



B. S. Sharma & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT
ON THE AUDITED FINANCIAL RESULTS
FOR THE FOURTH QUARTER AND YEAR ENDED 31st MARCH, 2020

To Board of Directors of
DILIGENT MEDIA CORPORATION LIMITED

OPINION

1. We have audited the accompanying Statement of Financial Results for the fourth quarter and year ended 31 March 2020, (the "Statement") of DILIGENT MEDIA CORPORATION LIMITED ("the Company"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement, read with Para 5 herein and the Notes to the Statement:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- b. gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued there under and other accounting principles generally accepted in India of the net loss after tax and other comprehensive income and other financial information of the Company for the fourth quarter and year ended 31 March 2020.

BASIS OF OPINION:

2. We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by ICAI together with the ethical requirements that are relevant to our audit of the Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL RESULTS

3. This Statement, is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related audited Financial Statements for the year ended March 31, 2020 and audited Condensed



Financial Statements prepared for the fourth quarter and for the year ended March 31, 2020. The Company's Board of Directors are responsible for the preparation and presentation of the Financial Results that give a true and fair view of the net loss for the quarter and for the year ended March 31, 2020 and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS and prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL RESULTS

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

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

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



- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Financial Results of the Company to express an opinion on the Financial Results.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

5. OTHER MATTERS:

- (i) Reference is invited to Note no.4 related to discontinuation with effect from October 10, 2019 of print publication of all editions of its English Daily Newspaper called 'DNA' and ceased to print with effect from October 11, 2019 vernacular weekly magazine called 'Zee Marathi Disha'. The Company has in Note no. 6 detailed therein the reason for not showing related Assets held for sale, as required under Ind AS 105. Consequent thereto no Deferred tax is provided during the year and the balance brought forward from preceding years, has been continued with the expectation of future profit arising out of various options being exercised by the Management, as detailed in Note no.8 to the statement.



- (ii) Reference is invited to Note no.5 relating to advance of Rs.72,22.50 Lakhs given to four of the parties for the purposes stated therein. Interest income of Rs.216.08 Lakhs and Rs.718.06 lakhs is recorded on the said advances for the Quarter and year ended 31.03.2020 respectively subject to confirmations from parties' concerned. However, no sufficient appropriate audit evidences is produced before us to validate management's effective steps and assessment over recoverability of the Principal and Interest thereon.
- (iii) Reference is invited to Note No.7 related to the Management's contention of preparing the financial results on going concern basis, despite the accumulated losses of the Company as of March 31, 2020 have exceeded its paid-up capital and reserves. The Company has incurred net loss for the year ended March 31, 2020 and the Company's current liabilities exceeded its current assets as at that date. The said note carries Management's explanations of various schemes for revival etc., pending detailed future financial plans.
- (iv) The Company has negative networth and net current assets and has been incurred losses and has loss during the year. As described in the Note no.6 the management has its internal assessment as to the realisability of carrying values of the current assets and other assets. However, the management has not carried out a detailed and comprehensive impairment test in accordance with the principles of Ind AS - 36 - Impairment of Assets and Ind AS-109 Financial Instruments. In the absence of aforementioned impairment assessment, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these assets and consequential impact on the accompanying financial results as at 31 March 2020.
- (v) The financial results include the results for the quarter ended 31 March 2020 and the corresponding quarter ended of the previous year, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year and the previous financial year respectively, which were subject to limited review by us.

Our opinion is not modified in respect of these matters.

For B S SHARMA & CO.,
Chartered Accountants
Firm's Registration No. 128249W

CA B S SHARMA
PROPRIETOR

Membership Number FCA 031578
UDIN No. 20031578AAAACC5991



Place: Mumbai dated: 30.07.2020

Statement of Assets and Liabilities as at 31 March 2020

	(Rs. In lakhs)	
	As at 31-Mar-2020	As at 31-Mar-2019
ASSETS	Audited	
Non-current assets		
(a) Property, plant and equipment	17,552	18,795
(b) Intangible assets	136	197
(c) Financial assets		
(i) Other financial assets	40	41
(d) Income tax assets (net)	582	493
(e) Deferred tax assets (net)	10,986	10,986
Total non-current assets	29,286	30,512
Current assets		
(a) Inventories	162	700
(b) Financial assets		
(i) Trade receivables	2,246	3,524
(ii) Cash and cash equivalents	318	527
(iii) Bank balances other than cash and cash equivalents	106	298
(iv) Other financial assets	898	207
(c) Other current assets	7,472	6,330
Total current assets	11,202	11,595
Total assets	40,488	42,107
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	1,177	1,177
(b) Other equity	(54,507)	(48,069)
Total equity	(53,330)	(46,892)
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings		
Redeemable preference shares	43,627	43,627
Others	0	38,170
(ii) Other financial liabilities	84	90
(b) Provisions	60	397
(c) Other non-current liabilities	2	2
Total non-current liabilities	43,771	82,286
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	42,725	-
(ii) Trade payables		
Dues of micro enterprises and small enterprises	24	72
Dues of creditors other than micro enterprises and small enterprises	972	1,526
(iii) Other financial liabilities	3,668	3,332
(b) Provisions	1	15
(c) Other current liabilities	2,667	1,768
Total current liabilities	50,057	6,713
Total equities and liabilities	40,488	42,107



Diligent Media Corporation Limited

CIN: L22120MH2005PLC151177

Registered office: 18th Floor, "A" Wing, Marathon Futurus, W N Joshi Marg, Lower Parel, Mumbai - 400013

www.dmaonline.com

Audited financial results for the fourth quarter and year ended 31 March, 2020



Rs. in Lakhs

Particulars	Quarter ended on			Year ended on	
	31-03-2020 (Ref note no 4)	31-12-2019 (Restated) (Ref note no 5)	31-03-2019 (Restated) (Ref note no 5)	31-03-2020 (Restated) (Ref note no 4)	31-03-2019 (Restated) (Ref note no 4)
	Audited	Unaudited	Audited	Audited	
1 Continuing operations					
a) Revenue from operations	25	27	30	127	153
b) Other income	-	-	-	-	-
Total Income (a+b)	25	27	30	127	153
2 Expenses					
a) Cost of Raw Material Consumed	-	-	-	-	-
b) Increase/ (Decrease) in inventories	-	-	-	-	-
c) Employee benefit expense	-	-	-	-	-
d) Finance costs	-	-	-	-	-
e) Depreciation and amortisation expense	-	-	-	-	-
f) Other expenses	26	26	34	117	137
Total expenses (a to f)	26	26	34	117	137
3 Profit/(Loss) before Tax (1-2)	(1)	1	(4)	10	16
4 Less: Tax expense					
a) Current Tax	-	-	-	-	-
b) Deferred tax charge / (credit)	-	-	-	-	-
Total tax charge / (credit) (a+b)	-	-	-	-	-
5 Profit/(Loss) after Tax from continuing operations (3-4)	(1)	1	(4)	10	16
Discontinued operation (refer note no. 4)					
a) Profit/(Loss) after Tax from discontinued operations before tax	(1,654)	(1,769)	(1,509)	(6,486)	(5,779)
b) Tax expenses / (credit) of discontinued operations	-	-	-	-	-
c) Profit / (Loss) from discontinued operations after tax (a-b)	(1,654)	(1,769)	(1,509)	(6,486)	(5,779)
6 Profit / (Loss) for the period (5-5(c'))	(1,654)	(1,768)	(1,513)	(6,476)	(6,763)
7 Other comprehensive income					
(Items that will not be reclassified subsequently to profit or loss)					
a) Remeasurement gains and (losses) on defined benefits obligations	38	(19)	-	38	29
b) Tax impact thereon	-	-	-	-	(11)
Total other comprehensive income (a + b)	38	(19)	-	38	29
8 Total comprehensive income/(Loss)(6+7)	(1,616)	(1,787)	(1,513)	(6,438)	(6,735)
9 Paid-up equity share capital (face value of Rs.1/- each)	1,177	1,177	1,177	1,177	1,177
10 Other equity	-	-	-	(54,507)	(48,069)
Earning/(Loss) per share (of Rs. 1 each) not annualised, except for year end.					
Basic & Diluted (for Continuing Business (Rs.))	(0.00)	0.00	(0.00)	0.01	0.01
Basic & Diluted (for Discontinued Business (Rs.))	(1.40)	(1.50)	(1.28)	(5.51)	(4.91)
Basic & Diluted (for Continuing & Discontinued Business (Rs.))	(1.40)	(1.50)	(1.28)	(5.50)	(4.90)




Notes to financial results

- 1 The above audited financial results, prepared in accordance with the Indian Accounting Standards ("Ind AS"), the provisions of Companies Act, 2013 and SEBI regulations, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30 July 2020. The Statutory Auditors have carried out a Limited review of the result for the fourth quarter and year ended 31 March 2020.
- 2 Leases had ceased with effect from 31.10.2019 and therefore the Company is not required to follow Ind AS 116 'Leases'.
- 3 The Company operates in a single reporting segment namely Digital media, Printing, Publication and Distribution of newspaper.
- 4 With effect from October 10, 2019 the Company has ceased to carry the print publication of all editions of its English Daily Newspaper called 'DNA' and ceased to print with effect from October 11, 2019 vernacular weekly magazine called 'Zee Marathi Disha'. The financial effect of discontinued operations are included in Unaudited Financial results for previous periods presented above of print publication, (being discontinued operations), have been restated and disclosed separately under discontinued operations and classified as required by the Indian Accounting Standards 105 'Non-current Assets Held for Sale and Discontinued Operations' and Schedule III of the Companies Act, 2013.
- 5 Other income in discontinued operation includes Rs.216.06 Lakhs as at March 31,2020 towards interest for the quarter receivable and Rs.718.06 Lakhs for the year, included in Other Financial Assets on the outstanding business advances aggregating to Rs.72,22.50 lakhs and have been shown under Advances to Others- Other Current Assets. The said business advances had been converted into inter corporate deposits since those parties did not fulfil their respective obligations as per agreed terms and conditions. The management is hopeful of recovery thereof and are taking effective steps to recover the said business advances with interest due thereon, hence no provision for doubtful debts for expected credit loss, is made in the financial statements.
- 6 Since the Print operations of the company have been suspended w.e.f. 11th October 2019, collections, although a challenge, is being focused so as to clear Outstanding payables. At the same time the company is planning for disposal of related business assets through active discussions with parties concerned, in terms of the power given under Special Resolution passed in the 14th Annual General Meeting of the Members held on 19 September 2019. While doing so, all care and precaution is being undertaken to manage litigative issues without harming company's interest. However, the management expects the sale may take place in the subsequent year i.e. in 2021-22 considering the present scenarios of COVID-19 and other multifarious factors, hence such assets have not been classified as ASSETS HELD FOR SALE as required under Ind AS 105. The management is confident of realising the carrying values of the assets hence no impairment testing of such assets is carried under Ind AS 36 during the year.
- 7 The Company has been incurring losses and the accumulated loss at the year end is Rs.545.07 lakhs, which has eroded entire paid up share capital and free reserves of Rs.11,77 lakhs. The Company has also incurred loss of Rs. 84.38 lakhs during the year ended 31 March 2020. Its current liabilities have far exceeded the current assets. In light of the above situation, the management is in the process of considering or evaluating various alternate options including continuing business operations by outsourcing and expanding Digital media platform in near future with the continued financial support from the promoters. The Company is confident of its ability to meet funds requirements and hence has considered it appropriate to prepare the financial results on going concern basis.
- 8 Considering various factors and present financial results, no provision for Deferred Tax (DT) is made. However, the DTA balance at the year end continued to be stated at carrying value as the Management is of the opinion that the same may be available against expected profits arising out of various options the Management is considering, as stated herein before. Hence, considering the proposed sale of fixed assets and others, as reported at Note No.6 above, the balance of DTA has been carried to future years.
- 9 The Company has issued NCD which is guaranteed by Zee Media Corporation Limited(ZMCL). The NCDs had maturity for repayment in June-20. The Management has sought an extension for repayment of the Principal plus Interest Outstanding Rs.42,724.83 Lakhs. The said borrowing is disclosed Under Current Liabilities as Borrowings.
- 10 Due to discontinuation of Print Operations w.e.f., 10th and 11th October 2019 most of the employees forming part of editorial,sales, marketing and circulation team had resigned. The settlement with part of the workers is arrived at and being settled. With the rest of the factory workers, negotiations are going on and the management is hopeful of settling the same in near future, though the same is sub-judice pending hearing and disposal by the local Labor Court, as the said workers have instated legal proceedings under Industrial Dispute Act and allied labor laws.Necessary provisions for liability till the year end, has been made in the books of accounts and disclosed under Current Financial Liabilities.
- 11 The management of the company has assessed and concluded that there are no material impact due to COVID-19 pandemic and considering the segment (Digital Media) in which company operates, there was no material impact which require any adjustment in financial statement as the company was operating without any disruptions. There may have eventual impact due to disruptions in the business worldwide and economic slowdown. A definitive assessment of the impact is not possible in view of the highly uncertain economic environment and the scenario is still evolving.
- 12 All debit and Credit balances appearing in the Balance Sheet as at year end are subject to confirmation from parties concerned.
- 13 The financial results include the results for the quarter ended 31 March 2020 and the corresponding quarter ended of the previous year, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year and the previous financial year respectively, which were subjected to limited review.
- 14 The previous period figures have been reclassified / regrouped / readjusted wherever necessary to make them comparable.

Place : Mumbai
Date : 30 July 2020



For Diligent Media Corporation Limited


Nishikant Upadhyay
Director

DILIGENT MEDIA CORPORATION LIMITED

Cash Flow statement for year ended 31st March 2020

(Rs. In Lacs)

Particulars	year ended 31 March 20	year ended 31 March 19
A. NET CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax from continuing operations	10	16
Profit/(Loss) before Tax from discontinued operations	(6,486)	(6,906)
Profit before Tax	(6,476)	(6,890)
Adjustments For :		
Depreciation and amortization Expense (Discontinued operations)	1,172	1,277
Bad debts and advances written off, allowance for credit losses on financial assets (net) (Discontinued operations)	-	28
Balances written back (Discontinued operations)	(6)	(0)
Profit/ (Loss) on sale of fixed assets (Discontinued operations)	120	(73)
Exchange adjustments (net) (Discontinued operations)	6	133
Remeasurement gains / (losses) on defined benefits plan (Discontinued operations)	38	39
Interest expense (Discontinued operations)	4,756	4,261
Interest income (Discontinued operations)	(733)	(35)
Operating loss before working capital changes (Continuing operations)	10	16
Operating loss before working capital changes (Discontinued operations)	(1,133)	(1,276)
Operating loss before working capital changes	(1,123)	(1,260)
Adjustments For :		
(Increase) / decrease in trade and other receivables (Continuing operation)	(149)	4
(Increase) / decrease in trade and other receivables (Discontinued operation)	337	(4,202)
(Increase) / decrease in Inventories (Discontinued operations)	538	262
(Increase) / decrease in trade and other payables (Continuing operation)	24	18
(Increase) / decrease in trade and other payables (Discontinued operation)	37	(899)
Cash generated from operations (Continuing operations)	(115)	38
Cash generated from operations (Discontinued operations)	(221)	(6,115)
Cash generated from operations	(336)	(6,077)
Direct taxes (net of refunds) (Continuing operation)	7	0
Direct taxes (net of refunds) (Discontinued operation)	(95)	(55)
Net cash flow from / (used) in operating activities (Continuing operations) (A)	(108)	38
Net cash flow from / (used) in operating activities (Discontinued operations) (A1)	(317)	(6,170)
Net cash provided by operating activities	(425)	(6,132)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property ,plant and equipment (including capital work-in-progress)	(4)	(62)
Sale of property ,plant and equipment	16	5,766
Interest received	11	39
Investment in Subsidiary Company	-	-



Net cash flow from/(used) in investing activities(Continuing Operations) (B)	-	-
Net cash flow from/(used) in investing activities (Discontinued Operations) (B1)	23	5,743
Net cash used in investing activities	23	5,743
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of short term borrowings	-	-
Proceeds from issue of compulsory convertible debentures	-	-
Interest payment	-	-
Net cash flow from/(used) in financing activities(Continuing Operations) (C)	-	-
Net cash flow from/(used) in financing activities(Discontinued Operations) (C1)	-	-
Net cash used in financing activities (C')	-	-
Net increase/(decrease) in cash and cash equivalents (Continuing operations)(A+B+C)	(108)	38
Net increase/(decrease) in cash and cash equivalents (Discontinued operation)(A+B+C)	(294)	(427)
Net increase/(decrease) in cash and cash equivalents	(402)	(389)
Cash/Cash Equivalents at the begining of the year (Continuing operations)	80	42
Cash/Cash Equivalents at the begining of the year (Discontinued operation)	745	1,172
Cash/Cash Equivalents at the begining of the year	825	1,214
Cash and cash equivalents at the end of the year (Continuing operations)	(28)	80
Cash and cash equivalents at the end of the year (Discontinued operation)	451	745
Cash and cash equivalents at the end of the year	423	825

