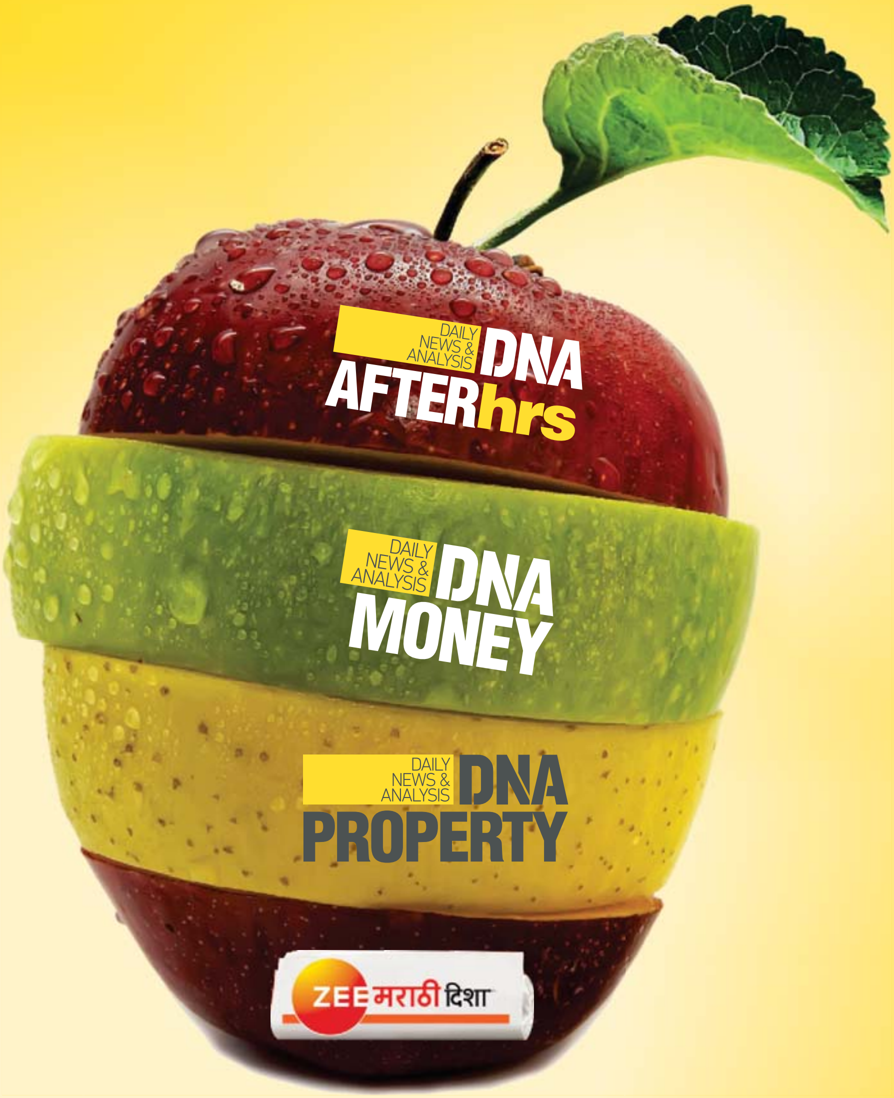
MORE YOU KNOW, MORE YOU BECOME.

A slice for everyone
FreshRelevantFulfilling



Diligent Media Corporation Limited

ANNUAL REPORT 2017-18

CIN: U22120MH2005PLC151377

YOUR GUIDE TO THIS REPORT

A slice for everyone
FreshRelevantFulfilling

"Something for everyone" in a typical Indian family. This may just seem a bit ambitious for a newspaper, but we have taken it as a challenge, as an opportunity to broaden our horizon and we strive to fulfill it as our responsibility. It is our vision that acts as a guiding force in every single day at work.

In today's fast-paced and digital era, the families and their interests are getting dispersed in different directions. Be it the young school goers, the newly-employed, the modern-day parents or today's women, all of them have their own style of living, interests, thinking, friend circle and their own niche of content consumption. We believe that following a passionate and insightful approach during content curation can act as a catalyst in the path of success of a media company that has a vision to serve everyone. We at Diligent Media Corporation Limited (DMCL) are doing everything possible to bring families together by serving them with all-inclusive media content through our flagship newspaper DNA, its supplements and our online platforms. We have been working relentlessly for over a decade to create a bundle of news and infotainment content which has a slice for everyone - fresh, relevant and fulfilling.

DNA was incepted in the year 2005 as a joint initiative by Essel Group and Bhaskar Group and since then, it has been building a sustained foothold as an English daily newspaper of repute, credibility and engagement. DNA has created its space in the mind and daily life of its target audience – the young & dynamic population of Mumbai. We are gradually replicating this success in other locations and we have already made our presence felt in Delhi, Ahmedabad and Jaipur. Moreover, from 2012 onwards, when this entity completely came under the Essel Group, we have reinforced our efforts and are focusing on building a news content entity that will be relevant today as well as tomorrow.

Today, DMCL offers an English daily that is among Mumbai's leading newspapers. DNA had subsequently launched it's Delhi edition in year 2016 and Jaipur & Ahmedabad editions in the year 2017. DNA is gradually soaring towards success and is all set to become leading English daily. DNA is known for its insightful, credible and engaging news & infotainment content. The newspaper has four most sought-after supplements and features namely – DNA AfterHrs, DNA Money, DNA Property, and JBM – Just Before Monday. The Company has built some of the industry's renowned event properties which include Sir JJ Architecture Awards, DNA Auto Show, DNA EcoGanesha and DNA JNCH DPD Awards. DNA is also able to offer advertising and content broadcast opportunities on television through the Essel Group's established Television media entities i.e. Zee Entertainment Enterprises Limited (GEC) and Zee Media Corporation Limited (News & Current Affairs). Keeping in mind the industry's digital shift, DNA has advanced well within time to provide content over digital platforms including its own website, social media platforms and content syndication.

We believe that the ability to generate, curate, publish and distribute news & infotainment content to a wider cross-section of society will keep our engagement long-lasting with our audience and other stakeholders. It is indeed a wonderful thought which we are following persistently and providing something for everyone that is fresh, relevant and fulfilling.

Diligent Media Corporation Limited – More to Newspaper

Diligent Media Corporation Limited (DMCL / the Company) is a publically listed company, headquartered at Mumbai, India. The Company is engaged in the Print media business with its English Daily published in 4 editions; a Marathi Weekly, a printing press, path-breaking events properties; digital news content platforms; and content syndication. The Company's turnover stood at ₹ 124 crores for FY 18. DMCL is part of India's leading media and multi-business conglomerate, Essel Group which has its businesses spread across Media & Entertainment, Education, Precious Metal, Infrastructure & Energy, Financial Services and Technology.

DILIGENT MEDIA CORPORATION - BUSINESS PORTFOLIO

PRINT MEDIA

1. **DNA – English Daily:** A newspaper of credibility and repute, DNA is known for its insightful, high-quality and analytical content. The editions, supplements and features of DNA are as follows:

    a. DNA, Mumbai: One of Mumbai's leading newspapers, DNA Mumbai has a strong presence in the abode and exceptional engagement with people belonging to the NCCS A & B segments, the young & dynamic, since 2005.

    b. DNA, Delhi: DNA Delhi edition was launched in 2016. Just like the Mumbai edition, the newspaper is fast gaining popularity among the NCCS A & B segments of the city.

    c. DNA, Ahmedabad: Launched in 2017, DNA's Ahmedabad edition is swiftly gaining grounds in the city. Within an year of re-launch, DNA Ahmedabad is poised to make its mark in Ahmedabad market.

    d. DNA, Jaipur: The 'Pink City' (Jaipur) edition of DNA was re-launched in, 2017 and has been received well by its readers.

    e. Supplements and Features:

        i. DNA Afterhrs: A six-page daily supplement offering exclusive content from the world of fashion, cinema and lifestyle, from India and the world.

        ii. DNA Money: A weekday supplement of four pages that offers news, analysis and trends of the stock markets, business and brands. It was enhanced to six pages in FY 2018-19.

        iii. DNA JBM–Just Before Monday: A four-page weekend supplement that offers content on different niches including lifestyle, health, travel, fashion and arts & culture.

        iv. DNA Sports: A daily feature of DNA that brings the latest news, valuable insights and updates about ongoing and upcoming events of the world of sports.

        v. DNA Property: A four-page weekly supplement on the real estate sector that offers property tips, legal & regulatory updates, property rates in different locations, and latest industry trends.

2. **Zee Marathi Disha:** In circulation since December 2017, Zee Marathi Disha is a 44-page Marathi weekly newspaper with high-quality editorials, exclusive content, expert views and detailed analysis. Within few months of its launch it has made its mark in establishing sound connect with its Marathi audience through insightful coverage on diverse fields like current affairs, women, youth, entertainment, sports, kids, business, health and technology.

3. **Zeegnition:** A path-breaking media initiative for the passion of quality content on automobile sector by way of a Weekly Print Supplement in DNA and a weekend program on TV - Zee Business.

4. **JewelFest:** DNA created a 4 page property for Akshaya Tritiya on trending topics and to monetize real-estate and home furnishing clients. The other objectives were to set in the festive fervour; display exciting offers; and attract consumers by projecting that this was the perfect time to buy.

EVENTS INITIATIVES

1. **DNA Sir JJ Architecture Awards:** An initiative by DNA which was jointly associated by Sir JJ College of Architecture & AAJJA (Alumni Association of Sir JJ College of Architecture, Mumbai) to recognise the Celebration of Architecture in the form of felicitation of their Alumni's. The event was held on January 2018 and paid tribute to the leading names across India.

2. **DNA Auto Show:** A bi-annual on-ground automobile show - DNA Auto Show showcases a wide variety of automobile ranging from small cars to luxury cars, from daily commuting two-wheelers to super-bikes. The show is open to all and is studded with celebrity visits, stage acts, games and interactive sessions.

3. **DNA EcoGanesha:** A cultural engagement with the society for an environmental purpose. DNA EcoGanesh promotes environment-friendly celebration of Ganesha Chaturthi, one of Mumbai's most celebrated festival which leaves the seas filled with non-biodegradable residual.

4. **DNA JNCH DPD Awards:** This event was held in June 2017, to recognise and celebrate all stakeholders involved in making Direct Port Delivery a success. The emphasis on promoting DPD and ensuring its due importance in overall scheme of things has been one of the important steps taken towards our endeavour of taking India's ease of doing business policy to people at large.

DIGITAL REACH

1. www.dnaindia.com: The Company serves all its print media content in addition to exclusive digital content over the internet wherein DNA website is the primary source of content hosting. The DNA website received 237.9 million page views and over 101.3 million unique visitors during FY 18.

2. Social Media Platforms: For integrating digital reach as part of its strategy, DMCL has a clear focus on new agemedia – the Social Media:

   a. Facebook: DNA Facebook page has received 1.37 million likes.

   b. Twitter: DNA Twitter handle has 1.85 million followers.

   c. Instagram: DNA on Instagram has around 6,352 followers whereas DNA AfterHours has 419,719 followers.

   d. Youtube: DNA Channel on Youtube has 26,431 subscribers.

TELEVISION EDGE

DMCL is able to offer electronic media reach to its advertisers and viewers through Essel Group's companies Zee Entertainment Enterprises Ltd and Zee Media Corporation Ltd.

Zee Entertainment Enterprise Ltd is one of India's leading media and entertainment companies and amongst largest global producers and aggregators of entertainment content.

Zee Media Corporation Ltd is India's leading News broadcaster with interests in diverse spheres including Global, National and Regional News channels and Digital News Publishing.

CONTENT SYNDICATION

www.dnasyndication.com: A content syndication platform of DMCL which provides huge amount of content to content seekers for varied usages.

Message to Shareholders

Dear Shareholders,

It gives me immense pleasure to welcome you all to the 13th Annual General Meeting and share the first of many more to come annual reports of your Company after its listing on the stock exchanges in December 2017.

Diligent Media Corporation Limited was incorporated in the year 2005, as a Joint Venture of two eminent business houses in Media Industry viz. Essel Group and Bhaskar Group. Their business experience and support, steered your Company with launch of its maiden English Daily Newspaper 'DNA' in July 2005 starting with the Mumbai market. Since then, your Company has seen many ups and downs & business and corporate restructurings in its journey of over a decade including exit of Bhaskar Group from the Joint Venture in 2012 and consolidation of your Company under Zee Media Corporation Limited, another media entity of Essel Group in the news segment, in 2014. The expected synergies from this consolidation were to create a News Media Powerhouse with presence across Television, Digital and Print media with a cross-platform offering to advertisers and efficiencies in content curation. The expansion initiatives taken by your Company post-consolidation under Zee Media Corporation Limited, helped your Company in achieving scale requiring an independent strategic direction. Accordingly, to facilitate charting an independent road-map for the growth and also considering changes in the regulatory landscape, the Print Media business was demerged and vested with your Company as a standalone listed entity in pursuance of an NCLT approved Scheme.

In addition to the Mumbai edition of DNA, your Company currently has a one-year old edition in Delhi, independent editions of DNA in Jaipur and Ahmedabad, re-launched after discontinuance of erstwhile franchise editions run by Bhaskar group, and a Marathi language weekly newsletter -Zee Marathi Disha, with the last three launched in FY 18. Post listing, the key focus area for your Company is to increase revenue growth to turn profitable. One of the key strategies to achieve this objective is to offer an integrated 360° media solution to the client by combining print, digital and on-the-ground events. And some of the strengths of your Company that will be an asset in this endeavor, apart from firm commitment of Essel Group to support its growth, are Essel Group's strong and distinct philosophy 'Extraordinary Together' with content catering to everyone in the family, and core readership of younger age groups.

I would like to conclude, by assuring the Members that, while your Company continues to incur losses, the recent expansions, with hard work and contribution of management team and Essel group's strength in Media & Entertainment, your Company is poised to enter a high growth trajectory and is expected to add value to your investments in near future.

With warm regards,

Chairman

CORPORATE INFORMATION

(As at March 31, 2018)

BOARD OF DIRECTORS

Mukund Galgali
Chairman

A V Ramachandran
Executive Director

Uma Mandavgane
Independent Director

Vishal Malhotra
Independent Director

SENIOR MANAGEMENT

Sanjeev Garg
Chief Executive Officer

Rajat Kumar
Chief Revenue Officer

Dinesh Agarwal
Chief Financial Officer

Prathamesh Joshi
Company Secretary

AUDITORS

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

BANKERS

Yes Bank Limited
Corporation Bank Limited
IDBI Bank Limited

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

Rajasthan
E-151, Ground Floor,
Ramesh Marg,
C-Scheme,
Jaipur - 302 001

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

Notice

Notice is hereby given that the 13th Annual General Meeting of the Members of Diligent Media Corporation Limited will be held on Friday, 21st day of September 2018 at 11.30 a.m. at The Hall of Culture, 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, prepared as per Indian Accounting Standards, for the financial year ended March 31, 2018 including the Balance Sheet as at March 31, 2018, the Statement of Profit & Loss for the financial year ended on that date and the Reports of the Auditors and Directors thereon.

SPECIAL BUSINESS:

2. 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 and the rules made thereunder, Mr. A V Ramachandran (DIN 06926801), who, upon recommendations of the Nomination & Remuneration Committee, was appointed by the Board of Directors, pursuant to Section 161 of the Companies Act, 2013, as an Additional Director of the Company with effect from September 1, 2017 and who holds office upto the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to Sections 196, 197, 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 and Rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to requisite regulatory approvals, if any, consent of the Company be and is hereby accorded for appointment of Mr. A V Ramachandran (DIN 06926801) as an Executive Director of the Company for a period of 3 years with effect from September 1, 2017 at remuneration as detailed herein, notwithstanding that such remuneration may exceed the limits prescribed under Section 197 of the Companies Act, 2013:

a) Basic Salary

The Basic Salary of Mr. A V Ramachandran shall be ₹ 1,67,183/- per month with the authority to the Board of Directors to determine any merit based increments from time to time, within the scale of ₹ 1,50,000/- to ₹ 2,00,000/- per month during the terms of his appointment.

b) Allowances & Perquisites

In addition to the basic salary, Mr. A V Ramachandran shall be entitled to:

i. Allowances as per rules of the Company including Personal Allowance, House Rent Allowance, Children Education Allowance, Medical reimbursement and Leave Travel Allowance which in the aggregate shall be ₹ 1,27,000/- per month with an authority to the Board of Directors to determine any increase from time to time within the scale of ₹ 1,15,000/- to ₹ 1,60,000/- per month;

ii. Perquisite as per rules of the Company including use of chauffeur driven Company car, telecommunication facilities at residence etc.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost; and

iii. Company's contribution to Provident Fund, Gratuity and Leave encashment as per the rules of the Company.

c) Variable Pay

Mr. A V Ramachandran shall be additionally entitled to Annual Variable pay upto maximum of ₹ 15,00,000/- per annum, based on the performance criteria as laid down and approved by the Board.

RESOLVED FURTHER THAT the remuneration as set out above including any increments and variable pay as may be approved by the Board of Directors from time to time within the scale mentioned above, shall be considered as minimum remuneration in accordance with Section II of Schedule V of the Companies Act, 2013, subject to such regulatory approvals as may be required."

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 and the rules made thereunder, Mr. Ashok Venkatramani (DIN 02839145), who, upon recommendations of the Nomination & Remuneration Committee, was appointed by the Board of Directors, pursuant to Section 161 of the Companies Act, 2013, as an Additional Director of the Company with effect from August 1, 2018 and who holds office upto the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

   "RESOLVED THAT pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the material related party transaction executed in the ordinary course of business by the Company, for a period of 3 years with effect from December 1, 2017, with M/s Zee Entertainment Enterprises Limited (ZEEL), an Essel group entity and related party as per Indian Accounting Standards, for receiving proportionate advertisement revenue earned by the Company from advertisements sold by ZEEL as combo-deals and payment of License fees by the Company to ZEEL on arms-length terms as detailed in the explanatory statement, be and is hereby approved and ratified.

   RESOLVED FURTHER THAT the Board of Directors of the Company including the Audit Committee of the Board be and is hereby authorized to (i) finalise from time to time, the financial and other terms of the said arrangement/ agreement, on an arms-length basis, including any renewals in future, notwithstanding that the value of such current and future transaction(s) may exceed the materiality threshold prescribed under Regulation 23 of Listing Regulations or any other regulatory requirements; and (ii) carry out all such acts, matters, deeds and things in respect of the said material related party transaction with ZEEL as may be deemed appropriate/necessary in the best interests of the Company."

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

   "RESOLVED THAT pursuant to the provisions of Section 94 of the Companies Act, 2013 ('Act') read with Companies (Management and Administration) Rules, 2014 and other applicable statutory / regulatory provisions, all the Registers to be kept and maintained by the Company under Section 88 of the Act including the Register and Index of Members, Register and Index of Debenture Holders and/or other Security Holders etc., and copies of all Annual Returns prepared under Section 92 of the Act, together with the copies of certificates and documents be kept and maintained at the office of the Registrar and Share Transfer Agent of the Company viz. M/s Link Intime India Private Limited at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, instead of the Registered Office of the Company."

7. **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 approvals as may be required, 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 Company's immovable Property being the part of the leasehold land, as detailed in the explanatory statement, adjacent to the Company's Printing Press located at TTC Industrial Area, MIDC, Mahape, Navi Mumbai 400 705, Maharashtra, together with building, structures, rights and fixtures thereon along with all benefits accruing in respect of the said land 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: July 20, 2018

Prathamesh Joshi
Company Secretary

Registered Office:
18th Floor, A Wing, Marathon Futurex,
N M Joshi Marg, Lower Parel,
Mumbai 400 013
CIN: U22120MH2005PLC151377
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 in respect of the Directors seeking appointment at the Annual General Meeting forms integral part of this Notice. Requisite declarations have been received from the Directors seeking appointment.

6. Copy of the Annual Report of the Company for financial year 2017-18 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 2017-18 is being sent. The Annual Report may also be accessed on Company's website www.dnaindia.com.

7. Members are requested to notify about any change in their address/email address/dividend mandate/bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent, M/s Link Intime India Pvt Ltd at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083. Shareholders holding Equity Shares of the Company in physical form may register their email address with the Registrar and Share Transfer Agent of the Company to receive all communications by the Company including Annual Report and Notice of Meeting(s) by email, by sending appropriate communication on rnt.helpdesk@linkintime.co.in.

   Shareholders are requested to update their KYC by sending self-attested copies of their PAN Card, Address proof and Bank details to the Registrar & Share Transfer Agent of the Company in connection with their shareholding in physical mode. Shareholders may further note that as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, Transfer of Equity Shares of Listed entities held in physical mode shall not be permissible after December 5, 2018. Accordingly, Shareholders holding Equity Shares of the Company in physical mode are requested to initiate the process of dematerializing their investment with the Depository Participant.

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 13th 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 Monday, September 17, 2018 at 9.00 a.m. and will end on Thursday, September 20, 2018 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 Friday, September 14, 2018, 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 Friday, September 14, 2018.

12. The Company has appointed Mr. 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 AGM, 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 AGM.

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

    (i) The voting period begins on Monday, September 17, 2018 and ends on Thursday, September 20, 2018. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, September 14, 2018, 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 (DOB)	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 Company please enter the Folio number in the Dividend Bank details field as mentioned in instruction (iv).

(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. 2 & 3

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at the meeting held on September 1, 2017, had approved appointment of Mr. A V Ramachandran (DIN 06926801) as an Additional Director of the Company with effect from September 1, 2017. Pursuant to Section 161(1) of the Companies Act, 2013, Mr. A V Ramachandran holds office of Additional Director till this Annual General Meeting. The Company has received appropriate notice from a member proposing appointment of Mr. A V Ramachandran as a Director of the Company and requisite consent has been received from Mr. A V Ramachandran, pursuant to Section 152 of the Companies Act 2013 for the said appointment.

Further, at the said meeting held on September 1, 2017, in accordance with the recommendations of Nomination & Remuneration Committee, the Board of Directors of the Company had, subject to requisite regulatory approvals including approval of Members, approved appointment of Mr. A V Ramachandran as an Executive Director of the Company for a period of 3 years w.e.f. September 1, 2017, at the remuneration as detailed in the Special Resolution in Item No. 3 of the Notice.

The terms and remuneration detailed in the resolution may be altered and varied by the Board within the overall limit approved by the Members. The Company's business operations are currently in losses and the proposed remuneration may exceed the limits prescribed under Schedule V of the Companies Act, 2013. However, considering that Mr. A V Ramachandran is an independent professional without any direct or indirect interest in the Capital of the Company and relationship with any Directors or Promoters of the Company, the remuneration proposed to be paid to Mr. A V Ramachandran shall not require approval of the Central Government as per Clause B of Section II of Part II of Schedule V of the Companies Act, 2013. In this regard, it may be noted that the Company has not committed any default in repayment of its debts or interest thereon.

Requisite details relating to the proposal as prescribed in Schedule V of the Companies Act, 2013 is mentioned herein:

General Information of the Company: Diligent Media Corporation Limited (DMCL) is engaged in the business of Printing, Publication and Distribution of Newspapers. The Company publishes an English Daily Newspaper 'DNA' with editions in Mumbai, Delhi, Jaipur & Ahmedabad and had recently launched a Marathi Weekly Newspaper 'Zee Marathi Disha'. The Company has its own Printing press at Mahape, Navi Mumbai in Maharashtra, which houses hi-tech printing infrastructure. Apart from printing of the Mumbai editions of Company's newspaper, the printing press uses its excess capacity to print newspapers of other entities on Job Work basis and also does printing of books, magazines, inserts and Annual reports on Job Work basis. Apart from the print edition, DNA has a dynamic website (www.dnaindia.com), e-paper edition (http://epaper2.dnaindia.com) & has a strong presence on social Media.

During FY 17-18, while the Company cloaked revenue of ₹ 124 Crores, the operations during the year resulted in Net Loss (before tax) of approx. ₹ 60 Crores. Relevant financial details along with highlights and indicators of past and current performance of the Company forms part of the Audited Financial statements of the Company for FY 2017-18.

While the Company's operations have been in losses since inception, it is expected that the recent expansions, with independent strategic directions to the Print Media business by an experienced senior management team and support from the promoters, shall lead the Company to a growth trajectory.

Information about the appointee: Mr. A V Ramachandran, 52, BSc. Hons. in Chemistry from University of Calicut, is a professional with experience of over 29 years 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. Before joining the Company, Mr. Ramachandran was Executive Director of Pri-Media Services Pvt Ltd, which merged with the Company during FY 18.

Considering the experience of Mr. A V Ramachandran and the responsibilities assumed by him as Executive Director and as Occupier under the Factories Act, 1948 and the remuneration drawn by the professionals with similar experience in other Print media entities comparable to size and scale of operations of the Company, your Board feels that the proposed remuneration is fair, just and reasonable and therefore recommends the Ordinary Resolution and Special Resolution as set out in Item No. 2 & 3, respectively, for your approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. A V Ramachandran (whose appointment is proposed in these resolutions) is in any way concerned or interested in the resolutions detailed in Item No. 2 & 3 respectively of the Notice.

Item No. 4

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at the meeting held on July 20, 2018, had approved appointment of Mr. Ashok Venkatramani (DIN 02839145) as an Additional Director in the category of Non-Executive Non-Independent Director of the Company with effect from August 1, 2018. Pursuant to Section 161(1) of the Companies Act, 2013, Mr. Ashok Venkatramani holds office of Additional Director till this Annual General Meeting. The Company has received appropriate notice from a Member proposing appointment of Mr. Ashok Venkatramani as a Director of the Company and requisite consent has been received from Mr. Venkatramani, pursuant to Section 152 of the Companies Act 2013 for the said appointment. Brief profile and other details of Mr. Ashok Venkatramani forms part of this Notice.

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

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Ashok Venkatramani (whose appointment is proposed in this resolution) is in any way concerned or interested in the resolution as detailed in Item No. 4 of this Notice.

Item No. 5

With a view to capitalize on group's strength in the regional language markets by increasing the reach and providing an additional platform to the advertisers to reach out to customers through regional language newspapers, your Company, in December 2017, launched a weekly Marathi Newspaper 'Zee Marathi Disha' (ZMD) using the brand name and logo of 'Zee Marathi', a regional language general entertainment channel owned by Zee Entertainment Enterprises Limited (ZEEL), an Essel Group company and related party as per Indian Accounting Standards. ZEEL had granted the right to use the brand name and logo of 'Zee Marathi' by the Company, on arms-length terms, at the License fee equivalent to 1% of annual revenue of ZMD subject to minimum of ₹ 5 Lakhs.

Additionally, as part of the strategy, the Company and ZEEL has been providing the advertisers an additional option to reach out to customers across Television and Print Media by way of combo-deals, whereby the Company and/or ZEEL would receive their respective share of advertisement revenues at negotiated rates on arms-length basis. During financial year 2017-18, ZMD had since its launch in December 2017, earned advertisement revenues aggregating to ₹ 4.88 Crores, which includes revenue share from combo-deals by ZEEL.

The above related party transactions for (i) payment of License fees equivalent to 1% of annual revenue of ZMD subject to minimum of ₹ 5 Lakhs by the Company to ZEEL; and (b) receipt of proportionate advertisement revenues earned by the Company from advertisements sold by ZEEL as combo-deals, is expected to exceed to materiality threshold of 10% of Company's turnover, prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In view of this, the above material related party transactions between the Company and ZEEL would require approval of Shareholders by way of Ordinary Resolution as per Regulation 23 of Listing Regulations. Further as per Listing Regulations, all related parties of the Company, including Promoters, entities forming part of Promoter Group, Directors and Key Managerial Personnel of the Company including their relatives shall not vote to approve the Ordinary resolution proposed in Item No. 5 of this Notice.

Since the related party transactions as mentioned above between the Company and ZEEL, being on arms-length terms, would be beneficial to the Company by way of enhanced revenues, your Board recommends the Ordinary resolution as set out in Item No. 5 of the Notice for approval of the Shareholders.

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. 5 of this Notice.

Item No. 6

Upon listing of Equity Shares of the Company on the Stock Exchanges, the Company had appointed M/s. Link Intime India Pvt Ltd., a SEBI registered entity as the Registrar & Share Transfer Agent *inter alia* to maintain the Register & Index of Shareholders / Debenture holders and attend to the request and grievances of Shareholders / Debenture holders.

Section 94 of the Companies Act, 2013, *inter alia* provides that Register and Index of Shareholders / Debenture holders shall be maintained at the Registered Office of the Company or at any other place in India, subject to approval of Shareholders by way of Special Resolution.

Accordingly, in compliance with the requirements of Section 94 of the Companies Act, 2013, approval of the Shareholders is sought for maintaining the above mentioned Registers, Returns and documents including the Annual Return of the Company at the office of the Registrar & Share Transfer Agent M/s. Link Intime India Pvt Ltd at their office at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, rather than at the Registered office of the Company.

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.

Item No. 7

The Printing Press of the Company located at TTC Industrial Area, MIDC, Mahape, Navi Mumbai 400 705, Maharashtra, comprises of 3 Plots of land admeasuring in aggregate, approx. 30,820 Sq. Mtrs., and the said land was acquired on long term lease from MIDC. Out of the above, the Printing press is housed in Plot No. EL 201 & Part admeasuring approx. 17,565 Sq. Mtrs., and the balance 2 Plots viz Plot No. EL 201 Part-1 admeasuring approx. 7,435 Sq. Mtrs. and EL 202 admeasuring approx. 5,820 Sq. Mtrs houses storage area and other incidental facilities.

With a view to reduce debt of the Company and/or to fund business requirements, the Company proposes to sell its non-core assets and has identified the land and building at Plot No. EL 201 Part-1 and EL 202 admeasuring in aggregate approx. 13,255 Sq. Mtrs. along with an area of approx. 500 Sq. Mtrs. near Printing press in Plot No. EL 201 & Part (hereinafter 'said immovable property') as its non-core assets, which may be considered as substantial undertaking in terms of Section 180(1)(a) of the Companies Act, 2013 and therefore the sale/lease/disposal of said immovable property would require Shareholders approval by way of Special Resolution.

Accordingly, approval of Shareholders is sought to sell, lease, transfer, convey, assign or otherwise dispose of the said immovable property as mentioned above adjacent to Company's Printing press together with building, structures, rights and fixtures thereon along with all benefits accruing on the said land 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.

The consideration (net of expenditure) to be received on disposal of the said immovable property shall be utilized in paying-off debts to enable the Company to reduce its interest costs and/or for funding its business requirements.

The Company is currently in the process of negotiating the consideration and other terms with the potential purchaser(s). The process for sale/disposal would involve appropriate due-diligence and measurement of area by the potential purchaser(s) and shall require regulatory approvals including approval of MIDC. In view of this the Board of Directors of the Company at the meeting held on July 20, 2018 had authorised seeking Shareholders approval for the proposed sale/disposal of non-core assets.

Considering that the sale/disposal of identified non-core assets would benefit the Company by way of reduction in interest cost and/or facilitate funding the business requirements, your Board recommends the Special resolution as set out in Item No. 7 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. 7 of this Notice.

Details of Directors seeking appointment at the Annual General Meeting:

Mr. Ashok Venkatramani (DIN 02839145), is a B.Tech from Bombay University and has done his management education from Indian Institute of Management (IIM) Ahmedabad and Harvard Business School. He started his career with Unilever, having been with them for 19 years, working on the foods and personal care side of the business in sales, marketing and general management roles. He was the Vice President and Business Head – Skincare for Unilever in India till 2008, before moving as the CEO of ABP News Network Pvt. Ltd which he headed until 2016. He was instrumental in turning around the ABP business and had successfully managed the transition from Star brand to ABP. Currently, Mr. Ashok Venkatramani is Managing Director of Zee Media Corporation Limited, an Essel Group Company.

Mr. Venkatramani is ex-President and ex-Director on the Board of the News Broadcasters Association and had chaired their HR and Sales sub-committees. He is currently a part of the Man Com of the International Association of Advertisers (IAA India Chapter). Mr. Venkatramani had also served as a member of the Digitization Task Force appointed by Government of India.

Mr. Venkatramani has strong foundations in sales and marketing and has also featured twice in the World CMO Council's list of India's 75 top marketers. He was awarded as 'CEO with best HR Orientation' in 2010 bestowed by The World HRD Congress, and 'Media Person of the Year' in 2010 bestowed by The World Brand Congress in India. He also entered the 'Hall of Fame' of News and Television Awards 2016 for successfully rebranding Star News to ABP News.

Apart from the Company, Mr. Venkatramani holds Directorship in Zee Media Corporation Ltd (as Managing Director), Overseas Property Consultants Pvt Ltd, IRIS Business Services Pvt Ltd and Intelligent Insights Pvt Ltd. Mr. Ashok Venkatramani does not hold any shares of the Company and is not related to any other Director of the Company.

Mr. A V Ramachandran (DIN 06926801), BSc. Hons. in Chemistry from University of Calicut, is a professional with experience of over 29 years 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.

By order of the Board

Place: Mumbai
Date: July 20, 2018

Prathamesh Joshi
Company Secretary

Registered Office:
18th Floor, A Wing, Marathon Futurex,
N M Joshi Marg, Lower Parel,
Mumbai 400013
CIN: U22120MH2005PLC151377
Website: www.dnaindia.com
e-mail: companysecretary@dnaindia.net

ROUTE MAP FOR VENUE OF 13TH AGM

Directors' Report

To the Members

Your Directors take pleasure in presenting the 13th Annual Report of your Company together with Audited Financial Statements for the year ended March 31, 2018, prepared as per Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and the first Annual Report since Listing of the Equity Shares of your Company on the Stock Exchanges in December 2017.

FINANCIAL HIGHLIGHTS

The financial performance of your Company for the year ended March 31, 2018 is summarized below. The financial performance for FY 2017-18 includes effect of a NCLT approved Scheme, which became effective on and from July 28, 2017 and accordingly are not comparable with the financial statements of previous year.

(₹ in Millions)

Particulars	31-3-2018	31-3-2017
Revenue from Operations	1,240.35	853.12
Other Income	30.85	63.21
Total revenues	1,271.20	916.33
Total expenses	1,870.96	1,304.83
Loss before tax	**(599.76)**	**(388.50)**
Tax Expenses (Net)	382.00	(133.34)
Loss for the year	**(981.76)**	**(255.16)**

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report which affect the financial position of the Company. Based on internal financial control framework and compliance systems established in the Company and 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 effective during the financial year 2017-18.

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

The year under review, witnessed opening of a new chapter of your Company's journey, with re-launch of erstwhile franchise editions of DNA in Jaipur & Ahmedabad as independent editions in June 2017, Company's entry in regional newspaper market with launch of a Marathi weekly newspaper Zee Marathi Disha in December 2017 and listing of Company's equity shares on the Stock Exchanges in December 2017, in pursuance of a Scheme. With these launches, your Company currently has 4 editions of English daily newspaper DNA (Mumbai, Delhi, Jaipur and Ahmedabad), a weekly Marathi language newspaper and digital editions of these newspaper in its business portfolio.

While the New Delhi edition of DNA has managed to carve out a distinct niche in the minds of urban consumers, the Company has been able to build-on and expand the existing readership & advertiser base in Jaipur and Ahmedabad. Zee Marathi Disha, your Company's latest offering has also been received well by the readers and advertisers, driving on its content and brand connect with Zee Marathi, a leading Marathi General Entertainment Channel. Additionally, with view to increase Customer connect and offer greater value to the advertisers, your Company had enhanced its focus on on-ground events business by organizing events like DNA Eco-Ganesha, DNA Auto Show etc.

With the above expansion, your Company continues to focus on achieving operational efficiencies by re-vamping editorial team, refreshing content and utilizing spare capacity at the Printing press by printing for others on job-work basis. As part of this exercise, it is proposed to dispose-off non-core asset of the Company being immovable property comprising of part of leasehold land and building adjacent to the existing printing press at Mahape in Navi Mumbai, Maharashtra. A proposal seeking shareholders' approval pursuant to Section 180(1)(a) of the Companies Act, 2013, for sale/lease of the immovable property forms part of the Notice of ensuing Annual General Meeting. The funds received upon sale of immovable property shall be used to repay debt and/or fund the business requirements.

With these expansions along with continued focus on achieving operational efficiencies and projected growth in the Indian economy, your Company is expected to achieve operational break-even at a faster pace and enter a high growth trajectory in near future.

CORPORATE RESTRUCTURING

During the year under review, the Print Media business carried on by the Company, its erstwhile Holding Company, Zee Media Corporation Limited (ZMCL) and other Print Media subsidiaries of ZMCL viz. Mediavest India Private Limited (Mediavest) and Pri-Media Services Private Limited (Pri-Media) was consolidated under, and vested with, the Company in pursuance of a Scheme of Arrangement and Amalgamation approved by the Mumbai Bench of the Hon'ble National Company Law Tribunal (NCLT), vide an Order dated June 8, 2017. In pursuance of the said Scheme, the Print Media Undertaking of ZMCL along with the assets and liabilities of the said undertaking including the equity investment of ZMCL in Mediavest & Pri-Media, was vested with the Company and post such vesting, the Print Media Subsidiaries of ZMCL, viz. Mediavest and Pri-Media along with their assets and liabilities, merged with the Company with effect from Appointed Date of April 1, 2017.

Further, in pursuance of the said Scheme, the entire Pre-Scheme Paid-up Equity Share Capital of the Company held by Mediavest stood cancelled. The Pre-Scheme Equity Share Capital along with the balances lying in the Securities Premium Account and Capital Reserve Account (including the reserves generated in pursuance of the Scheme) was adjusted against the debit balance in the Statement of Profit & Loss Account of the Company.

As per the Scheme and in consideration of the Demerger, on October 9, 2017, your Company issued and allotted 117,708,018 Equity Shares of ₹ 1 each to the Shareholders of ZMCL in the ratio of 1 (one) Equity Share of ₹ 1 each of the Company for every 4 (four) Equity Shares of ₹ 1 each held in ZMCL as on Record Date and the Equity Shares of the Company got listed on BSE Limited and National Stock Exchange of India Limited on and from December 11, 2017.

The above Scheme on one-hand consolidated the Print Media business under the Company enabling charting of an independent strategy and growth path for the business and on the other unlocked the value for Shareholders of ZMCL.

CAPITAL STRUCTURE

In pursuance of above Scheme:

- Consequent to combination of Authorised Share Capital of Mediavest and Pri-Media upon amalgamation, the Authorised Share Capital of the Company stood increased to ₹ 6,005.50 Million comprising of 1,635.50 Million Equity Shares of ₹ 1 each and 4,370 Million Preference Shares of ₹ 1 each; and

- The entire Pre-Scheme Paid-up Equity Share Capital stood cancelled and upon allotment of 117,708,018 Equity Shares of ₹ 1 each to the Shareholders of ZMCL in pursuance of the Scheme, the Paid-up Share Capital of the Company as at March 31, 2018 was ₹ 4,480.40 Million comprising of 117,708,018 Equity Shares of ₹ 1 each and 4362,656,265 – 6% Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 1 each.

REGISTERED OFFICE

Your Company shifted its Registered Office within the city limits to 18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013 with effect from October 1, 2017.

CORPORATE GOVERNANCE & POLICIES

Post listing, your Company is in compliance with all applicable Corporate Governance requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). 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. 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 compliance with regulatory requirements, the Nomination and 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. 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, 2018, 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. During FY 17-18 your Board met 4 (four) times details of which are available in the Corporate Governance Report annexed to this report.

During the year under review, Mr. Himanshu Mody, resigned as Director of the Company with effect from September 1, 2017. Mr. A V Ramachandran, Executive Director of erstwhile Pri-Media Services Private Limited (merged with the Company), was appointed as an Additional Director in the category of Executive Director of the Company and also nominated as Occupier under the Factories Act, 1948, with effect from September 1, 2017. The said appointment of, and payment of remuneration to, Mr. A V Ramachandran as an Executive Director, was based on the recommendation of the Nomination and Remuneration Committee and subject to approval of the Shareholders at the ensuing Annual General Meeting. In terms of Section 161 of the Companies Act, 2013, Mr. A V Ramachandran holds office upto the ensuing Annual General Meeting. The Company has received a notice from a Member proposing appointment of Mr. A V Ramachandran as a Director, liable to retire by rotation and requisite proposal seeking your approval for his appointment as a Director and also his appointment, and payment of remuneration, as Executive Director of the Company for a period of three years with effect from September 1, 2017, forms part of the Notice of ensuing Annual General Meeting. Your Board recommends the said proposals for approval of the Members.

Subsequent to the year end, Mr. Mukund Galgali resigned as Director of the Company with effect from August 1, 2018. At the meeting held on July 20, 2018, your Board had while taking on record resignation of Mr. Mukund Galgali, approved appointment of Mr. Ashok Venkatramani as an Additional Director with effect from August 1, 2018. In terms of Section 161 of the Companies Act, 2013, Mr. Ashok Venkatramani shall hold office till the ensuing Annual General Meeting. The Company has received a notice from a member proposing appointment of Mr. Ashok Venkatramani as Director and a proposal seeking Shareholders approval for his appointment as Director of the Company, liable to retire by rotation, forms part of Notice of ensuing Annual General Meeting. Your Board recommends the said appointment for your approval.

As at March 31, 2018, Mr. Sanjeev Garg, Chief Executive Officer, Mr. Dinesh Agarwal, Chief Financial Officer and Mr. Prathamesh Joshi, Company Secretary were nominated as Key Managerial Personnel (KMP) in compliance with the requirements of Section 203 of the Companies Act, 2013. Subsequent to the year end, Mr. Sanjeev Garg resigned as CEO of the Company with effect from April 18, 2018.

During the year under review consequent to resignation of Mr. Jagdish Chandra as CEO with effect from July 10, 2017, Mr. Sanjeev Garg was appointed as CEO on September 1, 2017. Mr. Dinesh Agarwal and Mr. Prathamesh Joshi were nominated as KMP in the category of CFO and Company Secretary, respectively, with effect from October 1, 2017, replacing Mr. Kamal Dhingra and Mr. Mehul Somaiya, the CFO and Company Secretary, respectively of the Company till September 30, 2017.

BOARD EVALUATION

In a separate meeting of Independent Directors held without the presence of other Directors and Management, the Independent Directors had, based on various criteria detailed in a structured assessment sheet, evaluated performance of the Chairman and Executive Director and also performance of the Board and various Board Committees. A report on such evaluation done by Independent Directors 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 forms part of 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 various Board Committees including 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. Further the details of constitution, terms of reference, number of meetings of the Board Committees held during Financial year 2017-18 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, was appointed by the Members at the 12th Annual General Meeting held on July 20, 2017, as Statutory Auditor of the Company 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.

As per recent amendment to Section 139 of the Companies Act, 2013, effective May 7, 2018 the requirement of seeking Shareholders ratification for continuation of a Statutory Auditor at every Annual General meeting has been done away and accordingly the Notice of ensuing Annual General Meeting does not include any proposal in this regard. The Company has received certificate of eligibility in accordance with the provisions of the Companies Act, 2013 from M/s B S Sharma & Co, Chartered Accountants, and a confirmation that they continue to hold valid Peer Review Certificate as required under Listing Regulations.

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 2017-18 was carried out by Mr. Satish K Shah, Practicing Company Secretary (holding ICSI Certificate of Practice No. 3142).

The reports of Statutory Auditor and Secretarial Auditor forming part of this Annual report do not contain any qualification, reservation or adverse remarks. The Statutory Audit report includes an emphasis of matter drawing shareholders attention to a note relating to the Scheme of Arrangement and Amalgamation *inter alia* for demerger and vesting of Print Media business in the Company.

During FY 17-18, the Statutory Auditor 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.

The Company is not required to maintain cost records and/ or appoint Cost Auditor as per Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014.

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, 2018 is annexed to this Report as Annexure A.

PARTICULARS OF EMPLOYEES

Your Company had 425 employees as at March 31, 2018. 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. 33 to the Financial Statements.

ii. Transactions with Related Parties: All contracts/ arrangements/transactions entered by the Company during the financial year 17-18 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.

Notice of ensuing Annual General Meeting includes a proposal seeking Shareholders' approval/ratification for material related party transaction by the Company with Zee Entertainment Enterprises Limited (ZEEL), an Essel Group Company and a related party as per Indian Accounting Standards. These material related party transactions for (a) payment of License fees by the Company to ZEEL for usage of brand/logo of Zee Marathi in Zee Marathi Disha, a weekly Marathi newspaper of the Company; and (b) receiving proportionate advertisement revenue earned by the Company from advertisement sold by ZEEL as combo-deals, at negotiated rates on arm's length basis, would be in the interest of the Company and therefore recommended by your Board for your approval.

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

iv. Extract of Annual Return: Extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Act read with Companies (Management & Administration) Rules, 2014 is annexed to this report as Annexure C.

v. 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.

vi. 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.

vii. Internal Financial Controls and their adequacy: Your Company has implemented internal financial controls and policies / procedures 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.

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 2017-18, your Directors confirm that:

a) The Financial Statements of the Company comprising of the Balance Sheet as at March 31, 2018 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, 2018, 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 which have contributed to the success of your Company. 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

Mukund Galgali
Chairman

Place: Mumbai
Date : July 20, 2018

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 are 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 are 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 130KW X 4 to 130KW X 3.
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 have 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 ₹ 1.13 Million and out go of ₹ 246.62 Million.

Mukund Galgali
Chairman

Place: Mumbai
Date : July 20, 2018

A V Ramachandran
Executive Director

Annexure B to Directors' Report

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

A. Remuneration of each Director and Key Managerial Personnel (KMP) along with particulars of increase in remuneration during the financial year, ratio of remuneration of Directors to the Median remuneration of employees and comparison of remuneration of each KMP against Company's standalone performance:

Name of Director/ Key Managerial	Remuneration (Rs. in Lakhs)	% increase in Remuneration	Ratio of Director's Remuneration to median remuneration	Comparison of remuneration of each KMP against Company's performance	
				% of % Turnover	of Net Profit before Tax
Non-Executive Directors @					
Uma Mandavgane	0.00	NA	NA	NA	NA
Vishal Malhotra	0.00	NA	NA	NA	NA
Mukund Galgali	0.00	NA	NA	NA	NA
Executive Director					
A V Ramachandran (w.e.f. September 1, 2017)	18.30	NA	3.27:1	0.15%	NA
Key Managerial Personnel					
Sanjeev Garg (w.e.f. September 1, 2017)	46.95	NA	NA	0.38%	NA
Dinesh Agarwal (w.e.f. October 1, 2017)	6.54	NA	NA	0.05%	NA
Prathamesh Joshi (w.e.f. September 1, 2017)$	3.71	NA	NA	0.03%	NA

@ Except for Sitting fees for attending the Meeting, 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	(11%) – The decrease in median remuneration was due to transfer of employees including workers in printing press during the year in pursuance of amalgamation *inter alia* of Pri-Media Services Private Limited with the Company
2	Number of permanent employees on the rolls of the Company	425
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 inthe 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 7%, while there was no increase in the managerial remuneration during the year.
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 2017-18, none of the Employees drew remuneration in excess of Rs. 8.50 Lakhs per month or Rs. 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
Sanjeev Garg	51	CEO	5,014,338	MBA	25	01-Sep-17	-	Siti Networks Ltd
Prashant Saxena	41	Vice President	3,896,417	PG Diploma in Sales & Marketing	18	03-Jul-13	-	HT Media Ltd
Anto Joseph	49	Business Editor	3,463,656	Master's in FM & International Relations	26	21-Mar-14	-	Deccan Chronicle Holdings Ltd
Dwaipayan Bose	44	Editor in Chief	3,460,833	Master's in Political Science	20	03-Apr-17	31-Mar-18	Bennett Coleman and Company Ltd
Deepak Lokhande	48	Managing Editor	3,455,328	Master's in Politics	24	01-Oct-14	-	Mid-Day Multimedia Ltd
A V Ramachandran	52	Executive Director	3,136,500	BSc. Hons.	30	02-Apr-12	-	Pri-Media Services Pvt Ltd
Yogesh Pawar	49	Deputy News Editor	2,695,285	Master's in Medical and Psychiatric Social Work	22	07-Sep-10	-	NDTV Ltd
Rajat Kumar	45	Chief Revenue Officer	2,569,935	PGDBA	20	15-Nov-17	-	HT Media Ltd
Darpan Singh	37	Associate Editor	1,710,722	PG Diploma in Journalism	16	12-Jun-17	-	Deccan Chronicle Holdings Ltd
Rajesh Bhalerao	53	Assistant Vice President	1,307,116	BSc. & MLS	23	15-Jul-14	-	Pri-Media Services Pvt 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. While Mr. A V Ramachandran was appointed as Executive Director w.e.f. September 1, 2017, the remuneration mentioned above includes that paid by Pri-Media Services Private Limited (merged with the Company w.e.f. Appointed Date of April 1, 2017).
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 (in case of employees transferred to the Company, includes the remuneration paid by Pri-Media Services Private Limited which merged with the Company w.e.f. Appointed Date of April 1, 2017) 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.

Mukund Galgali
Chairman

Place: Mumbai
Date : July 20, 2018

A V Ramachandran
Executive Director

Annexure C to Directors' Report

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2018

I. REGISTRATION AND OTHER DETAILS:

i)	Corporate Identity Number (CIN)	U22120MH2005PLC151377
ii)	Registration Date	17/02/2005
iii)	Name of the Company	Diligent Media Corporation Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
v)	Address of the Registered Office & Contact details	18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013 Tel No.: +91-22-7106 1234 / +91-22-3988 8888 Fax No.: +91-22-2300 2107
vi)	Whether Listed	Yes (w.e.f. December 11, 2017)
vii)	Name, Address and Contact Details of Registrar and Transfer Agent	M/s Link Intime India Pvt. Ltd. C-101, 247, Park, L B S Marg, Vikhroli (West), Mumbai – 400 083 Tel No.: +91-22-4918 6000 Fax No.: +91-22-4918 6060 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service (As per 2008)	% to total turnover of the company
1	Publishing of Newspaper	58131	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name, Address & CIN of the Company	% of shares held	Applicable Section
A	**Holding Company** - Nil	-	-
B	**Subsidiary Companies** - Nil	-	-
C	**Associate Companies** - Nil	-	-

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

i) Category-wise Shareholding

Category of Shareholders	No. of Shares at the beginning of the year i.e. April 1, 2017				No. of Shares held at the end of the year i.e. March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters Shareholding									
(1) Indian									
Bodies Corp.	890955120	300	890955420	100	81341269	0	81341269	69.10	(30.90)
Sub-total (A-1)	**890955120**	**300**	**890955420**	**100**	**81341269**	**0**	**81341269**	**69.10**	**(30.90)**
(2) Foreign	0	0	0	0	0	0	0	0	0
Sub-total (A-2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Promoter shareholding (A=A1+A2)	**890955120**	**300**	**890955420**	**100**	**81341269**	**0**	**81341269**	**69.10**	**(30.90)**
B. Public Shareholding									
(1) Institutions									
Mutual Funds	0	0	0	0	0	113	113	0	0
Banks / FI	0	0	0	0	3176	1	3177	0	0
FII	0	0	0	0	6635179	1256	6636435	5.64	5.64
Sub-total (B-1)	**0**	**0**	**0**	**0**	**6638355**	**1370**	**6639725**	**5.64**	**5.64**
(2) Non-Institutions									
a) Bodies Corp.									
Indian	0	0	0	0	3283102	20	3283122	2.79	2.79
Overseas	0	0	0	0	50	1	51	0	0
b) Individuals									
Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	16197772	47830	16245602	13.80	13.80
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	8326758	0	8326758	7.08	7.08
c) Others									
NRI	0	0	0	0	735060	40738	775798	0.66	0.66
Trust	0	0	0	0	3339	1	3340	0.00	0
HUF	0	0	0	0	1090217	2136	1092353	0.93	0.93
Sub-total (B-2)	**0**	**0**	**0**	**0**	**29636298**	**90726**	**29727024**	**25.26**	**25.26**
Total Public Shareholding (B=B1+B2)	**0**	**0**	**0**	**0**	**36274653**	**92096**	**36366749**	**30.90**	**30.90**
C. Shares held by Custodian for GDRs & ADRs (C)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**890955120**	**300**	**890955420**	**100**	**117615922**	**92096**	**117708018**	**100.00**	**-**

Note: During the year under review, in pursuance of a Scheme of Arrangement and Amalgamation approved by Hon'ble NCLT on June 8, 2017 *inter alia* for Demerger of Print Media Undertaking of Zee Media Corporation Ltd (ZMCL) vesting with the Company and Amalgamation of Mediavest India Pvt Ltd and Pri-Media Services Pvt Ltd with the Company, the entire Pre-Scheme Paid-up Equity Share Capital of the Company was cancelled and the Company had issued 117,708,018 Equity Shares of ₹ 1 each to the Shareholders of ZMCL as consideration of such demerger.

ii) Shareholding of Promoters & Promoter Group & Change in Promoters' Shareholding:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2017			Shareholding at the end of the year i.e. March 31, 2018			
		No. of Shares	% of toal Shares of the Company	% of Shares pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total Shares	% change in share-holding during the year
1	Mediavest India Private Limited	890955420	100.00	0	0	0	0	(100.00)
2	25FPS Media Private Limited	0	0	0	41567113	35.31	0	35.31
3	Arm Infra & Utilities Private Limited	0	0	0	39768182	33.78	7.50	33.78
4	Prime Publishing Private Limited	0	0	0	5909	0.01	0	0.01
5	Sprit Infrapower & Multiventures Private Limited	0	0	0	65	0.00	0	-
	TOTAL	**890955420**	**100.00**	**0**	**81341269**	**69.10**	**7.50**	**-**

Note: During the year under review, the entire Pre-Scheme Paid-up Equity Share Capital of the Company held by Mediavest India Pvt Ltd was cancelled and the Company had issued 117,708,018 Equity Shares of ₹ 1 each to the Shareholders of Zee Media Corporation Ltd in pursuance of a NCLT approved Scheme.

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

Name of Shareholder	Shareholding at the beginning of the year i.e. April 1, 2017		Shareholding at the end of the year i.e. March 31, 2018	
	No. of Shares	% Equity Share Capital	No. of Shares	% Equity Share Capital
ACACIA Partners, LP	NA	NA	2008533	1.71
Dilipkumar Lakhi	NA	NA	1675445	1.42
Viral Amal Parikh	NA	NA	1622347	1.38
India Opportunities Growth Fund Ltd - Pinewood Strategy	NA	NA	1525000	1.30
ACACIA Institutional Partners, LP	NA	NA	1296653	1.10
ACACIA Conservation Fund LP	NA	NA	900900	0.77
Chirag Dilipkumar Lakhi	NA	NA	774636	0.66
Nimesh Sumatilal	NA	NA	735000	0.62
Hardik Dhanesh Shah	NA	NA	725000	0.62
Urmila D Shah	NA	NA	688758	0.59

Note:

1) On April 1, 2017, since the Company was closely held & had only the Promoter Shareholding, the details of top 10 shareholder other than Promoter are Not Applicable.
2) During the year under review, in pursuance of a Scheme of Arrangement and Amalgamation approved by Hon'ble NCLT on June 8, 2017 *inter alia* for Demerger of Print Media Undertaking of Zee Media Corporation Ltd vesting with the Company and Amalgamation of Mediavest India Pvt Ltd and Pri-Media Services Pvt Ltd with the Company, the entire Pre-Scheme Paid-up Equity Share Capital of the Company held by Mediavest India Pvt Ltd was cancelled and the Company had issued 117,708,018 Equity Shares of ₹ 1 each to the Shareholders of Zee Media Corporation Ltd.
3) Shares held in multiple accounts having same PAN are consolidated for the purpose of this disclosure.

iv) Shareholding of Directors and Key Managerial Personnel:

None of the Directors/Key Managerial Personnel of the Company, held any Equity Shares of the Company either at the beginning of the year i.e. April 1, 2017 or at the end of the year i.e. March 31, 2018 or dealt in the Equity Shares of the Company during financial year 2017-18 and the information in this regard is Nil.

V. INDEBTEDNESS:

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of FY i.e. April 1, 2017				
i) Principal Amount	-	43,626.56	-	43,626.56
ii) Interest Due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total		**43,626.56**		**43,626.56**
Change in Indebtedness during FY 17-18				
• Addition	34,110.67	-	-	34,110.67
• Reduction	-	-	-	-
Net Change	**34,110.67**	**-**	**-**	**34,110.67**
Indebtedness at theend of FY i.e. March 31, 2018				
i) Principal Amount	25,000.00	43,626.56	-	68,626.56
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9,110.67	-	-	9110.67
Total	**34,110.67**	**43,626.56**	**-**	**77,737.23**

Note:

1. Unsecured Loans comprise of Preference Shares
2. Addition of Secured Loan during the year is in view of Non-Convertible Debentures of Pri-Media Services Pvt Ltd vested with the Company in pursuance of the Scheme.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Particulars of Remuneration	A V Ramachandran Executive Director (from 01-09-2017)	Total
Gross salary (As per Income Tax Act)		
Salary	16.97	16.97
Perquisites	-	-
Profit in lieu of salary	-	-
Stock Option	-	-
Sweat Equity	-	-
Commission - as % of profit	-	-
Others (Contribution to Provident Fund)	1.33	1.33
Total	**18.30**	**18.30**
Ceiling as per the Act	**Not Applicable in view of losses of the Company**	

B. Remuneration to other directors:

(₹ in Lakhs)

Name of Director	Sitting Fees	Commission	Others	Total
Uma Mandavgane	1.40	0	0	1.40
Vishal Malhotra	1.40	0	0	1.40
Mukund Galgali	0	0	0	0
Total	**2.80**	**0**	**0**	**2.80**
Ceiling as per the Act	**Not Applicable as the Non-Executive Directors are not paid Commission.**			

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

(₹ in Lakhs)

Particulars of Remuneration	Sanjeev Garg - CEO (from 01-09-17)	Dinesh Agarwal - CFO (w.e.f. 01-10-17)	Prathamesh Joshi - Company Secretary (w.e.f. 01-10-17)#	Total
Salary	46.95	6.10	3.48	56.53
Perquisites	-	-	-	-
Profits in Lieu of Salary	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission	-	-	-	-
Others (Contribution to Provident Fund)	3.19	0.44	0.24	3.87
Total	**50.14**	**6.54**	**3.72**	**60.40**

Draws remuneration from one of the group entity.

Note: Past KMP's including Mr. Jagdish Chandra, CEO (till July 10, 2017), Mr. Kamal Dhingra, CFO (till September 30, 2017) and Mr. Mehul Somaiya, Company Secretary (till September 30, 2017) were not paid any remuneration by the Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: None

For and on behalf of the Board

Mukund Galgali
Chairman

Place: Mumbai
Date: July 20, 2018

A V Ramachandran
Executive Director

Secretarial Audit Report – 2017-18

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: U22120MH2005PLC151377) (hereinafter called 'the Company') for FY 2017-18. 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 Company's 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, 2018 ('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, 2018 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 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 & Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the 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;
   c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
   d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

VI. The Company has identified the following Laws as specifically applicable to the Company:

   a) The Press and Registration of Books Act, 1867;
   b) Press Council Act, 1978;
   c) Regulatory Guidelines/requirements prescribed by the Office of Registrar of Newspapers of India (RNI);
   d) Water (Prevention and Control of Pollution) Act, 1974;
   e) Air (Prevention and Control of Pollution) Act, 1981;
   f) Environmental (Protection) Act 1986 (to the extent applicable to the Company); and
   g) The Factories Act, 1948 and the Maharashtra Factories Rules,1963

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 verification and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, regulatory requirements, and Standards 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 professional.

- the Board of Directors of the Company is duly constituted. 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 Listing Regulations.

- Adequate notice was 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 minutes, were taken unanimously.

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

- The Mumbai Bench of Hon'ble National Company Law Tribunal ("NCLT"), vide its Order dated June 8, 2017 had approved the Scheme of Arrangement and Amalgamation between Zee Media Corporation Limited (ZMCL); Diligent Media Corporation Limited (DMCL / the company); Mediavest India Private Limited (Mediavest); Pri-Media Services Private Limited (Pri-Media); Maurya TV Private Limited (Maurya) and their respective Shareholders and Creditors ('the Scheme'), with Appointed Date of April 1, 2017.

- The said Scheme was made effective on July 28, 2017 by filing of certified copy of said Order of NCLT by the Companies forming part of the Scheme; and

- 11,77,08,018 Equity Shares of Re. 1 each of the Company, issued and allotted by the Board of Directors of the Company in pursuance of the Scheme on October 9, 2017, to the Shareholders of ZMCL as on record date of October 6, 2017, got listed on BSE Limited and National Stock Exchange of India Limited with effect from December 11, 2017.

CS Satish K. Shah
FCS1313/CP3142

Place : Mumbai
Date : May 18, 2018

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.

Diligent Media Corporation Limited (Diligent Media), an Essel Group Company got listed on the Stock Exchanges in December 2017. The Corporate Governance philosophy at Diligent Media is founded on the principles and core values adopted by Essel Group and built 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.

Since the Company got listed on the Stock Exchanges on and from December 11, 2017, the requirements of compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), became applicable from the date of Listing. 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, 2018 your Board comprised of 4 Directors including 1 (one) Executive Director, 1 (one) Non-Executive Director and 2 (two) Independent Directors, including 1 (one) Independent Women Director. Subsequent to the year end, there was a change in the composition of the Board. At the meeting held on July 20, 2018, your Board approved appointment of Mr. Ashok Venkatramani as an Additional Director in the category of Non-Executive Director with effect from August 1, 2018 and took on record the resignation Mr. Mukund Galgali, Non-Executive Director. The revised composition of the Board of Directors of the Company is also in accordance with Regulation 17(1) of Listing Regulations.

Independent Directors provide appropriate certifications of eligibility both at the time of appointment and thereafter annually, confirming that they continue to meet the conditions laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations.

During the year under review, 4 (four) meetings of the Board were held on May 24, 2017, September 1, 2017, October 9, 2017 and January 31, 2018.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings detailed above held during the financial year 2017-18 and also their other Directorships/Chairmanship, held in Indian Public Companies & Membership/Chairmanship of various Board Committees of other Indian Public Companies as at March 31, 2018 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 4 Meetings)	12th AGM held on July 20, 2017	Member	Chairman	Member	Chairman
Non-Executive Non-Independent Director						
Himanshu Mody (Resigned w.e.f. September 1, 2017)	1	Yes	NA	NA	NA	NA
Mukund Galgali	3	Yes	4	-	2	-
Independent Director						
Uma Mandavgane	4	Yes	2	-	4	1
Vishal Malhotra	4	Yes	-	-	-	-
Executive Director						
A V Ramachandran (Appointed w.e.f. September 1, 2017)	2	NA	-	-	-	-

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.

Brief Profile of all Directors of the Company as at March 31, 2018 are mentioned herein:

Mr. Mukund Galgali (DIN 01998552), Non-Executive Chairman of the Board, is a Chartered Accountant and Company Secretary and has global financial leadership experience of over 2 decades. For over a decade now, Mr. Galgali is part of the Leadership team at Essel Group, responsible for providing strategic consulting advice on business planning and performance, regulatory and tax implications on business, process innovations and management controls in order to improve business efficiency. Mr. Galgali has been instrumental in partnering businesses to implement the strategic initiatives of the Group leadership from financial reporting, structuring, tax and regulatory perspective including adoption and convergence of IFRS, IND AS transition, SAP implementation and the group shared services design and delivery. Before Essel Group, Mr. Galgali managed an entrepreneurial venture delivering Audit & Corporate Services to top MNCs and Indian Companies across Pune and Mumbai. Mr. Galgali also featured in the book "Best Practices by Leading Chief Audit Executives" in India in 2014 published by CCH Wolters.

Mrs. Uma Mandavgane (DIN 03156224), Chartered Accountant and Certified Information Systems Auditor from ISACA, USA is a professional with experience of over 25 years in Industry and consulting. During her consulting career, Uma was part of Enterprise Risk Service Group of Deloitte and had served large size organisations in the areas of Business Process re-engineering, Controls assessment of business and technology risk and regulatory compliance requirements under SEBI guidelines, SOX etc. She had worked in large Indian Corporate houses including Lupin Laboratories Ltd, VIP Industries Ltd, CMS Infosystems Ltd etc. in Corporate treasury & finance and Risk functions. Currently Uma has an independent practice in the areas of Risk and Internal Controls Assessment, IT Governance and Information Systems review and Data Analytics.

Mr. Vishal Malhotra (DIN 00129255), Computer Engineer, is a business leader with rich experience in digital ecosystem. Mr. Vishal Malhotra an innovator in the pre-convergence era in India had been instrumental in setting-up SMS Short Code '57575', mobile gaming aggregation, Animation, launching India's first Online TV platform and leading a fibre to home role out in India. Currently Vishal has his eyes set on extracting value from a data-driven approach across a sea of devices that form a part of the digital world.

Mr. A V Ramachandran (DIN 06926801), BSc. Hons. in Chemistry from University of Calicut, is a professional with experience of over 29 years 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 – Production with Pri-Media Services Pvt Ltd (since merged with the Company).

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 Executive Officer and Chief Financial Officer are normally invited to the Board meetings to provide necessary insights 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 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 27, 2018 to evaluate performance of the Board / Board Committees including the performance of Non-Independent Directors and 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 long term strategic issues, evaluation of strategic risks, overseeing and review of major plans of action, corporate restructuring, acquisitions, divestment, etc.

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 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 presentations are made to the Board / Board Committees covering business strategies, management structure, periodic financial results, budgets etc. 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 Listing Regulations forms part of the appointment letters issued to Independent Directors. Copy of the Code along with 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, 2018.

A V Ramachandran
Executive Director – Printing
Mumbai, May 18, 2018

BOARD COMMITTEES

Particulars of Meetings of Board Committees held during the year along with details of Directors attendance at such Committee Meeting(s) are detailed herein:

Particulars	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee
No. of Meetings held	**4**	**2**	**1**
Directors attendance			
Mrs. Uma Mandavgane	4	2	NA
Mr. Vishal Malhotra	4	2	NA
Mr. Himanshu Mody *	NA	NA	-
Mr. Mukund Galgali	3	2	1
Mr. A V Ramachandran $	NA	NA	1

Note:

* Resigned w.e.f.September 1, 2017.

$ Appointed w.e.f. September 1, 2017.

NA denotes that the Director is not a Member of such Committee.

Details of Board Committees are as under:

(a) Audit Committee

Constitution: As at March 31, 2018, 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. Mukund Galgali Non-Executive Director as Members. Subsequent to year end, consequent to changes in the Board, Mr. Ashok Venkatramani was appointed as a Member of Audit Committee in place of Mr. Mukund Galgali w.e.f. August 1, 2018.

During the year under review, Audit Committee met for four (4) times on May 24, 2017, October 9, 2017, January 31, 2018 and March 27, 2018.

Terms of reference: The Terms of reference and role of the Audit Committee are as per Listing Regulations and Section 177 of Companies Act, 2013 and *inter alia* 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 including computerized information system controls and security.
- Recommend to the Board for approval, the proposal for appointment of and payment of remuneration to the Statutory 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 are considered by the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

(b) Nomination & Remuneration Committee

Constitution: As at March 31, 2018 the Nomination & Remuneration Committee comprised of Mrs. Uma Mandavgane as Chairperson and Mr. Vishal Malhotra, Independent Director and Mr. Mukund Galgali, Non-Executive Director as its Members. Subsequent to the year end, consequent to changes in the Board, Mr. Ashok Venkatramani was appointed as a Member of the Committee in place of Mr. Mukund Galgali w.e.f. August 1, 2018.

During the year under review the Committee met two (2) times on September 1, 2017 and March 27, 2018.

Terms of reference: The terms of reference of the Nomination & Remuneration Committee, as revised during the year in line with the requirements of Listing Regulations *inter alia*, comprise of

- 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.

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 highperforming employees. The Remuneration Policy of the Company can be accessed on Company's website www.dnaindia.com.

The increments and variable pay proposal is deliberated and approved by the Nomination & Remuneration Committee of the Board. The Nomination & Remuneration Committee also considers and recommends for approval of the Board, the compensation package of Executive Director which *inter alia* includes fixed pay (Salary, Allowances & Perquisites) and Variable Pay.

Remuneration paid to Executive Director: Particulars of the remuneration paid to Mr. A V Ramachandran, who was appointed as an Executive Director of the Company with effect from September 1, 2017, is as detailed herein:

(₹ in Lakhs)

Particulars	Amount
Salary, Allowances & Perquisites	16.97
Employer's Contribution to Provident Fund	1.33
Total	**18.30**

Remuneration payable to Non-Executive Directors: The 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. Till October 2017, the Independent Directors were paid Sitting Fees of Rs. 10,000/- for attending the meetings of Board and Board Committees. The Sitting fees was enhanced to Rs. 20,000/- effective October 2017, to compensate Independent Directors for increased responsibilities and time required to be devoted on affairs of the Company upon listing.

Particulars of Sitting Fees paid to Independent Directors of the Company during financial year 2017-18 is as detailed herein:

(₹ in Lakhs)

Name of Director	Sitting Fees	Total
Uma Mandavgane	1.40	1.40
Vishal Malhotra	1.40	1.40
Total	**2.80**	**2.80**

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, 2018, the Stakeholders Relationship Committee of the Board comprised of Mr. Mukund Galgali, Non-Executive Director, as Chairman and Mr. A V Ramachandran, Executive Director as Members. Subsequent to the year end, Mr. Ashok Venkatramani was appointed as Chairman of the Committee in place of Mr. Mukund Galgali w.e.f. August 1, 2018 and Mr. Vishal Malhotra, Independent Director was appointed as Member of the Committee w.e.f. August 1, 2018. The Company Secretary is the Secretary of the Committee.

During the year under review, post listing of Equity Shares of the Company in December 2017, the Committee met only once on January 18, 2018.

Terms of reference: The terms of reference of the Stakeholders Relationship Committee, as revised post listing, is to strengthen investor relations, ensure efficient transfer/transmission etc., of shares and proper and timely attendance of investor's grievances. The Committee has delegated the power to consider and approve requests for transfer, transmission, rematerialisation & dematerialisation etc. of Equity shares to the Company executives including the Company Secretary and representatives of Registrar and Share Transfer Agent of the Company. The Company Secretary, being Compliance Officer, is entrusted with the responsibility, to specifically look into the redressal of the shareholders and investors complaints and report the same to Stakeholders Relationship Committee.

GENERAL MEETINGS

The 13th Annual General Meeting of the Company for the Financial Year 2017-18 will be held on Friday, September 21, 2018 at 11.30 a.m. at The Hall of Culture, 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
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. Appointment of Mr. Vishal Malhotra as Independent Director for the second term of 3 years with effect from March 26, 2018. Enhancement of Borrowing powers of the Board to Rs. 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 Rs. 1,000 Crores. Adoption of new set of Articles of Association of the Company.	Registered Office: 11th Floor, Tower - 3, Indiabulls Finance Center, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013
2015-16	August 2, 2016 – 5.00 p.m.	None	
2014-15	September 25, 2015 – 11.00 a.m.	None	

POSTAL BALLOT

No Resolutions were passed by way of Postal Ballot during financial year 2017-18. 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, in line with the provisions of Section 110 of the Companies Act, 2013, as amended with effect from February 9, 2018.

DISCLOSURES

a) All transactions entered into by the Company with related parties during the financial year 2017-18 were in the 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/or 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 reviewed on quarterly basis by the Audit Committee, post listing.

   In compliance with the requirements of Regulation 23 of Listing Regulations, the Board of Directors of the Company had on October 9, 2017 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.

b) 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 of Companies Code of Conduct or ethics policy. 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.

c) In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company had on October 9, 2017, 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. Company Secretary of the Company is Compliance Officer for the purposes of Insider Trading Code, while the Chief Executive Officer of the Company has been assigned responsibility under Fair Disclosure policy as Investor Relations Officer. The said Insider Trading Code and policy on Fair Disclosure of Unpublished Price Sensitive Information is available on the Company's website on www.dnaindia.com.

d) The Company does not have any subsidiary and therefore the requirement of policy for determining material subsidiary shall not apply. Further, the Board has in accordance with the requirements of Listing Regulations approved and adopted various other policies effective from the date of listing, including Policy for determining Material Events and Policy on Preservation of Documents and Archival of Records. These policies can be viewed on Companies website at www.dnaindia.com.

e) There has not been any non-compliance by the Company and no penalties or strictures were imposed by SEBI or Stock Exchanges or any other statutory authorities on any matter relating to relating to capital markets during last three years.

f) Post Listing, the Company is compliant with all the mandatory requirements specified in Regulation 17 to 27 and applicable requirements of Regulation 46 of Listing Regulations, as amended.

MEANS OF COMMUNICATION

Post Listing, the Company has promptly reported all material information including declaration of quarterly 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 newspapers viz. '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 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 made by the Company, Annual Report, quarterly / annual financial statements, Shareholding patterns, Stock Exchange 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 : Friday, 21st day of September 2018 Time : 11.30 a.m. Venue : The Hall of Culture, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018
2	**Financial Year**	April 1, 2017 to March 31, 2018
3	**Registered Office**	18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013, India Tel: +91-22-7106 1234 / +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 2017-18.
6	**Stock Code**	BSE- 540789 NSE- DNAMEDIA-EQ.
7	**ISIN No.**	INE016M01021
8	**Corporate Identity Number**	U22120MH2005PLC151377
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. Prathamesh Joshi 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 2017-18.

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. Unclaimed Shares

Regulation 39 (4) of SEBI (Listing Obligations and Disclosure Requirements), 2015 provides the manner of dealing with the shares issued in physical form pursuant to a public issue or any other issue and which remains unclaimed with the Company.

Pursuant to the Scheme of Arrangement and Amalgamation 117,708,018 equity shares of ₹ 1/- each of the Company were issued and allotted by the Board on October 9, 2017, to the Shareholders of Zee Media Corporation Limited (ZMCL) in the ratio of 1 (one) Equity Share of ₹ 1/- each of the Company for every 4 (four) Equity Shares of ₹ 1/- held in the ZMCL.

Details of Equity Shares lying in the Unclaimed suspense account as on March 31, 2018, is as under:

Description	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as at April 1, 2017	-	-
Unclaimed Shares arising out of issue and allotment of Shares in pursuance of scheme in October 2017	817	35,743
Number of shareholders who approached the Company for transfer of shares from Suspense account till March 31, 2018	0	0
Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2018	0	0
Aggregate number of shareholders and the outstanding shares in the Suspense account lying as on March 31, 2018	**817**	**35,743**

The voting rights on the shares outstanding in the Suspense Account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares.

14. 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.

15. 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, 2018, 99.92% of the total issued and paid-up Equity Share capital of the company are held by 93,713 shareholders in Dematerialized form and the balance 0.08% are held by 1,931 shareholders in physical form.

16. 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.

17. 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 ₹ 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, 2018	**117,708,018**	

b) Preference Share

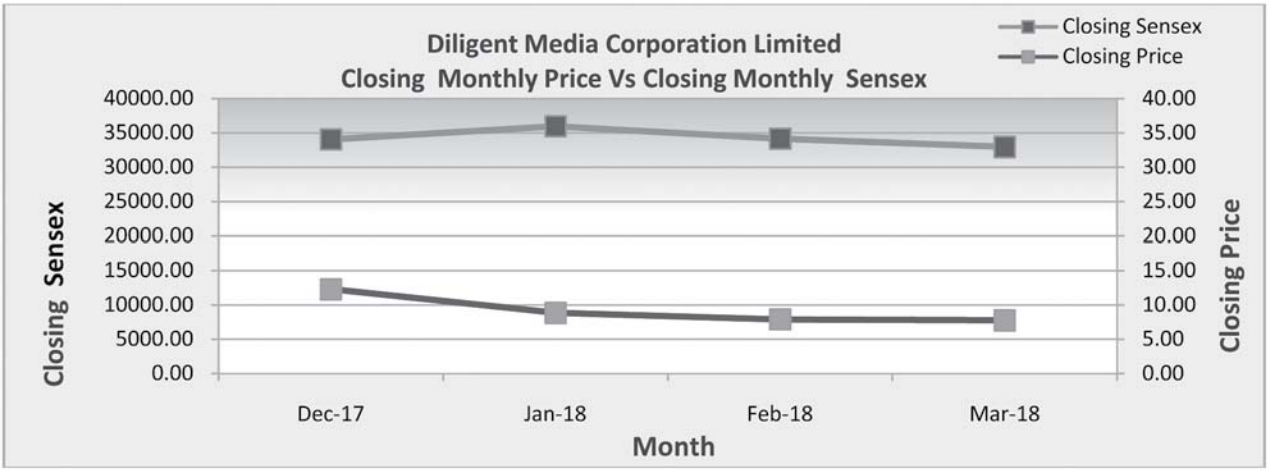
Particulars	No. of shares issued	Date of issue
Preferential Issue	4362,656,265	November 2, 2016

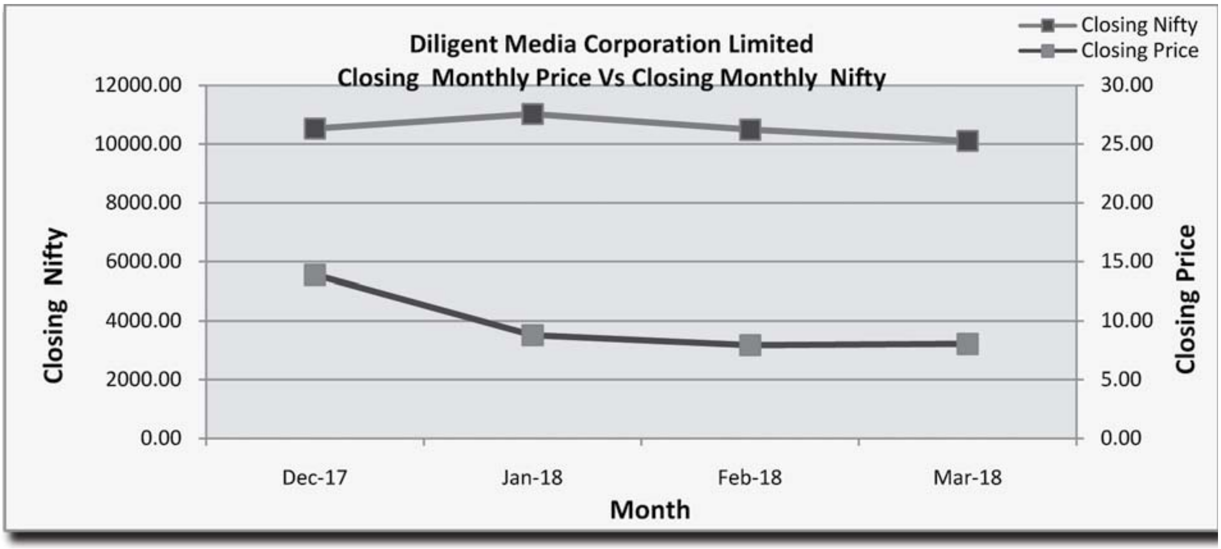
18. Stock Market data relating to Shares Listed in India

Monthly high and low quotations and volume of shares traded on BSE & NSE, since Listing in December 2017, during financial year 2017-18:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume of Share Traded	High (₹)	Low (₹)	Volume of Shares Traded
December 2017	14.30	7.50	5,863,187	13.90	6.75	8,283,942
January 2018	14.40	8.58	2,544,516	14.40	8.60	5,140,561
February 2018	9.49	7.70	284,331	9.40	7.60	1,068,359
March 2018	8.60	7.50	364,635	8.50	7.50	1,284,783

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



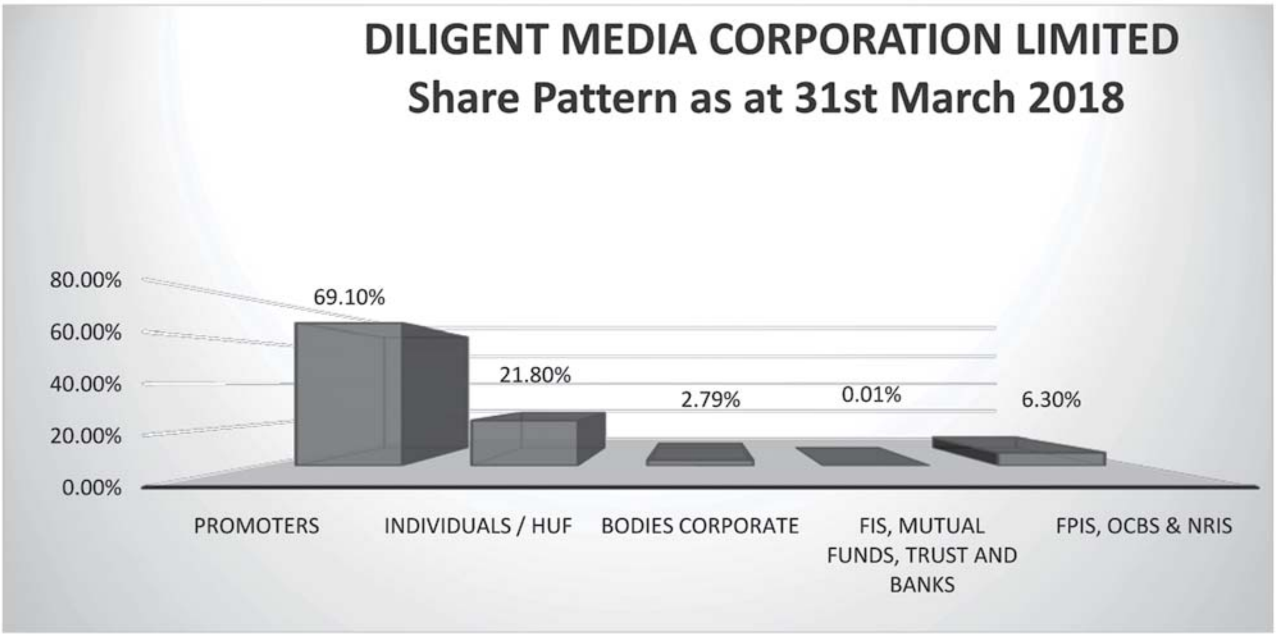


20. Distribution of Shareholding as on March 31, 2018

No. of Equity Shares	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Up to 5000	95,083	99.41%	11,999,020	10.19%
5001 – 10000	293	0.31%	2,161,600	1.84%
10001-20000	121	0.13%	1,662,656	1.41%
20001-30000	48	0.05%	1,200,612	1.02%
30001-40000	23	0.02%	807,527	0.69%
40001-50000	16	0.02%	735,902	0.63%
50001-100000	24	0.02%	1,707,638	1.45%
100001 and Above	36	0.04%	97,433,063	82.77%
Total	**95,644**	**100.00%**	**117,708,018**	**100.00%**

21. Categories of Shareholders as on March 31, 2018

Category	No. of shares held	% of shareholding
Promoters	81,341,269	69.10%
Individuals/HUF	25,664,713	21.80%
Bodies Corporate	3,283,122	2.79%
FIs, Mutual funds, Trust & Banks	6,630	0.01%
FPIs, OCBs & NRIs	7,412,284	6.30%
Total	**117,708,018**	**100.00%**



22. Particulars of Shareholding

a) Promoter Shareholding as on March 31, 2018

Sr.	Name of Shareholder	No. of Shares held	% of shareholding
1	25FPS Media Private Limited	41,567,113	35.31%
2	Sprit Infrapower & Multiventures Private Limited	65	0.00%
3	Arm Infra & Utilities Private Limited	39,768,182	33.79%
4	Prime Publishing Private Limited	5,909	0.00%
	Total	**325,365,074**	**69.10%**

b) Top Ten (10) Public Shareholding as on March 31, 2018

Sr.	Name of Shareholder	No. of Shares held	% of shareholding
1	ACACIA Partners, LP	2,008,533	1.71%
2	Dilipkumar Lakhi	1,675,445	1.42%
3	Viral Amal Parikh	1,622,347	1.38%
4	India Opporunities Growth Fund Ltd- Pinewood Strategy	1,525,000	1.30%
5	ACACIA Institutional Partners, LP	1,296,653	1.10%
6	ACACIA Conservation Fund LP	900,900	0.77%
7	Chirag Dilipkumar Lakhi	774,636	0.66%
8	Nimesh Sumatilal	735,000	0.62%
9	Hardik Dhanesh Shah	725,000	0.62%
10	Urmila D Shah	688,758	0.59%
	Total	**11,952,272**	**10.17%**

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

Auditor's Certificate on Corporate Governance

To
The Members,
Diligent Media Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Diligent Media Corporation Limited ('the Company'), for the financial year ended 31 March 2018 as stipulated in the Regulation 17 to 27 and Clauses (b) to (i) of 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").

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that post listing of Equity Shares of the Company on the Stock Exchanges on December 11, 2017, the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations.

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

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

CA B S Sharma
Proprietor
Membership Number FCA 031578

Place: Mumbai
Date: July 20, 2018

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; Regulatory changes and our ability to respond to them; Our ability to successfully implement our strategy, growth/expansion plans; Technological changes; Our exposure to market risks, general economic and political conditions 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; 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

2017 was a good year for the global economy with economic activity expanding at a faster pace of 3.1%. India's GDP growth, however, slowed down to 6.7% in 2017-18 from 7.1% in the previous year due to implementation of Goods and Services Tax (GST), residual impact of demonetisation, subdued private investment because of slowdown in corporate lending by banks, and a few other factors. The economy however ended the year on a high note with the year on year growth in the fourth quarter at 7.7%.

Forecast for the Indian economy in 2018-19 as projected by RBI is 7.4% GDP growth. With the global economy expected to maintain its pace of growth, there is a high level of confidence on this forecast of growth for India. Positive factors contributing to this acceleration are resolution of minor deficiencies of GST implementation and start of accrual of efficiency of a streamlined tax structure, continued Government investments in infrastructure, consumption growth in both rural and urban India with predictions of normal monsoon, etc. Some of the dark clouds that may impact the momentum could be rising energy and commodity prices, strengthening interest rates and the overhang of trade war fears.

Indian Media & Entertainment Industry

Indian Media & Entertainment industry as a growth story is expected to be ahead of the expected buoyancy in average growth in the overall economy. As per an estimate, Indian Media and Entertainment (M&E) Sector is projected to grow to $40 billion mark by 2021. This translates into a healthy growth rate of above 10% CAGR. With the current rate of explosion in Digital media spends, there is a possibility that the growth rate might exceed projections.

Important drivers for the growth in the M&E industry are listed below.

- In India, while the literacy and computer / mobile penetration is increasing same is yet to reach the entire population, hence along with population growth these are other factors driving huge growth in media consumption.
- Increasing prosperity with growing household incomes is driving a faster increase in consumption and hence, raising the potential for media access and touch points. Growing economy also means increasing expenditure on advertising which is expected to contribute to the industry growth.
- Significant dip in wireless data pricing has led to India's monthly wireless data usage rising from 200 million GB a month in June 2016 to 1.3 billion GB a month in March 2017. The most dramatic jump was seen in bandwidth intensive music and video streaming applications.Thus, increasing content consumption due to cheaper access costs is one of the leading factor behind growth potential of the media industry.
- Diversity of India means need for a greater level of localization in content across linguistic and culturally distinct regions. Higher level of awareness drives demand for niche content. Both these factors lead to increasing demand for content creation.
- Changes in consumer behavior caused by rapid technological changes is impacting the content creation, content distribution and the content consumption in the industry. 80% of internet usage now takes place on mobile phones in India. This may lead to a drop in market share for the traditional segment within the industry vs. new players, which are focused on digital media. However, there is an expectation of emergence of synergistic interplay between these new players, who may not have the capability to create relevant content and the traditional industry, who can do so. This symbiotic interaction is likely to lead to overall growth in the size of the market.

Due to an expected faster than global average rate of growth in Indian Media industry, there has been a heavy Foreign Direct Investment (FDI) in the Information and Broadcasting sector in the period April 2000 to September 2017 up to a tune of US $ 6.86 billion. This includes the newspaper publication industry.

The Indian Media and Entertainment Sector reached almost INR 1.5 trillion in 2017, a growth of around 13% over 2016 according to FICCI – E&Y 2018 report. With its current trajectory, it is expected to cross INR 2 trillion by 2020, at a CAGR of 11.6%. Details of share of various constituents of M&E sector, as per said report is as under:

- Television: The television industry grew from INR 594 billion in 2016 to INR 660 billion in 2017, a growth of 11.2%.
- Print: Print accounted for second largest share of the Indian M&E Sector growing at 3% to reach INR 303 billion in 2017.
- Films: The Indian film segment grew 27% in 2017 on the back of box office growth both domestic and international. All sub segments with the exception of home video grew and the film segment reached INR 156 billion in 2017.
- Digital Media: Digital media has grown significantly over the past few years and continues to lead the growth charts on advertising. In 2017, digital media grew 29.4% (27.8% net of the impact of GST) on the back of a 28.8% growth in advertising and a 50% growth in subscription.

A report by Zenith, the ROI agency of Publicis Group, in December 2017 estimated that total advertising expenditure in 2017 would be INR 53,918 crore. It is projected to climb to INR 58,422 crore in 2018 (growth of 8%), and INR 73,711 crore in 2020. Against this, a report by Magna Global (an IPG Mediabrands company) has given a prediction of 12.1% growth in the overall advertising expenditure in 2018, driven by categories such as auto, FMCG, banking, consumer durables and ecommerce.

Print Media

The Print industry is facing headwinds in all major markets across the world with the readership and circulations dropping across the board. However, the Indian market has bucked this trend. An Audit Bureau of Circulation report of May 2017 showed that Indian print publications have grown 4.87% a year in 10 years with the average daily circulation touching 6.28 crore copies in 2016 from 3.91 crore in 2006. Similarly, the Indian Readership Survey (IRS) 2017 show that % of 12+ individuals (total universe of 104.73 crore, growth of 9% over 2014) who have read a newspaper in last 1 month increased by 8% from 2014 to reach a total of 39%. Rural readership increased at a faster rate of 9% vs. 6% in urban readership. Considering the increase in universe of 12+ individuals, the total readership of newspapers increased from 29.8 crore in 2014 to 40.8 crore in 2017, a jump of 11 crore. 5% of the total universe of 12+ individuals had read a magazine in the last one month, as per the same survey.

According to the FICCI-E&Y report, the Print media is estimated to grow at an overall CAGR of approximately 7% till 2020 with vernacular at 8% to 9% and English slightly slower. This is expected even as FDI limit remains unchanged at 26% and after imposition of GST at 5% on the advertising revenues of the print industry for the first time in history. Magazines contributed 4.3% of the total print segment. The segment was at largely status quo with not many significant new launches in 2017. Newspapers are expected to remain the largest media segment for the three years up to 2020 as per the Zenith report. The forecast for share of newspapers in the overall advertising expenditure is 38.9% or INR 28,670 crore in 2020.

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

Demographics: 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.

Credibility: 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.

Cost of Access: 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. This means that growth will be more in newspapers in regional languages.

Upward Mobility: 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° 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, 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 giants and began its journey with launch of Mumbai 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 June 8, 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 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 117,708,018 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, Delhi, Jaipur and Ahmedabad. DNA one of the leading newspaper in the Mumbai city was launched in 2005. While the Delhi edition of DNA was launched in October 2016, the Ahmedabad and Jaipur editions were re-launched in June 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 at 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. on job work basis.

DNA in its 13 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 New Delhi edition has also managed to carve out a distinct niche in minds of the urban consumer using the same philosophy.

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

DNA Afterhrs: 6 page supplement published daily with trends from the glamour world of fashion, lifestyle and cinema apart from exclusive stories.

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

DNA Sports: Daily section containing news and in-depth stories on sports.

DNA Property: Weekly supplement with hot propery tips, laws, rates and trends alongside important news that affect readers looking to purchase their dream home.

DNA JBM: 4 page weekly supplement - Just Before Monday (JBM) for a leisurely weekend read that helps the readers to create a richer life experience.

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

DNA eco-Ganesha: Contest and platform for eco-friendly Ganeshotsav celebrations in Mumbai.

DNA Auto Show: Exhibition platform for the automobile industry and a complete family outing experience, while browsing best cars and bikes.

DNA Sir JJ Architecture Awards: Awards honoring top achievers amongst alumni of Sir JJ College of Architecture, which is a micro, but a greatly influential community of stakeholders in the real estate industry.

DNA JNCH DPD Awards: Award to recognise and celebrate all stakeholders involved in making Direct Port Delivery, one of the important steps towards the endeavor of making India's ease of doing business, a success.

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 1.37 Million likes on its Facebook page and a total followership of 1.85 Million for its Twitter accounts, as of March 2018. The website attracts over 101.3 Million unique visitors with 237.9 Million page views in FY 18. 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 360° media covering digital and on-the-ground activities. The Company is purposefully set to increase its reach among this segment across 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 years by offering exponential returns to its advertising partners and ensure optimal returns to all the stakeholders in its 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 maximisation 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 business are 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 offering the 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 reach and revenues.

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 alterations or introduction of new laws may 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 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 expose the 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 also has 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 audits of different departments/functions of the Company to ensure conformity to laid-down rules and procedures.A robust Management 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 budget periodically 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, 2018 was 425 in comparison to 234 on March 31, 2017. The numbers are not comparable because of the vesting of Print Media Undertaking of Zee Media, and merger of two of Zee Media's subsidiaries, viz. Mediavest India Private Limited and Pri-Media Services Private Limited, with the Company effective from April 1, 2017.

The total headcount includes 126 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.

FY2017-18 PERFORMANCE

Financial Results

The financial performance of your Company for the year ended March 31, 2018 is summarized below:

₹ in Lakhs

Particulars	March 31, 2018	March 31, 2017
Income		
Revenue from operations	12,403.51	8,531.21
Other income	308.55	632.12
Total Income	**12,712.06**	**9,163.33**
Expenses		
Operational Expenses		
Cost of raw material consumed	3,011.42	3,007.52
(Increase)/Decrease in inventories	(1.11)	0.41
Employee benefits expense	3,468.43	1,977.86

₹ in Lakhs

Particulars	31 March 2018	31 March 2017
Other expenses	7,172.75	7,973.60
Total Operational Expenses	**13,651.48**	**12,959.39**
Operating Loss	939.43	3,796.06
Finance costs	3,803.17	40.46
Depreciation and amortisation expense	1,254.89	48.40
Loss Before Tax	**5,997.49**	**3,884.92**
Deferred tax charge /(benefit)	3,820.02	-1,333.40
Loss After Tax	**9,817.51**	**2,551.52**

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, and hence the results are not comparable with the previous year financials.

Total Income: The Company achieved a growth of 38.73% in its total revenue including other income during FY 2017-18 at Rs. 12,712 lakhs, compared to ₹ 9,163 lakhs for FY 2016-17. Revenue from advertisement increased by 19.24% during FY 2017-18 at ₹ 8,182 lakhs, as compared to ₹ 6,861 lakhs in FY 2016-17. The increase was primarily due to takeover of DNA franchise editions in Jaipur and Ahmedabad; and launch of Zee Marathi Disha. As per the Scheme of Arrangement & Amalgamation, the job-work revenue earlier under Pri-Media Services Private Limited has been vested with the Company from appointed date of April 1, 2017. The Company has earned job-work revenue of ₹ 2,744 lakhs during FY 2017-18.

Expenses: The primary raw material cost, i.e. cost of newsprint, increased by 0.13% to ₹ 3,011 lakhs for FY 2017-18, as compared to ₹ 3,007 lakhs in FY 2016-17. The incremental cost of 2 new editions and 1 new launch during FY 2017-18 was offset by a reduction in number of copies. Employee costs have risen by 75.36% on account of the rapidly expanding presence and business portfolio of the Company. This increase also includes the employee cost on account of 2 new editions, 1 new launch and merger of Pri-Media Services Private Limited with the Company. Other Operating Expenses decreased by 10.04%, mainly due to in-house printing of newspaper and focus on cost optimisation.

Operating Loss: Operating loss for the Company decreased by 75.24% in FY 2017-18 on account of increase in advertising revenues, job-work revenue from the merged unit and various cost control measures taken during the year.

Loss before tax: Loss before tax for the Company increased by 54% from ₹ 3,885 lakhs in FY 2016-17 to ₹ 5,998 Lakhs in FY 2017-18. The increase in loss is attributable to 93.01% increase in Finance cost (from ₹ 41 Lakhs in FY 2016-17 to ₹ 3,803 Lakhs in FY 2017-18) attributable to vesting of debts of Pri-Media Services Pvt Ltd and increase of 2493% in Depreciation (from ₹ 48 Lakhs in FY 2016-17 to ₹ 1,255 Lakhs in FY 2017-18) on the assets vested in pursuance of the Scheme.

Operational Performance

During the year apart from the editions in Mumbai and Delhi, the Company also took over franchise editions of DNA in Ahmedabad and Jaipur in June 2017. In December 2017, as a follow-up to the success of Zee group's Marathi TV channels the Company launched a print offering catering to the need for Marathi content through a 44 page weekly, family newspaper called 'Zee Marathi Disha (ZMD)'. The paper is published on every Saturday and offers varied Marathi editorial content across genres catering to all the members in a family, which is modern, ambitious and savvy, yet rooted in culture. ZMD is available on newsstands and by subscription in 130 towns across the state. With an increasing demand for news and content related to markets, industry and trends, both, Mumbai and Delhi, the content of DNA Money was increased from 4 pages to 6 pages.

The Company continued with its popular events that are part of its 360° engagement platforms for the advertisers. 10th edition of DNA Auto Show was held in May 2017 at Navi Mumbai where the visitor count was more than 5000. Similarly, many celebrities made their presence felt at DNA Eco Ganesha 2017, the 8th edition of promoting eco-friendly practices in celebration of the festival attracted more than 104 housing and individual societies in the competition for household awards and 27 individuals participated for Big Eco Ideas and Selfie Contest. DNA continued to remain at the edge of technology use in media by offerings advertisers an Augmented Reality (AR) solution for carrying an advertisement in the newspaper and also bagged its first customer.

Digital presence is an important piece of the end-to-end solution offered by the Company to its advertising clients. dnaindia.com attracted over 101.3 Million unique visitors with 237.9 Million page views in FY 2017-18. The Company is also present on Social media with Facebook page likes of 1.37 Million and 1.85 Million Twitter followers during FY 2017-18.

Certification on Financial Statements of the Company

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

a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2018 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, 2018 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, 18 May 2018

Independent Auditor's Report

To,
The Members of
DILIGENT MEDIA CORPORATION LIMITED,

1. Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of DILIGENT MEDIA CORPORATION LIMITED, ("The Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and Statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

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

3. Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the Act and the Rules made thereunder.

We conducted our audit of Ind AS financial statements in accordance with the Standards on Auditing as specified in the provisions of Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said Ind AS financial statements together with notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind-AS, of the financial position of the company as at 31 March, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

5. Emphasis of Matters

Without qualifying our report, we draw reference to Note No. 42 relating to a Scheme of Arrangement and Amalgamation, approved by the Mumbai Bench of Hon'ble National Company Law Tribunal on 08 June 2017 under the Companies Act 2013 ("the Scheme") among the Company, Zee Media Corporation Ltd. (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 ("the Scheme") inter alia for demerger of Print Media undertaking of ZMCL vested with the Company and amalgamation of Mediavest India Private Limited and Pri-Media Services Private Limited with DMCL. Accordingly, effect of the Scheme has been given in the financial statements with effect from the Appointed date i.e., 01 April 2017.

Pursuant to the said Scheme

(a) the entire pre-scheme paid up Equity share capital of the Company comprising of 89,09,55,420 Equity shares of Re.1/- each of the Company held by Mediavest and its nominees stood cancelled; and

(b) the Board of Directors of the Company, issued and allotted 11,77,08,018 Equity Shares of ₹ 1/- each fully paid up to the Shareholders of ZMCL as on record date of 06 October 2017, in the ratio of One Equity Share of ₹ 1/- each for every Four Equity Shares of ₹ 1/- each held in ZMCL.

Subsequently, the Equity Shares of the Company were listed on 11 December 2017 on Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited.

Our opinion on the financial statements above and our Report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters.

6. Report on Other Legal and Regulatory Requirements

A. As required by the Companies (Auditor's Report) Order, 2016 as issued by the Central Government of India in terms of Section 143 (11) of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered 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.

B. As required by section 143(3) of the Act, we report that:

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

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

(c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and Statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as per the evidences produced, details furnished, with support and other letters from the Management, we express our opinion to the best of our information and according to the explanations given to us, that:

i. The Company does not have any pending litigations which would impact its financial position except as otherwise stated in Annexure to Auditors' Report and Note No. 31 to Notes to Ind AS financial statements hereto.

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

iii. There has been no amount required to be transferred to the Investor Education and Protection Fund, since the same is not applicable to the Company.

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

CA B S SHARMA,
Proprietor
Membership No.031578

Place: Mumbai
Dated: May 18, 2018

Annexure "A" to the Independent Auditor's Report

(Referred to in Paragraph 6(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 2018:

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 immovable properties 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 Act.

(iv) In our opinion, according to the information and explanations given to us, the Company has neither given any loans to directors nor has given any guarantee or has not provided any security during the year Hence the provisions of Section 185 are not applicable.

The company has received under the Arrangement and Amalgamation Scheme as detailed in Note No 42 of the Notes to financial statements, an unsecured inter-corporate deposit, given to a body corporate in compliance with the provision of Section 186 of the Act.

The company has not made any investments. Hence to that extent provision of Section 186 of the Act is 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 sub-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, which is outstanding as on 31st March, 2018:

Name of Statute	Nature of Dues Dispute is Pending	Forum where the Amount Relates	Period to which the Amount Unpaid	Rs. in Lakhs
a. Fringe Benefit Tax Act 1986	Tax on employees benefits	CIT (A)-12 Mumbai	A Y 2006-07	3.63
b. Indian Income tax	Income tax Act 1961	-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 stay of demand and rectification under Section 154 of the Act for adjustment of loss for the year and brought forward Losses against the addition during the year, which will make demand of Rs.52,89.53 Lakhs to NIL

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, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(viii) According to records of the Company as examined us and as per the information and explanations given by the management, there are no loans taken from financial institutions or banks or Government during the year under audit. The company has received Non-Convertible debentures under Arrangement and Amalgamation Scheme as detailed in Note No. 42, and has not defaulted in repayment thereof as detailed in note no 15 B of the Notes to financial statements.

(ix) The Company has not raised any money 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 managerial remuneration in compliance 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 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in Note No. 28 of the financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, except allotment of equity shares pursuant to the Scheme of Arrangement and Amalgamation as referred to in Note No. 42 of the Notes to the financial statements. 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: 18 May 2018

Annexure "B" to the Independent Auditor's Report of Diligent Media Corporation Limited ("The Company")

(Referred to in paragraph 6(B)(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date).

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of DILIGENT MEDIA CORPORATION LIMITED ("The Company"), as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

1. **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 issued by the Institute of Chartered Accountants of India. 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.

2. **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.

3. **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 authorisations 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.

4. **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.

5. **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 were, checked on test basis, considering the size, nature and business operations, is operating effectively as at March 31, 2018, 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 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: 18 May 2018

Balance Sheet as at 31st March, 2018

(₹ in lakhs)

Particulars	Note	31-03-2018	31-03-2017
A. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	5	25,642.15	284.44
(b) Capital work-in-progress	5	-	2.86
(c) Other intangible assets	6	257.34	-
(d) Financial assets			
(i) Investments	7 (a)	-	43,626.56
(ii) Loans	7 (b)	-	-
(iii) Others	7(c)	46.65	19.84
(e) Non-current tax assets (net)	8	438.45	329.18
(f) Deferred tax assets (net)	30	9,870.52	10,400.88
(g) Other non-current assets	9	-	0.16
Total non-current assets		**36,255.11**	**54,663.92**
2. Current assets			
(a) Inventories	10	961.97	889.81
(b) Financial assets			
(i) Trade receivables	11	3,184.93	1,515.59
(ii) Cash and cash equivalents	12A	565.61	370.68
(iii) Bank balances other than cash and cash equivalents	12B	647.00	356.33
(iv) Loans	7 (b)	14.00	-
(v) Others	7(c)	384.35	238.75
(c) Other current assets	9	2,316.40	1,960.85
Total current assets		**8,074.26**	**5,332.01**
Total assets		**44,329.37**	**59,995.93**
B. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	13 (a)	1,177.08	8,909.55
(b) Instruments entirely equity in nature	13 (b)	-	43,483.03
(c) Other equity	14	(42,332.81)	(43,777.65)
Total equity		**(41,155.73)**	**8,614.93**
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(a) Redeemable preference shares	15A	43,626.56	43,626.56
(b) Others	15B	34,110.67	-
(ii) Other financial liabilities	16	93.32	69.56
(b) Provisions	17	331.13	139.89
(c) Other Non Current Liabilities	18	5.38	3.20
Total non-current liabilities		**78,167.06**	**43,839.21**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	19	2,144.27	3,054.49
(ii) Others	16	3,246.71	1,863.27
(b) Provisions	17	9.65	4.67
(c) Other current liabilities	18	1,917.41	2,619.36
Total current liabilities		**7,318.04**	**7,541.79**
Total equities and liabilities		**44,329.37**	**59,995.93**

Notes forming part of the Financial Statements 1-45

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: 18 May 2018

For and on behalf of the Board

Mukund Galgali
Chairman

A V Ramachandran
Executive Director

Dinesh Agarwal
Chief Financial Officer

Prathamesh Joshi
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Note	31-03-2018	31-03-2017
Income			
Revenue from operations	20	12,403.51	8,531.21
Other income	21	308.55	632.12
Total income		**12,712.06**	**9,163.33**
Expenses			
Cost of Raw Material Consumed	22 A	3,011.42	3,007.52
(Increase)/Decrease in Inventories	22 B	(1.11)	0.41
Employee benefits expense	23	3,468.43	1,977.86
Finance costs	24	3,803.17	40.46
Depreciation and amortisation expense	25	1,254.89	48.40
Other expenses	26	7,172.75	7,973.60
Total expenses		**18,709.55**	**13,048.25**
Loss before Tax		**(5,997.49)**	**(3,884.92)**
Tax expense			
Current tax		-	-
Deferred tax charge /(benefit)	30	3,820.02	(1,333.40)
Loss for the year		**(9,817.51)**	**(2,551.52)**
Other comprehensive income			
Items that will not be reclassified to profit or loss	27		
Remeasurement gains / (losses) on defined benefit plan		(51.39)	(20.27)
Tax impact on above		14.96	7.01
Total other comprehensive loss for the year		**(36.43)**	**(13.26)**
Total comprehensive loss for the year		**(9,853.94)**	**(2,564.78)**
Loss per equity share of Re. 1 each fully paid up	37		
Basic (Rs.)		(8.34)	(0.29)
Diluted (Rs.)		(8.34)	(0.05)

Notes forming part of the Financial Statements 1-45

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: 18 May 2018

For and on behalf of the Board

Mukund Galgali
Chairman

A V Ramachandran
Executive Director

Dinesh Agarwal
Chief Financial Officer

Prathamesh Joshi
Company Secretary

Statement of Cash Flows for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	31-03-2018	31-03-2017
A. Cash flow from operating activities		
Loss before Tax	(5,997.49)	(3,884.93)
Adjustments for:		-
Depreciation and amortization expense	1,254.89	48.40
Bad debts and advances written off, allowance for credit losses on financial assets (net)	92.47	7.79
Balances written back	(176.32)	(269.70)
Loss on sale of fixed assets	2.39	28.69
Exchange adjustments (net)	11.16	(7.39)
Remeasurement gains / (losses) on defined benefit plan	(51.39)	(20.27)
Interest expense	3,774.54	4.45
Interest income	(42.80)	(46.38)
Operating loss before working capital changes	**(1,132.55)**	**(4,139.34)**
Adjustments for:		
(Increase)/decrease in trade and other receivables	1,749.21	843.83
(Increase)/decrease in inventories	109.20	(424.37)
(Increase)/decrease in trade and other payables	767.12	3,533.88
Cash generated from operations	**1,492.98**	**(186.00)**
Direct taxes (net of refunds)	(1.75)	(8.54)
Net cash generated by operating activities (A)	**1,491.23**	**(194.54)**
B. Cash flow from investing activities		
Purchase of property ,plant and equipment (including capital work-in-progress)	(1,156.49)	(80.87)
Sale of property, plant and equipment	18.71	3.34
Interest received	27.34	44.10
Net cash used in investing activities (B)	**(1,110.44)**	**(33.43)**
C. Cash flow from financing activities		
Repayment of short-term borrowings	(2.57)	-
Interest paid	-	-
Net cash used in financing activities (C)	**(2.57)**	-
Net changes in cash and cash equivalents (A+B+C)	378.22	(227.97)

Statement of Cash Flows for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	31-03-2018	31-03-2017
Cash and cash equivalents at the beginning of the year	727.01	954.98
Add: Cash and cash equivalents required pursuant to the scheme		
(Refer Note No. 42)	107.38	-
Cash and cash equivalents at the end of the year	**1,212.61**	**727.01**

Notes:

1 Cash flow statement has been prepared after considering transfer of assets and liabilities on appointed date 01st April 2017 pursuant to Scheme (Refer Note No. 42) .

2 Cash and cash equivalents at the end of the year includes other bank balances of ₹ 647.00 Lakhs (₹ 356.33 lakhs) (Refer Note No. 12B).

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: 18 May 2018

For and on behalf of the Board

Mukund Galgali
Chairman

A V Ramachandran
Executive Director

Dinesh Agarwal
Chief Financial Officer

Prathamesh Joshi
Company Secretary

Statement of Changes in Equity for the year ended 31st March, 2018

a) Equity share capital

Particulars	Note	(₹ in lakhs)
Balance as at 01 April 2016		8,909.55
Less: Shares cancelled due to sub division of face value from ₹ 10 to ₹ 1 each	13	8,909.55
Add: Fresh shares issued upon sub division of face value from ₹ 10 to ₹ 1 each	13	8,909.55
Balance as at 31 March 2017		**8,909.55**
Shares cancelled pursuant to Scheme (Refer Note No. 42)	13	(8,909.55)
Shares issued pursuant to Scheme (Refer Note No. 42)	13	1,177.08
Balance as at 31 March 2018		**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 01 April 2016	**4,867.94**	**34,327.68**	**17,498.91**	**(97,907.40)**	**(41,212.88)**
Loss for the year	-	-	-	(2,551.52)	(2,551.52)
Other comprehensive loss for the year	-	-	-	(13.26)	(13.26)
Total comprehensive loss for the year	**-**	**-**	**-**	**(2,564.78)**	**(2,564.78)**
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. 42)	12,475.86	-	-	-	12,475.86
Add/(Less) : Adjust Pursuant to the Scheme (Refer Note No. 42)	(17,343.80)	(34,327.68)	-	51,671.48	-
Shares issued pursuant to Scheme (Refer Note No. 42)	-	-	-	(1,177.08)	(1,177.08)
Loss for the period	-	-	-	(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)**

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: 18 May 2018

For and on behalf of the Board

Mukund Galgali
Chairman

A V Ramachandran
Executive Director

Dinesh Agarwal
Chief Financial Officer

Prathamesh Joshi
Company Secretary

Notes forming part of the Financial Statements

1 Corporate information

Diligent Media Corporation Limited ('the Company') was incorporated in the State of Maharashtra on 17th February 2005 and is 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 2018 were approved by the Board of Directors and authorised for issue on 18 May 2018.

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 accounting 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 is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accural basis except to the extent stated otherwise.

(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.

Notes forming part of the Financial Statements

(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.

(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.

Notes forming part of the Financial Statements

(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.

(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.

Notes forming part of the Financial Statements

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 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

Notes forming part of the Financial Statements

(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, 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.

Notes forming part of the Financial Statements

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.

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').

Notes forming part of the Financial Statements

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.

Notes forming part of the Financial Statements

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 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.

Notes forming part of the Financial Statements

xvi 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.

xvii Use of estimates

The preparation of financial statements requires management to exercise judgement in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities . Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

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.

Notes forming part of the Financial Statements

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.

(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 Recent accounting pronouncements

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.

i) Ind AS 115 "Revenue from Contracts with Customers''

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers of an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further this standard requires enhanced disclosures about the nature, amount, timing and

Notes forming part of the Financial Statements

uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:a) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". b) Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach). The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

ii) Amendments to Ind AS

a) Ind AS 12 "Income Taxes"

The amendment considers that tax law determines which deductions are offset against taxable income and that no deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to tax deductions.

Accordingly, segregating deductible temporary differences in accordance with tax law and assessing them on entity basis or on the basis of type of income is necessary to determine whether taxable profits are sufficient to utilise deductible temporary differences.

b) Ind AS 21 "The Effects of Changes in Foreign Exchange Rates"

The amendment to this Ind AS requires foreign currency consideration paid or received in advance of an item of asset, expense or income, resulting in recognition of a non-monetary prepayment asset or deferred income liability, to be recorded in the Company's functional currency by applying the spot exchange rate on the date of transaction.

The date of transaction which is required to determine the spot exchange rate for translation of such items would be earlier of:

- the date of initial recognition of the non-monetary prepayment asset or deferred income liability, and
- the date on which the related item of asset, expense or income is recognised in the financial statements.

If the transaction is recognised in stages, then a spot exchange rate for each transaction date would be applied to translate each part of the transaction.

The Company has evaluated the impact of the above amendments on the financial statements and the impact is not material.

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 2016	**137.73**	**408.84**	**-**	**-**	**700.31**	**118.95**	**110.89**	**10.30**	**1,487.02**
Additions	-	-	-	-	75.13	2.07	0.79	-	77.99
Disposal	50.35	5.11	-	-	13.61	1.80	0.99	-	71.86
As at 31 March 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	52.33	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**
II. Depreciation and impairment									
As at 1 April 2016	**35.95**	**387.21**	**-**	**-**	**610.87**	**95.93**	**60.39**	**9.78**	**1,200.13**
Depreciation charge for the year	11.21	0.73	-	-	22.91	5.73	7.82	-	48.40
Disposal	19.40	4.85	-	-	12.92	1.71	0.95	-	39.83
As at 31 March 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**
Net book value									
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 31 March 2017	59.62	20.64	-	-	140.97	19.27	43.42	0.52	284.44
At 01 April 2016	101.78	21.63	-	-	89.44	23.02	50.50	0.52	286.89

*** Represents fixed assets received as per the Scheme of Arrangement and Amalgamation (Refer Note No. 42)**

(₹ in lakhs)

Net book value	31-03-2018	31-03-2017
Property, plant and equipment	25,642.15	284.44
Capital Work-In-Progress	-	2.86

Notes forming part of the Financial Statements

(₹ in lakhs)

	Particulars	Technical Know How
6	**Other intangible assets**	
	I. Cost	
	As at 01 April 2016	2,394.49
	Additions during the year	-
	As at 31 March 2017	2,394.49
	Additions during the year *	303.00
	As at 31 March 2018	**2,697.49**
	II. Amortisation and impairment	
	As at 01 April 2016	2,394.49
	Amortisation expense for the year	-
	As at 31 March 2017	2,394.49
	Amortisation expense for the period	45.66
	As at 31 March 2018	**2,440.15**
	Net book value	
	At 31 March 2018	**257.34**
	At 31 March 2017	-
	At 01 April 2016	-

*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	31-03-2018	31-03-2017
7	**Financial Assets**		
7(a)	**Non-current Investments at cost**		
	In Fellow Subsidiary Company- Unquoted		
	110,00,00,000 (NIL) (NIL) 0% Non convertible debentures (NCDs) of		
	Pri-Media Services Private Limited of ₹ 1 each fully paid up	-	11,000.00
	In Holding Company - Unquoted		
	1130,74,10,565 (NIL) (NIL) 0% Non convertible debentures (NCDs) of		
	Mediavest India Private Limited of ₹ 1 each fully paid up	-	32,626.56
	Total	**-**	**43,626.56**
	Aggregate amount of unquoted Investments	-	43,626.56
	Aggregate amount of quoted Investments	-	-
	Aggregate market value of quoted Investments	-	-

During the preceding year, the company had acquired 11,307,410,565 NCDs of ₹ 1 each of Mediavest India Private Limited and 1,100,000,000 NCDs of ₹ 1 each of Pri-Media Services Private Limited. Pursuant to the Scheme of Arrangement and Amalgamation, Pri-Media Services Private Limited and Mediavest India Private Limited were amalgamated into the Company, as per the Note No. 42 to the financial statements, resulting that the investments in the NCDs of both the companies, detailed above, got extinguished.

Notes forming part of the Financial Statements

(₹ in lakhs)

	Particulars	Non current As at 31-3-2018	Current As at 31-3-2018	Non current As at 31-3-2017	Current As at 31-3-2017
7(b)	**Loans (Unsecured, considered good)**				
	Inter Corporate Deposit given to others	-	14.00	-	-
	Total	**-**	**14.00**	**-**	**-**
7(c)	**Other financial assets**				
	Security Deposits (unsecured, considered good)	46.65	160.82	19.84	129.47
	Security Deposits (unsecured, considered doubtful)	0.92	-	0.92	-
	Less: Provision for doubtful advances	(0.92)	-	(0.92)	-
	Interest accrued on bank deposits	-	11.57	-	9.16
	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	-	211.96	-	100.12
	Total	**46.65**	**384.35**	**19.84**	**238.75**

(₹ in Lakhs)

	Particulars	As at 31-3-2018	As at 31-3-2017
8	**Non-current tax assets (net)**		
	Balance with Government authority		
	- Direct Tax (net of provisions)	438.45	329.18
	Total	**438.45**	**329.18**

(₹ in Lakhs)

	Particulars	Non current As at 31-3-2018	Current As at 31-3-2018	Non current As at 31-3-2017	Current As at 31-3-2017
9	**Other Assets**				
	Capital advances	-	42.20	-	-
	Prepaid expenses	-	17.93	0.16	39.46
	Advance to others	-	2,164.36	-	1,921.39
	Balances with government authorities -				
	Indirect taxes	-	91.91	-	-
	Total	**-**	**2,316.40**	**0.16**	**1,960.85**

Notes forming part of the Financial Statements

(₹. in lakhs)

	Particulars	As at 31-3-2018	As at 31-3-2017
10	**Inventories**		
	Newsprint	748.40	889.75
	Consumables and Stores, spares and parts	176.52	-
	Scrap and waste Papers	1.17	0.06
	Finished goods	35.88	-
	Total	**961.97**	**889.81**

(₹ in Lakhs)

	Particulars	As at 31-3-2018	As at 31-3-2017
11	**Trade Receivables** (Unsecured)		
	- Considered good	3,184.93	1,515.59
	-Considered doubtful	121.49	40.16
		3,306.42	**1,555.75**
	Less: Allowances for credit losses	121.49	40.16
	Total	**3,184.93**	**1,515.59**

For details relating to related party, refer Note No. 28.

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. 29.

(₹ in Lakhs)

	Particulars	As at 31-3-2018	As at 31-3-2017
12A	**Cash and cash equivalents**		
	Balances with Banks		
	- In Current Accounts	564.97	369.59
	Cash on Hand	0.64	1.09
	Total	**565.61**	**370.68**

(₹ in lakhs)

	Particulars	As at 31-3-2018	As at 31-3-2017
12B	**Other Bank Balances**		
	Fixed deposit with Maturity for more than 3 months but less than		
	12 months *	647.00	356.33
	Total	**647.00**	**356.33**

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

Notes forming part of the Financial Statements

(₹ in Lakhs)

	Particulars	As at 31-3-2018	As at 31-3-2017
13 (a)	**Equity Share Capital**		
	Authorised *		
	1,635,500,000 (1,535,000,000) Equity Shares of ₹ 1 each	16,355.00	15,350.00
		16,355.00	15,350.00
	Issued , Subscribed and Fully Paid up		
	117,708,018 (89,0955,420) Equity Shares of ₹ 1 each fully paid up	1,177.08	8,909.55
	Total	**1,177.08**	**8,909.55**

* 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.

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

Particulars	As at 31-3-2018		As at 31-3-2017	
	No. of equity shares	(₹ in lakhs)	No. of equity shares	(₹ in lakhs)
At the beginning of the period	890,955,420	8,909.55	89,095,542	8,909.55
Less: shares cancelled due to sub-division of				
face value from ₹ 10 to ₹ 1 each	-	-	89,095,542	8,909.55
Add: Fresh shares issued upon sub-division of				
face value from ₹ 10 to ₹ 1 each				
(Refer Note c)	-	-	890,955,420	8,909.55
Less: Shares to be cancelled Pursuant to Scheme				
(Refer Note No. 42)	890,955,420	8,909.55	-	-
Add : Shares issued pursuant to Scheme				
(Refer Note No. 42)*	117,708,018	1,177.08	-	-
At the closing of the period	**117,708,018**	**1,177.08**	**890,955,420**	**8,909.55**

*Shares alloted on 9th October 2017 to all those Shareholders whose names appeared on the Register of Members of Zee Media Corporation Limited on the record date i.e. 6th October 17.

(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.

Notes forming part of the Financial Statements

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

	As at 31-3-2018		As at 31-3-2017	
	No. of equity shares	% Shareholding	No. of equity shares	% Shareholding
25FPS Media Pvt Ltd	41,567,113	35.31	-	-
Arm Infra & Utilities Pvt Ltd	39,768,182	33.79	-	-
Mediavest India Private Limited	-	-	890,955,420	100.00

(iv) The Company has not issued any bonus shares or bought back any shares during five years preceeding 31 March 2018. Details of aggregate number of shares issued for consideration other than cash during five years preceding 31 March 2018

	As at 31-3-2018	As at 31-3-2017
Equity Shares of Re.1/- each fully paid up issued pursuant to Scheme (Refer Note No. 42)**	117,708,018	-

13 (b) Instruments entirely equity in nature

Compulsory Convertible Debentures

(₹ in lakhs)

Particulars	As at 31-3-2018	As at 31-3-2017
Balance at the beginning of the reporting period		
(Reclassification of debt instrument)	43,483.03	43,483.03
Changes in compulsorily convertible debentures during the period*	(43,483.03)	-
Balance at the end of the reporting period	**-**	**43,483.03**

*Issue to Mediavest India Private Limited (Mediavest), the erstwhile holding company on 26 March 2015 *0% 434,830,334 Unsecured Compulsorily Convertible Debentures (CCD) of ₹ 10 each fully paid up of ₹ 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 Services Private Limited and Mediavest were amalgamated into the Company, as per the Note No. 42 to the financial statements, resulting that the CCDs of Mediavest, detailed above, extinguished.

14 Other equity

(₹ in lakhs)

Particulars	As at 31-3-2018	As at 31-3-2017
Capital Reserve		
As per last Balance sheet	4,867.94	4,867.94
Add: Pursuant to the Scheme (Refer Note No. 42)	12,475.86	-
(Less) Adjust Pursuant to the Scheme (Refer Note No. 42)	(17,343.80)	-
Net Balance	-	4,867.94
Securities Premium Reserve		
As per last Balance sheet	34,327.68	34,327.68
Add/(Less) : Adjust Pursuant to the Scheme (Refer Note No. 42)	(34,327.68)	-
	-	**34,327.68**

Notes forming part of the Financial Statements

(₹ in lakhs)

Particulars	As at 31-3-2018	As at 31-3-2017
General Reserve		
As per last Balance sheet	17,498.91	17,498.91
Surplus in statement of profit and loss		
As per last Balance sheet	(100,472.18)	(97,907.41)
Add/(Less) : Pursuant to the Scheme (Refer Note No. 42)	51,671.48	-
Add/(Less) : Shares issued pursuant to Scheme (Refer Note No. 42)	(1,177.08)	-
Loss for the period transfer from Statement of profit and loss	(9,817.51)	(2,551.52)
Re-measurement losses on defined benefit plans	(36.43)	(13.25)
	(59,831.72)	**(100,472.18)**
Total	**(42,332.81)**	**(43,777.65)**

(₹ in lakhs)

	Particulars	Non current	Current
		As at 31-3-2018	As at 31-3-2017
15	**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**#	34,110.67	-
	Total	**34,110.67**	**-**

Pursuant to the Scheme (Refer Note No. 42)

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 [Refer Note No. 7(a)].

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

Notes forming part of the Financial Statements

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

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 31-3-2018	Current As at 31-3-2018	Non current As at 31-3-2017	Current As at 31-3-2017
16	**Other financial liabilities**				
	Deposits for rental premises and others	93.32	27.00	69.56	3.64
	Other payables				
	to Related party*	-	177.18	-	67.67
	to Others	-	3,020.80	-	1,791.96
	Creditors for Capital Goods	-	21.73	-	-
	Total	**93.32**	**3,246.71**	**69.56**	**1,863.27**

* For details relating to related party, Refer Note No. 28.

(₹ in lakhs)

	Particulars	Non current As at 31-3-2018	Current As at 31-3-2018	Non current As at 31-3-2017	Current As at 31-3-2017
17	**Provisions**				
	Provision for employee benefits				
	- Gratuity	259.14	6.30	99.10	2.60
	- Leave Benefits	71.99	3.35	40.79	2.07
	Total	**331.13**	**9.65**	**139.89**	**4.67**

Notes forming part of the Financial Statements

(₹ in lakhs)

	Particulars	Non current As at 31-3-2018	Current As at 31-3-2018	Non current As at 31-3-2017	Current As at 31-3-2017
18	**Other liabilities**				
	Unearned Revenue	0.32	264.10	0.84	236.64
	Prepaid advances	5.06	3.36	2.36	-
	Statutory Dues	-	61.36	-	55.06
	Income received in advance				
	Related party*	-	1,419.44	-	1,439.88
	Others	-	169.15	-	887.78
	Total	**5.38**	**1,917.41**	**3.20**	**2,619.36**

* For details relating to related party, refer Note 28.

(₹ in lakhs)

	Particulars	As at 31-3-2018	As at 31-3-2017
19	**Financial liabilities**		
	Trade payables	2,144.27	3,054.49
	Total	**2,144.27**	**3,054.49**

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. 28.

(₹ in lakhs)

	Particulars	Year ended 31-3-2018	Year ended 31-3-2017
20	**Revenue From Operations**		
a	**Sale of products**		
	Circulation revenue	921.21	945.89
b	**Sale of services**		
	Advertisement revenue	8,182.08	6,861.96
	Syndication revenue	129.37	237.94
	Printing job charges	2,744.57	-
c	**Other operating revenues**		
	Sale of waste, scrap and old publication	189.52	104.99
	Royalty Income	34.35	90.64
	Income from events and services	202.41	289.79
	Total	**12,403.51**	**8,531.21**

Notes forming part of the Financial Statements

(₹ in lakhs)

	Particulars		Year ended 31-3-2018	Year ended 31-3-2017
21	**Other income**			
	Interest income on financial assets carried at amortised cost			
	-Bank deposits		29.75	31.16
	-Other financials assets		13.05	15.22
	Interest - others (including on income tax refund)		12.78	8.44
	Rent Income		75.09	60.00
	Foreign exchange gain (net)		-	7.39
	Liabilities/excess provision written back		176.32	269.70
	Miscellaneous Income		1.56	240.21
	Total		**308.55**	**632.12**

(₹ in lakhs)

	Particulars		Year ended 31-3-2018	Year ended 31-3-2017
22 A	**Cost of Raw Material Consumed**		**Newsprint**	
	Inventory at the beginning of the year		889.75	464.97
	Add: Pursuant to scheme (Refer Note No. 42)		25.15	-
	Add: Purchases (net)		2,864.36	3,432.30
		(A)	3,779.26	3,897.27
	Less: Inventory at the end of the year		767.84	889.75
		(B)	767.84	889.75
	Total (A) - (B)		**3,011.42**	**3,007.52**

(₹ in lakhs)

	Particulars		Year ended 31-3-2018	Year ended 31-3-2017
22B	**(Increase) / Decrease In Inventories**			
	Scrap and waste papers			
	Inventory at the beginning of the year	(A)	0.06	0.47
	Inventory at the end of the year	(B)	1.17	0.06
	Total (A) - (B)		**(1.11)**	**0.41**

Notes forming part of the Financial Statements

(₹ in lakhs)

	Particulars	Year ended 31-3-2018	Year ended 31-3-2017
23	**Employee benefit expenses**		
	Salaries and wages	3,205.14	1,833.98
	Contribution to provident and other funds	180.11	96.15
	Gratuity expense (Refer Note No. 27)	42.28	21.41
	Workmen and staff welfare expenses	40.90	26.32
	Total	**3,468.43**	**1,977.86**

(₹ in lakhs)

	Particulars	Year ended 31-3-2018	Year ended 31-3-2017
24	**Finance costs**		
	Interest on		
	-Financial liabilities carried at amortised cost	12.04	4.45
	-Defined benefit obligation and others	6.54	6.38
	Premium on redemption of debentures	3,627.50	-
	Financial gurantee fees	135.00	-
	Bank and other financial charges	22.09	29.63
	Total	**3,803.17**	**40.46**

(₹ in lakhs)

	Particulars	Year ended 31-3-2018	Year ended 31-3-2017
25	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment	1,209.23	48.40
	Amortisation of intangible assets	45.66	-
	Total	**1,254.89**	**48.40**

Notes forming part of the Financial Statements

(₹ in lakhs)

	Particulars	Year ended 31-3-2018	Year ended 31-3-2017
26	**Other Expenses**		
	Consumption of stores and spares (including consumables)	1,171.69	-
	Power and Fuel	351.22	128.32
	Printing jobwork charges	290.40	2,895.16
	News Collection charges	532.18	440.60
	Rent	422.19	694.09
	Repairs and Maintenance:		
	- Plant and Machinery	55.47	-
	-Building	25.15	0.10
	-others	225.53	185.03
	Insurance	6.12	1.93
	Rates and taxes	177.86	201.58
	Legal and professional fees	89.53	126.90
	Director's sitting fees	2.80	2.40
	Printing and stationery expenses	55.56	46.93
	Communication charges	59.24	55.17
	Travelling and conveyance expenses	133.59	84.31
	Payment to auditor (Refer details below)	17.62	19.39
	Marketing, distribution, business promotion expenses	1,601.54	1,257.49
	Circulation scheme promotion expenses (net)	786.86	1,118.63
	Commission charges	764.53	637.73
	Bad debts written off (net of provision)	27.53	-
	Hire and service charges	238.82	1.20
	Impairment allowance for trade receivables	64.93	9.41
	Loss on sale / disposal of property, plant and equipment (net)	2.39	28.69
	Exchange differences (net)	11.16	0.00
	Miscellaneous expenses	58.84	38.54
	Total	**7,172.75**	**7,973.60**

Payment to auditor

(₹ in lakhs)

Particulars	Year ended 31-3-2018	Year ended 31-3-2017
Audit fees	9.00	9.00
Tax audit fees	1.00	1.00
Certification and tax representation (including fees for limited review)	7.62	9.39
Total	**17.62**	**19.39**

Notes forming part of the Financial Statements

27 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 23 "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 31-3-2018	Year ended 31-3-2017
		Gratuity (Non funded)	
I.	**Expenses recognized in profit and loss**		
1	Current Service Cost	42.28	21.41
2	Past Service cost	-	-
3	Administrative expenses	-	-
4	Interest Cost	6.42	5.35
5	Actuarial Losses / (Gains)	-	
	Total Expenses	**48.70**	**26.76**
II.	**Amount recognized in other comprehensive income (OCI)**		
1	Opening amount recognized in OCI outside profit and loss account	32.11	11.84
2	**Remeasurement during the period due to**	-	-
	Experience adjustments	51.39	13.94
	Changes in financial assumptions	-	6.33
	Changes in demographic assumptions	-	-
	Closing amount recognized in OCI outside profit and loss account	**83.50**	**32.11**
III.	**Net Asset/(Liability) recognized in the Balance Sheet**		
1	Present value of defined benefit obligation	(265.44)	(101.70)
2	Net Asset / (Liability)	(265.44)	(101.70)
IV.	**Reconciliation of Net Asset/(Liability) recognized in the Balance Sheet**		
1	Net Asset/(Liability) at the beginning of year	(101.70)	(79.08)
2	Expense as per I above	(48.70)	(26.76)
3	Other comprehensive income as per II above	(51.39)	(20.27)
4	Benefit paid	32.07	24.42

Notes forming part of the Financial Statements

(₹ in lakhs)

	Particulars	Year ended 31-3-2018	Year ended 31-3-2017
5	Increase / (Decrease) due to effect of any business		
	combination / divesture / transfer)	(95.72)	-
6	Net Asset/(Liability) at the end of the year	(265.44)	(101.70)
V.	**Actuarial Assumptions:**		
1	Discount rate	7.50%	7.50%
2	Expected rate of salary increase	5.00%	5.00%
3	Mortality	IALM(2006-08)	IALM(2006-08)
		Ultimate	Ultimate
VI.	**The following payments are expected to defined benefit plan in future years :**		
		(₹ in lakhs)	
1	Expected benefits for year 1	6.30	2.60
2	Expected benefits for year 2 to year 5	27.46	11.86
3	Expected benefits beyond year 5	231.68	87.24

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

	Withdrawal rate	Discount rate	Salary Escalation rate
Impact of increase in 100 bps on defined benefit obligation	274.59	230.84	309.24
Impact of decrease in 100 bps on defined benefit obligation	254.85	307.17	228.70

Notes:

(a) Amounts recognised as an expense and included in the Note No. 23 "Employee benefit expenses" are gratuity ₹ 42.28 lakhs (₹ 21.41 lakhs) and leave encashment ₹ 28.63 lakhs (₹ 9.15 lakhs). Net interest cost on defined benefit obligation recognised in Note No. 24 under "Finance cost" is ₹ 6.42 lakhs (₹ 5.35 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.

Notes forming part of the Financial Statements

28 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 - Refer Note No. 42)

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 - Refer Note No. 42)

Fellow subsidiary companies

Pri-Media Services Private Limited (Merged w.e.f. 01-04-2017), Zee Akaash News Private Limited and Maurya TV Private Limited (ceased to be fellow subsidiary company w.e.f. 01-04-2017 pursuant to the Scheme of Arrangement and Amalgamation - Refer Note No. 42).

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, Siti Networks Limited, Shirpur Gold Refinery 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, Zee Digital Convergence Limited Siti Vision Digital Media Private Limited Digital Subscriber Management And Consultancy Services Private Limited, Cyquator Media Services Private Limited

Director & Key Management Personnel

Himanshu Mody (Director - till September 1, 2017), Mukund Galgali (Director), A V Ramachandran (Executive Director w.e.f. September 1, 2017), Uma Mandavgane (Independent Director), Vishal Malhotra (Independent Director), Jagdish Chandra (Chief Executive Officer - till July 10, 2017), Sanjeev Garg (Chief Executive Officer w.e.f. September 1, 2017), 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 - w.e.f. October 1, 2017).

Notes forming part of the Financial Statements

(₹ in lakhs)

	31-3-2018	31-3-2017
A) Transactions with related parties		
(i) With other related parties		
Advertisement Revenue		
Zee Media Corporation Limited	20.29	308.93
Zee Entertainment Enterprises Limited	551.17	99.24
Zee Learn Limited	0.99	0.93
India Webportal Private Limited	-	2.98
Dish TV India Limited	7.43	-
Essel Finance AMC Limited	6.50	-
Essel Vision Productions Limited	1.80	-
Pan India Infraprojects Private Limited	3.00	-
Essel Finance Advisors & Managers LLP	1.56	-
Zee Akaash News Private Limited	-	540.00
Job Work Revenue		
Zee Entertainment Enterprises Limited	25.24	-
Dish TV India Limited	33.19	-
Zee Media Corporation Limited	12.80	-
Zee Learn Limited	21.50	-
Siti Networks Limited	25.62	-
Rent Income		
Zee Media Corporation Limited	-	60.00
Other services given		
Zee Digital Convergence Limited	-	6.89
Zee Akaash News Private Limited	-	240.00
Sale of Assests		
Zee Unimedia Limited	-	2.88
Purchase of services		
Digital Subscriber Management And Consultancy Services Private Limited	7.02	6.20
Pri-Media Services Private Limited	-	2,615.75
Essel Finance Management Llp	-	42.46
Commission Expenses		
Zee Unimedia Limited	693.21	637.73
Publicity/Marketing Expenditure		
Shirpur Gold Refinery Limited	209.22	152.44
Rent expenses		
Zee Entertainment Enterprises Limited	30.20	22.66
Zee Media Corporation Limited	8.26	-
Essel Corporate Resources Private Limited	15.00	-
Essel Finance VKC Forex Limited	1.13	-

Notes forming part of the Financial Statements

(₹ in lakhs)

	31-3-2018	31-3-2017
Operational Expenses		
Zee Entertainment Enterprises Limited	17.10	18.15
E-City Property Management & Services Private Limited	1.83	2.14
Siti Vision Digital Media Private Limited	-	0.82
Other Services		
Essel Business Excellence Services Limited	0.04	-
Advertisement Expenses		
Zee Entertainment Enterprises Limited	26.16	2.90
Zee Media Corporation Limited	33.70	5.54
India Webportal Private Limited	1.28	3.25
Royalty expenses		
Zee Entertainment Enterprises Limited	1.67	-
Revenue from Broadcasting services		
India Webportal Private Limited	122.35	222.29
Recovery / (Reimbursement) (net)		
Zee Unimedia Limited	155.42	242.83
Zee Media Corporation Limited	54.11	58.34
Issue of Preference shares		
Zee Media Corporation Limited	-	43,626.56
Investment in NCD		
Mediavest India Private Limited	-	32,626.56
Pri-Media Services Private Limited	-	11,000.00
Professional Services		
Mediavest India Private Limited	-	4.00
(ii) With Key Managerial Personnel/Director		
Remuneration paid/provided		
A V Ramachandran	18.30	-
Uma Mandavgane (Sitting fees)	1.40	1.20
Vishal Malhotra (Sitting fees)	1.40	1.20
B) Balances outstanding		
Debtors Having Credit Balances		
Zee Media Corporation Limited	1,044.44	1,064.88
Today Merchandise Private Limited	375.00	375.00
Trade Payables		
Digital Subscriber Management and Consultancy Services Private Limited	6.56	2.42
Pan India Network Infravest Private Limited	16.49	16.49
India Webportal Private Limited	1.48	1.84
Zee Unimedia Limited	579.49	354.88
Zee Entertainment Enterprises Limited	180.93	96.72

Notes forming part of the Financial Statements

(₹ in lakhs)

	31-3-2018	31-3-2017
Siti Networks Limited	0.92	0.92
Pri-Media Services Private Limited	-	1,761.64
Trade Receivables		
Zee Entertainment Enterprises Limited	177.82	23.86
Zee Learn Limited	21.29	6.59
Dish TV India Limited	0.16	-
India Webportal Private Limited	21.32	67.01
Essel Finance Advisors & Managers LLP	1.64	-
Pan India Infraprojects Private Limited	3.15	-
Other Receivables		
Essel Finance Management LLP	26.55	26.55
Shirpur Gold Refinery Limited	0.06	-
Zee Digital Convergence Limited	-	0.01
Cyquator Media Services Private Limited	85.83	71.68
Zee Entertainment Enterprises Limited	30.79	30.79
Other Payables		
Siti Networks Limited	0.92	0.92
Essel Corporate Resources Private Limited	16.20	-
Essel Finance VKC Forex Limited	1.01	-
E-city Property Management & Services Private Limited	0.22	0.90
Shirpur Gold Refinery Limited	-	0.03
Zee Media Corporation Limited	158.57	62.35
Siti Vision Digital Media Private Limited	0.27	0.27
Mediavest India Private Limited	-	3.20
Outstanding CCD		
Mediavest India Private Limited	-	43,483.03
Investment in NCD		
Mediavest India Private Limited	-	32,626.56
Pri-Media Services Private Limited	-	11,000.00
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.

Notes forming part of the Financial Statements

29 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 include investments, 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.

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:

Notes forming part of the Financial Statements

(₹ in lakhs)

Currency	Liabilities 31-3-2018	Assets 31-3-2018	Liabilities 31-3-2017	Assets 31-3-2017
United States Dollar (USD)	822.55	0.89	932.62	0.45
Great Britain Pound (GBP)	-	2.76	-	1.74

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.

Currency	Sensitivity analysis	
	As at 31-3-2018	As at 31-3-2017
United States Dollar (USD) (10% net of assets)	(82.17)	(93.22)
Great Britain Pound (GBP) (10% net of assets)	0.28	0.17

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 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 31-3-2018	As at 31-3-2017
Trade Receivables (Unsecured)		
Over six months	339.14	333.92
Less than six months	2,967.28	1,221.83
Total	**3,306.42**	**1,555.75**

Notes forming part of the Financial Statements

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

(₹ in lakhs)

Particulars	As at 31-3-2018	As at 31-3-2017
Opening Balance	40.16	32.37
Addition during the year	64.93	9.40
Add: Pursuant to the Scheme (Refer Note No. 42)	27.49	-
Reversal during the year	11.09	1.61
Closing Balance	121.49	40.16
Net Trade receivable	**3,184.93**	**1,515.57**

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

Particulars	As at 31-3-2018	As at 31-3-2017
	%	%
Revenues generated from top 10 customers	33.00	45.00

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 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**	**-**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2017

(₹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	4,917.46	69.56	-
Total	**4,917.46**	**69.56**	**-**

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.

Notes forming part of the Financial Statements

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

(₹ in lakhs)

Particulars	As at 31 March 2018		As at 31 March 17	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Measured at amortised cost				
Other financial assets	431.00	431.00	258.59	258.59
Investments	-	-	43,626.56	43,626.56
Trade Receivables	3,184.93	3,184.93	1,515.59	1,515.59
Cash and cash equivalents	565.61	565.61	370.68	370.68
Other bank balances	647.00	647.00	356.33	356.33
Loans	14.00	14.00	-	-
	4,842.54	**4,842.54**	**46,127.75**	**46,127.75**
Financial liabilities				
Measured at amortised cost				
Borrowings	77,737.23	77,737.23	43,626.56	43,626.56
Other financial liabilities	3,340.03	3,340.03	1,932.83	1,932.83
Trade Payable	2,144.27	2,144.27	3,054.49	3,054.49
	83,221.53	**83,221.53**	**48,613.88**	**48,613.88**

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.

Notes forming part of the Financial Statements

30 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 2018 are as under :

(₹ in lakhs)

Particulars	Year ended 31-3-2018	Year ended 31-3-2017
Income tax related to items recognised directly in the statement of profit and loss		
Deferred tax charge /(benefit) *	3,820.02	(1,333.40)
Effective tax rate	(63.69%)	34.32%

* reversed deferred tax assets of Rs. 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 2018 is as follows:

(₹ in lakhs)

Particulars	Year ended 31-3-2018	Year ended 31-3-2017
Loss before tax	(5,997.49)	(3,884.93)
Income tax		
Tax rate @ 29.12%	(1,746.47)	(1,344.49)
Lapse of unutilized unaborbed business losses	3,953.35	-
Effect of change in tax rate (from 34.608% to 29.12%)	1,542.93	-
Tax effect on non deductible expense	407.58	-
Additional allowance for tax purpose	(538.65)	-
Other temporary differences	201.28	11.09
Tax expense recognised in the statement of profit and loss	**3,820.02**	**(1,333.40)**

Deferred tax recognized in statement of other comprehensive income

(₹ in lakhs)

Particulars	Year ended 31-3-2018	Year ended 31-3-2017
Employee retirement benefits obligation	14.96	7.01

Reconciliation of deferred tax assets / (liabilities) net:

(₹ in lakhs)

Particulars	As at 31-3-2018	As at 31-3-2017
Opening balance	10,400.88	9,060.47
Add: Pursuant to Scheme (Refer Note No.42)	3,274.70	-
Deferred tax charge /(benefit) recognised in		
- Statement of profit and loss	3,820.02	-1,333.40
- Recognised in other comprehensive income	-14.96	-7.01
Total	**9,870.52**	**10,400.88**

Notes forming part of the Financial Statements

Deferred Tax Assets / (Liabilities)

(₹ in lakhs)

Particulars	As at 31-3-2018	As at 31-3-2017
Deferred Tax Assets		
Arising on account of timing differences in Employee		
retirement benefits	114.14	50.03
Depreciation	(1,069.54)	169.48
Unabsorbed tax ,losses and depreciation	10,825.92	10,181.37
Total	**9,870.52**	**10,400.88**

31 (a) Contingent Liabilities

i. Contingent Liabilities not provided for, in respect of bank guarantees of ₹ Nil (2017 :Nil) and in respect of Letter of credits of ₹ 122.30 lakhs (2017 : 111.60 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 (2017 : Nil), A.Y. 2008-09 ₹ 4.40 lakhs (2017: 4.40 lakhs) , AY 2010-11 ₹ 33.37 lakhs (2017:Nil) and A.Y.2011-12 ₹ Nil (pending stay of demand and rectification under Section 154 of the Act for adjustment of loss for the year and brought forward Losses against the addition during the year, which will make demand of Rs.52,89.53 Lakhs to Nil) lakhs (2017:Nil). 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 (2017: Nil)

32 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 36 months.

(₹ in lakhs)

Particulars	As at 31-3-2018	As at 31-3-2017
Lease rental charges for the year	422.19	694.09
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year	1.75	345.27
Later than one year but not later than five years	-	-

Notes forming part of the Financial Statements

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

(i) Loans given

(₹ in lakhs)

Particulars	2017	Addition pursuant to Scheme (Refer Note No. 42)	Repaid	2018
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.

(ii) Investments made

There are no investments made by the Company other than those disclosed in note 7(a) of the financial statements (in the preceding year).

(iii) Guarantees given

There are no guarantees given during the period.

(iv) Securities given

There are no securities given during the period.

34 Income in foreign currency

(₹ in lakhs)

Particulars	As at 31-3-2018	As at 31-3-2017
Syndication Revenue	11.33	24.65

35 Expenditure in foreign currency

(₹ in lakhs)

Particulars	As at 31-3-2018	As at 31-3-2017
News expenses	31.40	26.70
Legal charges	-	12.11
Travelling expenses	0.19	2.75
CIF Value of imports: Newsprint	2,434.56	3,796.55

36 Foreign Exchange

Derivative Contracts (Forward contracts for hedging purposes) entered into by the Company and outstanding as at 31st March 2018 amount to ₹ Nil.

Foreign exchange exposures that are not hedged by derivative instruments as at 31 March 2018 are as under:

(₹ in lakhs)

Particulars	As at 31-3-2018	As at 31-3-2017
Receivables	3.65	2.19
Payables	822.55	932.62

Notes forming part of the Financial Statements

37 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	As at** 31-3-2018	As at* 31-3-2017
Profit after tax for Basic & Dilutive EPS (Rs in lakhs)	(9,817.51)	(2,551.52)
Weighted Average number of equity shares for Basic EPS (in numbers)**	1,177.08	8,909.55
Weighted Average number of equity shares for Diluted EPS (in numbers)**	1,177.08	52,392.59
Nominal value of equity shares (in Rupees)	1.00	1.00
Basic EPS (in Rupees)	(8.34)	(0.29)
Diluted EPS (in Rupees)	(8.34)	(0.05)

* In FY 2016-17 Shareholders in its extraordinary general meeting held on 2 November 2016 has approved sub-division of face value of Equity Shares from ₹ 10 to ₹ 1 each fully paid up. Consequently the paid-up share capital of DMCL was altered to 890,955,420 Equity Shares of ₹ 1 each fully paid up.

**Shares issued pursuant to Scheme (Refer Note No. 42)

38 Details of Consumption of Imported and Indigenous stocks

(₹ in lakhs)

Particulars	As at 31-3-2018		As at 31-3-2017	
	%	Amount	%	Amount
i) Raw Materials				
Imported	89.20	2,639.53	99.99	3,014.13
Indigenous	10.80	319.66	0.01	0.28
	100.00	**2,959.19**	**100.00**	**3,014.41**

39 Consumption of raw materials

(₹ in lakhs)

Particulars	As at 31-3-2018		As at 31-3-2017	
	MT (Quantity)	Value	MT (Quantity)	Value
Newsprint	7,364.14	2,959.19	7,997.25	3,014.41

40 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.

Notes forming part of the Financial Statements

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

(₹ in lakhs)

	Particulars	As at 31-3-2018	As at 31-3-2017
a)	Principal amount due to suppliers under the Act	12.43	-
b)	Interest accrued and due to suppliers under the Act, on the above amount	0.47	-
c)	Payment made to suppliers (other than interest) beyond the appointed day during the year	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	2.98	-
g)	Interest accrued and remaining unpaid at the end of the year to suppliers under the Act	3.45	-

42 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.

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:

42.1 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	Print Media Undertaking (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**

Notes forming part of the Financial Statements

(₹ in lakhs)

Particulars	Print Media Undertaking (Demerger)	Mediavest (Merger)	Pri-Media (Merger)	Total
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**

42.2 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)**

42.3 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.

Notes forming part of the Financial Statements

43 Managerial Remuneration

Remuneration paid or provided in accordance with section 197 of the companies act 2013 to executive director and CEO/COO, included in Note No. 25 “Employee benefits expense” is as under

(₹ in lakhs)

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

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

45 Previous year’s figures have been regrouped, rearranged, realigned or reclassified during the year. However, they are not comparable in view of the Scheme of Arrangment and Amalgamation with effect from the Appointed date i.e., April 01, 2017 as detailed in Note No. 42 herein above.

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: 18 May 2018

For and on behalf of the Board

Mukund Galgali
Chairman

A V Ramachandran
Executive Director

Dinesh Agarwal
Chief Financial Officer

Prathamesh Joshi
Company Secretary

MORE YOU KNOW, MORE YOU BECOME.

Diligent Media Corporation Limited

Registered Office: 18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 018
Tel: +91-22-7106 1234/+91-22-3988 8888 | Fax: +91-22- 2300 2107
CIN: U22120MH2005PLC151377 | Website: www.dnaindia.com

ATTENDANCE SLIP

13th Annual General Meeting

I/We hereby record my/our presence at the 13th Annual General Meeting of the Company at The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Friday, 21st day of September, 2018 at 11.30 a.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)

13th Annual General Meeting

Name ofMember(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 (on poll) for me/us and on my/our behalf at the Thirteenth Annual General Meeting of the Company to be held on Friday, 21st day of September 2018 at 11.30 a.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, 2018 including the Balance Sheet, Statement of Profit and Loss and the Reports of the Auditors and Directors thereon.		
2	Appointment of Mr. A V Ramachandran as Director		
3	Appointment and payment of remuneration to Mr. A V Ramachandran as Executive Director		
4	Appointment of Mr. Ashok Venkatramani as Director		
5	Approval of Material Related Party Transactions by the Company with Zee Entertainment Enterprises Limited (ZEEL)		
6	Maintenance of Registers and Returns at the office of Registrar & Share Transfer Agent instead of Registered Office of the Company		
7	Authorising Board to Sell/Dispose of Property/Asset of the Company as per Section 180 (1) (a) of the Companies Act, 2013		

Signed this ______________________ day of ______________________ 2018

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 400 018, not less than 48 hours before the commencement of the Meeting.

-----:A glimpse through key events:-----

MORE YOU KNOW, MORE YOU BECOME.

Diligent Media Corporation Limited
(CIN: U22120MH2005PLC151377)
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
E-Mail: companysecretary@dnaindia.net | Website: www.dnaindia.com