprietor
Membership No. 031578

Place: Mumbai
Date: 29 May 2019

For and on behalf of the Board

Dinesh Kumar Garg
Chairman

A V Ramachandran
Executive Director

Ankit Shah
Company Secretary

Dinesh Agarwal
Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March, 2019

a) Equity share capital

Particulars	Note	(₹ in lakhs)
Balance as at 01 April 2017		8,909.55
Shares cancelled Pursuant to Scheme (refer Note No. 43)	14	(8,909.55)
Shares issued Pursuant to Scheme (refer Note No. 43)	14	1,177.08
Balance as at 31 March 2018		**1,177.08**
Changes in equity share capital during the year	14	-
Balance as at 31 March 2019		**1,177.08**

b) Other equity

(₹ in lakhs)

Particulars	Reserves and Surplus				Total other equity
	Capital Reserve	Securities Premium	General Reserve	Retained earnings	
Balance as at 31 March 2017	**4,867.94**	**34,327.68**	**17,498.91**	**(100,472.18)**	**(43,777.65)**
Add: Pursuant to the Scheme (Refer Note No. 43)	12,475.86	-	-	-	12,475.86
Add/(Less) : Adjust Pursuant to the Scheme (Refer Note No. 43)	(17,343.80)	(34,327.68)	-	51,671.48	-
Shares issued pursuant to Scheme (Refer Note No. 43)	-	-	-	(1,177.08)	(1,177.08)
Loss for the year	-	-	-	(9,817.51)	(9,817.51)
Other comprehensive loss for the year	-	-	-	(36.43)	(36.43)
Total comprehensive loss for the year	**-**	**-**	**-**	**(9,853.94)**	**(9,853.94)**
Balance at 31 March 2018	**-**	**-**	**17,498.91**	**(59,831.72)**	**(42,332.81)**
Loss for the year	-	-	-	(5,763.39)	(5,763.39)
Other comprehensive loss for the year	-	-	-	27.47	27.47
Balance at 31 March 2019	**-**	**-**	**17,498.91**	**(65,567.64)**	**(48,068.73)**

As per our attached report of even date

For B S Sharma & Co.
Chartered Accountants
Firm Registration No. : 128249W

CA B S Sharma
Proprietor
Membership No. 031578

Place: Mumbai
Date: 29 May 2019

For and on behalf of the Board

Dinesh Kumar Garg
Chairman

A V Ramachandran
Executive Director

Ankit Shah
Company Secretary

Dinesh Agarwal
Chief Financial Officer

Notes forming part of the Financial Statements

1 Corporate information

Diligent Media Corporation Limited ("DMCL" or "the Company") is incorporated in the State of Maharashtra, India and is listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) in India. The registered office of the Company is situated at 18th Floor, 'A' Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai - 400013, Maharashtra, India. The Company is mainly engaged in the business of printing, publication and distribution of newspapers and printing of books and other periodicals.

The Separate financial statements (hereinafter referred to as "Financial Statements") of the company for the year ended 31 March 2019 were approved by the Board of Directors and authorised for issue on 29 May 2019.

2 Significant accounting policies

i Basis of preparation and measurement of financial statements

a Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and guidelines issued by Securities and Exchange Board of India (SEBI).

The financial statements have been prepared on accrual and going concern basis. The acounting policies are applied consistently to all the periods presented in financials statements. All the assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria as set out in the Division II of Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

b Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

ii Revenue recognition

Revenue from contract with customers

Revenue from contract with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

(a) Advertisement revenue (net of discount and volume rebates) is recognized when the related advertisement is published.

(b) Circulation revenue and sale of wastage and scrap is recognised when all the significant risks and rewards of ownership have passed on to the buyer, usually on delivery of the goods and is disclosed net of sales return, trade discounts and taxes.

(c) Revenue from printing job work is recognized on the completion of the work.

(d) Syndication revenue and royalty income is accounted as per agreed terms.

(e) Revenue from subscription scheme is recognised based on the sales value of the item delivered in relation to the total sales value of all items covered by the subscription and the same has been netted off against circulation scheme promotion expense.

(f) Participation fee is recognised when same is acknowledged by the parties

Notes forming part of the Financial Statements

(g) Interest income is recognised using the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial assets. Interest income is included in finance income in the statement of profit and loss.

(h) Rent income is recognised on accural basis as per the agreed terms.

(i) Revenue from barter transactions is measured at the fair value of the advertisements published as it is more clearly evident.

iii Leases

(a) **Finance lease**

Assets held under finance leases are recognised as assets of the Company at their fair value on the date of acquisition, or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reductions of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in statement of profit and loss account, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs . Contingent rentals are recognised as expenses in the periods in which they are incurred.

(b) **Operating lease**

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating Lease payments / revenue are recognised on straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

iv Transactions in foreign currencies

The functional currency of the Company is Indian Rupees ("₹") which is also the presentation currency. All other currencies are accounted as foreign currency.

(a) Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

(b) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting date of such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

(c) Non-monetary foreign currency items are carried at historical cost are translated at the exchange rate prevelant at the date of the transaction.

v Employee benefits

(a) The Company operates both defined benefit and defined contribution schemes for its employees.

For defined contribution schemes the amount charged as expense is equal to the contributions paid or payable when employees have rendered services entitling them to the contributions.

For post-employment benefit plans and other long term employee benefit plans, actuarial valuations are carried out at each balance sheet date using the Projected Unit Credit Method.

Remeasurements, comprising of actuarial gains and losses 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. Remeasurements are not reclassified to statement of profit and loss in subsequent periods. All such plans are unfunded.

(b) The Company recognises service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements and net interest expense or income as an expense in the statement of profit and loss.

Notes forming part of the Financial Statements

(c) The Company's contributions paid / payable towards the defined contribution plan is recognized as expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

(d) Short-term employee benefits are expensed at the undiscounted amount in the Statement of Profit and Loss in the year the employee renders service.

vi Income taxes

Tax expense comprises of current and deferred tax.

(a) **Current tax**

Current tax is recognized in the statement of profit and loss except to the extent that the tax relates to items recognized directly in other comprehensive income or directly in equity. Current tax in accordance with Income tax Act 1961 for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. 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.

(b) **Deferred tax**

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

(c) **Presentation of current and deferred tax**

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

vii Property, plant and equipment

(a) Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

(b) Capital work-in-progress comprises cost of Property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date.

(c) Subsequent cost/expenditure related to an item of Property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the company and cost can be reliably measured.

(d) Losses arising from the retirement of, and gains or losses arising from disposal of Property, plant and equipment are recognised in Statement of profit and loss.

viii Intangible assets

Intangible assets acquired or developed are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any.

ix Depreciation / Amortisation on Property, plant and equipment / Intangible assets

Depreciable amount for Property, plant and equipment / Intangible fixed assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

(a) Depreciation on Property, plant and equipment is provided on straight-line method as per the useful life prescribed in

Notes forming part of the Financial Statements

Part C of Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc.

Plant & Machinery (Press) - 16 years

Factory Building (Press) - 35 years

The estimated useful lives of other assets as per Part C of Schedule II to the Companies Act, 2013 are as follows:

Particulars	
Plant & Machinery	As above
Furniture & Fixtures	10 years
Computer- Server	3 years
Computer- Network	6 years
Office Equipments	5 years
Vehicle	8 years
Lease hold Improvements	3 years
Factory Building	As above

(b) Premium on Leasehold Land is amortized over the period of Lease.

(c) Intangible assets are amortised on straight line basis over their respective individual useful lives estimated by the management.

x Impairment of non-financial assets

The carrying amounts of the Company's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment is recognised in income statement whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of net selling price, defined as the fair value less costs to sell, and value in use.

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 risks specific to the asset for which estimates of future cash flows have not been adjusted.

An impairment loss for an individual asset or cash generating unit shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment loss is recognised in the statement of profit and loss.

xi Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of cost of the assets. All other borrowing costs are expensed in the period they occur.

xii Inventories

As per Ind AS 2 - Inventories, the inventory cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition & Net realisable value is the estimated selling price in the ordinary course of business,

Notes forming part of the Financial Statements

less estimated costs of completion and the estimated costs necessary to make the sale.

(a) Stock of Newsprint and consumable items is valued at lower of cost or net estimated realizable value. Cost is determined on First in First out Basis (FIFO).

(b) Scrap and Waste Paper Stock is valued at net estimated realisable value.

(c) Stores and Spares are valued at lower of weighted average cost or net realizable value.

(d) Finished goods (Magazines) - Lower of cost or net realisable value. Cost is determined on a weighted average basis.

xiii Financial Instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial Recognition

(a) Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement

(b) Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit or loss' (FVTPL), 'at amortised cost, 'Fair value through other comprehensive income (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

Debt Instrument

Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held with in a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

Fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payments of principle and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses, reversals and foreign exchange gain or loss in the statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss . Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the Effective Interest Rate (EIR) method.

Fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Notes forming part of the Financial Statements

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Derecognition of financial assets

The Company derecognises a financial asset 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.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through statement of Profit and Loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of Profit and Loss.

Financial liabilities

Subsequent Measurement

Financial liabilities measured at amortised cost

Financial liability are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

Financial liabilities measured at FVTPL (fair value through profit or loss)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at fair value through statement of Profit and Loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance costs in the income statement.

Derecognition of financial liabilities

A financial liability is derecognized 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 derecognition of the

Notes forming part of the Financial Statements

original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or 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.

Determination of fair value

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

xiv Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a probable, present legal or constructive obligation to make a transfer of economic benefits as a result of past events where a reliable estimate is available.

The amounts recognised represent the Company's best estimate of the transfer of benefits that will be required to settle the obligation as of the reporting date. Provisions are discounted if the effect of the time value of money is material using a pre-tax market rate adjusted for risks specific to the liability.

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised but are disclosed in the notes unless the likelihood of their crystallizing is remote.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

xv Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive.

xvi Share based payments

The Company recognizes compensation expense relating to share-based payments in the statement of profit and loss using fair value in accordance with Ind AS 102, "Share-based Payments". The estimated fair value of awards is charged to statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share based payment reserves.

xvii Business combinations

Business combinations are accounted for using the acquisition method as per Ind AS 103, Business Combinations. The cost of acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the

Notes forming part of the Financial Statements

Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

xviii Cash and cash equivalents

Cash and cash equivalents 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.

xix Exceptional items

Certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

3. Critical accounting judgements and estimates

(a) **Contingencies and commitments**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes wherever possible and imminent are quantified but are not provided for in the financial statements. In the case of suits relating to defamation etc, the quantum of claims are not reported considering the past experience and in the opinion of the management, no liability arises in such cases, though there can be no assurance regarding the final outcome of these legal proceedings.

(b) **Useful lives and residual values**

The Company reviews the useful lives and residual values of property, plant and equipment and intangible assets at each financial year end.

(c) **Impairment testing**

a. Judgement is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.

b. Determining whether the carrying amount of these assets has any indication of impairment also requires judgement. If an indication of impairment is identified, further judgement is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

(d) **Taxes**

a. The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

b. Accruals for tax contingencies require management to make judgements and estimates in relation to tax audit issues and exposures.

c. The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax Company in which the deferred tax asset has been recognized.

Notes forming part of the Financial Statements

(e) **Defined benefit plans (gratuity benefits)**

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.

(f) **Fair value measurement**

A number of company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The company recognizes transfers between levels of the fair value hierarchy at the end of reporting year during which the change has occurred.

4 Accounting pronouncements issued

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Indian Accounting Standard (Ind AS) 115 "Revenue from Contracts with Customers"; notifying amendments to Ind AS 12 "Income Taxes" and Ind AS 21 "The Effects of Changes in Foreign Exchange Rates". Ind AS 115, amendments to the Ind AS 12 and Ind AS 21 are applicable to the Company w.e.f. 1 April 2018.

a) New Standards adopted

Ind AS 115 "Revenue from Contracts with Customers"

The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 "Revenue from Contracts with Customers" related to revenue recognition which replaced Ind AS 11 "Construction Contracts" and Ind AS 18 " Revenue" and provide a single, comprehensive model for all contracts with customers. The revised standard contains principles to determine the measurement of revenue and timing of when it is recognized. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments as well as assets recognized from costs incurred to fulfil these contracts.

The Company has adopted Ind AS 115 w.e.f. 1 April 2018 using the modified retrospective approach. However, the adoption of the standard did not have any impact on the financial statements.

Comparative amounts have not been adjusted and continued to be reported in accordance with Ind AS 18 "Revenue".

b) New standards / amendments to existing standardsissued but not effective

(i) Ind AS 116 "Leases"

On 30 March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Indian Accounting Standards (Ind AS) 116, "Leases", which is applicable to the Company w.e.f. 1 April, 2019. Ind AS 116 eliminates the current classification model for lessee's lease contracts as either

Notes forming part of the Financial Statements

operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognize right-of-use assets and lease liabilities for leases with a term of more than twelve months. This brings the previous off-balance leases on the balance sheet in a manner largely comparable to current finance lease accounting. Ind AS 116 is effective for financial year beginning on or after 1 April 2019. The Company will adopt the standard for the financial year beginning 1 April 2019.

By applying Ind AS 116, straight-line operating lease expense will be replaced by depreciation expense on right-of-use assets and interest expense on lease liabilities.

The Company is currently assessing the impact of adopting Ind AS 116 on the Financial Statements. It is intended to use most of the simplifications available under Ind AS 116.

(ii) Ind AS 12 "Income Taxes" (Amendments relating to income tax consequences of dividend and uncertainty over income taxtreatments)

The amendment relating to income tax consequences of dividend clarify that a Company shall recognize the income tax consequences of dividends in the statement of profit and loss, other comprehensive income or equity according to where the Company originally recognized those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the Company pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the Company has to use judgment, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the Company is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) Company has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

(iii) Ind AS 109 "Financial Instruments" (Prepayment Features with Negative Compensation)

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

(iv) Ind AS 19 "Employee Benefits" (Plan Amendment, Curtailment or Settlement)

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.

In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

(v) Ind AS 23 "Borrowing Costs"

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for Its intended use or sale, that borrowing becomes part of the funds that an Company borrows generally when calculating the capitalization rate on general borrowings. The Company does not expect any impact from this amendment.

Notes forming part of the Financial Statements

(₹ in lakhs)

Particulars	Plant & Machinery	Leasehold Improvements	Leasehold Land	Factory Bldg	Computers	Office Equipments	Furniture and Fittings	Vehicles	Total
5. Property, plant and equipment									
I. Cost									
As at 1 April 2017	**87.38**	**403.73**	**-**	**-**	**761.83**	**119.22**	**110.69**	**10.30**	**1,493.15**
Additions	56.66	82.71	576.56	18.23	52.13	45.25	24.52	-	856.26
Vested as per Scheme *	13,072.58	1.45	11,011.99	5,677.11	718.92	97.51	17.32	4.40	30,601.08
Disposal	-	400.35	-	-	-	0.57	-	10.30	411.22
As at 31 March 2018	**13,216.62**	**87.54**	**11,588.55**	**5,695.34**	**1,532.88**	**261.41**	**152.53**	**4.40**	**32,539.27**
Additions	21.28	17.73	-	15.12	2.66	5.38	-	-	62.17
Disposal	7.58	1.47	5,400.99	696.76	67.64	-	-	-	6,174.44
As at 31 March 2019	**13,230.32**	**103.80**	**6,187.56**	**5,013.70**	**1,467.90**	**266.79**	**152.53**	**4.40**	**26,427.00**
II. Depreciation and impairment									
As at 1 April 2017	**27.76**	**383.09**	**-**	**-**	**620.86**	**99.95**	**67.26**	**9.78**	**1,208.70**
Depreciation charge for the period	796.52	18.07	139.15	153.03	64.65	26.99	10.31	0.52	1,209.24
Vested as per Scheme *	3,003.12	0.83	546.32	615.31	650.65	46.18	5.81	1.28	4,869.50
Disposal	-	380.33	-	-	-	0.21	-	9.78	390.32
As at 31 March 2018	**3,827.40**	**21.66**	**685.47**	**768.34**	**1,336.16**	**172.91**	**83.38**	**1.80**	**6,897.12**
Depreciation charge for the period	797.87	31.09	133.05	150.99	64.16	28.02	10.79	0.52	1,216.48
Disposal	0.76	0.32	365.08	65.03	50.49	-	-	-	481.68
As at 31 March 2019	**4,624.51**	**52.43**	**453.44**	**854.30**	**1,349.83**	**200.93**	**94.17**	**2.32**	**7,631.92**
Net book value									
At 31 March 2019	8,605.81	51.37	5,734.12	4,159.40	118.07	65.86	58.36	2.08	18,795.08
At 31 March 2018	9,389.22	65.88	10,903.08	4,927.00	196.72	88.50	69.15	2.60	25,642.15
At 01 April 2017	59.62	20.64	-	-	140.97	19.27	43.43	0.52	284.45

*** Represents fixed assets received as per the Scheme of Arrangement and Amalgamation (Refer Note No. 43)**

(₹ in lakhs)

Net book value	31-03-2019	31-03-2018
Property, plant and equipment	18,795.08	25,642.15
Capital Work-In-Progress	-	-

Notes forming part of the Financial Statements

(₹ in lakhs)

Particulars	Technical Know How
6 Other intangible assets	
I. Cost	
As at 01 April 2017	2,394.49
Additions during the year *	303.00
As at 31 March 2018	2,697.49
Additions during the year	-
As at 31 March 2019	**2,697.49**
II. Amortisation and impairment	
As at 01 April 2017	2,394.49
Amortisation expense for the year	45.66
As at 31 March 2018	2,440.15
Amortisation expense for the period	60.60
As at 31 March 2019	**2,500.75**
Net book value	
At 31 March 2019	196.74
At 31 March 2018	257.34
At 01 April 2017	-

*is paid vide Agreement dated 15 June 2017 to a body corporate as consideration for purchase on going concern basis exclusive publication rights of DNA newspaper and its supplimentaries etc., in the State of Gujarat and Rajasthan.

(₹ in lakhs)

	Particulars	Non current As at 31-3-2019	Current As at 31-3-2019	Non current As at 31-3-2018	Current As at 31-3-2018
7(a)	**Loans (Unsecured, considered good)**				
	Inter Corporate Deposit given to others	-	-	-	14.00
	Total	**-**	**-**	**-**	**14.00**
7(b)	**Other financial assets**				
	Security Deposits (unsecured, considered good)	41.43	63.13	46.65	160.82
	Security Deposits (unsecured, considered doubtful)	0.92	-	0.92	-
	Less: Provision for doubtful advances	(0.92)	-	(0.92)	-
	Interest accrued on bank deposits	-	2.57	-	11.57
	Loan to Employees - considered doubtful	-	23.42	-	23.42
	Less: Provision for doubtful on loan to employees	-	(23.42)	-	(23.42)
	Other Receivables				
	From Others	-	141.63	-	211.96
	Total	**41.43**	**207.33**	**46.65**	**384.35**

Notes forming part of the Financial Statements

(₹ in Lakhs)

	Particulars	As at 31-3-2019	As at 31-3-2018
8	**Non-current tax assets (net)**		
	Balance with Government authority		
	- Direct Tax (net of provisions)	493.13	438.45
	Total	**493.13**	**438.45**

(₹ in Lakhs)

	Particulars	As at 31-3-2019	As at 31-3-2018
9	**Deferred Tax Assets (Please refer Note No. 31)**		
	Arising on account of timing differences in Employee retirement benefits	108.77	114.14
	Depreciation	(1,472.83)	1,069.54)
	Unabsorbed tax, losses and depreciation	12,349.98	10,825.92
	Total	**10,985.92**	**9,870.52**

(₹ in Lakhs)

	Particulars	Non current As at 31-3-2019	Current As at 31-3-2019	Non current As at 31-3-2018	Current As at 31-3-2018
10	**Other Assets**				
	Capital advances (Unsecured)	-	29.20	-	42.20
	Prepaid expenses	-	19.04	-	17.93
	Advance to others (Unsecured)	-	6,265.37	-	2,164.36
	Balances with government authorities	-	-	-	-
	Indirect taxes	-	25.55	-	91.91
	Total	**-**	**6,339.16**	**-**	**2,316.40**

(₹. in lakhs)

	Particulars	As at 31-3-2019	As at 31-3-2018
11	**Inventories**		
	Newsprint	479.46	748.40
	Consumables and Stores, spares and parts	170.11	176.52
	Scrap and waste Papers	1.10	1.17
	Finished goods	49.30	35.88
	Total	**699.97**	**961.97**

Notes forming part of the Financial Statements

(₹ in Lakhs)

	Particulars	As at 31-3-2019	As at 31-3-2018
12	**Trade Receivables** (Unsecured)		
	- Considered good	3,523.73	3,184.93
	-Considered doubtful	144.47	121.49
		3,668.20	**3,306.42**
	Less: Allowances for credit losses	144.47	121.49
	Total	**3,523.73**	**3,184.93**

For details relating to related party, refer Note No. 29.

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days. The Company's exposure to credit and currency risks related to trade receivables is disclosed in Note No. 30.

(₹ in Lakhs)

	Particulars	As at 31-3-2019	As at 31-3-2018
13A	**Cash and cash equivalents**		
	Balances with Banks		
	- In Current Accounts	525.16	564.97
	Cash on Hand	1.52	0.64
	Total	**526.68**	**565.61**

(₹ in lakhs)

	Particulars	As at 31-3-2019	As at 31-3-2018
13B	**Other Bank Balances**		
	Fixed deposit with Maturity for more than 3 months but less than 12 months *	298.28	647.00
	Total	**298.28**	**647.00**

* Deposits with / lien in favour of banks / Government authorities

(₹ in Lakhs)

	Particulars	As at 31-3-2019	As at 31-3-2018
14 (a)	**Equity Share Capital**		
	Authorised *		
	1,635,500,000 (1,635,000,000) Equity Shares of ₹ 1 each	16,355.00	16,355.00
		16,355.00	**16,355.00**
	Issued , Subscribed and Fully Paid up		
	117,708,018 (117,708,018) Equity Shares of ₹ 1 each fully paid up	1,177.08	1,177.08
	Total	**1,177.08**	**1,177.08**

* Authorised capital of 4,370,000,000 Redeemable preference shares of ₹ 1 each is not considered above. Redeemable preference shares issued have been considered as borrowings in accordance with the requirement of Ind As.

Notes forming part of the Financial Statements

(i) Reconciliation of number of equity shares and share capital

Particulars	As at 31-3-2019		As at 31-3-2018	
	No. of equity shares	(₹ in lakhs)	No. of equity shares	(₹ in lakhs)
At the beginning of the period	117,708,018	1,177.08	890,955,420	8,909.55
Less: Shares to be cancelled Pursuant to Scheme				
(Refer Note No. 43)	-	-	890,955,420	8,909.55
Add : Shares issued pursuant to Scheme				
(Refer Note No. 43)*	-	-	117,708,018	1,177.08
At the closing of the period	**117,708,018**	**1,177.08**	**117,708,018**	**1,177.08**

*Shares alloted on 9th October 2017 to all those stakeholders whose names appeared on the Register of Members of Zee Media Corporation Limited on the record date i.e. 6th October 2017.

(ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

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 preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of Shareholders holding more than 5 % of equity shares

	As at 31-3-2019		As at 31-3-2018	
	No. of equity shares	% Shareholding	No. of equity shares	% Shareholding
25FPS Media Pvt Ltd	37,924,613	32.22	41,567,113	35.31
Arm Infra & Utilities Pvt Ltd	38,113,821	32.38	39,768,182	33.79

(iv) The Company has not issued any bonus shares or bought back any shares during five years preceeding 31 March 2019. Details of aggregate number of shares issued for consideration other than cash during five years preceding 31 March 2019

	As at 31 -3-2019	As at 31 -3-2018
Equity Shares of ₹ 1/- each fully paid up issued pursuant to Scheme (Refer Note No. 43)	117,708,018	117,708,018

Notes forming part of the Financial Statements

14 (b) Instruments entirely equity in nature

Compulsory Convertible Debentures

(₹ in lakhs)

Particulars	As at 31-3-2019	As at 31-3-2018
Balance at the beginning of the reporting period		
(Reclassification of debt instrument)	-	43,483.03
Changes in compulsorily convertible debentures during the period*	-	(43,483.03)
Balance at the end of the reporting period	**-**	**-**

* Issued to Mediavest India Private Limited, the erstwhile holding company on 26 March 2015 *0% 434,830,334 Unsecured Compulsorily Convertible Debentures (CCD) of ₹ 10 each fully paid up of Rs 4,348,303,342, are compulsorily convertible into Equity shares in the conversion ratio of 1:1 (one CCD shall be converted into one Equity share) at the end of fifth year i.e. 25 March, 2020. However, the CCD holders have an option for early conversion at any time after 18 months from the date of allotment i.e. 26th March, 2015. However they have extinguished as per Note below:

Pursuant to the Scheme of Arrangement and Amalgamation, Pri-Media and Mediavest were amalgamated into the Company, as per the Note no. 43 to the financial statements, resulting that the CCDs of Mediavest , detailed above, extinguished.

15 Other equity

(₹ in lakhs)

Particulars	As at 31-3-2019	As at 31-3-2018
Capital Reserve		
As per last Balance sheet	-	4,867.94
Add: Pursuant to the Scheme (Refer Note No. 43)	-	12,475.86
(Less) Adjust Pursuant to the Scheme (Refer Note No. 43)	-	(17,343.80)
Net Balance	-	-
Securities Premium Reserve		
As per last Balance sheet	-	34,327.68
Add/(Less) : Adjust Pursuant to the Scheme (Refer Note No. 43)	-	(34,327.68)
	-	**-**
General Reserve		
As per last Balance sheet	17,498.91	17,498.91
Deficit in statement of profit and loss		
As per last Balance sheet	(59,831.72)	(100,472.18)
Add/(Less) : Pursuant to the Scheme (Refer Note No. 43)	-	51,671.48
Add/(Less) : Shares issued pursuant to Scheme (Refer Note No. 43)	-	(1,177.08)
Loss for the period transfer from Statement of profit and loss	(5,763.39)	(9,817.51)
Re-measurement gains/(losses) on defined benefit plans	27.47	(36.43)
	(65,567.64)	**(59,831.72)**
Total	**(48,068.73)**	**(42,332.81)**

Notes forming part of the Financial Statements

(₹ in Lakhs)

	Particulars	Non current As at 31-3-2019	Current As at 31-3-2019	Non current As at 31-3-2018	Current As at 31-3-2018
16	**Borrowings**				
(a)	**Unsecured - Redeemable Preference Shares***				
	4,362,656,265 6% Non-cumulative, Non convertible redeemable preference shares of ₹ 1 each fully paid up	43,626.56	-	43,626.56	-
	Total	**43,626.56**	**-**	**43,626.56**	**-**
(b)	**Secured - Others**				
	11.90% Non Convertible Debentures # **	38,169.84	-	34,110.67	-
	Total	**38,169.84**	**-**	**34,110.67**	**-**

Vested Pursuant to the Scheme (Refer Note No. 43)

Non-cumulative, Non convertible redeemable preference shares*

During the previous year the Company had issued 4,362,656,265 - 6% Non-cumulative, Non convertible redeemable preference shares of ₹ 1 each. The preference shares will qualify for preferential payment of dividend at the rate of 6% from the date of allotment up to the date of redemption subject to availability of profit and shall have priority over equity shares towards payment of redemption amount in the event of winding up. The said preference shares shall be non participative and therefore will not be entitled to participate in profits or assets or surplus funds. The preference shares will be redeemable at par at the end of the tenure which is 20 years from the date of allotment i.e 1 November 2036.

SCHEDULED PAYOUTS**

Redemption schedule for Series A Debentures, assuming Series A Call option / Series A Put Option is exercised:

Cash flows	Schedule due date	No. of days Redemptions premium amount	(₹ in lakhs)
Redemption Premium	June 30, 2018	1,096	2,008.00
Principal Amount	June 30, 2018	1,096	5,000.00

Redemption schedule for Series B Debentures, assuming Series B Call Option / Series B Put Option is exercised:

Cash flows	Schedule due date	No. of days Redemptions premium amount	(₹ in lakhs)
Redemption Premium	June 30, 2019	1,461	4,262.93
Principal Amount	June 30, 2019	1,461	7,500.00

Notes forming part of the Financial Statements

Redemption Schedule for (i) the Series A Debentures and Series B Debentures, assuming the Put Option and/or Call Option is not exercised:

Cash flows	Schedule due date	No. of days Redemptions premium amount	(₹ in lakhs)
Redemption Premium for Series A Debentures	June 30, 2020	1,827	3,777.85
Principal Amount for Series A Debentures	June 30, 2020	1,827	5,000.00
Redemption Premium for Series B Debentures	June 30, 2020	1,827	5,666.77
Principal Amount for Series B Debentures	June 30, 2020	1,827	7,500.00
Redemption Premium for Series C Debentures	June 30, 2020	1,827	9,444.62
Principal Amount for Series C Debentures	June 30, 2020	1,827	12,500.00

The above Due Dates have been arrived based on the pay-in date for Debentures under all Series being June 30,2015.

(₹ in lakhs)

	Particulars	Non current As at 31-3-2019	Current As at 31-3-2019	Non current As at 31-3-2018	Current As at 31-3-2018
17	**Other financial liabilities**				
	Deposits for rental premises and others	90.45	26.58	93.32	27.00
	Other payables				
	to Related party*	-	669.81	-	177.18
	to Others	-	2,615.80	-	3,020.80
	Creditors for Capital Goods	-	19.64	-	21.73
	Total	**90.45**	**3,331.83**	**93.32**	**3,246.71**

* For details relating to related party, Refer Note No. 29.

(₹ in lakhs)

	Particulars	Non current As at 31-3-2019	Current As at 31-3-2019	Non current As at 31-3-2018	Current As at 31-3-2018
18	**Provisions**				
	Provision for employee benefits				
	- Gratuity	317.18	11.29	259.14	6.30
	- Leave Benefits	79.70	4.09	71.99	3.35
	Total	**396.88**	**15.38**	**331.13**	**9.65**

Notes forming part of the Financial Statements

(₹ in lakhs)

	Particulars	Non current As at 31-3-2019	Current As at 31-3-2019	Non current As at 31-3-2018	Current As at 31-3-2018
19	**Other liabilities**				
	Unearned Revenue	0.01	221.15	0.32	264.10
	Prepaid advances	2.18	3.36	5.06	3.36
	Statutory Dues	-	59.56	-	61.36
	Income received in advance				
	Related party*	-	1,321.53	-	1,419.44
	Others	-	162.15	-	169.15
	Total	**2.19**	**1,767.75**	**5.38**	**1,917.41**

* For details relating to related party, refer Note 29.

(₹ in lakhs)

	Particulars	As at 31 -3-2019	As at 31 -3-2018
20	**Financial liabilities**		
	Trade payables		
	Dues of micro enterprises and small enterprises	71.91	34.95
	Dues of creditors other than micro enterprises and small enterprises	1,526.31	2,109.32
	Total	**1,598.22**	**2,144.27**

Terms and conditions of the above Financial liabilities :

a) Trade and other payables are non-interest bearing and are generally on terms of 30 to 90 days.

b) For details relating to related party, Refer Note No. 29.

(₹ in lakhs)

	Particulars	Year ended 31 -3-2019	Year ended 31 -3-2018
21	**Revenue From Operations**		
a	**Sale of products**		
	Circulation revenue	884.68	921.21
b	**Sale of services**		
	Advertisement revenue	6,496.72	8,182.08
	Syndication revenue	160.74	129.37
	Printing job charges	3,528.44	2,744.57
c	**Other operating revenues**		
	Sale of waste, scrap and old publication	172.22	189.52
	Royalty Income	23.79	34.35
	Income from events and services	154.96	202.41
	Total	**11,421.55**	**12,403.51**

Notes forming part of the Financial Statements

(₹ in lakhs)

	Particulars	Year ended 31-3-2019	Year ended 31-3-2018
22	**Other income**		
	Interest income on financial assets carried at amortised cost		
	-Bank deposits	30.02	29.75
	-Other financials assets	3.46	13.05
	Interest - others (including on income tax refund)	12.22	12.78
	Rent Income	76.97	75.09
	Profit on sale of fixed assets	73.42	-
	Liabilities/excess provision written back	0.01	176.32
	Miscellaneous Income	177.08	1.56
	Total	**373.18**	**308.55**

(₹ in lakhs)

	Particulars		Year ended 31-3-2019	Year ended 31-3-2018
23(a)	**Cost of Raw Material Consumed**		**Newsprint**	
	Inventory at the beginning of the year		748.40	889.75
	Add: Pursuant to scheme (Refer Note No. 43)		-	25.15
	Add: Purchases (net)		3,310.59	2,844.92
		(A)	4,058.99	3,759.82
	Less: Inventory at the end of the year		479.46	748.40
		(B)	479.46	748.40
	Total (A) - (B)		**3,579.53**	**3,011.42**

(₹ in lakhs)

	Particulars		Year ended 31-3-2019	Year ended 31-3-2018
23(b)	**(Increase) / Decrease In Inventories**			
	Scrap and waste papers			
	Inventory at the beginning of the year	(A)	1.17	0.06
	Inventory at the end of the year	(B)	1.10	1.17
	Total (A) - (B)		**0.07**	**(1.11)**

(₹ in lakhs)

	Particulars	Year ended 31-3-2019	Year ended 31-3-2018
24	**Employee benefit expenses**		
	Salaries and wages	4,167.00	3,205.14
	Contribution to provident and other funds	229.10	180.11
	Gratuity expense (Refer Note No. 28)	43.89	42.28
	Workmen and staff welfare expenses	26.92	40.90
	Total	**4,466.91**	**3,468.43**

Notes forming part of the Financial Statements

(₹ in lakhs)

	Particulars	Year ended 31-3-2019	Year ended 31-3-2018
25	**Finance costs**		
	Interest on		
	-Financial liabilities carried at amortised cost	3.16	12.04
	-Defined benefit obligation and others	18.47	6.54
	Premium on redemption of debentures	4,059.17	3,627.50
	Financial gurantee fees	180.60	135.00
	Bank and other financial charges	30.28	22.09
	Total	**4,291.68**	**3,803.17**

(₹ in lakhs)

	Particulars	Year ended 31-3-2019	Year ended 31-3-2018
26	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment	1,216.47	1,209.23
	Amortisation of intangible assets	60.60	45.66
	Total	**1,277.07**	**1,254.89**

(₹ in lakhs)

	Particulars	Year ended 31-3-2019	Year ended 31-3-2018
27	**Other Expenses**		
	Consumption of stores and spares (including consumables)	1,249.15	1,171.69
	Power and Fuel	293.67	351.22
	Printing jobwork charges	275.67	290.40
	News Collection charges	539.91	532.18
	Rent	73.42	422.19
	Repairs and Maintenance:		
	- Plant and Machinery	3.59	55.47
	-Building	19.24	25.15
	-others	171.51	225.53
	Insurance	6.36	6.12
	Rates and taxes	135.51	177.86
	Legal and professional fees	92.94	89.53
	Director's sitting fees	5.60	2.80
	Printing and stationery expenses	52.27	55.56
	Communication charges	72.84	59.24
	Travelling and conveyance expenses	128.08	133.59
	Payment to auditor (Refer details below)	14.55	17.62
	Marketing, distribution, business promotion expenses	692.79	1,601.54
	Circulation scheme promotion expenses (net)	757.97	786.86
	Commission charges	-	764.53

Notes forming part of the Financial Statements

(₹ in lakhs)

Particulars	Year ended 31-3-2019	Year ended 31-3-2018
Bad debts written off (net of provision)	-	27.53
Hire and service charges	214.67	238.82
Impairment allowance for trade receivables	28.47	64.93
Loss on sale / disposal of property, plant and equipment (net)	-	2.39
Exchange differences (net)	132.56	11.16
Miscellaneous expenses	108.76	58.84
Total	**5,069.53**	**7,172.75**

Payment to auditor

(₹ in lakhs)

Particulars	Year ended 31-3-2019	Year ended 31-3-2018
Audit fees	9.00	9.00
Tax audit fees	1.00	1.00
Certification and tax representation (including fees for limited review)	4.55	7.62
Total	**14.55**	**17.62**

28 Employee Benefits

As per Indian Accounting Standard "Ind AS 19" "Employee Benefits", the disclosures are as under:

A Defined contribution plan:

"Contribution to provident and other funds" is recognized as an expense in Note 24 "Employee benefit expenses" of the Statement of Profit and Loss.

B Defined Benefit Plans

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the projected unit credit method.

Disclosure of Gratuity (unfunded) in terms of Ind AS 19 is as under:

(₹ in lakhs)

Particulars		Year ended 31-3-2019	Year ended 31-3-2018
		Gratuity (Non funded)	
I.	**Expenses recognized in profit and loss**		
1	Current Service Cost	43.89	42.28
2	Past Service cost	-	-
3	Administrative expenses	-	-
4	Interest Cost	18.40	6.42
5	Actuarial Losses / (Gains)		-
	Total Expenses	**62.29**	**48.70**

Notes forming part of the Financial Statements

(₹ in lakhs)

	Particulars	Year ended 31-3-2019	Year ended 31-3-2018
		Gratuity (Non funded)	
II.	**Amount recognized in other comprehensive income (OCI)**		
1	Opening amount recognized in OCI outside profit and loss account	83.50	32.11
2	**Remeasurement during the period due to**	-	-
	Experience adjustments	(32.13)	51.39
	Changes in financial assumptions	(6.61)	-
	Changes in demographic assumptions	-	-
	Closing amount recognized in OCI outside profit and loss account	**44.75**	**83.50**
III.	**Net Asset/(Liability) recognized in the Balance Sheet**		
1	Present value of defined benefit obligation	(328.46)	(265.44)
2	Net Asset / (Liability)	(328.46)	(265.44)
IV.	**Reconciliation of Net Asset/(Liability) recognized in the Balance Sheet**		
1	Net Asset/(Liability) at the beginning of year	(265.44)	(101.70)
2	Expense as per I above	(62.29)	(48.70)
3	Other comprehensive income as per II above	38.74	(51.39)
4	Benefit paid	40.20	32.07
5	Increase / (Decrease) due to effect of any business combination / divesture / transfer)	(79.66)	(95.72)
6	Net Asset/(Liability) at the end of the year	(328.46)	(265.44)
V.	**Actuarial Assumptions:**		
1	Discount rate	7.65%	7.50%
2	Expected rate of salary increase	5.00%	5.00%
3	Mortality	IALM(2006-08) Ultimate	IALM(2006-08) Ultimate
VI.	**The following payments are expected to defined benefit plan in future years :**		
		(₹ in lakhs)	
1	Expected benefits for year 1	11.29	6.30
2	Expected benefits for year 2 to year 5	40.49	27.46
3	Expected benefits beyond year 5	276.69	231.68

VII. Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate, withdrawal rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points

Notes forming part of the Financial Statements

	Withdrawal rate	Discount rate	Salary Escalation rate
Impact of increase in 100 bps on defined benefit obligation	339.40	288.58	378.65
Impact of decrease in 100 bps on defined benefit obligation	315.93	376.08	285.96

Notes:

(a) Amounts recognised as an expense and included in the Note No. 24 "Employee benefit expenses" are gratuity ₹ 43.89 lakhs (₹ 42.28 lakhs) and leave encashment ₹ 0.96 lakhs (₹ 28.63 lakhs). Net interest cost on defined benefit obligation recognised in Note 25 under "Finance cost" is ₹ 18.40 lakhs (₹ 6.42 lakhs)

(b) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

(c) Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occuring at the end of reporting period, while holding all other assumptions constant.

29 Related Party Transactions

Holding Company

Mediavest India Private Limited (ceased to be holding company w.e.f 01-04-2017 pursuant to the scheme of Arrangement and Amalgamation)

Ultimate Holding Company

Zee Media Corporation Limited, (ceased to be ultimate holding company w.e.f 01-04-2017 pursuant to the scheme of Arrangement and Amalgamation)

Fellow subsidiary companies

Pri-Media Services Private Limited (Merged with DMCL w.e.f 01-04-2017), Zee Akaash News Private Limited Maurya TV Private Limited (ceased to be fellow subsidiary company w.e.f.01-04-2017 pursuant to the Scheme of Arrangement and Amalgamation).

List of parties where control exists:

Direct Subsidiary, Indirect Subsidiary and Associates: Nil

Other related Parties with whom transaction have taken during the period and balance outstanding as on last day of the year.

Zee Entertainment Enterprises Limited, Zee Media Corporation Limited, Zee Learn Limited, Zee Unimedia Limited, India Webportal Private Limited, Dish TV India Limited, Today Merchandise Private Limited, Essel Finance Management LLP, Pan India Network Infravest Private Limited, Shirpur Gold Refinery Limited, Siti Networks Limited, Essel Finance AMC Limited, Essel Vision Productions Limited, Pan India Infraprojects Private Limited, Essel Corporate Resources Private Limited, Essel Finance VKC Forex Limited, Essel Finance Advisors & Managers LLP, E-City Property Management & Services Private Limited, Essel Business Excellence Services Limited, Siti Vision Digital Media Private Limited, Digital Subscriber Management And Consultancy Services Private Limited, Cyquator Media Services Private Limited, Pan India Network Limited, MT Educare Limited, Zen Cruises Private Limited.

Notes forming part of the Financial Statements

Key Management Personnel & Director

Himanshu Mody (Director - till September 1, 2017), Mukund Galgali (Director - till August 1, 2018), A V Ramachandran (Executive Director w.e.f. September 1, 2017), Dinesh Kumar Garg (Director -w.e.f March 30, 2019), Uma Mandavgane (Independent Director), Vishal Malhotra (Independent Director), Jagdish Chandra (Chief Executive Officer - till July 10, 2017), Sanjeev Garg (Chief Executive Officer - till April 18, 2018), Kamal Dhingra (CFO - till September 30, 2017), Dinesh Agarwal (CFO w.e.f. October 1, 2017), Mehul Somaiya (Company Secretary - till September 30, 2017 and Prathamesh Joshi (Company Secretary - till December 24, 2018) Ankit Shah (Company Secretary - w.e.f March 30, 2019).

(₹ in lakhs)

	31 -3-2019	31-3-2018
A) Transactions with related parties		
(i) With other related parties		
Advertisement Revenue		
Zee Media Corporation Limited	99.91	20.29
Zee Entertainment Enterprises Limited	1,172.69	551.17
Zee Learn Limited	2.21	0.99
Dish TV India Limited	3.71	7.43
Essel Finance AMC Limited	-	6.50
Essel Vision Productions Limited	16.35	1.80
Pan India Infraprojects Private Limited	3.00	3.00
Essel Finance Advisors & Managers LLP	-	1.56
Pan India Network Limited	1.00	-
MT Educare Limited	0.96	-
Zen Cruises Private Limited	59.62	-
Job Work Revenue		
Zee Entertainment Enterprises Limited	20.50	25.24
Dish TV India Limited	26.80	33.19
Zee Media Corporation Limited	13.19	12.80
Zee Learn Limited	413.10	21.50
Siti Networks Limited	15.88	25.62
Purchase of services		
Digital Subscriber Management And Consultancy Services Private Limited	3.99	7.02
Financial Guarantee fees expense		
Zee Media Corporation Limited	180.60	135.00
Commission Expenses		
Zee Unimedia Limited	-	693.21
Purchase of gold coins		
Shirpur Gold Refinery Limited	150.34	209.22
Rent expenses		
Zee Entertainment Enterprises Limited	41.51	30.20
Zee Media Corporation Limited	-	8.26
Essel Corporate Resources Private Limited	-	15.00
Essel Finance VKC Forex Limited	1.67	1.13

Notes forming part of the Financial Statements

(₹ in lakhs)

	31 -3-2019	31-3-2018
Operational Expenses		
Zee Entertainment Enterprises Limited	14.19	17.10
E-City Property Management & Services Private Limited	2.75	1.83
Essel Business Excellence Services Limited	8.93	-
Tender Fees		
Essel Business Excellence Services Limited	-	0.04
Advertisement Expenses		
Zee Entertainment Enterprises Limited	3.58	26.16
Zee Media Corporation Limited	-	33.70
India Webportal Private Limited	-	1.28
Royalty expenses		
Zee Entertainment Enterprises Limited	-	1.67
Revenue from Broadcasting services		
India Webportal Private Limited	-	122.35
Recovery / (Reimbursement) (net)		
Zee Unimedia Limited	-	155.42
Zee Media Corporation Limited	-	54.114
(ii) With Key Managerial Personnel/Director		
Remuneration paid/provided		
A V Ramachandran	34.08	18.30
Uma Mandavgane (Sitting fees)	2.80	1.40
Vishal Malhotra (Sitting fees)	2.80	1.40
B) Balances outstanding		
Debtors Having Credit Balances		
Zee Media Corporation Limited	946.53	1,044.44
Today Merchandise Private Limited	375.00	375.00
Trade Payables		
Digital Subscriber Management And Consultancy Services Private Limited	6.93	6.56
Pan India Network Infravest Private Limited	16.49	16.49
India Webportal Private Limited	1.48	1.48
Zee Unimedia Limited	-	579.49
Zee Entertainment Enterprises Limited	314.42	180.93
Siti Networks Limited	-	0.92
Trade Receivables		
Zee Entertainment Enterprises Limited	217.14	177.82

Notes forming part of the Financial Statements

(₹ in lakhs)

	31-3-2019	31-3-2018
Zee Learn Limited	226.36	21.29
Dish TV India Limited	-	0.16
India Webportal Private Limited	-	21.32
Essel Finance Advisors & Managers Llp	-	1.64
Pan India Infraprojects Private Limited	6.30	3.15
MT Educare Limited	0.21	-
Zen Cruises Private Limited	62.61	-
Other Receivables		
Essel Finance Management Llp	26.55	26.55
Shirpur Gold Refinery Limited	-	0.06
Cyquator Media Services Private Limited	81.11	85.83
Zee Entertainment Enterprises Limited	3.05	30.79
Zee Media Corporation Limited	1.32	-
Other Payables		
Siti Networks Limited	-	0.92
Essel Corporate Resources Private Limited	16.20	16.20
Essel Finance VKC Forex Limited	2.81	1.01
E-city Property Management & Services Private Limited	1.33	0.22
Shirpur Gold Refinery Limited	0.02	-
Zee Media Corporation Limited	649.19	158.57
Siti Vision Digital Media Private Limited	0.27	0.27
Preference Shares		
Zee Media Corporation Limited	43,626.56	43,626.56

Notes :

i) All the transactions with related parties are made on arm's length basis in the ordinary course of business. The outstanding balances at year end are unsecured and interest free and settlement occurs in cash.

ii) Salaries, allowances and perquisites paid to key managerial personnel/director for the year excludes leave encashment and gratuity provided on the basis of actuarial valuation on an overall Company basis. Allowances and perquisities are valued as per the Inome Tax Act, 1961.

iii) The above disclosures are excluding Ind AS adjustments.

30 Financial Instruments

a) Financial risk management objective 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. The Company's principal financial assets includes trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks.

Notes forming part of the Financial Statements

i) 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. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and FVTPL instrument.

1) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations to its preference shareholders.

Interest rate sensitivity analysis

The borrowing of the company includes preference shares which carries fixed coupon rate and hence the company is not exposed to interest rate risk.

2) Foreign Currency risk

The Company enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The Company analyses currency risk as to which balances outstanding in currency other than the functional currency of that Company. The management has taken a position not to hedge this currency risk.

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not hedged considering the insignificant impact and period involved on such exposure.

The carrying amounts of financial assets and financial liabilities of the Company denominated in currencies other than its functional currency are as follows:

(₹ in lakhs)

Currency	Liabilities 31-3-2019	Assets 31-3-2019	Liabilities 31-3-2018	Assets 31-3-2018
United States Dollar (USD)	100.61	0.75	822.55	0.89
Great Britain Pound (GBP)	3.32	2.00	-	2.76

Foreign Currency sensitivity analysis

The following table details the company's sensitivity to a 10% increase and decrease in the Re. against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Re. strengthens 10% against the relevant currency. For a 10% weakening of the Re. against the relevant currency, there would be a comparable impact on the profit or equity.

Notes forming part of the Financial Statements

Currency	Sensitivity analysis	
	As at 31-3-2019	As at 31-3-2018
United States Dollar (USD) (10% net of assets)	(9.99)	(82.17)
Great Britain Pound (GBP) (10% net of assets)	(0.13)	0.28

3) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors.

The carrying amount of following financial assets represents the maximum credit exposure:

(₹ in lakhs)

Particulars	As at 31-3-2019	As at 31-3-2018
Trade Receivables (Unsecured)		
Over six months	782.68	339.14
Less than six months	2,885.52	2,967.28
Total	**3,668.20**	**3,306.42**

Movement in Provision for doubtful debt during the year was as follows :

(₹ in lakhs)

Particulars	As at 31-3-2019	As at 31-3-2018
Opening Balance	121.49	40.16
Addition during the year	28.47	64.93
Add: Pursuant to the Scheme (Refer Note No. 43)	-	27.49
Reversal during the year	5.49	11.09
Closing Balance	144.47	121.49
Net Trade receivable	**3,523.73**	**3,184.93**

The following table gives details in respect of percentage of revenues generated from top 10 customers:

Particulars	As at 31-3-2019	As at 31-3-2018
	%	%
Revenues generated from top 10 customers	41.80	33.00

Notes forming part of the Financial Statements

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks.

ii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per the requirements.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March 2019

(₹ in lakhs)

Particulars	Due in 1st year	Due in 2 to 5 year	Due in 5 to 10 year
Financial Liabilities			
Trade payable and other financial liabilities	4,930.05	38,260.29	-
Total	**4,930.05**	**38,260.29**	**-**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2018

(₹in lakhs)

Particulars	Due in 1st year	Due in 2 to 5 year	Due in 5 to 10 year
Financial Liabilities			
Trade payable and other financial liabilities	5,390.98	34,203.99	-
Total	**5,390.98**	**34,203.99**	**-**

b) **Capital Management**

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders through the optimization of the debt and equity balance.

c) **Categories of financial instruments & Fair Value thereof**

(₹ in lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Measured at amortised cost				
Other financial assets	248.76	248.76	431.00	431.00
Trade Receivables	3,523.73	3,523.73	3,184.93	3,184.93
Cash and cash equivalents	526.68	526.68	565.61	565.61
Other bank balances	298.28	298.28	647.00	647.00
Loans	-	-	14.00	14.00
	4,597.45	**4,597.45**	**4,842.54**	**4,842.54**
Financial liabilities				
Measured at amortised cost				
Borrowings	81,796.40	81,796.40	77,737.23	77,737.23
Other financial liabilities	3,422.28	3,422.28	3,340.03	3,340.03
Trade Payable	1,598.22	1,598.22	2,144.27	2,144.27
	86,816.90	**86,816.90**	**83,221.53**	**83,221.53**

Notes forming part of the Financial Statements

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

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

d) All financial assets and liabilities at amortised cost are in level 3 of fair value hierarchy and have been considered at carrying amount.

Other financial instruments measured at fair value through other comprehensive income and included in level 3 categories have not been determined considering insignificant value.

31 Taxes on income

a) No provision for taxation has been made in absence of taxable income during the period.

b) The component of deferred tax balances as at 31st March 2019 are as under :

(₹ in lakhs)

Particulars	Year ended 31-3-2019	Year ended 31-3-2018
Income tax related to items recognised directly in the statement of profit and loss		
Deferred tax charge /(benefit) *	(1,126.67)	3,820.02
Effective tax rate	16.35%	(63.69%)

* reversed deferred tax assets of ₹ 477.97 lakhs (₹ 3953.35 lakhs) considered earlier, on account of unabsorbed business losses not entitled to be claimed, since lapsed as per the provisions of the Income Tax Act 1961.

A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Company's effective income tax rate for the period ended 31st March 2019 is as follows:

(₹ in lakhs)

Particulars	Year ended 31-3-2019	Year ended 31-3-2018
Profit before tax	(6,890.06)	(5,997.49)
Income tax		
Tax rate @ 29.12%	(2,006.38)	(1,746.47)
Lapse of unutilized unaborbed business losses	477.97	3,953.35
Effect of change in tax rate (from 34.608% to 29.12%)	-	1,542.93
Tax effect on non deductible expense / income	(5.85)	407.58
Additional allowance for tax purpose	4.35	(538.65)
Other temporary differences	403.24	201.28
Tax expense recognised in the statement of profit and loss	**(1,126.67)**	**3,820.02**

Deferred tax recognized in statement of other comprehensive income

(₹ in lakhs)

Particulars	Year ended 31-3-2019	Year ended 31-3-2018
Employee retirement benefits obligation	(11.27)	14.96

Notes forming part of the Financial Statements

Reconciliation of deferred tax assets / (liabilities) net:

(₹ in lakhs)

Particulars	As at 31-3-2019	As at 31-3-2018
Opening balance	9,870.52	10,400.88
Add: Pursuant to Scheme (Refer Note No. 43)	-	3,274.70
Deferred tax charge /(benefit) recognised in		
- Statement of profit and loss	(1,126.67)	3,820.02
- Recognised in other comprehensive income	11.27	(14.96)
Total	**10,985.92**	**9,870.52**

32 (a) Contingent Liabilities

i. Contingent Liabilities not provided for in respect of Letter of credits of ₹ 171.13 lakhs (2018 : ₹ 122.30 lakhs).

ii. Income tax demands mainly include appeals filed by the Company before various appellate authorities against the disallowances of expenses/claims, non-deduction of tax at source etc. for A.Y 2006-07 ₹ 3.63 lakhs (2018 : ₹ 3.63 lakhs), A.Y. 2008-09 ₹ 4.40 lakhs (2018: ₹ 4.40 lakhs) , AY 2010-11 ₹ 33.37 lakhs (2018: ₹ 33.37 lakhs) and A.Y.2011-12 ₹ 5,289 lakhs (2018: ₹ 5,289 lakhs). These claims are being contested at various forums by the Company. The management does not expect these claims to succeed and accordingly, no provision for these claims has been recognised in the financial statements.

iii. The company has received legal notices of claims lawsuits filed against it relating to defamation suits etc in relation to the News published in DNA newspaper. In the opinion of the Management, no material liability is likely to arise on account of such claims / law suits.

(b) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account not provided (net of advances) for ₹ Nil (2018 :Nil)

33 Operating Leases:

The Company has taken office on lease under cancellable/non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease generally is for 11 months to 60 months.

(₹ in lakhs)

Particulars	As at 31-3-2019	As at 31-3-2018
Lease rental charges for the year	73.42	422.19
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year	-	1.75
Later than one year but not later than five years	-	-

34 Information required under Section 186 (4) of the Companies Act, 2013

(i) Loans given

(₹ in lakhs)

Particulars	2018	Addition pursuant to Scheme (Refer Note No. 42)	Repaid	2019
In the form of unsecured short term inter corporate deposits	14.00	-	14.00	-

Note: All the loans are short term in nature given for general business purpose, and carry interest @ 13.50% per annum.

Notes forming part of the Financial Statements

(ii) Investments made

There are no investments made during the period.

(iii) Guarantees given

There are no guarantees given during the period.

(iv) Securities given

There are no securities given during the period.

35 Income in foreign currency

(₹ in lakhs)

Particulars	As at 31-3-2019	As at 31-3-2018
Syndication Revenue	14.69	11.33

36 Expenditure in foreign currency

(₹ in lakhs)

Particulars	As at 31-3-2019	As at 31-3-2018
News expenses	21.72	31.40
Legal charges	-	-
Travelling expenses	-	0.19
CIF Value of imports: Newsprint	2,953.76	2,434.56

37 Foreign Exchange

Derivative Contracts (Forward contracts for hedging purposes) entered into by the Company and outstanding as at 31st March 2019 amount to ₹ Nil.

Foreign exchange exposures that are not hedged by derivative instruments as at 31 March 2019 are as under:

(₹ in lakhs)

Particulars	As at 31-3-2019	As at 31-3-2018
Receivables	2.75	3.65
Payables	103.93	822.55

38 Earnings per share:

Basic earnings per share is computed by dividing net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity shares and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

(₹ in lakhs)

Particulars	Year ended 31-3-2019	Year ended 31-3-2018
Profit after tax for Basic & Dilutive EPS (Rs in lakhs)	(5,763.39)	(9,817.51)
Weighted Average number of equity shares for Basic EPS (in numbers)*	1,177.08	1,177.08
Weighted Average number of equity shares for Diluted EPS (in numbers)*	1,177.08	1,177.08
Nominal value of equity shares (in Rupees)	1.00	1.00
Basic EPS (in Rupees)	(4.90)	(8.34)
Diluted EPS (in Rupees)	(4.90)	(8.34)

* Shares issued pursuant to Scheme (Refer Note No. 43)

Notes forming part of the Financial Statements

39 Details of Consumption of Imported and Indigenous stocks

(₹ in lakhs)

Particulars	As at 31-3-2019		As at 31-3-2018	
	%	Amount	%	Amount
i) Raw Materials				
Imported	83.64	2,950.20	89.20	2,639.53
Indigenous	16.36	577.03	10.80	319.66
	100.00	**3,527.23***	**100.00**	**2,959.19***

* ₹ 52.37 lakhs (₹ 52.23 lakhs) is different due to adjustment of finished goods with raw materials / consumption.

40 Consumption of raw materials

(₹ in lakhs)

Particulars	As at 31-3-2019		As at 31-3-2018	
	MT (Quantity)	Value	MT (Quantity)	Value
Newsprint	6,864.84	3,527.23*	7,364.14	2,959.19*

* ₹ 52.37 lakhs (₹ 52.23 lakhs) is different due to adjustment of finished goods with raw materials / consumption.

41 Segment Information

The Company is engaged in the business of Printing and Publication of Newspapers and is the only one reportable segment which is governed by the same set of risk, reward and returns, and hence Ind AS 108 "Segment Reporting" is not applicable.

42 Disclosure under Micro, Small, Medium Enterprise Development Act, 2006

(₹ in lakhs)

Particulars	As at 31-3-2019	As at 31-3-2018
a) Principal amount due to suppliers under the Act	66.77	12.43
b) Interest accrued and due to suppliers under the Act, on the above amount	4.05	0.47
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	148.26	62.23
d) Interest paid to suppliers under the Act, (Other than Section 16)	-	-
e) Interest paid to suppliers under the Act, (Section 16)	-	-
f) Interest due and payable to suppliers under the Act, for payments already made during the year	6.71	2.98
g) Interest accrued and remaining unpaid at the end of the year to suppliers under the Act	10.76	3.45

43 Scheme of Arrangement and Amalgamation

During FY 2016-17, the Board of Directors & Shareholders of the Company had approved a Scheme of Arrangement and Amalgamation under Section 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013, among the Company, Zee Media Corporation Limited (ZMCL), Mediavest India Pvt Ltd (Mediavest), Pri-Media Services Pvt Ltd (Pri-Media) and Maurya TV Pvt Ltd (Maurya) and their respective Shareholders and Creditors ('Scheme') *inter alia* for (i) demerger of Print Media Undertaking of ZMCL and vesting with the Company; and (ii) Amalgamation of Mediavest and Pri-Media with the Company effect from Appointed Date of April 1, 2017.

Notes forming part of the Financial Statements

The said Scheme was approved by the Mumbai bench of Hon'ble National Company Law Tribunal vide order passed on June 8, 2017 and the assets and liabilities of (i) Print Media Undertaking of ZMCL and (ii) entire undertaking of Mediavest and Pri-Media was vested into the Company. The Scheme has been given effect to in these financial statements from April 1, 2017:

43.1 Details of Assets & Liabilities vested into the Company in pursuance of the Scheme along with the details of net difference credited to Capital Reserve is as detailed herein:

(₹ in lakhs)

Particulars	I am in DNA (Demerger)	Mediavest (Merger)	Pri-Media (Merger)	Total
Assets				
Property Plant & Equipments	31.76	-	25,699.23	25,730.99
Deferred Tax Assets (Net)	9.07	-	3,265.64	3,274.71
Other Current Assets	1.07	75.50	3,735.90	3,812.47
Equity Shares of Company	1,093.90	8,909.55	(1,093.90)	8,909.55
CCD of the Company	-	43,483.03	-	43,483.03
Receivables from the Company	-	3.20	1,761.64	1,764.84
Loans	-	14.00	-	14.00
Income Tax Assets	-	6.24	101.28	107.52
Other Non-Current Assets	-	-	500.55	500.55
Total Assets	**1,135.80**	**52,491.52**	**33,970.34**	**87,597.66**
Liabilities				
Current Liabilities & Provisions	53.81	3.91	951.78	1,009.50
Secured / Unsecured Loan	2.57	-	30,483.17	30,485.74
Financial Guarantee Obligation	618.90	-	(618.90)	-
NCDs held by the Company	-	32,626.56	11,000.00	43,626.56
Total Liabilities	**675.28**	**32,630.47**	**41,816.05**	**75,121.80**
Net Assets / Liabilities	**460.52**	**19,861.05**	**(7,845.71)**	**12,475.86**
Transfer to Capital Reserves				**12,475.86**

43.2 Adjustment of balance available in Securities Premium & Capital Reserve Account against debit balance of statement of Profit & Loss Account.

The Scheme provided that the existing debit balance in the Statement of Profit and Loss as on Appointed date shall be adjusted against the balance in Securities Premium Account and Capital Reserve Account of the Company and then against the net Capital Reserve created in the Company in pursuance of the Scheme.

The details of above adjustment made in these financial statement are as mentioned herein:

(₹ in lakhs)

Particulars	Amount	Amount
Carry Forward Profit / (Losses) of the Company as at 01/04/2017		(100,472.18)
Reserves		
Securities Premium Account	34,327.68	
Capital Reserve of Company (Pre-Scheme)	4,867.94	
Capital Reserve in pursuance of Scheme	12,475.86	51,671.48
Balance in Statement of Profit & Loss Account (Post-Scheme)		**(48,800.70)**

Notes forming part of the Financial Statements

43.3 Cancellation of entire Pre-Scheme Capital and issuance of Shares in pursuance of the Scheme

The entire Pre-Scheme Paid-up Equity Share Capital of the Company comprising of 89,09,55,420 Equity Shares of ₹ 1/- of the Company, held by Mediavest and its Nominees stood cancelled.

Further as per the Scheme, in consideration of demerger of Print Media Undertaking of Zee Media Corporation Limited vesting with the Company, the Board of Directors of the Company issued and alloted 117,708,018 Equity Shares of ₹ 1 each to the Shareholders of ZMCL as on record date of October 6, 2017 in the ratio of 1 (one) Equity Share of ₹ 1 each for every 4(four) Equity Shares of ₹ 1 each held in ZMCL as on Record Date.

44 Disclosure as required by Schedule V(A) (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

During the year, no loans and advances were given to firm / company in which directors are interested.

45 Corporate Social Responsibility (CSR)

The requirement of Section 135 read with Schedule VII of the Companies Act, 2013 is not applicable.

46 Dividend paid and proposed

No dividend on equity shares is paid or proposed by the Board of Directors for the year ended 31 March 2019 and 31 March 2018.

47 C ollateral / security pledged

The carrying amount of assets pledged as security for current and non-current borrowings of the Company are as under:

(₹ in lakhs)

Particulars	As at 31-3-2019	As at 31-3-2018
Property, plant and equipment	18,795.08	25,642.15
Other current and non-current financial assets	4,597.45	4,842.54
Other current and non-current assets	7,729.00	3,974.16
Total assets pledged	**31,121.53**	**34,458.85**

48 Managerial Remuneration

Remuneration paid or provided in accordance with section 197 of the Companies Act 2013 to Executive Director included in Note No. 24 “Employee benefits expense” is as under:

(₹ in lakhs)

Particulars	Executive Director (w.e.f. September 1, 2017	
	As at 31-3-2019	As at 31-3-2018
Salary, allowances and perquisites	31.67	16.97
Contribution to provident fund	2.41	1.33
Total	**34.08**	**18.30**

Salary and allowances include basic salary, house rent allowance, leave travel allowance and performance bonus but excluding leave encashment and gratuity provided on the basis of actuarial valuation.

Notes forming part of the Financial Statements

49 Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

(₹ in lakhs)

	Non current portion of long-term borrowings		Current portion of long-term borrowings	
	31-3-2019	31-3-2018	31-3-2019	31-3-2018
Opening	77,737.23	74,109.73**	-	2.57*
Cash inflows	-	-	-	-
Cash outflows	-	-	-	2.57*
Non-cash changes related to interest	4,059.17	3,627.50	-	-
Closing	**81,796.40**	**77,737.23**	**-**	**-**

* Pursuant to Scheme (Refer Note No. 43)

** Includes ₹ 30,483.17 as per the Scheme of Arrangement and Amalgamation (Refer Note No. 43)

Cash flow statement for previous year ended 31 March 18 has been prepared after considering transfer of assets and liabilities on appointed date 01st April 2017 pursuant to Scheme (Refer Note No. 43) .

50 Disclosures pertaining to Ind AS 115 " Revenue from Contracts with Customers"

(a) Reconciliation of contract liabilities as at the beginning and at the end of the year.

(₹ in lakhs)

	31 -3-2019
Opening balance of contract liabilities	1,711.16
Add: Contract liabilities recognized during the year	563.37
Less: Revenue recognized out of contract liabilities	705.30
Less: Contract liabilities written back	0.07
Closing balance of contract liabilities as at 31 March 2019	**1,569.16**

(b) No revenue has been recognized during the year on account of change in transaction price from performance obligations partly / fully satisfied in the previous period.

(c) Reconciliation of revenue recognized in the statement of profit and loss with the contracted price:

(₹ in lakhs)

	31 -3-2019
Revenue which should have been recognized as per the contracted price	11,423.28
Less:	
Refunds given	0.00
Credits / discount given	1.73
Revenue recognized in the statement of profit and loss	**11,421.55**

51 During the year, the Company has made political contribution of ₹ Nil (₹ Nil).

52 During the year the Company has given certain advances aggregating to ₹ 61,82.50 Lakhs and outstanding as at 31 March 2019 to various parties for automation, supplies of materials and expansion of Disha newspaper. The said parties are yet to

Notes forming part of the Financial Statements

fulfil their obligations and/or refund the advances with interest, as per the time lines given in terms of the arrangement, as agreed or as per agreements which continues to be in force. The said advances are accounted under the sub-head "Advances to others" under the head "Other Assets in Note No.10 to the financial statements.

53 Use of Going Concern Assumption

The Company has incurred a net loss of ₹ 68,90.06 Lakhs for the year ended 31st March, 2019 and the accumulated negative net owned funds stands at ₹ 468,91.65 Lakhs as of that date, resulting in erosion and negative net worth of the Company. Considering the future business plan with the expectation of substantial growth in revenue with cost controls and the continued financial support from promoters, the Company is confident of its ability to meet funds requirements and will continue its business as a going concern. Accordingly, the Board opined and have prepared the financial statements on going concern basis.

54 Balances in parties accounts are subject to confirmation / reconciliation. Appropriate adjustments, if any, will be made as and when the balances are reconciled.

55 Previous year's figures have been regrouped, rearranged, realigned or reclassified during the year to make them comparable with the current year.

As per our attached report of even date
For B S Sharma & Co.
Chartered Accountants
Firm Registration No. : 128249W

CA B S Sharma
Proprietor
Membership No. 031578
Place: Mumbai
Date: 29 May 2019

For and on behalf of the Board

Dinesh Kumar Garg
Chairman

A V Ramachandran
Executive Director

Ankit Shah
Company Secretary

Dinesh Agarwal
Chief Financial Officer

Diligent Media Corporation Limited

Registered Office: 18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013
Tel: +91-22-7106 1234/+91-22-3988 8888 | Fax: +91-22- 2300 2107
CIN: L22120MH2005PLC151377 | Website: www.dnaindia.com

ATTENDANCE SLIP

14th Annual General Meeting

I/We hereby record my/our presence at the 14th Annual General Meeting of the Company at The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Thursday, 19th day of September, 2019 at 4.00 p.m.

Name of Shareholder/Proxy: (IN BLOCK LETTERS) ____________________

Signature of Shareholder/Proxy ____________________

Folio No.: ____________________ Client ID No.# ____________________

DP ID No. ____________________ No. of Shares ____________________

(Applicable for shareholders holding shares in dematerialised form)

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

14th Annual General Meeting

Name of Member(s) ____________________

Registered Address ____________________

E-mail ID ____________________ Folio No./Client No. ____________________

I/We, being the member(s) holding ____________ Shares of Diligent Media Corporation Limited, hereby appoint

1. Name: ____________________ Email ID: ____________________
   Address: ____________________
   ____________________ Signature: ____________________
   or failing him
2. Name: ____________________ Email ID: ____________________
   Address: ____________________
   ____________________ Signature: ____________________
   or failing him
3. Name: ____________________ Email ID: ____________________
   Address: ____________________
   ____________________ Signature: ____________________

as my/our proxy to attend and vote for me/us and on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held on Thursday, 19th day of September 2019 at 4.00 p.m. at The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below.

I Wish my above proxy to vote in the manner as indicated in the box below:

	Resolutions	For	Against
1	Adoption of Audited Financial Statements of the Company for the financial year ended March 31, 2019 including the Balance Sheet, Statement of Profit and Loss and the Reports of the Auditors and Directors thereon		
2	Re - appointment of Mr. A V Ramachandran as Director of the Company		
3	Appointment of Mr Dinesh Kumar Garg as Director of the Company liable to retire by rotation		
4	Appointment of Mr Manoj Agarwal as an Independent Director of the Company to hold such office till May 28, 2022		
5	Appointment of Mrs. Shilpi Asthana as an Independent Director of the Company to hold such office till May 28, 2022		
6	Sell, lease, transfer, convey, assign or otherwise dispose of entire assets at the Company's Printing Press located at Mahape, Navi Mumbai		

Signed this ____________ day of ____________ 2019

Signature of Shareholder ____________________ Signature of Proxyholder(s) ____________________

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400013, not less than 48 hours before the commencement of the Meeting.

BOOK-POST

Diligent Media Corporation Limited

CIN : L22120MH2005PLC151377

Registered Office: 18th Floor, 'A' Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai - 400 013

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