ANNUAL REPORT 2016-17

DILIGENT MEDIA CORPORATION LIMITED

Content


30,00
106,0
20,00
104,0
102,0
10,00
1980
1985
1990
1995
15,75%
7,61%
14,73%

BOARD OF DIRECTORS:

Mr. Himanshu Mody	Director
Mr. Mukund Galgali	Director
Mrs. Uma Mandavgane	Independent Director
Mr. Vishal Malhotra	Independent Director

KEY MANAGERIAL PERSONNEL:

Mr. Jagdish Chandra	CEO
Mr. Kamal Dhingra	CFO
Mr. Mehul Somaiya	Company Secretary

AUDITORS:

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

BANKERS:

Yes Bank
Corporation Bank
IDBI

REGISTERED OFFICE:

Diligent Media Corporation Limited
11th Floor, Tower-3, Indiabulls Finance Centre,
Senapati Bapat Marg,
Elphinstone Road (West),
Mumbai 400 013.

NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of the Members of Diligent Media Corporation Limited will be held on Thursday the 20th day of July, 2017 at 11 a.m. at the Registered Office of the Company at 11th floor, Tower-3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400 013 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017, including the Balance Sheet as at March 31, 2017, the Statement of Profit & Loss for the financial year ended as on that date, and the Reports of the Auditors and Directors thereon.

2. To appoint a Director in place of Mr. Mukund Galgali (DIN 01998552), who retires by rotation and being eligible, offers himself for re-appointment.

3. To re-appoint M/s. B S Sharma & Co., Chartered Accountants as Statutory Auditors and fix their remuneration, by passing with or without modification, the following resolution as an **Ordinary Resolution.**

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 M/s B S Sharma & Co., Chartered Accountants, (ICAI Firm Registration No: 128249W), be and is hereby re-appointed as the Statutory Auditors of the Company for the second term, to hold such office from the conclusion of 12th Annual General Meeting till the conclusion of 17th Annual General Meeting of the Company to be held in the year 2022, subject to ratification by the Members at every Annual General Meeting, at such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**

   "**RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions of Companies Act, 2013 ('Act') and the rules made there under read with Schedule IV of the Act, Mrs. Uma Mandavgane (DIN 03156224), who holds the office of Independent Director of the Company until December 18, 2017 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation for a period of three years from December 19, 2017 until December 18, 2020."

5. To consider and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**

   "**RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions of Companies Act, 2013 ('Act') and the rules made there under read with Schedule IV of the Act, Mr. Vishal Malhotra (DIN00129255), who holds the office of Independent Director of the Company until March 25, 2018 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation for a period of three years from March 26, 2018 until March 25, 2021."

6. To consider and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**

   "**RESOLVED THAT** pursuant to Section 180(1)(c) of the Companies Act, 2013 and the rules made thereunder and in supersession of the resolution passed on September 30, 2014, the Board of Directors of the Company (which the term shall include any Board Committee duly authorised by the Board) be and is hereby authorised to raise or borrow from time to time such sum or sums as they may deem appropriate for the business of the Company, notwithstanding that the monies already borrowed and the monies to be borrowed (apart from temporary loans obtained from Company's bankers in the ordinary course of business) may exceed the paid-up capital and free reserves of the company, provided that the total principal amount upto which such monies may be raised or borrowed by the Board of Directors shall not exceed the aggregate of the paid up capital and free reserves of the company by more than Rs. 1,000 Crores (Rupees One Thousand Crore only) at any point of time."

7. To consider and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**

"**RESOLVED THAT** pursuant to Section 186 and all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder and subject to such approvals as may be required in this regard, approval of the Members be and is hereby accorded to the Board of Directors of the Company to (a) grant/give loans, from time to time, on such terms and conditions as it may deem expedient, to any person or other bodies corporate; (b) provide guarantee / security to secure any loan / obligations of any other person or bodies corporate; and (c) acquire by way of subscription, purchase orotherwise the securities of any other bodies corporate, in excess of limits prescribed under Section 186 of the Companies Act, 2013 by an aggregate sum of upto Rs. 1,000 Crores (Rupees One Thousand Five Hundred Crore only), notwithstanding that the aggregate of loans and investments so far made and/or guarantees so far issued to entities other than wholly owned subsidiaries of the Company, along with the investments, loans, guarantee or security proposed to be made or given by the Board may exceed limits prescribed under Section 186 of the Companies Act, 2013."

8. To consider and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**

"**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisionsof the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the existing Articles of Association of the Company be replaced and substituted with a new set of Articles, covering Article No.1 to Article 156 as annexed to this Notice."

By order of the Board

Mehul Somaiya
Company Secretary

Place: Mumbai
Date: 24 May 2017

Registered Office:
11th Floor, Tower-3, Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone Road (West),
Mumbai 400013
CIN: U22120MH2005PLC151377
www.dnaindia.com
Email: 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, however, 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 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.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

At the 10th Annual General Meeting held on September 25, 2015, Members of the Company had approved the appointment of Mrs. Uma Mandavgane (DIN 03156224), as an Independent Director of the Company not liable to retire by rotation for a period of 3 years with effect from December 19, 2014. The current term of the said appointment of Mrs Uma Mandavgane as Independent Director of the Company is set to expire on December 18, 2017. As per Section 149(10) of Companies Act, 2013, an Independent Director shall be eligible for re-appointment for a second term of upto 5 years on passing of a Special resolution by the Shareholders of the Company.

Based on the performance evaluation and after reviewing confirmation of independence received, your Board recommends re-appointment of Mrs. Uma Mandavgane as an Independent Director, for the second term of 3 years from December 19, 2017 till December 18, 2020. Appropriate notice has been received from a Member proposing appointment of Mrs. Uma Mandavgane as an Independent Director of the Company for the second term and requisite consent has been received from the said Director pursuant to provisions of Section 152 of the Companies Act, 2013.

In the opinion of the Board, Mrs. Uma Mandavgane who is proposed to be appointed for the second term as an Independent Director of the Company for the period of 3 years up to December 18, 2020, fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act 2013 and is Independent of the management.

Mrs. Uma Mandavgane, Chartered Accountant and Certified Information Systems Auditor from ISACA, USA is a professional with rich experience of over 24 years in the areas of Business Process Re-engineering, Control assessment of business, technology risk and regulatory compliance requirements under SEBI guidelines, SOX etc., with organisations like Lupin Laboratories Ltd, VIP Industries Ltd, Deloittee etc. Currently Mrs. Uma Mandavgane is associated with CMS Infosystems Limited as Director-Risk. Apart from the Company, Mrs. Uma Mandavgane holds directorship in Zee Media Corporation Limited and Bloom Systems Private Limited. Mrs. Uma Mandavgane does not hold any shares of the Company and is not related to any other Directors of the Company.

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

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mrs. Uma Mandavgane (whose appointment is proposed in this resolution) are in any way concerned or interested in the resolutionas detailed in Item No. 4.

Item No. 5

At the 10th Annual General Meeting held on September 25, 2015, Members of the Company had approved appointment of Mr. Vishal Malhotra (DIN 00129255), as an Independent Director of the Company not liable to retire by rotation for a period of 3 years with effect from March 26, 2015. The current term of the said appointment of Mr. Vishal Malhotra as an Independent Director of the Company is set to expire on March 25, 2018. As per Section 149(10) of Companies Act, 2013, an Independent Director shall be eligible for re-appointment for a second term of upto 5 years on passing of a Special resolution by the Shareholders of the Company.
Based on the performance evaluation and after reviewing confirmation of independence received, your Board recommends re-appointment of Mr. Vishal Malhotra as an Independent Director, for the second term of 3 years from March 26, 2018 till March 25, 2021. Appropriate notice has been received from a Member proposing appointment of Mr. Vishal Malhotra as an Independent Director of the Company for second term and requisite consent has been received from the said Director pursuant to provisions of Section 152 of the Companies Act, 2013.

In the opinion of the Board, Mr. Vishal Malhotra who is proposed to be appointed for the second term as an Independent Director of the Company for the period of 3 years up to March 25, 2021, fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act, 2013 and is Independent of the management.

Mr. Vishal Malhotra, 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 fiber 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. Apart from the Company Mr. Vishal Malhotra is Director of Smart Wireless Pvt. Ltd., NSV Investments Private Limited, Revive Labs Private Limited, Pan India Network Ltd. and Maurya TV Pvt. Ltd.

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

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Vishal Malhotra (whose appointment is proposed in this resolution) are in any way concerned or interested in the resolutionas detailed in Item No. 5.

Item No. 6

At the 9th Annual General Meeting held on 30th September 2014, Members of the Company had pursuant to Section 180(1)(c) of the Companies Act, 2013, authorised Board to borrow in excess of paid-up capital and free reserves upto an amount of Rs. 500 Crores. Considering the current financing facility of Rs. 20 Crores availed by the Company and vesting of Non-Convertible Debentures of Rs. 250 Crores issued by the Pri-Media Services Pvt Ltd, in pursuance of Scheme of Arrangement and Amalgamation awaiting approval of NCLT and with a view to meet any future funding requirements, the Board of Directors had proposed enhancement of borrowing powers of the Board from Rs. 500 Crores to Rs. 1000 Crores.

As per Section 180(1)(c) of the Companies Act, 2013, the Board of Directors can borrow in excess of paid-up capital and reserves of the Company subject to approval of the Members by way of Special Resolution.

Your Board recommends the Special resolution as set out in Item No. 6 of the Notice for approval of the Members.

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.

Item No. 7

As per Section 186 of the Companies Act, 2013, a Company can grant loans to any other person or body corporate, make investment in any other body corporate and/or provide guarantee/ security to secure loan taken by any other person or body corporate upto financial limit equivalent to 60% of paid-up capital, free reserves and Securities Premium account or 100% of free reserves and Securities Premium Account, whichever is higher. The said limit prescribed under Section 186 can be enhanced by the Members by passing a Special Resolution at a general meeting.

While currently there are no specific plans for providing loan / guarantee or making investment, with a view to meet any future expansion / acquisition proposals, the Board has sought an enabling authority from the Members to enhance the limits under Section 186 of the Companies Act, 2013 for making investment, granting loans and/or providing guarantee / security upto financial limit of Rs. 1,000 Crores.

Your Board recommends the Special resolution as set out in Item No. 7 of the Notice for approval of the Members.

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.

Item No. 8

The Scheme of Arrangement and Amalgamation, as approved by the Shareholders at the NCLT convened meeting held on March 20, 2017, for demerger of Print Media Undertaking of Zee Media Corporation Ltd vesting with the Company and consolidation of Print Media business under the Company, *inter alia* provides for Listing of Equity Shares of the Company on the Stock Exchanges wherein the Equity Shares of Zee Media Corporation Ltd. are listed i.e. on BSE & NSE. Considering that SEBI Listing Regulations and Stock Exchanges require inclusion of certain specific Articles in the Articles of Association of a Listed entity and further considering the need to replace the Articles of Association of the Company in view of repeal of Companies Act, 1956 and enactment of Companies Act, 2013, it is proposed to replace / substitute the existing Articles of Association of the Company with revised set of Articles containing Article No. 1 to Article No. 158 as annexed to this Notice.

As per Section 14 of the Companies Act, 2013, every alteration to Articles of Association shall be subject to approval of Members by passing Special Resolution.

Your Board recommends the Special resolution as set out in Item No. 8 of the Notice for approval of the Members.

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. 8.

By order of the Board

Mehul Somaiya
Company Secretary

Place: Mumbai
Date: 24 May 2017

Registered Office:
11th Floor, Tower-3, Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone Road (West),
Mumbai 400013
CIN: U22120MH2005PLC151377
www.dnaindia.com
Email: companysecretary@dnaindia.net

DIRECTORS' REPORT

To,
The Members of
DILIGENT MEDIA CORPORATION LIMITED

Your Directors are pleased to present the 12th Annual Report of your Company, together with Audited Financial Statements of the Company for the year ended on March 31, 2017, prepared as per Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

FINANCIAL HIGHLIGHTS

The Financial performance of your Company for the year ended March 31, 2017 is summarized below:

(₹ in Million)

Particulars	**Year ended 31-03-2017**	**Year ended 31-03-2016**
Revenue from operations	853.12	1006.92
Other Income	63.21	102.78
Total Income	916.33	1109.70
Total Expenses	1304.82	1244.84
Profit (Loss) for the year before tax	(388.49)	(135.14)
Less Tax Expense – Deferred Tax	133.34	49.69
Net Profit /(Loss) after tax	(255.15)	(85.45)

Except for the financial impact arising out of the Scheme of Arrangement and Amalgamation, as detailed herein, 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 the internal financial control framework and compliance systems established in the Company, the work performed by statutory, internal and secretarial auditors and reviews performed by the management and /or relevant Audit and other Committees of the Board, your Board is of the opinion that Company's internal financial controls were adequate and effective during the financial year 2016-17.

DIVIDEND

In absence of any distributable profit, your Directors express their inability to recommend payment of dividend to the members of the Company for the year under review.

BUSINESS OPERATIONS & PERFORMANCE REVIEW

During the year under review, your Company focused on achieving operational efficiencies, revamping editorial team and relaunching 'DNA' with fresh design, feel and better content. These efforts have started showing results with increase in circulation of DNA Mumbai edition. FY 16-17 also witnessed launch of Delhi edition of DNA on October 11, 2016, which is being distributed in specific high-profile residential areas of NCR. Your Company plans to continue with the expansion drive by launching editions in other cities of India during FY 18. The digital edition www.dnaindia.com registered year on year 12.4% growth in visits, 11.8% in unique visitors and 2% in page views. The website attracted over 114 million unique visitors and 195 million visits with 263 million page views in FY 17 compared to 102 million unique visitors and 173 million visits with 258 million page views in the previous year.

SHARE CAPITAL

During the year under review, pursuant to approval granted by the Members at the Extra-ordinary General Meeting held on November 2, 2016:

– the Authorised Share Capital of the Company was increased and altered from Rs. 153.50 Crores comprising of 15.35 Crores Equity Shares of Rs. 10 each to Rs. 590.50 Crores comprising of 153.50 Crores Equity Shares of Re. 1 each and 437 Crores Preference Shares of Re. 1 each;

– the face value of issued, subscribed and paid-up Equity Shares of the Company were sub-divided from Rs. 10 each to Re. 1 each; and

– the Company had issued 436,26,56,265 - 6% Non-Cumulative Non-Convertible Redeemable Preference Shares of Re. 1 each aggregating Rs. 436.26 Crores to Zee Media Corporation Ltd (ZMCL), the ultimate Holding Company, towards discharge of consideration payable by the Company towards acquisition of Non-Convertible Debentures of Mediavest India Pvt Ltd and Pri-Media Services Pvt Ltd by the Company from ZMCL.

Consequent to the above, as at March 31, 2017, the Paid-up Share Capital of your Company was Rs. 525,36,11,685 (Rupees Five Hundred and Twenty Five Crores Thirty Six Lakhs Eleven Thousand Six Hundred and Eighty Five only) comprising of 89,09,55,420 (Eighty Nine Crores Nine Lakhs Fifty Five Thousand Four Hundred and Twenty) Equity Shares of Re. 1 each and 436,26,56,265 (Four Hundred and Thirty Six Crores Twenty Six Lakhs Fifty Six Thousand Two Hundred and Sixty Five) Preference Shares of Re. 1 each.

SCHEME OF ARRANGEMENT & AMALGAMATION

During the year under review, with a view to facilitate creation of simplified and efficient business structure, attribute appropriate risk and values to different businesses, provide more focused management and greater visibility on the performance of individual business and to unlock value, your Board and the Board of Zee Media Corporation Limited (ZMCL) had approved a Scheme of Arrangement and Amalgamation ('The Scheme'), *inter alia* for (i) Demerger of Print Media undertaking of ZMCL vesting with the Company and (ii) Consolidation of the Print Media business under the Company by way of merger of Mediavest India Private Limited (Holding Company of the Company) and Pri-Media Services Private Limited (Fellow Subsidiary of the Company) into the Company with effect from Appointed Date of April 1, 2017.

The said Scheme which was approved by the Shareholders at a Meeting convened pursuant to directions of the Mumbai bench of Hon'ble National Company Law Tribunal (NCLT) on March 20, 2017 *inter alia* provides for (i) issuance of Equity Shares of the Company to the shareholders of ZMCL in the ratio of 1(one) Equity Share of the Company for every 4 (four) Equity Shares held in ZMCL, in discharge of consideration payable by the Company towards vesting of Print Media Undertaking; (ii) cancellation of entire pre-scheme Paid-up Equity Share Capital of the Company comprising of 89,09,55,420 Equity Shares of Re. 1 each held by Mediavest India Pvt. Ltd. consequent to merger of Mediavest with the Company; (iii) adjustment of deficit lying in the Statement of Profit and Loss account of the Company against balance lying in Securities Premium Account and Capital Reserve Account (including Capital reserve created out of Scheme); and (iv) Listing of Equity Shares of the Company, subject to requisite compliance, on the Stock Exchanges wherein the Equity Shares of ZMCL are listed i.e. on BSE & NSE. Currently the said Scheme is awaiting final approval of Hon'ble NCLT.

Since the scheme would involve issuance of Equity Shares by the Company *inter alia* to Non-resident Shareholder of ZMCL, the Company has, as per extant FDI Policy, filed an application seeking FIPB approval for Non-resident Shareholding of upto 26% of post-scheme Paid-up Capital in the Company. The said application is under active consideration of Ministry of Information and Broadcasting (MIB), consequent to abolition of FIPB. Consequently, upon receipt of final order of NCLT approving the Scheme and regulatory approval from MIB, the Company shall initiate the process for issuance, allotment and listing of its Equity Shares on BSE & NSE.

BOARD & BOARD COMMITTEES

As at March 31, 2017, your Board comprises of 4 Directors including 2 Independent Directors. Independent Directors provide declarations both at the time of appointment and annually, confirming that they meet the criteria of independence as prescribed under sub-section (6) of section 149 of the Companies Act, 2013. The Independent Directors are paid Sitting fees of Rs. 10,000 for each meeting of the Board / Board Committee attended by them.

During the year under review, your Board met 6 times on May 24, 2016, September 9, 2016, October 27, 2016, November 2, 2016, February 13, 2017 andMarch 20, 2017. All these meetings had requisite quorums and were attended by all Directors.

Pursuant to the Members approval at 10th Annual General Meeting held on September 25, 2015, Mrs. Uma

Mandavgane and Mr. Vishal Malhotra were appointed as Independent Directors of the Company for a period of 3 years till December 18, 2017 and March 25, 2018 respectively. Special Resolutions seeking Members' approval for appointing them as Independent Directors for the second term of 3 years from expiry of their current terms form part of the Notice of the ensuing Annual General Meeting. Your Company has received notices in writing along with requisite deposit pursuant to Section 160 of the Companies Act, 2013 proposing their appointment for the second term and based on the performance evaluation and contributions made by Mrs. Uma Mandavgane and Mr. Vishal Malhotra, your Board recommends their appointment for the second term of 3 years upon expiry of their current term.

Mr Mukund Galgali, Non-Executive Director, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Your Board has recommended his re-appointment.

Board Committees

In compliance with the requirements of Companies Act, 2013 and considering impending listing of Equity Shares of the Company, your Board has constituted various Board Committees including Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. Requisite details of constitution of these Committees along with particulars of Meetings of the Committee held during FY 16-17 and attendance of the Committee Members in such meetings are as mentioned herein:

Audit Committee: The Audit Committee constituted by the Board in compliance with the requirements of Section 177 of the Companies Act, 2013, comprises of three (3) Directors including Mrs. Uma Mandavgane, Independent Director, as its Chairperson and Mr. Vishal Malhotra, Independent Director, and Mr. Mukund Galgali, Non-Executive Director as its Members.

During the year under review the Audit Committee met 4 times on May 24, 2016, August 2, 2016, October 27, 2016, and March 20, 2017 and all these meetings were attended by all Committee Members.

Nomination and Remuneration Committee: The Nomination and Remuneration Committee constituted by the Board in compliance with the requirements of Section 178 of the Companies Act, 2013 comprises of three (3) Directors, including Mrs. Uma Mandavgane, Independent Director as its Chairperson, and Mr. Vishal Malhotra, Independent Director and Mr. Mukund Galgali, Non-Executive Director as its Members.

During the year under review, the Nomination and Remuneration Committee met twice on May 24, 2016 and March 20, 2017 and both these meetings were attended by all Committee Members.

In line with the requirements of Companies Act, 2013, the Nomination & Remuneration Committee of the Board had approved a Remuneration Policy for Senior Management which *inter alia* provides for a combination of fixed and performance-linked pay to attract and retain key employees. Copy of the Remuneration Policy can be view on the Company's website at www.dnaindia.com.

Stakeholders Relationship Committee: In view of impending listing of the Company, your Board had constituted a Stakeholders Relationship Committee on November 2, 2016, which comprises of 2 Directors including Mr. Himanshu Mody, Non-Executive Director as Chairman and Mr Mukund Galgali, Non-Executive Director as Member. During the year under review the Stakeholders Relationship Committee met only once on January 9, 2017 and the said meeting was attended by both the Committee Members.

Additionally, with a view to review, approve and/or grant authorities for managing day-to-day affairs, your Board has constituted a Corporate Management Committee comprising of Mr. Mukund Galgali, Director, Mr. Kamal Dhingra, CFO and Mr. Dinesh Garg as its Members to act within the powers delegated by the Board.

KEY MANAGERIAL PERSONNEL

During the year under review Mr. Rohit Gandhi resigned as CEO w.e.f March 7, 2017, Mr Mayank Agarwal resigned as

CFO w.e.f. August 2, 2016, and Mr. Ravindra Mishra resigned as Company Secretary w.e.f. August 23, 2016. The vacancy caused in the said offices of Key Managerial Personnel was filled by your Board by appointing Mr. Jagdish Chandra as CEO w.e.f. March 20, 2017, Mr. Kamal Dhingra as CFO w.e.f. September 9, 2016 and Mr. Mehul Somaiya as Company Secretary w.e.f. March 20, 2017.

BOARD EVALUATION

The Independent Directors of your Company, in a separate meeting held without presence of other Directors and management evaluated performance of other Non-Independent Directors along with performance of the Board/Board Committees. A report on such evaluation done by Independent Directors was taken on record by the Board and further your Board, in compliance with requirements of the Companies Act, 2013, evaluated performance of Independent Directors based on various parameters including attendance, contribution etc.

AUDITORS

Statutory Audit: As per Section 139 of the Companies Act, 2013 and in accordance with the approval accorded by the Members at the Annual General Meeting (AGM) held on September 30, 2014, M/s. B S Sharma & Co., Chartered Accountants, having Firm Registration No. 128249W, was appointed as Statutory Auditor of the Company for a period of three years to hold office till the conclusion of 12th Annual General Meeting. Based on the recommendations of the Audit Committee and upon review of confirmations of satisfaction of criteria as specified in Section 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014, your Board recommend re-appointment of M/s. B S Sharma & Co., Chartered Accountants as Statutory Auditor for the second term of 5 years until the conclusion of 17th AGM to be held in the year 2022 for approval of the Members at the ensuing Annual General Meeting.

The report of Statutory Auditor forming part of this Annual Report, do not contain any qualification, reservation or adverse remarks. However, without qualifying the report, the Statutory Auditors have drawn emphasis of matter by drawing reference to Note 40 & 41 to the Financial statements regarding erosion of entire equity capital of the Company, the assurance given by the Holding Company to provide financial support and the proposed Scheme of Arrangement and Amalgamation which will enable the company to carry out its operations smoothly and consequent preparation of financial statements on a going concern basis.

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 2016-17 was carried out by Mr. Satish k. Shah, Practicing Company Secretary (holding Certificate of Practice No. 3142). The report of Secretarial Auditor forming part of this Annual Report do not contain any qualification, reservation or adverse remarks.

DISCLOSURES

Extract of Annual Return: The extract of Annual Return in Form MGT-9 as on the Financial Year ended on March 31, 2017, as required under Section 92(3) of the Companies Act, 2013 ('the Act') read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, is annexed to this report.

Deposit: During the year under review, the Company has neither accepted nor renewed any Deposits under Chapter V of the Act.

Particulars of loans, guarantees and investments: During the year under review, other than acquisition of Non-convertible Debentures of Mediavest India Pvt Ltd and Pri-Media Services Pvt Ltd as detailed in Note 4(a) to the Notes to Accounts, the company has not given any loans, guarantees and made no investments under Section 186 of the Companies Act, 2013. Requisite disclosure in the regard forms part of Note No. 31 to Notes to Accounts.

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

Internal Financial Control: Your Company has adequate internal financial controls system in place for efficient conduct of business including safeguarding of assets, prevention and detection of frauds and errors, ensuring accuracy and completeness of accounting records and timely preparation of reliable financial systems.

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

Transactions with Related Parties: None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Information on material transactions with related parties pursuant to Section 134(3)(h) of the Act, read with rule 8(2) of the Companies (Accounts) Rules, 2014, in Form AOC-2, is as mentioned herein:

1. Details of contracts or arrangements or transactions not at arm's length basis: The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2016-17.

2. Details of material contracts or arrangement or transactions at arm's length basis:

(₹ in Million)

Name(s) of the related party and nature of relationship	*Nature of relationship*	*Nature of contracts / arrangements / transactions*	*Salient terms of the contracts or arrangements or transactions including the value and duration if any*	*Date(s) of approval by the Board, if any*	*Amount*
Pri – Media Services Pvt Ltd.	Fellow Subsidiary	Purchase of Services	Printing of Newspaper for the Company as per agreement at negotiated rates on arms-length basis	Not Applicable as the transactions are in ordinary course of business and at arm's length	261.57
Zee Media Corporation Ltd.	Ultimate Holding Company	Rent Income	Monthly rental of Rs.10 lacs as per Agreement negotiated on arms-length basis		6.00
		Advertisement Revenue	At card rate		30.89
		Advertisement Expenses	At card rate		0.55
		Reimbursement of expenses	At actuals		0.78
		Reimbursement of expenses	At actuals		6.62
Zee Akaash News Pvt Ltd.	Fellow Subsidiary	Advertisement Revenue	At card rate		54.00
		Miscellaneous Income	On negotiated terms at arms length		24.00

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

Your Company is into publication and distribution of a daily newspaper DNA. The newspaper(s) are printed by a related party on job work basis and therefore since Company's business does not involve any manufacturing activity, most of the Information required to be provided under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is not applicable.

However, the information as applicable is given hereunder:

Conservation of Energy:

(i) steps taken or impact on conservation of energy (ii) steps taken by the company for utilizing alternate sources of energy (iii) capital investment on energy conservation equipment(s)	Your Company requires minimal energy consumption and every endeavor has been made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.

Technology Absorption:

(i) the efforts made towards technology absorption (ii) the benefits derived like product improvement, cost reduction, product development or import substitution (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported (b) the year of import (c) whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof (iv) the expenditure incurred on Research and Development	In its endeavor to deliver the best to its viewers and business partners, your Company has been constantly active in harnessing and tapping the latest and best technology in the industry.

Foreign Exchange Earnings and Outgo:

Particulars of foreign exchange earnings and outgo during the year are given in Note No. 32 & 33 of Notes to the Financial Statements of the Company.

Particulars of Remuneration of Employees:

None of the employees are drawing salary in excess of limit specified under section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Information of top ten employees based on remuneration is annexed to this report.

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 2016-2017, your Directors confirm that:

(a) The Financial Statements of the Company comprising of the Balance Sheet as at March 31, 2017 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis;

(b) During the financial year ended on March 31, 2017, the Company has for the first time adopted Indian Accounting Standards (Ind-AS) as per Section 133 of the Companies Act, 2013 and accordingly the Annual Financial Statements for the financial year ended on March 31, 2017 and comparative thereof for the financial year ended on March 31, 2016, have been prepared as per Ind-AS as against I-GAAP Accounting Standards followed in the earlier years and proper explanation along with reconciliation have been provided in relation to 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, 2017, 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; and

(e) 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 various Governmental authorities and other stakeholders including banks, financial Institutions, vendors and service providers.

For and on behalf of the Board

Place: Mumbai
Date: 24 May 2017

Mukund Galgali
Director

Himanshu Mody
Director

ANNEXURE TO THE DIRECTORS' REPORT

Statement showing names of the top Ten (10) Employees in terms of remuneration drawn during the Financial year 2016-17

Name	Age	Designation	Remuneration (PA)	Qualification	Exp in Years	Date of joining	Last Employment
Sarita Ashwin Varde	49	Editor-After hrs	6,000,002	PG in Journalism	24	11-Feb-13	Times of India
Prashant Saxena	40	Vice President	4,390,848	Diploma in Sales & Marketing	18	3-Jul-13	Hindustan Times
Manjul Mishra	45	Editor - Cartoons	4,173,496	BA	29	1-Jul-05	Economic Times
Deepak Lokhande	47	Resident Editor	4,009,320	BA	25	1-Jun-16	Zee Digital Convergence Ltd.
Anto Joseph	48	Business Editor	3,998,396	Masters in Financial Management	25	21-Mar-14	Financial Chronicles
Padmini Patel	50	Design Editor	3,045,600	Bachelor of Fine Arts	27	01-Sep-15	Hindustan Times
Yogesh Pawar	48	Deputy News Editor	2,804,302	Diploma in Journalism / Master in Social Media	21	7-Sep-10	Mumbai Mirror
K.Harikrishnan Nair	49	Senior News Editor	2,501,052	MCJ & PG Diploma In Journalism	21	26-Aug-13	UTV
Sagnik Chowdhury	35	Metro Editor	2,361,008	Diploma in Journalism	20	1-Nov-16	Indian Express
Devendra Singh Bhandari	48	Senior News Editor	2,018,270	BA	28	20-Jun-11	Muscat Daily

For and on behalf of the Board

Place: Mumbai
Date: 24 May 2017

Mukund Galgali
Director

Himanshu Mody
Director

ANNEXURE TO THE DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

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

I. REGISTRATION AND OTHER DETAILS:

i)	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	11th Floor, Tower-3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai: 400013 Tel No.: +91-22-3988 8888 / 4388 8888 Fax No.: +91-22-2496 6308
vi)	Whether Listed	No
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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Publication & Distribution of Newspaper	*22121	100%

* NIC – 2004 has been taken as base for Product/Service classification.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name, Address & CIN of the Company	% of shares held	Applicable Section
A	**Holding Company**		
1.	Mediavest India Private Limited Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai 400018 CIN – U92132MH2001PTC130426	100.00%	2(46)
B	**Subsidiary Company**		
	NIL		
C	**Associate Company**		
	NIL		

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% Change during the year
	Demat	Physical	Total	%	Demat	Physical	Total	%	
A. Promoters									
(1) Indian									
Bodies Corp.	89095312	30	89095342	100	890955120	300	890953420	100	0
Sub-total A1:	89095312	30	89095342	100	890955120	300	890955420	100	0
(2) Foreign	0	0	0	0	0	0	0	0	0
Sub-total A2:	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter A=A1+A2	**89095312**	**30**	**89095342**	**100**	**890955120**	**300**	**890953420**	**100**	**0**
B. Public Shareholding									
Bodies Corporate	100	0	100	0	0	0	0	0	0
Individual/HUF	100	0	100	0	0	0	0	0	0
Total Public Shareholding (B)	**200**	**0**	**200**	**0**	**0**	**0**	**0**	**0**	**0**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**89095512**	**30**	**89095542**	**100**	**890955120**	**300**	**890955420**	**100**	**0**

Note: The difference in total number of paid-up Equity Shares of the Company is due to Sub-division of face value of Equity Shares of the Company from Rs. 10 to Re. 1 each.

ii. Promoter & Promoter Group shareholding

Sr. No.	Name of Promoter	Shareholding at the beginning of the year i.e. April 1, 2016			No of Shares held at the end of the Year i.e. March 31, 2017			% change
		Number of Shares	%	% of shares / pledged encumbered to Capital	Number of Shares	%	% of shares / pledged encumbered to Capital	
1	Mediavest India Pvt Ltd	89095312	100	0	890955120	100	0	0
2	Mediavest India Pvt Ltd Jt. Punit Goenka	10	0	0	50	0	0	0
3	Mediavest India Pvt Ltd Jt. Himanshu Mody	10	0	0	50	0	0	0
4	Mediavest India Pvt Ltd Jt. Ashok Sanghavi	5	0	0	50	0	0	0
5	Mediavest India Pvt Ltd Jt. Dinesh Kanodia	5		0	0	50	0	0
6	Mediavest India Pvt Ltd Jt. Manish Babel	0	0	0	50	0	0	0
7	Mediavest India Pvt Ltd Jt. Pushpal Sanghavi	0	0	0	50	0	0	0
	Total	**89095342**	**100**	**0**	**890955420**	**100**	**0**	**0**

Note: During the year under review, Face value of the paid-up Equity Shares of the Company has been sub-divided from Rs 10 to Re 1 each.

iii. Change in Promoters shareholding

Particulars	Shareholding at the beginning of the year i.e. April 1, 2015		Cumulative shareholding during the year i.e. March 31, 2016	
	Number of Shares	% of Equity Capital	Number of Shares	% of Equity Capital
At the beginning of the Year	8,90,95,342	100%		
Date wise increase / decrease in shareholding with reason	NIL	Nil		
At the end of the year			89,09,55,420	100%

Note: During the year under review, Face value of the paid-up Equity Shares of the Company has been sub-divided from Rs 10 to Re 1 each.

iv. 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 (April 1, 2015)		Cumulative shareholding during the year (March 31, 2016)	
	Number of Shares	% of Equity Capital	Number of Shares	% of Equity Capital
Ramesh Chandra Agarwal (HUF)	100	0	0	0
Bhaskar Infrastructure Limited	100	0	0	0

v. Change in Shareholding of Directors and KMPs – Except for Mr Himanshu Mody, Director, none of the Directors or Key Managerial Personnel of the Company held any shares of the Company either as at April 1, 2016 or March 31, 2017. As on March 31, 2017, Mr. Himanshu Mody holds 50 Equity Shares jointly with M/s. Mediavest India Pvt Ltd, as second joint holder.

V. INDEBTEDNESS:

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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal Amount	-	4,348,303,342	-	4,348,303,342
Interest Due but not paid;	-	-	-	-
Interest accrued but not due	-	-	-	-
Total	**-**	**4,348,303,342**	**-**	**4,348,303,342**
Change in Indebtedness during the financial year				
Addition (Preference Shares)	-	4,362,656,265	-	4,362,656,265
Reduction	-	-	-	-
Net Change	**-**	**4,362,656,265**	**-**	**4,362,656,265**
Indebtedness at the end of the financial year				
Principal Amount	-	8,710,959,607	-	8,710,959,607
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	-	-	-
Total	**-**	**8,710,959,607**	**-**	**8,710,959,607**

Note: Addition to Unsecured Loan during the year comprise of Preference Shares issued by the Company during the year.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable

B. Remuneration to other directors:

(Amount in ₹)

Name of Director	Sitting Fees	Commission	Others	Total
Non-Executive Director				
Mr Himanshu Mody	-	-	-	-
Mr Mukund Galgali	-	-	-	-
Independent Director				
Mrs Uma Mandavgane	1,20,000	-	-	1,20,000
Mr Vishal Malhotra	1,20,000	-	-	1,20,000
TOTAL	**2,40,000**	**-**	**-**	**2,40,000**

Note: Only Independent Directors are paid sitting fees by the Company for attending meeting of Board and its Committee(s).

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: None of the Key Managerial Personnel are paid any remuneration by the Company.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

Mukund Galgali
Director

Himanshu Mody
Director

Place: Mumbai
Date: 24 May 2017

ANNEXURE TO THE DIRECTORS' REPORT

To,
The Members of
Diligent Media Corporation Limited
11th Floor, Tower 3,
Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone Road (west),
Mumbai-400 013.

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 2016-17. 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, 2017 ('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, 2017 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 Companies Act 1956 (to the extent applicable) the Rules made thereunder including any re-enactment thereof;

II. The Depositories Act, 1996 and the Regulations & Bye-laws framed thereunder;

III. Since the Company is engaged in the business of publication and distribution of Newspaper, the regulatory requirements prescribed by Registrar of Office of Newspapers of India (RNI) have been identified by the Company asspecific lawapplicable to the Company;

IV. 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 with proper balance of Independent and Non-Independent Directors. There has been no change in the composition of the Board of Directors of the Company during Audit period.

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent a 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 meaning 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 Board of Directors had approved a Scheme of Arrangement and Amalgamation between the Company, Zee Media Corporation Limited, Mediavest India Private Limited, Pri-Media Services Private Limited and Maurya TV Private Limited and their respective shareholders and creditors inter alia for (a) Demerger of Print Media Business of Zee Media Corporation Limited vesting with the Company; (b) merger of Mediavest India Private Limited and Pri-Media Services Private Limited with the Company; (c) cancellation of entire pre-scheme Paid-up Equity Share Capital of the Company upon such Merger; (d) Issuance of Equity Shares to the Shareholders of Zee Media Corporation Limited in the ratio prescribed in the Scheme; and (e) Listing of Equity Shares to be issued by the Company in pursuance of the Scheme on the Stock Exchanges where Equity Shares of Zee Media Corporation Limited are listed. The Scheme shall take effect from Appointed Date of April 1, 2017. The said Scheme was approved by the Equity & Preference Shareholders of the Company at their respective Meetingsheld on March 20, 2017 in pursuance of directions of Mumbai bench of Hon'ble National Company Law Tribunal and is now awaiting other regulatory approvals including approval of Mumbai Bench of Hon'ble National Company Law Tribunal;

- In accordance with approval accorded by the Shareholders of the Company,vide Special resolutions passed on November 2, 2016, the Company had (a)sub-divided face value of its Equity Shares from Rs. 10 to Re. 1; (b) increased its authorized share capital from Rs. 153.50 Crores to Rs. 590.50 Crores; and (c) issued 436,26,56,265 - 6% Non-Cumulative Non-Convertible Redeemable Preference Shares of Re 1 each to Zee Media Corporation Limited, the ultimate Holding Company of the Company.

CS Satish K. Shah
FCS1313/CP3142

Place : Mumbai
Date : May 12, 2017

Independent Auditors' 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, 2017, 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, which have been signed with reference to the report hereunder.

2. Management's Responsibility for the Ind AS 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, 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 provisions of the Act and the Rules made there under.

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:

a. In the case of the Balance Sheet, of the state of Affairs of the Company as at 31st March, 2017;
b. In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date;
c. In the case of Cash Flow Statement, of the Cash Flows for the Company for the year ended on that date; and
d. In case of Statement of Changes in Equity, of the changes in equity for the year ended on that date.

5. Emphasis of Matters

Without qualifying our report, we draw reference to

a. Note 40 in Notes to Financial statements, regarding erosion of the entire equity capital, we state that the promoter and the holding company viz., Mediavest India Private Limited (MIPL), has given a financial support letter to bring in from time to time, the requisite funds to ensure continuation of business thereby compliance of Going Concern Policy.

   In the opinion of the management, continuation of such financial support by Mediavest India Private Limited (MIPL), and considering the Scheme of Arrangement and Amalgamation, as detailed in Note no.41 to Notes forming part of financial statements, would enable the company to carry-on its operations without any break, hence it is appropriate to prepare the financial statements under report on going concern basis.

b. The comparative financial information of the company for the year ended 31 March 2016 and the transition date opening balance sheet as at 01 april 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us, and the report for the year ended 31 March 2016 and 31 March 2015 dt 24 May 2016 and dt 21 May 2015 respectively expressed an unmodified opinion on those financial statements, as adjusted for the difference in the accounting principles adopted by the Company on transition to the Ind AS, which have audited by us.

   Our opinion is not modified in respect of these matters.

6. Report on Other Legal and Regulatory Requirements

A. As required by the ‘Companies (Auditor’s Report) Order, 2016 as amended by 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.

(e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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:

a. The Company does not have any pending litigations which would impact its Financial position except as detailed in Note No. 29 to Notes to Ind AS Financial statements hereto.

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

c. 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.

d. The company has provided the requisite disclosers in the Ind AS financial statements as to its holding as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 as per Notification S.O. 3407(E) dated November 8, 2016 of Ministry of Finance. Based on audit procedures performed, the disclosures are in accordance with the books of accounts maintained by the company and duly certified by the Management. (Refer Note no 35 to Notes to Ind-AS financial statements)

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

CA B S SHARMA,
PROPRIETOR,
Membership No.031578

Place: Mumbai
Dated: 24 May 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ 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 2017:

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) The company has no immovable properties hence the clause relating thereto of being in its name is not applicable.

(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.

d) 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) a) 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 loans to persons covered in the Registers maintained under section 189 of the Companies Act, 2013 (the Act).

b) Since no such loans or advances in the nature of loans are given to parties covered under Section 189 of the Act and as detailed herein above, the rest of the provisions in sub-clause [iii(a)] and [iii(b)] are not applicable.

(iv) In our opinion, according to the information and explanations given to us, the Company has not given any loans to directors or others. However, the company has made investments of Rs.110.00 Crores in NCDs of the fellow subsidiary and Rs.326.27 Crores in the holding company, as detailed in Note no.4(a) to the Ind- AS financial statements, and has complied the provisions of Section 185 and Section 186 of the Act in respect of such investments. As per the information and explanations given and to the best our knowledge and belief, no guarantees and securities is provided by the company during the year.

(v) a) In our opinion and according to the information and explanations given to us, the company has not accepted deposits 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 this clause is not applicable.

b) In view of our comments at Sr no. v(a) above, no order has been passed by either Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, hence this clause is not applicable.

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

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

b) According to information and explanations given to us, there are disputed amounts payable in respect of income tax, which is outstanding as on 31st March, 2017:

1) Assessment year 2006-07 relating to FBT Rs.3,62,916/- heard and order pending receipt from the Hon'ble Commissioner of Income Tax (Appeals) -12.

2) Assessment year 2008-09 relating to appeal pending for hearing before CIT(A) of Rs 440,02. Income assessments have been completed till Assessment year 2014-15.

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 2017 for a period of more than six months from the date they became payable.

(viii) As observed by us and as per the information and explanations given by the management, on the basis of the records verified, we state that there are no loans taken from financial institutions or banks during the year under audit, hence the clause relating to any default in repayment of dues etc is not applicable.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans except by way of issue of 436,26,56,265 6% Non-cumulative, Non-covertible redeemable Preference shares share of Re.1/- each fully paid up in consideration of the investments in Non-convertible debentures as detailed in Clause no.(iv) hereto. The rest of this clause of the Order is not applicable.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act except Directors' sitting fee of Rs.1,20,000 (60,000/-).

(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 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 and hence this clause is not applicable.

(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,
Date: 24 May 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF DILIGENT MEDIA CORPRORATION 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, 2017 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:

We have relied upon the work of the internal auditors and reviewers of internal financial controls of the company shared with us alongwith our review of the financial controls over financial reporting of the Company. 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.

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 with branches spread, is operating effectively as at March 31, 2017, 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: 24 May 2017

Balance Sheet

BALANCE SHEET AS AT 31ST MARCH 2017

(In Rupees)

Particulars	Note	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	2	28,446,210	28,688,917	39,682,167
(b) Capital work-in-progress	2	286,250	-	-
(c) Other intangible assets	3	-	-	-
(d) Financial assets	4			
(i) Investments	4 (a)	4,362,656,265	-	-
(ii) Loans	4 (b)	-	-	-
(iii) Other financial assets	4 (c)	14,333,413	13,371,153	12,051,934
(e) Income tax assets (net)	5	32,917,716	32,064,136	25,671,678
(f) Deferred tax assets	28	1,040,087,644	906,045,994	855,945,983
(g) Other non-current assets	6	15,749	546,461	1,530,109
Total non-current assets		**5,478,743,247**	**980,716,661**	**934,881,871**
Current assets				
(a) Inventories	7	88,981,404	46,543,915	19,300,064
(b) Financial assets				
(i) Trade receivables	8	161,380,594	161,387,480	163,521,436
(ii) Cash and cash equivalents	9 A	37,068,622	47,249,146	35,866,259
(iii) Other bank balances	9 B	35,633,020	48,248,371	-
(iv) Loans	4 (b)	-	-	-
(v) Other financial assets	4 (c)	1,701,501	6,599,588	925,780
(c) Other current assets	6	196,085,089	276,546,147	296,880,560
Total current assets		**520,850,230**	**586,574,647**	**516,494,099**
Total assets		**5,999,593,477**	**1,567,291,308**	**1,451,375,970**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	10 (a)	890,955,420	890,955,420	890,955,420
(b) Instruments entirely equity in nature	10 (b)	4,348,303,342	4,348,303,342	3,285,803,342
(c) Other equity	11	(4,377,764,709)	(4,121,287,168)	(4,035,056,742)
Total equity		**861,494,053**	**1,117,971,594**	**141,702,020**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	12	4,362,656,265	-	-
(ii) Other financial liabilties	13	6,955,752	4,353,735	6,255,720
(b) Provisions	14	13,988,972	10,416,880	7,837,630
(b) Other Non Current Liabilities	15	319,720	4,567,075	9,448,646
Total non-current liabilities		**4,383,920,709**	**19,337,690**	**23,541,996**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	12	-	-	803,375,159
(ii) Trade payables	16	305,571,368	151,805,255	134,173,865
(iii) Other financial liabilities	13	186,204,908	126,813,453	236,900,122
(b) Other current liabilities	15	261,935,540	150,205,885	110,313,277
(c) Provisions	14	466,899	1,157,431	1,369,531
Total current liabilities		**754,178,715**	**429,982,024**	**1,286,131,954**
Total equities and liabilities		**5,999,593,477**	**1,567,291,308**	**1,451,375,970**

Notes forming part of the Financial Statements 1–44

As per our attached report of even date

For **B S Sharma & Co**
Chartered Accountants
Firm Registration: 128249W

CA B S Sharma
Proprietor
Membership No. 031578

Place: Mumbai
Date: 24th May, 2017

For and on behalf of the Board

Himanshu Mody
Director

Mukund Galgali
Director

Mehul Harshad Somaiya
Company Secretary

Kamal Dhingra
CFO

Statement of Profit and Loss

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(In Rupees)

Particulars	Note	Year ended 31 March 2017	Year ended 31 March 2016
Revenue			
Revenue from operations	17	853,120,461	1,006,922,468
Other income	18	63,212,152	102,776,419
Total		**916,332,613**	**1,109,698,887**
Expenses			
Operational Expenses	19	333,576,592	369,321,683
Cost of Raw Material Consumed	19 A & 19 B	300,792,686	309,110,362
Employee benefit expense	20	197,786,426	168,169,248
Finance costs	21	4,046,428	11,853,183
Depreciation and amortisation expense	22	4,840,045	12,319,491
Other expenses	23	463,782,948	374,071,042
Total		**1,304,825,125**	**1,244,845,009**
Profit/(Loss) before Tax		**(388,492,512)**	**(135,146,122)**
Less: Tax expense			
Current tax - current year		-	-
- earlier year		-	-
Deferred tax	28	133,340,256	49,690,143
Net Profit/(Loss) after Tax		**(255,152,256)**	**(85,455,979)**
Other comprehensive income	24		
Items that will not be reclassified subsequentally to profit or loss			
Remeasurement gains and (losses) on defined benefits obligations		(2,026,678)	(1,184,314)
Tax impact thereon		701,393	409,867
Total other comprehensive income		**(1,325,285)**	**(774,447)**
Total comprehensive income for the year, net of tax		**(256,477,541)**	**(86,230,426)**
Earning/(Loss) per share (face value of Re. 1 each)	36		
Basic		(0.29)	(0.10)
Diluted		(0.05)	(0.02)

Notes forming part of the Financial Statements 1–44

As per our attached report of even date

For **B S Sharma & Co**
Chartered Accountants
Firm Registration: 128249W

CA B S Sharma
Proprietor
Membership No. 031578

Place: Mumbai
Date: 24th May, 2017

For and on behalf of the Board

Himanshu Mody
Director

Mukund Galgali
Director

Mehul Harshad Somaiya
Company Secretary

Kamal Dhingra
CFO

STATEMENT OF CHANGES IN EQUITY

A) Equity Share Capital

(In Rupees)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 01 April 15	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Opening balance	89,095,542	890,955,420	89,095,542	890,955,420	89,095,542	890,955,420
Less: shares cancelled due to split of shares from face value of Rs.10 to Re.1	89,095,542	(890,955,420)	-	-	-	-
Add: Fresh shares issued of Re 1 due to split of shares from face value of Rs. 10 to Re. 1	890,955,420	890,955,420	-	-	-	-
Closing balance	**890,955,420**	**890,955,420**	**89,095,542**	**890,955,420**	**89,095,542**	**890,955,420**

B) Instruments entirely equity in nature

Compulsorily Convertible Debentures

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balance at the beginning of the reporting period (Reclassification of debt instrument)	4,348,303,342	3,285,803,342	3,285,803,342
Issued during the year	-	1,062,500,000	-
Balance at the end of the reporting period	**4,348,303,342**	**4,348,303,342**	**3,285,803,342**

C) Other Equity

Attributable to equity holders of the parent

(In Rupees)

Particulars	Reserves and Surplus				
	Capital Reserve	Securities Premium	General Reserves	Retained earnings	Total other equity
Balance at 31 March 2015	486,793,885	3,432,768,407	1,749,891,434	(9,706,931,516)	(4,037,477,790)
Discounting of deposits received	-	-	-	6,524	6,524
Discounting of deposits paid	-	-	-	(421,573)	(421,573)
Ind AS adjustment : Depreciation on account of retrospective application of schedule II	-	-	-	4,337,070	4,337,070
Ind AS adjustment : Deferred tax impact on above	-	-	-	(1,500,973)	(1,500,973)
Reclassification of debt instrument	-	-	-	-	-
As at 01 April 2015	**486,793,885**	**3,432,768,407**	**1,749,891,434**	**(9,704,510,468)**	**(4,035,056,742)**
Profit for the year	-	-	-	(85,455,979)	(85,455,979)
Other comprehensive income for the year (Refer note 24)	-	-	-	(774,447)	(774,447)
Ind AS adjustment : Depreciation on account of retrospective application of schedule II	-	-	-	-	-
Ind AS adjustment : Deferred tax impact on above	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**(86,230,426)**	**(86,230,426)**
Balance at 31 March 2016	**486,793,885**	**3,432,768,407**	**1,749,891,434**	**(9,790,740,894)**	**(4,121,287,168)**
Profit for the year	-	-	-	(255,152,256)	(255,152,256)
Other comprehensive income for the year (Refer note 24)	-	-	-	(1,325,285)	(1,325,285)
Total comprehensive income for the year	**-**	**-**	**-**	**(256,477,541)**	**(256,477,541)**
Balance at 31 March 2017	**486,793,885**	**3,432,768,407**	**1,749,891,434**	**(10,047,218,435)**	**(4,377,764,709)**

Notes forming part of the Financial Statements 1–44

As per our attached report of even date

For **B S Sharma & Co**
Chartered Accountants
Firm Registration: 128249W

CA B S Sharma
Proprietor
Membership No. 031578

Place: Mumbai
Date: 24th May, 2017

For and on behalf of the Board

Himanshu Mody
Director

Mukund Galgali
Director

Mehul Harshad Somaiya
Company Secretary

Kamal Dhingra
CFO

Cash Flow Statement

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A. NET CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(388,492,512)	(135,146,122)
Adjustments For :		
Depreciation and amortization Expense	4,840,045	12,319,491
Bad debts and advances written off, allowance for credit losses on financial assets (net)	779,261	(955,259)
Balances written back	(26,970,272)	(86,174,792)
Profit/Loss on exchange difference	(738,984)	2,241,191
Loss on sale of fixed assets	2,868,990	42,388
Remeasurement gains and losses on defined benefits obligations	(2,026,678)	(1,184,314)
Interest expense	4,046,428	11,853,183
Interest Income	(4,638,244)	(4,430,124)
Operating profit/(loss) before working capital changes	**(410,331,966)**	**(201,434,358)**
Adjustments For :		
Trade receivables, loans, other financial assets and other assets	84,383,106	18,102,403
Inventories	(42,437,489)	(27,243,851)
Trade payables, other financial liabilities, other liabilities and provisions	353,832,702	26,954,523
Cash generated from operations	**(14,553,647)**	**(183,621,283)**
Direct taxes paid (Net)	(853,580)	(6,392,458)
Net cash provided by operating activities	**(15,407,228)**	**(190,013,741)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of property ,plant and equipment / Capital Work In Progress	(8,086,504)	(1,488,246)
Sale of Fixed Assets	333,929	119,619
Interest received	4,410,355	3,741,969
Net cash used in investing activities	**(3,342,220)**	**2,373,342**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of Inter corporate deposits with interest	-	(803,375,160)
Proceeds from issue of compulsory convertible debentures	-	1,062,500,000
Interest payment	(4,046,428)	(11,853,183)
Net cash used in financing activities	**(4,046,428)**	**247,271,657**
Net increase/(decrease) in cash and cash equivalents	(22,795,875)	59,631,258
Cash and cash equivalents at the beginning of the year	95,497,517	35,866,259
Cash and cash equivalents at the end of the year	**72,701,642**	**95,497,517**

Notes forming part of the Financial Statements 1–44

Note:
1. Previous year's figures have been regrouped, recast wherever necessary.
2. The company had acquired 11,307,410,565 NCDs of Rs. 1 each of Mediavest India Private Limited and 1,100,000,000 NCDs of Re. 1 each of Pri-media Services private limited from Zee Media Corporation Limited at an aggregate consideration of Rs. 4,362,656,265 and discharge of such consideration is by issuance of 4,362,656,265 - 6% Non-Cumulative Redeemable Preference Shares of Rs. 1 each as detailed above. The above NCDs is with maturity period of 3 years ending on 27 October 2019, being non-cash, has not been considered in the above cash flow statement.

As per our attached report of even date

For **B S Sharma & Co**
Chartered Accountants
Firm Registration: 128249W

CA B S Sharma
Proprietor
Membership No. 031578

Place: Mumbai
Date: 24th May, 2017

For and on behalf of the Board

Himanshu Mody
Director

Mukund Galgali
Director

Mehul Harshad Somaiya
Company Secretary

Kamal Dhingra
CFO

Notes forming part of the Financial Statements

1.1 **Corporate Information**

Diligent Media Corporation Limited ('the Company') incorporated in the State of Maharashtra on 17th February 2005 and presently is in the business of Publication of newspapers. Mediavest India Private Limited, the holding company, holds 100% (along with its Nominee) of the equity share capital of the company.

1.2 **Significant Accounting Policies**

i. **Statement of Compliance and Basis of Preparation**

"These financial statements are prepared on going concern basis in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis , the provisions of the Companies Act, 2013 (`Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accordingly, the Company has prepared financial statements which comply in all material aspects with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period as at and for the year ended 31 March 2016. In preparing these first Ind AS financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. Reconciliations and descriptions of the effect of the transition has been summarized in note 44.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use."

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) 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.

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

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

(d) 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.

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

(f) 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.

(g) Rent income arising from sub leases is accounted on accural basis as per the agreed terms.

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

Notes forming part of the Financial Statements

iii. **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 staright 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 ("Rs."). The financial statements are presented in Indian Rupees.

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

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

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

v. **Retirement and other 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 acturial 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. **Accounting for taxes on income**
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.

Notes forming part of the Financial Statements

(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.

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. The estimated useful lives of assets are as follows:

Plant & Machinery	15 years
Furniture & Fixtures	10 years
Computer- Server	3 years
Computer- Network	6 years
Office Equipments	5 years
Vehicle	8 years
Lease hold Improvements	3 years

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

Notes forming part of the Financial Statements

x. **Impairment of Property plant and equipment and intangible 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 are 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 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.

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.

Notes forming part of the Financial Statements

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 Proft 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').

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.

Notes forming part of the Financial Statements

Derecognition of financial assets

The Company derecognises a financial asset when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

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

Financial liabilities

Subsequent Measurement

Financial liabilities measured at amortised cost

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

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

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

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the 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.

Notes forming part of the Financial Statements

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

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

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

xv. **Earnings per share**

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

xvi. **Cash and cash equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

xvii. **Use of estimates**

The preparation of financial statements requires management to exercise judgment 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.

Critical accounting judgment 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. 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.

Notes forming part of the Financial Statements

(c) **Impairment testing**

a. Judgment 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 judgment. If an indication of impairment is identified, further judgment 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) **Tax**

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 judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

b. Accruals for tax contingencies require management to make judgments 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 judgment 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.

Notes forming part of the Financial Statements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Notes forming part of the Financial Statements

Notes forming part of the Financial Statements

(In Rupees)

Particulars	Plant & Machinery	Leasehold Improvements	Computers	Office Equipments	Furniture and Fittings	Vehicles	Total
2. Property, plant and equipments							
I. Cost							
As at 01 April 2015	13,689,806	40,883,660	71,740,781	11,591,298	11,089,409	1,029,734	150,024,688
Additions	105,000	-	910,899	472,347	-	-	1,488,246
Disposal	21,466	-	2,620,594	168,632	-	-	2,810,692
As at 31 March 2016	**13,773,340**	**40,883,660**	**70,031,086**	**11,895,013**	**11,089,409**	**1,029,734**	**148,702,242**
Additions	-	-	7,513,467	207,498	79,289	-	7,800,254
Disposal	5,034,943	510,500	1,361,407	179,827	98,911	-	7,185,588
As at 31 March 2017	**8,738,397**	**40,373,160**	**76,183,146**	**11,922,684**	**11,069,787**	**1,029,734**	**149,316,908**
II. Depreciation and impairment							
As at 01 April 2015	2,743,160	31,747,777	60,592,015	9,225,036	5,157,461	877,072	110,342,521
Depreciation charge for the year	856,171	6,973,132	2,984,842	522,762	882,027	101,175	12,320,109
Disposal	3,976	-	2,490,106	155,223	-	-	2,649,305
As at 31 March 2016	**3,595,355**	**38,720,909**	**61,086,751**	**9,592,575**	**6,039,488**	**978,247**	**120,013,325**
Depreciation charge for the year	1,120,713	73,287	2,290,708	573,365	781,969	-	4,840,042
Disposal	1,939,570	484,975	1,292,061	170,836	95,227	-	3,982,669
Balance as at 31 March 2017	**2,776,498**	**38,309,221**	**62,085,398**	**9,995,104**	**6,726,230**	**978,247**	**120,870,698**
Net book value							
At 31 March 2017	5,961,899	2,063,939	14,097,748	1,927,580	4,343,557	51,487	28,446,210
At 31 March 2016	10,177,985	2,162,751	8,944,335	2,302,438	5,049,921	51,487	28,688,917
At 01 April 2015	10,946,646	9,135,883	11,148,766	2,366,262	5,931,948	152,662	39,682,167

Net book value	31 March 2017	31 March 2016	1 April 2015
Property, plant and equipment	28,446,210	28,688,917	39,682,167
Capital Work-In-Progress	286,250	-	-

Notes forming part of the Financial Statements

(In Rupees)

	Particulars	Technical Knowhow	Total
3	**Other intangible assets**		
	I. Cost		
	Balance as at 01 April 2015	239,448,829	239,448,829
	Additions	-	-
	Balance as at 31 March 2016	**239,448,829**	**239,448,829**
	Additions	-	-
	Balance as at 31 March 2017	**239,448,829**	**239,448,829**
	II. Amortisation and impairment		
	Balance as at 01 April 2015	239,448,829	239,448,829
	Amortisation expense for the year	-	-
	Balance as at 31 March 2016	**239,448,829**	**239,448,829**
	Amortisation expense for the year	-	-
	Balance as at 31 March 2017	**239,448,829**	**239,448,829**
	Net book value		
	At 31 March 2017	-	-
	At 31 March 2016	-	-
	At 01 April 2015	-	-

Net book value	31 March 2017	31 March 2016	01 April 2015
Other intangible assets	-	-	-

4 Financial Assets

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
4(a) **Investments**			
Investments carried at cost			
Investment In Non Convertible debentures (Refer note below)			
In Fellow Subsidiary Company- Unquoted			
110,00,00,000 (NIL) (NIL) 0% Non convertible debentures (NCDs) of Pri Media Services Private Limited of Re. 1 each fully paid up	1,100,000,000	-	-
In Holding Company - Unquoted			
1130,74,10,565 (NIL) (NIL) 0% Non convertible debentures (NCDs) of Mediavest India Private Limited of Re. 1 each fully paid up	3,262,656,265	-	-
Total	**4,362,656,265**	**-**	**-**
Aggregate amount of unquoted Investments	4,362,656,265	-	-
Aggregate amount of quoted Investments -	-	-	
Aggregate market value of quoted Investments	-	-	-

Notes forming part of the Financial Statements

The company had acquired 11,307,410,565 NCDs of Re. 1 each of Mediavest India Private Limited and 1,100,000,000 NCDs of Re. 1 each of Pri-media Services private limited from Zee Media Corporation Limited at an aggregate consideration of Rs. 4,362,656,265 and discharge of such consideration is by issuance of 4,362,656,265 - 6% Non-Cumulative Redeemable Preference Shares of Re. 1 each as detailed above. The above NCDs is with maturity period of 3 years ending on 27 October 2019.

(In Rupees)

Particulars	Non current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
4(c) **Other non-current financial assets**						
Security Deposits (unsecured, considered good)	14,425,573	13,463,313	12,051,934	597,688	562,250	925,780
Less: Provision for doubtful advances	(92,160)	(92,160)	-	-	-	-
Interest accrued on bank deposits	-	-	-	916,044	688,155	-
Loan to Employees	-	-	-	2,342,369	2,342,369	2,342,369
Less: Provision for doubtful on loan to employees	-	-	-	(2,342,369)	(2,342,369)	(2,342,369)
Other Receivables						
From Related party	-	-	-	-	2,749,245	-
From Others	-	-	-	187,769	2,599,938	-
Total	**14,333,413**	**13,371,153**	**12,051,934**	**1,701,501**	**6,599,588**	**925,780**

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
5 **Income tax assets (net)**			
Balance with Government authority			
- Advance Tax (net of provision)	32,917,716	32,064,136	25,671,678
Total	**32,917,716**	**32,064,136**	**25,671,678**

(In Rupees)

Particulars	Non current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
6 **Other Assets**						
Prepaid expenses	15,749	546,461	1,530,109	3,946,108	38,287,786	3,203,067
Advance to related parties	-	-	-	-	-	49,980,622
Advance to others	-	-	-	192,138,981	238,258,361	243,696,871
Total	**15,749**	**546,461**	**1,530,109**	**196,085,089**	**276,546,147**	**296,880,560**

Notes forming part of the Financial Statements

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
7 **Inventories**			
Newsprint*	88,975,447	46,497,119	19,084,634
Scrap and waste Papers	5,957	46,796	-
Consumables	-	-	215,430
Total	**88,981,404**	**46,543,915**	**19,300,064**

* Valued at lower of cost or net estimated realizable value.

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
8 **Trade Receivables (Unsecured)**			
- Considered good	161,380,594	161,387,480	163,521,236
- Considered doubtful	4,016,225	3,236,963	4,192,422
	165,396,819	164,624,443	167,713,658
Less: Allowances for credit losses	4,016,225	3,236,963	4,192,222
Total	**161,380,594**	**161,387,480**	**163,521,436**

For details relating to related party receivables, refer Note 26.
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
9A **Cash and cash equivalents**			
Balances with Banks			
In Current Accounts	36,959,365	47,187,654	35,650,805
Deposit with Bank with maturity less than 3 months	-	-	-
Cash on Hand	109,257	61,492	215,454
Total	**37,068,622**	**47,249,146**	**35,866,259**

Notes forming part of the Financial Statements

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
9B **Other Bank Balances**			
Fixed deposit with Maturity for more than 3 months but less than 12 months (pledged against Letter of Credit)	35,633,020	48,248,371	-
Total	**35,633,020**	**48,248,371**	**-**

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
10(a) Equity Share Capital			
Authorised			
1,535,000,000 (153,500,000) Equity Shares of Rs. 1(10)(10) each	1,535,000,000	1,535,000,000	1,535,000,000
	1,535,000,000	1,535,000,000	1,535,000,000
Issued , Subscribed and Fully Paid up			
890,955,420 (89,095,542) Equity Shares of Rs. 1(10)(10) each fully paid up	890,955,420	890,955,420	890,955,420
Total	**890,955,420**	**890,955,420**	**890,955,420**

a **Reconciliation of number of Equity shares and Equity Share capital**

(In Rupees)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	No. of Equity shares	Amount	No. of Equity shares	Amount	No. of Equity shares	Amount
At the beginning of the year	89,095,542	890,955,420	89,095,542	890,955,420	89,095,542	890,955,420
Less: shares cancelled due to split of shares from face value of Rs 10 to Rs. 1	89,095,542	890,955,420	-	-	-	-
Add: Fresh shares issued of Rs. 1 due to split of shares from face value of Rs. 10 to Rs. 1 (refer note c)	890,955,420	890,955,420	-	-	-	-
At the end of the year	**890,955,420**	**890,955,420**	**89,095,542**	**890,955,420**	**89,095,542**	**890,955,420**

Notes forming part of the Financial Statements

b **Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs 1(10)(10) 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.

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

d **Details of equity shares held by the holding company:**

(In Rupees)

Name of Shareholders	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Mediavest India Private Limited, the holding Company and its nominees 890,955,420 (89,095,342) (89,095,342) Equity shares of Rs. 1(10) (10) each fully paid up	890,955,420	890,953,420	890,953,420

e **Details of Shareholders holding more than 5 % of aggregate shares in the Company**

Name of Shareholders	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	No. of Equity shares	% Shareholding	No. of Equity shares	% Shareholding	No. of Equity shares	% Shareholding
Mediavest India Private Limited	890,955,420	100	89,095,342	99.99	89,095,342	99.99

f The Company has not issued any bonus shares or issued shares for considaration other than cash or bought back any shares during five years preceeding 31 March 2017.

10(b) **Instruments entirely equity in nature**

Compulsory Convertible Debentures

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balance at the beginning of the reporting period (Reclassification of debt instrument)	4,348,303,342	3,285,803,342	3,285,803,342
Changes in compulsorily convertible debentures during the period	-	1,062,500,000	-
Balance at the end of the reporting period	**4,348,303,342**	**4,348,303,342**	**3,285,803,342**

0% 328,580,334 Unsecured Compulsorily Convertible Debentures (CCD) of Rs.10 each fully paid up of Rs 3285,803,342, 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.

Notes forming part of the Financial Statements

During the previous year the company has issued 0% 106,250,000 Unsecured Compulsorily Convertible Debentures (CCD) of Rs.10 each fully paid up of Rs 1,062,500,000, are compulsorily convertible into Equity shares of Rs 10 each in the conversion ratio of 1:1 (one CCD shall be converted into one Equity share) at the end of fifth year. However, the CCD holders have an option for early conversion at any time after 18 months from the date of allotment i.e 29 April 2015 and 23 March 2016 of Rs 1,000,000,000 and Rs 62,500,000 respectively.

11 **Other equity**

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Capital Reserve			
As per last Balance sheet	486,793,885	486,793,885	486,793,885
Securities Premium Reserve			
As per last Balance sheet	3,432,768,407	3,432,768,407	3,432,768,407
General Reserve			
As per last Balance sheet	1,749,891,434	1,749,891,434	1,749,891,434
Surplus in statement of profit and loss			
As per last Balance sheet	(9,790,740,894)	(9,704,510,468)	(9,704,510,468)
Profit/(loss) for the year transfer from Statement of profit and loss	(255,152,256)	(85,455,979)	-
Re-measurement gains/ (losses) on defined benefit plans	(1,325,285)	(774,447)	-
	(10,047,218,435)	**(9,790,740,894)**	**(9,704,510,468)**
Total	**(4,377,764,709)**	**(4,121,287,168)**	**(4,035,056,742)**

(In Rupees)

Particulars	Non current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
12 **Borrowings - Unsecured**						
4,362,656,265 (Nil) 6% Non-cumulative, Non convertible redeemable preference shares of Re. 1 each fully paid up	4,362,656,265	-	-	-	-	-
Inter Corporate Deposit	-	-	-	-	-	803,375,159
Total	**4,362,656,265**	**-**	**-**	**-**	**-**	**803,375,159**

During the year the Company has issued 6% Non-cumulative, Non convertible redeemable preference shares no. 4,362,656,265 of Rs 1 each by acquiring Non convertible debentures of Pri-Media Services Private Limited and Mediavest India Private Limited of Rs 1,100,000,000 and 11,307,410,565 respectively. The holder of redeemable preference shares will not be entitled to any voting rights including voting rights under section 47 of the Companies Act, 2013. 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 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.

Notes forming part of the Financial Statements

(In Rupees)

Particulars	Non current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
13 **Other financial liabilties**						
Deposits	6,955,752	4,353,735	6,255,720	334,000	50,000	72,000
Other payables	-	-	-			
to Related party				6,555,293	-	-
to Others	-	-	-	179,315,615	126,763,453	236,189,589
Creditors for Capital Goods	-	-	-	-	-	638,533
Total	**6,955,752**	**4,353,735**	**6,255,720**	**186,204,908**	**126,813,453**	**236,900,122**

(In Rupees)

Particulars	Non current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
14 **Provisions**						
Provision for employee benefits						
- Gratuity	9,909,855	7,117,512	5,590,937	259,661	790,835	620,820
- Leave Benefits	4,079,117	3,299,368	2,246,693	207,238	366,596	748,711
Total	**13,988,972**	**10,416,880**	**7,837,630**	**466,899**	**1,157,431**	**1,369,531**

(In Rupees)

Particulars	Non current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
15 **Other liabilities**						
Unearned Revenue	83,825	4,331,217	9,448,646	23,664,128	49,835,056	54,539,507
Prepaid advances	235,895	235,858	-	-	-	235,895
Statutory Dues				5,505,659	6,804,108	14,200,426
Income received in advance from						
a) Related parties				106,487,873	18,411,117	1,145,711
b) Others				126,277,880	75,155,604	40,191,738
Total	**319,720**	**4,567,075**	**9,448,646**	**261,935,540**	**150,205,885**	**110,313,277**

Notes forming part of the Financial Statements

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
16 **Financial liabilities**			
Trade payables	305,571,368	151,805,255	134,173,865
	305,571,368	**151,805,255**	**134,173,865**

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 payables, refer Note 26.

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
17 **Revenue From Operations**		
a **Sale of products**		
Circulation revenue	94,588,584	109,960,210
b **Sale of services**		
Advertisement revenue	686,196,338	834,962,866
Syndication revenue	23,794,363	8,519,311
c **Other operating revenues**		
Sale of waste and scrap	10,498,590	10,661,281
Royalty Income	9,063,608	8,315,637
Income from events and services	28,978,978	34,503,163
Total	**853,120,461**	**1,006,922,468**

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
18 **Other Income**		
Interest Income from		
- Bank deposits	3,116,264	3,087,745
- Financial assets carried at amortised cost	1,521,980	1,342,379
- Income tax refund	843,760	-
Rent Income	6,000,000	12,000,000
Gain on exchange difference (net)	738,984	-
Balances written back	26,970,272	86,174,792
Miscellaneous Income	24,020,892	171,503
Total	**63,212,152**	**102,776,419**

Notes forming part of the Financial Statements

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
19 **Operational Expenses**		
Other production expenses	289,516,178	336,016,811
News Collection Expenses	44,060,414	33,304,872
Total	**333,576,592**	**369,321,683**

(In Rupees)

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
19A **Cost of Raw Material Consumed**			
Inventory at the beginning of the year		46,497,119	19,084,534
Add: Purchases		343,471,924	335,992,446
Add: Raw material taken on loan		4,301,729	1,254,904
	(A)	394,270,772	356,331,884
Less: Raw material given on loan		4,543,478	677,607
Less: Inventory at the end of the year		88,975,447	46,497,119
	(B)	93,518,925	47,174,726
Total (A) - (B)		**300,751,847**	**309,157,158**

(In Rupees)

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
19B **(Increase) / Decrease In Inventories**			
Scrap and waste papers			
Inventory at the beginning of the year	(A)	46,796	-
Inventory at the end of the year	(B)	5,957	46,796
Total (A) - (B)		**40,839**	**(46,796)**

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
20 **Employee benefit expenses**		
Salaries and wages	183,398,128	156,812,396
Contribution to provident and other funds	11,756,690	8,892,625
Staff welfare expenses	2,631,608	2,464,227
Total	**197,786,426**	**168,169,248**

Notes forming part of the Financial Statements

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
21 **Finance costs**		
Interest on		
-Loan from related party	-	7,765,785
-Financial liabilities carried at amortised cost	444,900	446,052
-Others	637,788	529,734
Bank and other financial charges	2,963,740	3,111,612
Total	**4,046,428**	**11,853,183**

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
22 **Depreciation and amortisation expense**		
Depreciation on property, plant and equipment	4,840,045	12,319,491
Amortisation of intangible assets	-	-
Total	**4,840,045**	**12,319,491**

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
23 **Other Expenses**		
Rent	69,409,112	70,509,901
Repairs and Maintenance:		
- Building	10,000	-
- Others	18,503,303	12,351,795
Insurance	192,959	260,650
Rates and Taxes	20,157,687	793,938
Electricity expenses	12,831,514	17,460,264
Legal and Professional expenses	12,930,030	21,338,947
Printing and Stationery	4,693,362	5,063,994
Communication expenses	5,516,736	4,630,961
Travelling and Conveyance expenses	8,431,183	4,667,611
Payment to Auditor (Refer details below)	1,938,975	1,459,709
Marketing, distribution, business promotion expenses	125,748,867	105,036,887
Circulation Scheme Promotion expenses (net)	111,862,517	125,905,841
Commission	63,773,018	-
Bad Debts	-	7,086
Security charges	120,447	605,618
Provision for doubtful debts/advances	940,549	-
Loss on sale/discard of fixed assets	2,868,990	42,388
Loss on exchange difference (net)	0	2,241,191
General and other office expenses	3,853,699	1,694,261
Total	**463,782,948**	**374,071,042**

Notes forming part of the Financial Statements

Auditors Remuneration is as under:

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
As Auditor		
Audit Fee	900,000	900,000
Tax Audit Fee	100,000	100,000
for other services including interim audit	938,975	459,709
Total	**1,938,975**	**1,459,709**

24 **Components of other Comprehensive Income (OCI)**

The disaggregation of changes to OCI by each type of reserve in equity is shown below:
During the year ended 31 March 2017

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Re-measurement gains (losses) on defined benefit plans(net of tax)	(1,325,285)	(774,447)
Total	**(1,325,285)**	**(774,447)**

25 **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 20 "Employee benefit expenses" of the Statement of Profit and Loss.

B **Defined Benefit Plans**

The present value of gratuity obligation (Non funded) 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.

Notes forming part of the Financial Statements

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

(In Rupees)

	Particulars	Year ended 31 March 2017	Year ended 31 March 2016	As at 01 April 2015
		Gratuity (Non funded)		
I.	**Expenses recognized in profit and loss**			
1	Current Service Cost	2,141,404	1,717,078	
2	Past Service cost	-	-	
3	Administrative expenses	-	-	
4	Interest Cost	534,992	496,976	
5	Actuarial Losses / (Gains)	-	-	
	Total Expenses	**2,676,396**	**2,214,054**	
II.	**Amount recognized in other comprehensive income (OCI)**			
1	Opening amount recognized in OCI outside profit and loss account	1,184,314	-	
2	**Remeasurment during the period due to**			
	Experience adjustments	1,393,616	1,184,314	
	Changes in financial assumptions	633,062	-	
	Changes in demographic assumptions	-	-	
	Closing amount recognized in OCI outside profit and loss account	**3,210,992**	**1,184,314**	
III.	**Net Asset/(Liability) recognized in the Balance Sheet**			
	1. Present value of defined benefit obligation	(10,169,516)	(7,908,347)	
	2. Net Asset / (Liability)	(10,169,516)	(7,908,347)	
IV.	**Reconciliation of Net Asset/(Liability) recognized in the Balance Sheet**			
1	Net Asset/(Liability) at the beginning of year	(7,908,347)	(6,211,757)	
2	Expense as per I above	(2,676,396)	(2,214,054)	
3	Other comprehensive income as per II above	(2,026,678)	(1,184,314)	
4	Employer contribution	2,441,905	1,701,778	
5	Net Asset/(Liability) at the end of the year	(10,169,516)	(7,908,347)	
V.	**Actuarial Assumptions**			
1	Discount rate	7.50%	8.00%	8.00%
2	Expected rate of salary increase	5.00%	5.00%	5.00%
3	Mortality	IALM(2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
VI.	**The following payments are expected to defined benefit plan in future years**	(In Rupees)		
1	Expected benefits for year 1	259,661	111,333	
2	Expected benefits for year 2 to year 5	1,186,178	1136903	
3	Expected benefits beyond year 5	8,723,677	6,660,111	

Notes forming part of the Financial Statements

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 in percentage terms 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
PVO DR + 1%	10,405,732	8,769,451	11,596,930
PVO DR - 1%	9,885,559	11,441,285	8,948,383

Notes:

(a) Amounts recognised as an expense and included in the Note 20 "Employee benefit expenses" are gratuity Rs. 2,141,404 (Rs. 1,717,078) and leave encashment Rs. 914,645 (Rs. 2,999,399).

(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.

26 **Related Party Transactions**

Holding Company

Mediavest India Private Limited 100% (along with its Nominee)

Ultimate Holding Company

Zee Media Corporation Limited

Fellow subsidiary companies

Pri Media Services Private Limited, Zee Akaash News Private Limited

Notes forming part of the Financial Statements

(In Rupees)

A) Transaction with Related Parties	Year ended 31 March 2017	Year ended 31 March 2016
Purchase of Services		
Pri Media Services Pvt Ltd	261,575,151	321,997,225
Rent income		
Zee Media Corporation Limited	6,000,000	12,000,000
Interest on ICD taken		
Mediavest India Private Limited	-	-
Advertisement, Job Work Revenue, Royalty Income and Sale of waste & scrap		
Zee Media Corporation Limited	30,892,573	105,825,890
Zee Akaash News Private Limited	54,000,000	18,095,220
Miscellanious Income		
Zee Akaash News Private Limited	24,000,000	-
Advertisement Expenses		
Zee Media Corporation Limited	552,409	350,034
Professional Services		
Mediavest India Private Limited	400,000	-
Issue of CCD		
Mediavest India Private Limited	-	1,062,500,000
Investment in NCD		
Mediavest India Private Limited	3,262,656,265	-
Pri Media Services Pvt Ltd	1,100,000,000	-
Issue of Preference shares		
Zee Media Corporation Limited	4,362,656,265	-
Debit Note for Travelling expenses		
Zee Media Corporation Limited	785,653	-
Credit Note for Salary Cost		
Zee Media Corporation Limited	6,620,000	-
Director Sitting Fees		
Uma Mandavgane	120,000	30,000
Vishal Anil Malhotra	120,000	30,000
ICD taken		
Mediavest India Private Limited	-	-
Refund of ICD		
Mediavest India Private Limited	-	-
Refund of Share Application Money received		
Mediavest India Private Limited	-	-

Notes forming part of the Financial Statements

(In Rupees)

B) Balances outstanding	Year ended 31 March 2017	Year ended 31 March 2016	As at 01 April 2015
Trade Payables			
Pri Media Services Pvt Ltd	176,164,274	27,053,242	-
Debtors Having Credit Balances			
Zee Media Corporation Limited	106,487,873	18,411,117	1,145,711
Other Payables			
Mediavest India Private Limited	319,931	-	-
Zee Media Corporation Limited	6,235,362	-	-
Investment in NCD			
Mediavest India Private Limited	3,262,656,265	-	-
Pri Media Services Pvt Ltd	1,100,000,000	-	-
Outstanding CCD			
Mediavest India Private Limited	4,348,303,342	4,348,303,342	3,285,803,342
Trade Recievables			
Zee Akaash News Private Limited	-	17,733,315	-
Other Recievables			
Zee Media Corporation Limited	-	2,749,245	-
Loans and Advances			
Pri Media Services Pvt Ltd	-	-	49,981,422
Preference Shares			
Zee Media Corporation Limited	4,362,656,265	-	-

27 **Financial Instruments**

i) **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.

a) **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

Notes forming part of the Financial Statements

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 shared holders.

Interest rate sensitivity

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

2) **Foreign Currency risk**

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

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

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

(In Rupees)

Particulars	Liabilities			Assets		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
United States Dollar (USD)	93,261,931	86,835,872	29,849,000	44,901	95,035	144,408
Great Britain Pound (GBP)	-	-	-	174,377	183,200	205,761

Foreign Currency sensitivity analysis

The following table details the company's sensitivity to a 10% increase and decrease in the Rs. 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 Rs. strengthens 10% against the relevant currency. For a 10% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity.

(In Rupees)

Currency	Sensitivity analysis		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
United States Dollar (USD) (10% net of assets)	(9,321,703)	(8,674,084)	(2,970,459)
Great Britain Pound (GBP) (10% net of assets)	17,438	18,320	20,576

Notes forming part of the Financial Statements

3) **Credit risk**

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

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

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

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Trade Receivables (Unsecured)			
Over six months	33,392,157	17,013,610	19,541,430
Less than six months	132,004,662	147,610,833	148,172,228
Total	**165,396,819**	**164,624,443**	**167,713,658**

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

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016
Opening Balance	3,236,963	4,192,222
Addition during the year	940,555	7,086
Reversal during the year	161,293	962,345
Closing Balance	4,016,225	3,236,963
Net Trade receivable	**161,380,594**	**161,387,480**

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

Particulars	As at 31 March 2017 %	As at 31 March 2016 %
Revenues generated from top 10 customers	45%	46%

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

b) **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.

Notes forming part of the Financial Statements

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

(In Rupees)

Particulars	Due in 1st year	Due in 2nd to 5th year
Financial Liabilities		
Trade payable and other financial liabilities	491,776,277	6,955,752
Borrowings	-	-
Total	**491,776,277**	**6,955,752**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2016

(In Rupees)

Particulars	Due in 1st year	Due in 2nd to 5th year
Financial Liabilities		
Trade payable and other financial liabilities	278,618,708	4,353,735
Borrowings	-	-
Total	**278,618,708**	**4,353,735**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 1 April 2015

(In Rupees)

Particulars	Due in 1st year	Due in 2nd to 5th year
Financial Liabilities		
Trade payable and other financial liabilities	371,073,988	6,255,720
Borrowings	803,375,159	-
Total	**1,174,449,147**	**6,255,720**

(ii) **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

(iii) **Categories of financial instruments**

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Financial assets			
Measured at amortised cost			
Other financial assets (Non current)	14,333,413	13,371,153	12,051,934
Investments	4,362,656,265	-	-
Trade Receivables	161,380,594	161,387,480	163,521,436
Cash and cash equivalents	37,068,622	47,249,146	35,866,259
Other bank balances	35,633,020	48,248,371	-
Other financial assets (current)	14,333,413	13,371,153	12,051,934
	4,625,405,327	**283,627,303**	**223,491,563**
Financial liabilities			
Measured at amortised cost			
Borrowings (Non current)	4,362,656,265	-	-
Borrowings (current)	-	-	803,375,159
Other financial liabilities (Non current)	6,955,752	4,353,735	6,255,720
Trade Payable	305,571,368	151,805,255	134,173,865
Other financial liabilities (current)	186,204,908	126,813,453	236,900,122
	4,861,388,293	**282,972,443**	**1,180,704,866**

Notes forming part of the Financial Statements

Fair Value

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

(In Rupees)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Measured at amortised cost						
Other financial assets (Non current)	14,333,413	14,333,413	13,371,153	13,371,153	12,051,934	12,051,934
Investments	4,362,656,265	4,362,656,265	-	-	-	-
Trade Receivables	161,380,594	161,380,594	161,387,480	161,387,480	163,521,436	163,521,436
Cash and cash equivalents	37,068,622	37,068,622	47,249,146	47,249,146	35,866,259	35,866,259
Other bank balances	35,633,020	35,633,020	48,248,371	48,248,371	-	-
Other financial assets (current)	14,333,413	14,333,413	13,371,153	13,371,153	12,051,934	12,051,934
	4,625,405,327	**4,625,405,327**	**283,627,303**	**283,627,303**	**223,491,563**	**223,491,563**
Financial liabilities						
Measured at amortised cost						
Borrowings (Non current)	4,362,656,265	4,362,656,265	-	-	-	-
Borrowings (current)	-	-	-	-	803,375,159	803,375,159
Other financial liabilities (Non current)	6,955,752	6,955,752	4,353,735	4,353,735	6,255,720	6,255,720
Trade Payable	305,571,368	305,571,368	151,805,255	151,805,255	134,173,865	134,173,865
Other financial liabilities (current)	186,204,908	186,204,908	126,813,453	126,813,453	236,900,122	236,900,122
	4,861,388,293	**4,861,388,293**	**282,972,443**	**282,972,443**	**1,180,704,866**	**1,180,704,866**

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.

(iv) **Fair value Hierarchy**

The Company's financial assets and liabilities measured at amortised cost and are considered in Level 3 of fair value hierarchy and have been considered at carrying amount.

Notes forming part of the Financial Statements

28 **Taxes on income**

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

b) The component of deferred tax balances as at 31 March 2017 are as under:

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016
Income tax related to items recognised directly in the statement of profit and loss		
Deferred tax (charge) / benefit	133,340,256	49,690,143
Effective tax rate	**-34.32%**	**-36.77%**

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 year ended 31 March 2017 and 31 March 2016 is as follows:

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016
Profit before tax	(388,492,512)	(135,146,122)
Tax rate @ 34.608%	134,449,489	46,771,370
Deferred tax	133,340,256	49,690,143
Difference	1,109,232	(2,918,773)
Explanation for the differences:		
Mat credit	-	-
Effect of Non-deductible expenses and carry forward of unabsorbed losses and depreciation	1,109,232	(2,918,773)

The company has brought forward losses of Rs 80,876,106 (2016: Rs. 64,886,532) (2015: Rs. 48,001,161) with no expiry on carry forward whereas Rs 2,861,036,892 (2016: Rs. 2,502,399,655) (2015: Rs. 2,360,709,470) are available for offsetting over a period time till 2024-25. The losses are mainly in the nature of business losses.

Deferred tax recognized in statement of other comprehensive income

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Employee retirement benefits obligation	701,393	409,867

Deferred tax recognized in statement of profit or loss

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Employee retirement benefits obligation	295,858	409,356
Depreciation and amortization	(2,868,841)	(1,335,284)
Unabsorbed losses and depreciation	135,913,240	50,616,072
Total	**133,340,256**	**49,690,143**

Notes forming part of the Financial Statements

Reconciliation of deferred tax assets / (liabilities) net:

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016
Opening balance	906,045,994	855,945,983
Deferred tax (charge)/credit recognised in		
- Statement of profit and loss	133,340,256	49,690,143
- Recognised in other comprehensive income	701,393	409,867
Total	**1,040,087,644**	**906,045,994**

Deferred Tax Assets / (Liabilities)

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Deferred Tax Assets			
Arising on account of timing differences in Employee retirement benefits	5,002,888	4,005,638	3,186,414
Depreciation	16,947,506	19,816,346	21,151,631
Fiscal disallowances	-	-	-
Unabsorbed tax ,losses and depreciation	1,018,137,250	882,224,010	831,607,938
Total	**1,040,087,644**	**906,045,994**	**855,945,983**

29 (a) **Contingent Liabilities**

i. Contingent Liabilities not provided for, in respect of bank guarantees of Rs. Nil (2016 :Nil) (2015 :Nil) and in respect of Letter of credits of Rs. 111,59,656 (2016 : 20,222,188) (2015 : NIL)

ii. For tax matter under appeal a penalty for A.Y. 2008-09 Rs. 440,021 (2016: 440,021) (2015: Nil) and demand in respect of additions for A.Y 2012-13 Rs. Nil(2016 : 91,767,710) (2015 : 91,767,710)

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 and other commitments**

Estimated amount of contracts remaining to be executed on capital account not provided (net of advances) for Rs. Nil (2016 :Nil) (2015: Nil)

Other Commitments in respect of newsprint purchases is Rs. 32,712,998 (2016: 75,784,530) (2015: 5,258,000)

Notes forming part of the Financial Statements

30 **Operating Leases:**

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

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016
Lease rental charges for the year	69,409,112	70,509,901
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year	34,527,099	68,327,652
Later than one year but not later than five years	-	34,379,357

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

(i) **Loans given**

There are no loans given during the year.

(ii) **Investments made**

There are no investments made during the year except those mentioned in Note 4 (a).

(iii) **Guarantees given**

There are no guarantees given during the year.

(iv) **Securities given**

There are no securities given during the year.

32 **Income in foreign currency**

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016
Syndication Revenue	2,464,537	1,611,785

33 **Expenditure in foreign currency**

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016
Travelling Expenses	275,276	-
News expenses	2,670,145	2,930,311
Legal charges	1,211,217	-
CIF Value of imports: Newsprint	379,655,003	357,009,956

34 **Foreign Exchange**

Derivative Contracts (Forward contracts for hedging purposes) entered into by the Company and outstanding as at 31 March 2017 amount to Rs. Nil (Nil)

Foreign exchange exposures that are not hedged by derivative instruments as at 31 March 2017 are as under:

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016
Receivables	219,278	278,235
Payables	93,261,931	86,835,872

Notes forming part of the Financial Statements

35 **Details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 30 December 2016**

(In Rupees)

Particulars	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	73,500	44,661	118,161
Add: Permitted receipts	-	101,303	101,303
Less: Permitted payments	-	(32,624)	(32,624)
Less: Amount deposited in Banks	(73,500)	(10)	(73,510)
Closing cash in hand as on 30.12.2016	-	113,330	113,330

36 **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 Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016
Profit after tax for Basic & Dilutive EPS	(255,152,256)	(85,455,979)
Weighted Average number of equity shares for Basic EPS (in numbers)*	890,955,420	890,955,420
Weighted Average number of equity shares for Diluted EPS (in numbers)	5,239,258,762	5,101,792,915
Nominal value of equity shares *	1	1
Basic EPS	(0.29)	(0.10)
Diluted EPS	(0.05)	(0.02)

*Shareholders in its extraordinary general meeting held on 2 November 2016 has approved sub-division of face value of Equity Shares from Rs. 10 to Rs. 1 each fully paid up. Consequently the paid-up share capital of DMCL was altered to 890,955,420 Equity Shares of Rs. 1 each fully paid up. Hence EPS for financial year 15-16 is restated by restating weighted average no of shares from 89,095,542 to 890,955,420.

37 **Details of Consumption of Imported and Indigenous stocks**

(In Rupees)

Particulars	As at 31 March 2017		As at 31 March 2016	
	%	Amount	%	Amount
i) Raw Materials				
Imported	99.99%	301,413,405	99.94%	308,140,733
Indigenous	0.01%	28,000	0.06%	179,380
	100%	**301,441,405**	**100%**	**308,320,113**

38 **Consumption of raw materials**

(In Rupees)

Particulars	As at 31 March 2017		As at 31 March 2016	
	MT (Qty.)	Value	MT (Qty.)	Value
Newsprint	7,997.25	301,441,405	7,818.21	308,320,113

Notes forming part of the Financial Statements

39 **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.

40 **Going concern**

The company has issued in the preceding year 434,830,334 0% compulsorily convertible debentures of Rs 10/- each fully paid up as per terms and conditions detailed in Note no 10(b) of Notes to Accounts and has been treated as Investments of Equity in nature as per Ind AS. This has resulted in positive equity funds, as appearing in Balance sheet as at the year end. However the promoters viz., Mediavest India Private Limited., the holding company, has given a support letter to bring in funds from time to time to ensure continuation of operations and to ensure compliance of Going Concern policy. Based on the above, the management is of the opinion that it is appropriate to prepare these financial statements on going concern basis.

41 The Board of Directors of the company, at its meeting held on October 27, 2016 passed a resolution approving the Proposed Scheme of Arrangement and Amalgamation between Zee Media Corporation Limited ("the Demerged Company"or "the Transferee Company 2") and Diligent Media CorporationLimited("Resulting Company" or "Transferee Company 1") and Mediavest India Private Limited ("Transferor Company1") and Pri-Media Services Private Limited ("Transferor Company2") and Maurya TV Private Limited ("Transferor Company 3") and their respective Shareholders and Creditors ("Scheme"). This Scheme is subject to requisite approvals in terms of Section 391 to 394 read with and Sections 100 to 103 of the Companies Act, 1956 and Section 52 of Companies Act, 2013and any corresponding applicable provisions of the Companies Act, 1956 and the Companies Act, 2013. The appointed date in respect of the scheme is 1st April 2017. The said scheme is pending approval by various authorities and judiciary.

42 **Micro, Small and Medium enterprises**

The Company has no dues to Micro, Small and Medium enterprises during the year ended 31 March 2017, on the basis of information provided by the parties and available on record.

43 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year classifications / disclosures.

44.1 **First-time adoption of Ind-AS**

The transition as at 1 April 2015 to Ind As was carried out from Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below:

Exemptions availed on first time adoption of Ind-AS 101

1 **Business Combinations**

The Company has elected to apply IND AS 103 Business Combinations prospectively from 1 April 2015.

44.2 **Reconciliations between Previous GAAP and Ind AS**

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

1. Equity Reconciliation
2. Profit and Loss and Other comprehensive income Reconciliation
3 Cash flow Statements

Notes forming part of the Financial Statements

44.2.1 **Equity Reconciliation**

(In Rupees)

	Note	Balance Sheet as at 1 April 2015			Balance Sheet as at 31 March 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS							
Non-current assets							
(a) Property, plant and equipment	c	35,345,098	4,337,069	39,682,167	22,856,041	5,832,876	28,688,917
(b) Capital Work-In-Progress		-	-	-	-	-	-
(c) Intangible assets		-	-	-	-	-	-
(d) Financial assets		-	-	-	-	-	-
(i) Loans		25,671,678	(25,671,678)	-	32,064,136	(32,064,136)	-
(ii) Financial assets	a	15,153,555	(3,101,621)	12,051,934	15,572,592	(2,201,439)	13,371,153
(e) Income tax assets (net)			25,671,678	25,671,678	-	32,064,136	32,064,136
(f) Deferred tax assets (net)	e	857,446,956	(1,500,973)	855,945,983	908,064,636	(2,018,642)	906,045,994
(g) Other non current assets	a	-	1,530,109	1,530,109	-	546,461	546,461
Total non-current assets		**933,617,287**	**1,264,584**	**934,881,871**	**978,557,405**	**2,159,256**	**980,716,661**
Current assets							
(a) Inventories		19,300,064	-	19,300,064	46,543,915	-	46,543,915
(b) Financial Assets			-	-		-	-
(i) Trade Receivables		163,521,436	-	163,521,436	161,387,480	-	161,387,480
(ii) Cash and cash equivalents		35,866,259	-	35,866,259	95,497,516.93	(48,248,371)	47,249,146
(iii) Other bank balances		-	-	-		48,248,371	48,248,371
(iv) Loans		293,285,008	(293,285,008)	0	273,781,897.74	(273,781,898)	-
(v) Other financial assets		3,371,393	(2,445,613)	925,780	8,069,642.20	(1,470,054)	6,599,588
(c) Other current assets	a	-	296,880,560	296,880,560	-	276,546,147	276,546,147
Total current assets		**515,344,160**	**1,149,939**	**516,494,099**	**585,280,452**	**1,294,195**	**586,574,647**
		1,448,961,447	**2,414,523**	**1,451,375,970**	**1,563,837,857**	**3,453,452**	**1,567,291,308**
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital		890,955,420	-	890,955,420	890,955,420	-	890,955,420
(b) Instruments entirely equity in nature		-	3,285,803,342	3,285,803,342	-	4,348,303,342	4,348,303,342
(c) Other Equity	a, b & c	(4,037,477,790)	2,421,048	(4,035,056,742)	(4,124,747,181)	3,460,013	(4,121,287,168)
Total Equity		**(3,146,522,370)**	**3,288,224,390**	**141,702,020**	**(3,233,791,761)**	**4,351,763,355**	**1,117,971,594**
Liabilities							
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings		3,285,803,342	(3,285,803,342)	-	4,348,303,342	(4,348,303,342)	-
(ii) Other financial liabilties	a	15,946,785	(9,691,065)	6,255,720	8,927,371	(4,573,636)	4,353,735
(b) Provisions		7,837,630	-	7,837,630	10,416,880	-	10,416,880
(c) Other Non Current Liabilities	a	-	9,448,646	9,448,646	-	4,567,075	4,567,075
Total non-current liabilities		**3,309,587,757**	**(3,286,045,761)**	**23,541,996**	**4,367,647,593**	**(4,348,309,903)**	**19,337,690**
Current liabilities							
(a) Financial liabilities							
(i) Borrowings		777,600,037	25,775,122	803,375,159	-	-	-
(ii) Trade payables		134,173,865	-	134,173,865	151,805,255	-	151,805,255
(iii) Other current financial liabilities		372,752,626	(135,852,504)	236,900,122	277,019,338	(150,205,885)	126,813,453
(b) Current tax liabilities (net)		-	-	-	-	-	-
(c) Other current liabilities	a	-	110,313,277	110,313,277	-	150,205,885	150,205,885
(d) Provisions		1,369,531	-	1,369,531	1,157,431	-	1,157,431
Total current liabilities		**1,285,896,059**	**235,893**	**1,286,131,954**	**429,982,024**	**-**	**429,982,024**
		1,448,961,446	**2,414,523**	**1,451,375,970**	**1,563,837,857**	**3,453,452**	**1,567,291,308**

Notes forming part of the Financial Statements

44.2.2 **Reconciliation Statement of Profit and Loss and Other Comprehensive income as previously reported under IGAAP to Ind AS**

(In Rupees)

	Note	Year ended 31 March 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS
Income				
Revenue from operations	a	1,006,476,379	446,089	1,006,922,468
Other Income	a	101,434,040	1,342,379	102,776,419
Total Income		**1,107,910,419**	**1,788,468**	**1,109,698,887**
Expenses				
Operational Expenses		369,321,683	-	369,321,683
Cost of Raw Material consumed		309,110,362	-	309,110,362
Employee benefit expense	b	169,850,538	(1,681,290)	168,169,248
Finance Cost	a & b	10,910,155	943,028	11,853,183
Depreciation and amortization expense	c	13,815,296	(1,495,806)	12,319,491
Other expenses	a	372,789,454	1,281,588	374,071,042
Total Expenses		**1,245,797,488**	**(952,480)**	**1,244,845,009**
Profit before tax		**(137,887,069)**	**2,740,948**	**(135,146,122)**
Tax Expense				
Current tax				
-Current Year		-	-	-
-Earlier Year		-	-	-
-Deferred tax	e	50,617,679	(927,536)	49,690,143
Profit for the year		**(87,269,390)**	**1,813,412**	**(85,455,979)**
Other Comprehensive income				
Items that will not be reclassified to profit or loss Remeasurement of the defined benefit (liabilities) / assets (net of tax)	b	-	(774,447)	(774,447)
Total Comprehensive profit for the year		**(87,269,390)**	**1,038,965**	**(86,230,426)**

Explanations for reconciliation of Balance Sheet and Statement of Profit and loss and other Comprehensive income as previously reported under IGAAP to Ind AS

a **Deposits**
The company has discounted the deposits to consider wherever assesses that the fair value is different from market.

b **Employee benefit expenses**
As per Ind AS-19 Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to Statement of profit and loss in a subsequent period.

Notes forming part of the Financial Statements

c **Property, plant and equipment**

The company elected to apply Ind AS 16 from the date of acquisition of Property , plant and equipment and the impact there on has been taken into retained earnings.

d **Cash flow statement**

There were no significant reconciliation items between cash flow prepared under Previous GAAP and those prepared under Ind AS.

e **Tax adjustments**

Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS.

Notes forming part of the Financial Statements 1-44

As per our attached report of even date

For **B S Sharma & Co**
Chartered Accountants
Firm Registration: 128249W

CA B S Sharma
Proprietor
Membership No. 031578

Place: Mumbai
Date: 24th May, 2017

For and on behalf of the Board

Himanshu Mody
Director

Mukund Galgali
Director

Mehul Harshad Somaiya
Company Secretary

Kamal Dhingra
CFO

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