



# DILIGENT MEDIA CORPORATION LIMITED

CIN : L22120MH2005PLC151377

**ANNUAL REPORT 2019-20**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Dinesh Kumar Garg

Non- Executive Chairman

### Uma Mandavgane (till 17/5/2019)

Independent Director

### Vishal Malhotra

Independent Director

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

Independent Director

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

Independent Director

### A V Ramachandran (till 13/12/2019)

Executive Director

### Nishikant Upadhyay (w.e.f. 30/7/2020)

Non-Executive Director

### Ronak Jatwala (w.e.f. 30/7/2020)

Non-Executive Director

## SENIOR MANAGEMENT

### Sanjeev Garg (till 11/10/2019)

Chief Executive Officer

### Dinesh Agarwal (till 17/12/2019)

Chief Financial Officer

### Shikhar Ranjan (w.e.f. 30/7/2020)

Chief Executive Officer

### Rajendra Bathula (w.e.f. 30/7/2020)

Chief Financial Officer

### Ankit Shah

Company Secretary

## AUDITORS

### M/s. B S Sharma & Co.

Chartered Accountants

## BANKERS

Yes Bank Limited

IDBI Bank Limited

## DEBENTURE TRUSTEE

IDBI Trusteeship Services Ltd

## OFFICES

### Registered & Corporate Office

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

### Printing Press

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

## Notice

Notice is hereby given that the 15th Annual General Meeting of the Members of Diligent Media Corporation Limited will be held on Monday, the 28th day of December 2020 at 1.00 p.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") 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, 2020 including the Balance Sheet as at March 31, 2020, the Statement of Profit & Loss for the financial year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Dinesh Kumar Garg (DIN 02048097), who retires by rotation, and being eligible, offers himself for re-appointment.

### Special Business:

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

**"RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the rules made thereunder, Mr. Nishikant Upadhyay (DIN 07779721), who was appointed by the Board of Directors as an Additional Director in the category of Non-Executive Non-Independent Director, pursuant to Section 161 of the Act with effect from July 30, 2020 and who holds such office up to the date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

**"RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the rules made thereunder, Mr. Ronak Jatwala (DIN 08812389), who was appointed by the Board of Directors as an Additional Director in the category of Non-Executive Non-Independent Director,

pursuant to Section 161 of the Act with effect from July 30, 2020 and who holds such office up to the date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By order of the Board

Place: Mumbai  
Date: November 12 2020

**Ankit Shah**  
Company Secretary

### Registered Office:

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

### NOTES:

1. In response to Company's application seeking extension of time for holding the Annual General Meeting for FY 2019-20, Registrar of Companies, Mumbai, had vide letter no. SRN R51367811 dated September 8, 2020 granted its approval for holding the Annual General Meeting on or before December 31, 2020. Accordingly, the 15th AGM is being held within the extended time as approved by Registrar of Companies, Mumbai pursuant to authority available u/s. 96 of the Companies Act, 2013.
2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the Ministry of Corporate Affairs (MCA) had vide General Circular No. 20/2020 dated May 5, 2020, read with General Circular Nos. 14/2020 dated April 8, 2020 and No.17/2020 dated April 13, 2020 (collectively referred to as MCA Circulars) permitted the holding of AGMs through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without presence of members at a common venue. Further SEBI had vide Circular dated May 12, 2020 also granted relaxations. Accordingly, in compliance with SEBI Listing Regulations and MCA Circular and SEBI Circular, the 15th AGM of the Company is being held

through VC/OAVM on Monday December 28, 2020 at 1.00 p.m. The deemed venue of the AGM will be the registered office of the Company.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act) setting out material facts concerning the Special business of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/reappointment at this AGM are also annexed to this Notice.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, representatives in pursuance of Section 112 and Section 113 of the Companies Act, 2013, can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. The Members can join the AGM via VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility for participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders with holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
7. In line with MCA circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, the Notice of AGM along with the Annual Report for FY 2019-20 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company

/ Depositories. The Notice convening the AGM has been uploaded on the website of the Company at [www.dnaindia.com](http://www.dnaindia.com). and can also be accessed on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also available on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).

8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or the Company's Registrar and Transfer Agent in this regard.
9. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
10. **E-voting**  
Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of Listing Regulations (as amended), and the Circulars issued by the MCA dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 your Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, your Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) as the authorised e-Voting agency for facilitating voting through electronic means. The facility of casting votes by members using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.

The remote e-voting period would commence from Thursday, December 24, 2020 at 9.00 a.m. and end on Sunday, December 27, 2020 at 5.00 p.m. During this period Members of the Company, holding shares either in physical mode or in dematerialized mode, as on the cut-off date of Friday, December 18, 2020 may cast their vote electronically.

Members will be provided the facility for voting through electronic voting system during the VC/OAVM proceedings at the AGM.

Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Friday, December 18, 2020 shall be entitled to avail the facility of remote e-voting as well as e-voting on the date of the AGM. Any person who acquires shares and becomes a member after dispatch of the Notice but holding shares as on the cut-off date for remote e-voting i.e. December 18, 2020, may obtain log-in Id and password by sending a request to helpdesk.evoting@cdslindia.com or contact the Registrar & Share Transfer Agent of the Company. Those Members who will be present in the AGM through VC/OAVM facility and had not cast their vote through remote e-voting earlier and are not otherwise barred from doing so, shall be eligible to vote through e-voting system during the AGM.

The remote e-voting module on the day of the AGM will be disabled by CDSL for voting 15 minutes after the conclusion of AGM.

11. Members who have cast their vote by remote voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
12. Members can opt for only one mode of voting i.e. either by remote e-voting or e-voting at AGM. In case Members cast their votes through both the modes, voting done by remote e-voting before the meeting shall prevail. The procedure and instructions for e-voting is furnished in this notice.
13. The voting rights of Members either by way of remote e-voting prior to the meeting or voting at the meeting shall be in proportion to their shareholding in the Company as on the cut-off date of Friday, December 18, 2020.
14. The Company has appointed FCS Mita P Sanghavi, Practicing Company Secretary (holding ICSI Certificate of Practice No. 6364) as Scrutinizer to report on votes cast by the Members using remote e-voting as well as e-voting at the AGM.
15. The Scrutinizer, immediately after conclusion of voting at the AGM, shall first count votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and submit within 48 hours of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman of the Meeting or to any other Director of the Company, who shall countersign the same and declare the result of the voting forthwith.
16. The results declared along with Scrutinizer's report shall be placed on the website of the Company and shall simultaneously be forwarded to the Stock Exchanges. The resolutions shall be deemed to be passed, if approved, on the date of Annual General Meeting.
17. The instructions for shareholders for remote e-voting are as under:
  - (i) The voting period begins on Thursday, December 24, 2020 at 9.00 a.m. and ends on Sunday, December 27, 2020 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, December 18, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
  - (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iv) Click on "Shareholders" module.
  - (v) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.  
OR  
Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login -

Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted electronically earlier for any Company, then use your existing password is to be used.
- (viii) If you are a first-time user follow the steps given below:

**For Shareholders holding shares in Demat Form and Physical Form**

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated the PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details <b>OR</b> Date of Birth	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or the Company, please enter the Folio number id/ folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in

the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of Diligent Media Corporation Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution.
- (xv) After selecting the resolution, you decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the Login/Password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at [mita.sanghavi@yahoo.in](mailto:mita.sanghavi@yahoo.in). and to the Company at the email address viz; [companysecretary@dnaindia.net](mailto:companysecretary@dnaindia.net), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

(xxi) Process for those Shareholders whose Email addresses are not registered with the Depositories for obtaining Login Credentials for E-voting for resolutions proposed

in this Notice

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

**INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/OAVM:**

- a. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- b. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- c. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e. Members who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request from their registered

email address mentioning their name, demat account number/folio number, email id, mobile number to companysecretary@dnaindia.net from December 18, 2020 to December 25, 2020 (till 5.00 p.m.). Members who do not wish to speak during the AGM but have queries may send their queries from their registered email address mentioning their name, demat account number/folio number, email id, mobile number and query to companysecretary@dnaindia.net from December 18, 2020 to December 25, 2020 (till 5.00 p.m.). These queries will be replied by the Company suitably by email.

- f. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

#### **INSTRUCTIONS FOR E-VOTING DURING THE AGM:**

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- b. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- c. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- d. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

#### **EXPLANATORY STATEMENT UNDER SECTION 102 OF COMPANIES ACT, 2013**

##### **Item No. 3**

Based on recommendations of the Nomination & Remuneration Committee, the Board of Directors at the meeting held on July 30, 2020, had approved appointment of Mr. Nishikant Upadhyay (DIN 07779721) as an Additional Director in the category of Non-Executive Non- Independent Director of the Company with effect from July 30, 2020. Pursuant to Section 161(1) of the Companies Act, 2013, Mr. Nishikant Upadhyay holds office of Additional Director till this Annual General Meeting. The Company has received appropriate notice from a member proposing appointment of Mr. Nishikant Upadhyay as a Director of the Company, liable to retire by rotation and requisite consent has been received from Mr. Nishikant Upadhyay, pursuant to Section 152 of the Companies Act 2013 for the said appointment. Brief Profile and other details of Mr. Nishikant Upadhyay is annexed to this Notice.

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

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

##### **Item No. 4**

Based on recommendations of the Nomination & Remuneration Committee, the Board of Directors at the meeting held on July 30, 2020, had approved appointment of Mr. Ronak Jatwala (DIN 08812389) as an Additional Director in the category of Non-Executive Non- Independent Director of the Company with effect from July 30, 2020. Pursuant to Section 161(1) of the Companies Act, 2013, Mr. Ronak Jatwala holds office of Additional Director till this Annual General



Meeting. The Company has received appropriate notice from a member proposing appointment of Mr. Ronak Jatwala as a Director of the Company, liable to retire by rotation and requisite consent has been received from Mr. Ronak Jatwala, pursuant to Section 152 of the Companies Act 2013 for the said appointment. Brief Profile and other details of Mr. Ronak Jatwala is annexed to this Notice.

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

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Ronak Jatwala

(whose appointment is proposed in this resolution) are in any way concerned or interested in the resolution.

By order of the Board

**Ankit Shah**  
Company Secretary

Place: Mumbai  
Date: November 12, 2020

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

## Annexure

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

**Mr. Dinesh Kumar Garg**, (Age 52 years) (DIN 02048097), is a Chartered Accountant with professional experience of over 25 years with Essel Group including a long stint as Chief Financial Officer of Zee Media Corporation Ltd an Essel Group entity. Apart from the Company, Mr. Dinesh Kumar Garg holds executive Directorship in Zee Media Corporation Limited. Mr. Dinesh Kumar Garg does not hold any shares of the Company and is not related to any other Director of the Company.

**Mr. Nishikant Upadhyay**, (Age 48 years) (DIN 07779721), is a Chartered Accountant with over 25 years' experience is having rich expertise in the fields of Finance, Accounts, Taxation and Audit and has been associated with Essel Group for four years and handled various assignments relating to Operational and process Improvement Projects, Management audit, review of controls, ERP systems, Corporate restructuring, outsourced Finance and HR services etc. in India and overseas.

Apart from the Company, Mr. Nishikant Upadhyay holds directorship in Louise Green Mobility Limited, Rge Surat Private Limited, Raipur Water Supply Private Limited, Warora-Kurnool Transmission Limited, Rge Sikar Private Limited, Rge Wb Waste Management Private Limited, Essel

Airport Infrastructure Private Limited, Mukarba Chowk-Panipat Toll Roads Limited, Smart Personnel Management Services Private Limited, Essel Msw Energia Limited, Jabalpur Waste Collection And Transportation Management Private Limited. Mr. Nishikant Upadhyay does not hold any shares of the Company and is not related to any other Director of the Company.

**Mr. Ronak Jatwala**, (Age 30 years) (DIN 08812389), an Engineering Graduate from Mumbai University and has done his master's in management studies in the field of Finance and is further pursuing CFA Program. Mr. Jatwala has experience spanning across Corporate Finance – Fund Raising & Acquisition Financing, Strategy and Treasury amongst others in Promoter led organizations in various Industries i.e. Media & Entertainment, Education, Infrastructure, Lifestyle, etc. Mr. Jatwala has been associated with Essel Group since the start of his Career.

Mr. Ronak Jatwala neither holds any other Directorship nor holds any shares of the Company. Further Mr. Ronak Jatwala is not related to any other Director of the Company.

## Directors' Report

To the Members

Your Directors present the 15th Annual Report of your Company together with Audited Financial Statements for the year ended March 31, 2020, 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, 2020 is summarized below:

(Rs in Lakhs)

Particulars	31-3-2020	31-3-2019
Revenue from Operations	127	153
Other Income	-	-
<b>Total Revenues</b>	<b>127</b>	<b>153</b>
Total Expenses	117	137
<b>Profit before tax</b>	<b>10</b>	<b>16</b>
Tax Expenses	-	-
<b>Net Profit after tax</b>	<b>10</b>	<b>16</b>
<b>Profit/(Loss) from discontinued Operations</b>	<b>(6,486)</b>	<b>(5,779)</b>
<b>Profit/(Loss) for the year</b>	<b>(6,476)</b>	<b>(5,763)</b>

**Note:** Financial figures for year ended March 31, 2019 have been restated in view of discontinuation of Printing & Publication business operations since October 2019.

During FY 2015-16, your Company had issued Non-Convertible Debentures (NCDs) of nominal value of Rs. 250 Crores. The said NCDs along with interest thereon resulting in total outgo of Rs. 427.25 Crores became due for redemption on June 30, 2020. The Company management is in discussions with the NCD holder for extension for repayment of NCDs. Apart from default in repayment of NCDs as mentioned above and COVID 19 impact as mentioned 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 may have an adverse effect the financial position of the Company.

Based on internal financial control framework and compliance systems established in the Company, verified by the statutory and internal auditors and reviews performed by the management and/or the Audit Committee of the Board,

your Board is of the opinion that Company's internal financial controls were adequate and operating effectively during the financial year 2019-20.

### COVID – 19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lockdowns of all economic activity. While Company's Printing & Publication business has been suspended since October 2019, the lockdown has resulted in delay in recovery of outstanding receivables and disposal of business assets in terms of power given under Special Resolution passed by the Shareholders at the 14th AGM held on September 19, 2019. Subject to business scenario in view of COVID19 impact and other multifarious factors, it is expected that the disposal of business assets will take place in FY 2020-21.

### DIVIDEND

In view of the carry forward losses your Board express their inability to recommend any dividend for the year under review. Further no amount is proposed to be transferred to reserves.

### REVIEW OF OPERATIONS

During the year under review your Company re-worked its business strategy to restrict the quantum of loss and work towards reducing the same to attain better sustainability over next couple of years. As a step towards increasing operational efficiency, your Company started focusing both on cost optimization as well as revenue maximization. In line with the revised business strategy and based on evaluation of performance of various editions, your Company suspended printing of publication of all editions of DNA Newspaper and weekly magazine Zee Marathi Disha with effect from October 2019. As part of the business strategy your Company proposes to switch on toll printing model and concentrate on online News Media business.

The process for sale of the business assets of the Company comprising of land, building and plant & machinery as per authority granted by the Shareholders vide Special resolution passed at the 14th AGM held on September 19, 2019, is delayed mainly due to on-going litigation initiated by workmen under Industrial Dispute Act and other allied labour laws and on-going business situation due to COVID-19.

## CREDIT RATING

During the year under review, ICRA Limited downgraded rating assigned by it to the Non-Convertible Debentures (of principal amount of Rs. 250 Crores) from 'ICRA BBB (SO) Negative' to 'ICRA BB (CE) Negative' and the Short Term Non-fund based facility (of Rs. 20 Crores) from 'ICRA A3(SO)' to 'ICRA A4'. The said rating, which was based on strength of Corporate Guarantee provided by Zee Media Corporation Ltd, a group Company, was downgraded due to further weakening in the financial flexibility of the Essel Group Promoters, amid the high pledge shareholding as well as slower than expected progress on asset monetization.

## CORPORATE GOVERNANCE & POLICIES

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

A Report on Corporate Governance as stipulated in the Listing Regulations as also a Management Discussion and Analysis Report forms part of this Annual Report. Certificate from the Statutory Auditors of the Company, M/s B S Sharma & Co. Chartered Accountants, confirming compliance with the provisions of Corporate Governance as stipulated under the Listing Regulations, is annexed to the said Corporate Governance Report.

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

## DIRECTORS & KEY MANAGERIAL PERSONNEL

As at March 31, 2020, your Board comprised of 4 (Four) Directors including three (3) Independent Directors and one (1) Non-Executive Director. Independent Directors provide declarations both at the time of appointment and annually, confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and Listing Regulations. Additionally, as per Listing Regulations, the Independent Directors in the annual confirmation issued in April 2020 had confirmed that there are no circumstances or situation which exist or may be reasonably anticipated that could impair their ability to discharge their duties with an objective independent judgement and without any external influence. During FY 19-20 your Board met 4 (four) times details of which are available in the Corporate Governance Report annexed to this report.

During the year under review, Mrs. Uma Mandavgane resigned as Independent Director with effect from May 17, 2019 and Mr. A V Ramachandran, Executive Director resigned with effect from December 13, 2019. Your Board places on record their appreciation for contributions of Mrs. Uma Mandavgane and Mr. A V Ramachandran during their tenure as Directors of the Company.

Further subsequent to March 31, 2020, your Board had approved appointment of Mr. Nishikant Upadhyay and Mr. Ronak Jatwala as Additional Directors in the category of Non-Executive Non-Independent Directors of the Company with effect from July 30, 2020. As per Section 161 of the Companies Act, 2013, Mr. Nishikant Upadhyay and Mr. Ronak Jatwala shall hold the office of Director till the ensuing Annual General Meeting. Your Company has received notice from Member(s) proposing their appointment and requisite proposals seeking your approval for the appointment of these Directors forms part of the Notice of ensuing Annual General Meeting. Your Board recommends these proposals for approval of Shareholders.

As per Section 152 of the Companies Act, 2013, Mr. Dinesh Garg, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Your Board recommends his re-appointment.

As at March 31, 2020, Mr. Ankit Shah, Company Secretary is Key Managerial Personnel of the Company in compliance with the requirements of Section 203 of the Companies Act, 2013. During the year under review (i) Mr. Sanjeev Garg resigned as Chief Executive Officer with effect from October 11, 2019; (ii)



Mr. A V Ramachandran, Executive Director resigned as Chief Executive Officer with effect from December 13, 2019; and (iii) Mr. Dinesh Agarwal resigned as Chief Financial Officer with effect from December 17, 2019.

The resultant vacancy in the office of Key Managerial Personnel was filled by the Board with appointment of Mr. Shikhar Rajan as Chief Executive Officer and Mr. Rajendra Bathula as Chief Financial Officer of the Company with effect from July 30, 2020.

### BOARD EVALUATION

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

### BOARD COMMITTEES

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board had constituted Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. Details of constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company. Further the details of constitution, terms of reference, number of meetings of the Board Committees held during Financial year ended on March 31, 2020 along with the details of attendance of Committee Members therein forms part of the Corporate Governance Report annexed to this report.

Section 135 of the Companies Act, 2013 mandating constitution of Corporate Social Responsibility (CSR) Committee and CSR spend does not apply to the Company.

### AUDITORS

Statutory Audit: M/s. B. S. Sharma & Co., Chartered Accountants, holding Firm Registration No. 128249W, were appointed as Statutory Auditors of the Company by the

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

The report of the Statutory Auditors to the Members forming part of this Annual report does not contain any qualification, reservation or adverse remarks. The Auditors report however includes an Emphasis of Matters drawing members attention to various notes of Notes to Accounts of the company for FY 2020 which are self explanatory. During FY 20 the Statutory Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013 and therefore no disclosures are required pursuant to Section 134(3) (ca) of the Companies Act, 2013.

Secretarial Audit: In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit for the financial year ended March 31, 2020 was carried out by Mr. Satish K Shah, Practicing Company Secretary (holding ICSI Certificate of Practice No. 3142). Copy of the Secretarial Audit report inter alia confirming compliance with applicable regulatory requirements by the Company during the financial year ended March 31, 2020 is annexed to this report. Additionally, in compliance with the requirements of Listing Regulations as amended with effect from April 1, 2019, the Secretarial Auditor had also provided Annual Secretarial Compliance Report for financial year ended on March 31, 2020 and the same was filed with Stock Exchanges.

The requirement of maintenance of Cost records and carry out Cost Audit as prescribed under Section 148 of the Companies Act, 2013 is not applicable to the Company.

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

The Company discontinued its Printing operations with effect from October 11, 2019. However, requisite information relating to Conservation of Energy and Technology Absorption during the year till October 2019 as prescribed under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2020 is annexed to this Report as Annexure A.

## **PARTICULARS OF EMPLOYEES**

As at March 31, 2020, your Company had 52 employees. Due to discontinuation of Printing operations and as part of other cost optimization measures, an aggregate of 310 employees forming part of editorial, sales, marketing and circulation team had resigned and the proposal for retrenchment of workmen is pending before Hon'ble Labor Court in view of legal proceedings initiated by the workmen under Industrial Dispute Act and allied labor laws.

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

## **RISK MANAGEMENT**

In accordance with Section 134(3)(n) of the Act, the Company has framed a Risk Management Policy to identify and assess the key risk areas. Considering suspension of Printing operations and revision in business strategy, the management is in process of reviewing and identifying risk areas which may threaten the existence of the Company.

## **DISCLOSURES**

- i. Particulars of loans, guarantees and investments: Particulars of loans, guarantees and investments made by the Company as required under Section 186(4) of the Companies Act, 2013 are given in Note No. 36 to the Financial Statements.
- ii. Transactions with Related Parties: All contracts/arrangements/transactions entered by the Company

during the financial year 19-20 with related parties were on arm's length basis, in the ordinary course of business and in compliance with applicable provisions of the Companies Act, 2013 and Listing Regulations. During the year under review there have been no materially significant transactions of the types prescribed under Section 188(1) with related parties as defined under Section 2(76) of the Companies Act, 2013 (Act) and accordingly the information as prescribed under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 are not provided.

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

- iii. Internal Financial Controls and their adequacy: Your Company has implemented internal financial controls and policies/processes for orderly and efficient conduct of the business including safeguarding of assets, prevention and detection of frauds and errors, ensuring accuracy and completeness of the accounting records and the timely preparation of reliable financial information.
- iv. Deposits: Your Company has not accepted any public deposit as prescribed under Chapter V of the Companies Act, 2013.
- v. Extract of Annual Return: Extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Act read with Companies (Management & Administration) Rules, 2014 is annexed to this report as Annexure C In accordance with recent amendments to Section 134 of the Companies Act, 2013 (Act), Annual Return of the Company for Financial Year ended March 31, 2020 will be available on the website of the Company [www.dnaindia.com](http://www.dnaindia.com).
- vi. Sexual Harassment: Your Company has zero tolerance towards sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and the Rules thereunder. In accordance with POSH Act, your Company has constituted Internal Complaints Committee.



- There was no complaint on sexual harassment during the year under review.
- vii. Regulatory Orders: No significant or material orders were passed by any regulators or courts or tribunals which impact the going concern status and Company's operations in future.

- e) Requisite Internal financial controls were laid down and that such financial controls are adequate and operating effectively; and
- f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

### 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 2019-20, your Directors confirm that:

- a) The Financial Statements of the Company comprising of the Balance Sheet as at March 31, 2020 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis;
- b) In preparation of the Financial Statements, applicable accounting standards have been followed and there are no material departures;
- c) Accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020, 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;

### ACKNOWLEDGEMENTS

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

For and on behalf of the Board

**Dinesh Kumar Garg**  
Director  
DIN: 02048097

**Nishikant Upadhyay**  
Director  
DIN: 07779721

Place: Mumbai  
Date : November 12, 2020



## Annexure A to Directors' Report

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

#### Conservation of Energy

The Company discontinued its printing operations since October 2019. However, relevant details relating to conservation of energy and technology absorption applicable during the year till October 2019 is as mentioned herein:

Conservation of Energy - Evaluation of cost of energy consumed and usage of cheapest alternative without compromising on quality/efficiency is an on-going process. Company's manufacturing facility continued its efforts to reduce the specific energy consumption. Specific and total energy consumption is tracked on daily basis at factory/block level and also at consolidated manufacturing level. The measures taken at Company's manufacturing unit comprised inter alia of:

1. Providing translucent sheet on roof-tops to sufficiently provide sunlight during the day eliminating need of electrical lamps at day time. Further weekly cleaning of rough transparent sheet is done to save electricity consumption.
2. Installing Air Compressors on quadra mode to enable compressors to switch off totally and stand in ready mode.
3. Installation of A.P.F.C to maintain unity Power Factor.
4. R.O's reject tank - Reject water of the RO plant is used for gardening purposes.
5. Ambiators - Most Energy efficient system of maintaining the temperature & humidity of the machine area by sequential starting of Air blowers, Pumps & Exhaust fans.
6. Central Console is being connected to UPS to shut off the system during machine's idle period.
7. Individual control for lighting given for different sections so that they can switch off lights after use to save energy.
8. Arrangements are made to shut off compressors when printing machines are not in production.

9. Aluminum fans replaced by FRP blades in cooling towers & exhaust blowers reducing the energy consumption by nearly 4-6%.
10. Rain water harvesting envisaged during monsoon and necessary civil works has been completed for collection of monsoon water. This initiative will help in reducing consumption of supplied water for daily usage thereby resulting in savings and maintaining ground water balance.
11. LED lights installed with highway conventional lights.

**Technology Absorption:** The Company used latest technology and had benefits derived like product improvement, cost reduction, product development or import substitution re-engineering. The Company has successfully completed various projects of Indigenisation of imported spares. None of the technology has been imported and the Company has not incurred any cost in Research and Development.

#### Foreign Exchange Earning & Outgo

During the year under review, your company had foreign exchange earnings of Rs. 14.69 Lakhs and out go of Rs. 2,975.48 Lakhs.

For and on behalf of the Board

**Dinesh Kumar Garg**

Director

DIN: 02048097

**Nishikant Upadhyay**

Director

DIN:07779721

Place: Mumbai

Date : November 12, 2020

## Annexure B to Directors' Report

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

- A. Particulars of increase in remuneration of each Director and Key Managerial Personnel (KMP) during Financial year 2019-20 along with Ratio of remuneration of Directors to the Median remuneration of employees:

Name of Director / Key Managerial Personnel	% increase in Remuneration during Financial Year	Ratio of Director's Remuneration to median remuneration
<b>Non-Executive Directors</b>		
Uma Mandavgane (till May 17, 2019)	NA	NA
Vishal Malhotra	NA	NA
Dinesh Kumar Garg	NA	NA
Manoj Agarwal	NA	NA
Shilpi Asthana	NA	NA
<b>Executive Director</b>		
A V Ramachandran (till December 13, 2019)	0	8.47:1
<b>Key Managerial Personnel</b>		
Sanjeev Garg (till October 11, 2019)	0	4.02:1
Dinesh Agarwal (till December 17, 2019)	0	3.07:1
Ankit Shah		NA

- Note: 1. Non-Executive Directors are not paid any remuneration other than sitting fees  
2. The Company Secretary is remunerated by one of the group entity.

Sr. No.	Requirement	Disclosure
1	The Percentage increase / (decrease) in median remuneration of employees in financial year	(31%)
2	Number of permanent employees on the rolls of the Company	52
3	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	0
4	Affirmation that the remuneration is as per the remuneration policy of the Company	No



**B.** During FY 2019-20, none of the Employees drew remuneration in excess of Rs. 8.50 Lakhs per month or Rs. 1.02 Crores per annum. Particulars of Top Ten (10) Employees in terms of Remuneration drawn are mentioned herein

Name	Age	Designation	Remuneration	Qualification Exp.	Exp in Years	Date of Joining	Date of Cessation	Last Employment
Anto Joseph	52	Managing Editor - Business	21,20,655	Master's in FM & International Relations	28	21-Mar-14	15-Jul-19	Deccan Chronicle Holdings Ltd
Deepak Lokhande	51	Managing Editor	28,89,926	Master's in Politics	26	08-Nov-10	08-Jun-19	Mid-Day Multimedia Ltd
A V Ramachandran	55	Executive Director	35,25,762	BSc. (Hons)	32	02-Apr-12	13-Dec-19	Pri-Media Services Pvt Ltd
Sanjeev Garg	54	Chief Executive Officer	16,47,772	MBA	26	17-Apr-19	26-Sep-19	Diligent Media Corporation Ltd
Ravindra Shettye	54	Vice President	30,26,627	B.Com, Diploma in Marketing	29	31-Jan-11	10-Oct-19	Zee Unimedia Ltd
Rajeev Kakkar	59	Deputy Vice President	27,07,113	M. Com	35	13-Sep-07	10-Oct-19	Zee Unimedia Ltd
Yogesh Pawar	52	Deputy News Editor	14,17,618	Master's in Medical and Psychiatric Social Work	24	07-Sep-10	16-May-19	NDTV Ltd
Lajwanti DSouza	53	Senior Editor	7,40,023	BA	28	05-Nov-18	16-May-19	PagalGuy.com
Neil Pate	48	Senior News Editor	4,22,900	BA	21	09-Apr-18	12-Jun-19	Asian Age
Sanjay Sudhir Jog	57	Associate Editor	17,96,734	MA	33	22-May-17	10-Oct-19	Business Standard

**Notes:**

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

**Dinesh Kumar Garg**

Director  
DIN: 02048097

**Nishikant Upadhyay**

Director  
DIN:07779721

Place: Mumbai  
Date : November 12, 2020

**Annexure C to Director's Report****Extract Of Annual Return as on the financial year ended on March 31, 2020****I. REGISTRATION AND OTHER DETAILS:**

i) Corporate Identity Number (CIN)	L22120MH2005PLC151377
ii) Registration Date	17/02/2005
iii) Name of the Company	Diligent Media Corporation Limited
iv) Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
v) Address of the Registered Office& Contact details	18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400013 Tel No.: +91-22-71061234 / 3988 8888 Fax No.: +91-22-23002107
vi) Whether Listed	Yes
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 E-mail: rnt.helpdesk@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service (As per 2008)	% to total turnover of the company
1	Publishing of Newspaper	58131	97
2	Distribution of News through Digital Media (operation of website)	63122	3

**Note:** During the year under review, the Company suspended Printing and Publishing of its Newspaper/Magazine with effect from October 2019. However, the Company continued online News distribution through its website [www.dnaindia.com](http://www.dnaindia.com)

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

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

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

##### i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2019				No. of Shares held at the end of the year i.e. March 31, 2020				% Change
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
<b>A. Promoters Shareholding</b>									
(1) <b>Indian</b> Bodies Corp.	76044408	0	76044408	64.60	73173769	0	73173769	62.17	(2.43)
<b>Sub-total (A-1)</b>	<b>76044408</b>	<b>0</b>	<b>76044408</b>	<b>64.60</b>	<b>73173769</b>	<b>0</b>	<b>73173769</b>	<b>62.17</b>	<b>(2.43)</b>
(2) <b>Foreign</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Sub-total (A-2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Promoter shareholding (A=A1+A2)</b>	<b>76044408</b>	<b>0</b>	<b>76044408</b>	<b>64.60</b>	<b>73173769</b>	<b>0</b>	<b>73173769</b>	<b>62.17</b>	<b>(2.43)</b>
<b>B. Public Shareholding</b>									
(1) <b>Institutions</b>									
Mutual Funds	0	113	113	0	0	113	113	0	0
Banks / FI	3175	1	3176	0	2492	1	2493	0	0
FIs/FPI	6561251	1256	6562507	5.58	6561251	1256	6562507	5.58	0
<b>Sub-total (B-1)</b>	<b>6564426</b>	<b>1370</b>	<b>6565796</b>	<b>5.58</b>	<b>6563743</b>	<b>1370</b>	<b>6565113</b>	<b>5.58</b>	<b>0</b>
(2) <b>Non-Institutions</b>									
a) <b>Bodies Corp.</b>									
Indian	3871781	20	3871801	3.29	1996871	20	1996891	1.69	(1.6)
Overseas	50	1	51	0	50	1	51	0	0
b) <b>Individuals</b>									
Individual shareholders holding nominal share capital upto Rs. 1 lakh	17455685	40557	17496242	14.86	19947748	39635	19987383	16.98	2.12
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	11622405	0	11622405	9.87	13652381	0	13652381	11.60	1.72
c) <b>Others</b>									
NBFC registered with RBI	136246	0	136246	0.12	6	0	6	0.00	(0.12)
Trust	2562	1	2563	0	2539	1	2540	0.00	0
NRI	806473	40512	846985	0.72	1103967	39043	1143010	0.97	0.25
HUF	1119385	2136	1121521	0.95	1184727	2136	1186863	1.01	0.06
<b>Sub-total (B-2)</b>	<b>35014587</b>	<b>83227</b>	<b>35097814</b>	<b>29.82</b>	<b>37888300</b>	<b>80836</b>	<b>37969136</b>	<b>32.25</b>	<b>2.43</b>
<b>Total Public Shareholding (B=B1+B2)</b>	<b>41579013</b>	<b>84597</b>	<b>41663610</b>	<b>35.40</b>	<b>44452043</b>	<b>82206</b>	<b>44534249</b>	<b>37.83</b>	<b>2.43</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>117623421</b>	<b>84597</b>	<b>117708018</b>	<b>100</b>	<b>117625812</b>	<b>82206</b>	<b>117708018</b>	<b>100.00</b>	<b>0</b>

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2019			Shareholding at the end of the year i.e. March 31, 2020			
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	% change in shareholding during the year
1	25FPS Media Pvt. Ltd.	3,79,24,613	32.22	0	3,79,24,613	32.22	0	0.00
2	Arm Infra and Utilities Pvt. Ltd.	3,81,13,821	32.38	23.17	3,52,43,182	29.94	25.06	(2.43)
3	Primat Infrapower & Multiventures Pvt. Ltd.	5,909	0.01	0	5,909	0.01	0	0.00
4	Sprit Infrapower & Multiventures Pvt. Ltd.	65	0.00	0	65	0.00	0	0.00
	<b>TOTAL</b>	<b>7,60,44,408</b>	<b>64.60</b>	<b>11.61</b>	<b>7,31,73,769</b>	<b>62.17</b>	<b>12.07</b>	<b>(2.43)</b>

**iii) Changes in Promoter's Shareholding (please specify, if there is no change):**

Sr. No.		Shareholding at the beginning of the year i.e. 1st April, 2019		Cumulative Shareholding during the year i.e. 31st March, 2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	76044408	64.60		
2	03.04.2019 – Market sale by Arm Infra and Utilities Pvt. Ltd.	(2870639)	(2.43)	73173769	62.17
3	At the End of the year			73173769	62.17

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

Sr. No.		Shareholding at the beginning of the year (April 1, 2019)		Cumulative Shareholding at the end of the year (March 31, 2020)	
		No. of shares	% Equity Share Capital	No. of shares	% Equity Share Capital
1	Dilip Kumar Lakhi	31,70,322	2.69	31,70,322	2.69
2	ACACIA Partners LP	20,08,533	1.71	20,08,533	1.71
3	Vinay R Somani	12,28,787	1.04	17,29,768	1.47
4	India Opportunities Growth Fund Ltd – Pinewood Strategy	15,25,000	1.3	15,25,000	1.3
5	Viral Amal Parikh	14,99,792	1.27	14,00,000	1.19
6	ACACIA Institutional Partners LP	12,96,653	1.1	12,96,653	1.1
7	ACACIA Conservation Fund LP	9,00,900	0.77	9,00,900	0.77
8	Chirag Dilipkumar Lakhi	7,74,636	0.66	7,74,636	0.66
9	Nimesh Sumatila	7,35,000	0.62	7,35,000	0.62
10	Hardik Dhanesh Shah	7,25,000	0.62	7,25,000	0.62
	<b>Total</b>	<b>1,38,64,623</b>	<b>11.78</b>	<b>1,42,65,812</b>	<b>12.13</b>

**v) Shareholding of Directors and Key Managerial Personnel:**

None of the Directors/Key Managerial Personnel of the Company, except Mr. Ankit Shah Company Secretary held any Equity Shares of the Company either at the beginning of the year i.e. April 1, 2019 or at the end of the year i.e. March 31, 2020 or dealt in the Equity Shares of the Company during financial year 2019-20 and the information in this regard is Nil. Mr. Ankit Shah Company Secretary held 25 Equity Shares of the company at the beginning of the year i.e. April 1, 2019 or at the end of the year i.e. March 31, 2020.

**V. INDEBTEDNESS:**

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

(Rs in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of FY i.e. April 1, 2019				
i) Principal Amount	25,000.00	43,626.56	-	68,626.56
ii) Interest Due but not paid	-	-	-	-
iii) Interest accrued but not due	13,169.83	-	-	13,169.83
<b>Total</b>	<b>31,869.83</b>	<b>43,626.56</b>	<b>-</b>	<b>81,796.39</b>
Change in Indebtedness during FY 19-20				
• Addition	4,554.99	-	-	4,554.99
• Reduction	-	-	-	-
<b>Net Change</b>	<b>4,554.99</b>	<b>-</b>	<b>-</b>	<b>4,554.99</b>
Indebtedness at the end of FY i.e. March 31, 2020				
i) Principal Amount	25,000.00	43,626.56	-	68,626.56
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	17,724.82	-	-	17,724.82
<b>Total</b>	<b>42,725.82</b>	<b>43,626.56</b>	<b>-</b>	<b>86,351.38</b>

**Note:** Unsecured Loans comprise of Preference Shares

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(Rs in Lakhs)

Particulars of Remuneration	A V Ramachandran Executive Director (till 13.12.2019)	Total
Gross salary (As per Income Tax Act)		
Salary	33.03	33.03
Perquisites	-	-
Profit in lieu of salary	-	-
Stock Option	-	-
Sweat Equity	-	-
Commission - as % of profit	-	-
Others (Contribution to Provident Fund)	1.71	1.71
<b>Total</b>	<b>34.74</b>	<b>34.74</b>
Ceiling as per the Act Not Applicable in view of losses of the Company	Not applicable in view losses of the Company	

**B. Remuneration to other directors:**

(Rs in Lakhs)

Name of Director	Sitting Fees	Commission	Others	Total
Uma Mandavgane (till 17.05.19)	-	-	-	-
Vishal Malhotra	2,20,000	-	-	2,20,000
Manoj Agarwal (appointed w.e.f. 29.05.19)	60,000	-	-	60,000
Shilpi Asthana (appointed w.e.f. 29.05.19)	1,60,000	-	-	1,60,000
Dinesh Kumar Garg	-	-	-	-
<b>Total</b>	<b>4,40,000</b>	<b>-</b>	<b>-</b>	<b>4,40,000</b>
Ceiling as per Act	Not Applicable as the Non-Executive Directors are not paid Commission			

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

(Rs in Lakhs)

Particulars of Remuneration	Sanjeev Garg – CEO (till 11.10.19)	Dinesh Agarwal - CFO (till 17.12.19)	Ankit Shah - Company Secretary	Total
Salary	15.26	11.90	7.96	35.12
Perquisites	-	-	-	-
Profits in Lieu of Salary	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission	-	-	-	-
Others (Contribution to Provident Fund)	1.22	0.68	0.55	2.45
<b>Total</b>	<b>16.48</b>	<b>12.58</b>	<b>8.51</b>	<b>37.57</b>

# Company Secretary draws remuneration from one of the group entity.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: None**

For and on behalf of the Board

**Dinesh Kumar Garg**

Director

DIN: 02048097

Place: Mumbai

Date : November 12, 2020

**Nishikant Upadhyay**

Director

DIN: 07779721

## Secretarial Audit Report – 2019-20

To,  
The Members of  
Diligent Media Corporation Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Diligent Media Corporation Limited (CIN: L22120MH2005PLC151377) (hereinafter called 'the Company') for FY 2019-20. 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, 2020 ('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, 2020 according to the provisions of following acts and regulations, to the extent applicable to the Company during the Audit period:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder including any re-enactment thereof;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations & Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

- VI. Since the Company was engaged in the business of printing, publication and distribution of News Paper, the regulatory requirements prescribed by Registrar Office of Newspapers of India have been identified by the Company as law specified applicable to the Company in relation to its business;

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

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

I further report that:

- Compliance of applicable financial laws including Direct and Indirect Tax Laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professional.
- the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act and Listing Regulations.
- Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Decisions at the Board Meetings, as represented by the Management and recorded in minutes, were taken unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period:

- In pursuance of the Special Resolution under Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, passed at the Annual General Meeting held on September 19, 2019, the shareholders, had authorized the Board to sell, lease, transfer, convey, assign or otherwise dispose-off entire assets at Company's Printing Press located at TTC Industrial Area, MIDC, Mahape, Navi Mumbai 400 705, Maharashtra.
- The Company suspended Printing and Publication of all editions of DNA Newspaper and Zee Marathi Disha Magazine since October 2019. The Company however continues Digital News Media business.
- The Printing Press of the Company is closed since October 2019 and the process of sale of assets at the printing press is delayed due to on-going National Lockdown and stay granted in the legal proceedings initiated by the Workers before Honorable Industrial/Labour court at Thane, under the industrial disputes act 1947 and under the working journalists (condition of service) and miscellaneous provision act 1955.
- During the year under review, the ICRA Limited (ICRA) has downgrade rating assigned by it to Non-Convertible Debentures (NCD) and Non-Fund based bank facilities (NFBF) of the Company from BBB(SO)- Negative to ICRA BB(CE) Negative for NCD and From ICRA A3(SO) to ICRA A4 for NFBF.
- In connection with Non-Convertible Debentures (NCDs) of Principal Amount of INR 25000 Lakhs issued in June 2015 and due for repayment on June 2020, the Company

had on October 17, 2020, received Demand Notice from the Debenture Trustee for re-payment of an aggregate of Rs. 45711 Lakhs (including Interest). As on the date of this report, the Company continues to be in default on redemption of the said NCDs with interest thereon.

- As at March 31, 2020, the Company did not have Key Managerial Personnel in the category of CEO and CFO, who had resigned with effect from 12th December, 2019 and 17th December, 2019, respectively. During FY 2020-21, the Board had appointed/nominated the CEO and CFO with effect from July 30, 2020, delayed due to on-going National Lockdown, and consequently the vacancy in the office of Key Managerial Personnel was filled after 6 months from the date of resignation, and as a result in non-compliance of Section 203 of the Companies Act, 2013.
- As at March 31, 2020, the Company's Board comprised of 4 Directors (including 3 Independent Directors), in compliance with the requirements of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

Regulation 17(1)(c) of SEBI LODR, mandated the Company (being part of Top 2000 Listed entities as at March 31, 2020) to have at least 6 Directors with effect from April 1, 2020. Accordingly, in compliance with the said requirement the Board had appointed 2 (two) Non-Executive Non-Independent Directors w.e.f. July 30, 2020, resulting in non-compliance of Regulation 17(1)(c) of SEBI LODR during the period from April 1, 2020 to July 30, 2020.

**CS Satish K. Shah**  
FCS1313/CP3142

Place : Mumbai  
Date : 12th November, 2020



# Corporate Governance Report

## PHILOSOPHY

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

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

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

## BOARD OF DIRECTORS

Composition & Category of Directors: As at March 31, 2020 your Board comprised of 4 (four) Directors including 1 (one) Non-Executive Director and 3 (three) Independent Directors, including 1 (one) Woman Independent Director. Subsequent to closure of Financial Year Mr.Nishikant Upadhyay and Mr. Ronak Jatwala were appointed as Additional Directors in the category of Non-Executive Non-Independent Directors with effect from July 30, 2020. The composition of the Board of

During the year under review, 4 (four) meetings of the Board were held on May 29, 2019, August 9, 2019, November 12, 2019 and February 13, 2020. Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings detailed above held during the Financial Year 2019-20 along with the details of the Board / Board Committees of Indian Public Companies wherein the Directors of the Company were Directors and/or Chairperson as at March 31, 2020 are as under:

Directors of the Company as on date of this report is in accordance with Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

The Policy on criteria for nomination of a person on the Board, as decided by the Nomination and Remuneration Committee suggests that the qualification and experience of Directors are desired in following areas viz. Finance, Legal, Print Media, Social Media, Marketing, Advertisement, Business Development & Technology /Digital. In line with the said criteria, as at March 31, 2020 the Company's Board had Directors with experience in following areas:

Name of Director	Experience areas
Mr. Dinesh Garg	Finance & Media industry
Mr. Vishal Malhotra	Marketing, Business Development & Technology/Digital
Mrs. Shilpi Asthana	Finance & HR
Mr. Manoj Agarwal	Marketing & Business Development

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

Name of Director	Attendance at		No. of Directorship in other public companies		No. of Committee positions held in other public companies	
	Board Meeting (Total 4 Meetings)	14th AGM held on Sept. 19, 2019	Member	Chairperson	Member	Chairperson
<b>Non-Executive Director</b>						
Dinesh Kumar Garg	3	Yes	2	-	3	-
Independent Director						
Vishal Malhotra	4	Yes	-	-	-	-
Manoj Agarwal	3	Yes	2	-	1	3
Shilpi Asthana	4	Yes	-	-	-	-
Executive Director						
A V Ramachandran (till December 16, 2019)	2	Yes	NA	NA	NA	NA

**Notes:**

- None of the Directors held directorship in more than 8 Listed Companies. Further none of the Independent Directors of the Company served as Independent Director in more than 7 Listed Companies
- None of the Directors held directorship in more than 20 Indian Companies, with not more than 10 public limited companies
- None of the Directors is a member of more than 10 Committees or Chairperson of more than 5 Committees across all the Public Limited Companies in which he/she is Director. As per Listing Regulations, only membership of Audit Committee and Stakeholders Relationship Committee have been taken into consideration for the purpose of ascertaining the limit.
- None of the Directors of the Company are related inter-se and none of the Directors of the Company hold any equity shares of the Company.

During the year under review, Mrs. Uma Mandavgane, an Independent Director, resigned with effect from May 17, 2019, citing conflict of interest due to impairment provision made by Zee Media Corporation Ltd, an entity where she held the position of Independent Director, in connection with its investments in the Preference Shares of the Company. The said Independent Director had vide her resignation letter confirmed that there was no material reason for her resignation other than those mentioned above.

Details of Directorship of Directors in other Listed entities as at March 31, 2020 are as under:

Sr	Name of Director	Directorship in other Listed entities
1	Dinesh Kumar Garg	Zee Media Corporation Ltd as Executive Director
2	Vishal Malhotra	None
3	Manoj Agarwal	Shirpur Gold Refinery Limited as Independent Director
4	Shilpi Asthana	None

**Board Procedure:** Board meetings are generally held at the Registered Office of the Company at Mumbai. Board agenda alongwith the explanatory notes are sent to the Directors well in advance to enable them to take informed decisions. The Chief Financial Officer normally attends the Board meetings to provide necessary insight into the working of the Company and for discussing corporate strategies. Any Board Member may, in consultation with the Chairman and with the consent of all Independent Directors present at the meeting, bring up any matter at the meeting for consideration by the Board. All relevant information required to be placed before the Board as per Companies Act, 2013 and/or SEBI Listing Regulations are considered and taken on record/approved by the Board. The Board periodically reviews certificates in respect of compliance of various laws and regulations applicable to the Company. During the year, there was not instance where in the Board had not accepted recommendations of any Board Committee(s).

**Independent Directors Meeting & Board Evaluation Process:** In compliance with the requirements of Regulation 25 of Listing Regulations and Section 149 read with Schedule IV of the Companies Act, 2013, Independent Directors of the Company met on February 13, 2020 to evaluate performance of the Board / Board Committees and review flow of information between the management and the Board. The evaluation process was carried out based on an assessment sheet structured in line with ICSI guidance note and the guidance note issued by SEBI in this regard.

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

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

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

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

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

#### **Declaration**

I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the Code of Conduct for Members of the Board and Senior Management of the Company for the financial year ended March 31, 2020.

**Dinesh Garg**

Non-Executive Chairman  
Mumbai, July 30, 2020

#### **BOARD COMMITTEES**

Particulars of Meetings of Board Committees held during FY 2019-20 and Directors' attendance at such Committee Meeting(s) are detailed herein:

Particulars	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee
<b>No. of Meetings held</b>	<b>4</b>	<b>1</b>	<b>2</b>
<u>Directors attendance</u>			
Mr. Dinesh Garg	3	1	2
Mr. Vishal Malhotra	4	1	2
Mr. Manoj Agarwal	NA	-	NA
Mr. Shilpi Asthana	4	NA	NA
Mr. A V Ramachandran	NA	NA	2
Mrs. Uma Mandavgane	-	-	-

**Note:**

1. NA denotes that the Director is not a Member of such Committee
2. Mrs. Uma Mandavgane and Mr. A V Ramachandran resigned as Director of the Company with effect from May 17, 2019 and December 13, 2019 respectively.
3. Mr. Manoj Agarwal & Mrs. Shilpi Asthana were appointed as Directors w.e.f. May 29, 2019

Details of Board Committees are as under:

**(a) Audit Committee**

**Constitution:** As at March 31, 2020, the Audit Committee comprised of three (3) Directors including Mrs. Shilpi Asthana, an Independent Director as Chairperson along with Mr. Vishal Malhotra, Independent Director and Mr. Dinesh Garg, Non-Executive Director as Members.

During the year under review, Audit Committee met four (4) times on May 29, 2019, August 9, 2019, November 12, 2019, and February 13, 2020.

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

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

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

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

**(b) Nomination & Remuneration Committee**

**Constitution:** As at March 31, 2020 the Nomination & Remuneration Committee comprised of Mr. Vishal Malhotra, Independent Director as Chairman along with Mr. Manoj Agarwal, Independent Director and Mr. Dinesh Garg, Non-Executive Director as Members.

During the year under review the Committee met once on May 29, 2019.

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

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend their appointment to the Board;
- Formulating criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees/directors of the quality required to run the Company successfully;
- Ensuring that relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Formulating policy with regard to remuneration of directors, key managerial personnel and senior management involving a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

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

**Remuneration Policy:** Focus on productivity and pay-for-

performance have been the cornerstones of the Company's remuneration policy with differentiated compensation growth to high performing employees. The Remuneration Policy of the Company can be accessed on Company's website [www.dnaindia.com](http://www.dnaindia.com). During the year under review, as part of revised business strategy and in line with cost optimization measures to contain losses, the Company had suspended its printing operations and most of the employees in editorial, marketing and other support functions had resigned.

Remuneration paid to Executive Director: Particulars of the remuneration paid to Mr. A V Ramachandran, Executive Director of the Company till December 13, 2019 is as detailed here in.

Particulars	Amount (Rs in Lakhs)
Salary, Allowances & Perquisites	33.05
Employer's Contribution to Provident Fund	1.69
<b>Total</b>	<b>34.74</b>

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

Particulars of Sitting Fees paid to Independent Directors of the Company during financial year 2019-20 is as detailed herein:

Name of Director	Amount (Rs)
Vishal Malhotra	2,20,000
Manoj Agarwal	60,000
Shilpi Asthana	1,60,000
<b>Total</b>	<b>4,40,000</b>

Independent Directors do not have any other material pecuniary relationships or transactions with the Company

or its directors/senior management other than in the normal course of business.

### (c) Stakeholders Relationship Committee

Constitution: As at March 31, 2020, the Stakeholders Relationship Committee of the Board comprised of Mr. Dinesh Garg, Non-Executive Director, as Chairman along with Mr. Manoj Agarwal and Mr. Vishal Malhotra, Independent Directors as Members. The Company Secretary is the Secretary of the Committee.

During the year under review the Committee met twice on May 29, 2019 and August 9, 2019.

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

Mr. Ankit Shah, Company Secretary of the Company is Compliance Officer pursuant to SEBI Listing Regulations. The designated email for investor service and correspondence is [companysecretary@dnaindia.net](mailto:companysecretary@dnaindia.net).

Details of number of complaints received and resolved during the year ended March 31, 2020 are as under: There were no pending complaints as at April 1, 2019. During the year ended March 31, 2020, the Company had not received any complaints.

### GENERAL MEETINGS

In line with approval granted by the Registrar of Companies, Mumbai providing extension of three months for holding Annual General Meeting for Financial year ended March 31, 2020, the

15th Annual General Meeting of the Company for the Financial Year 2019-20 will be held on Monday, December 28, 2020 at 1.00 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) pursuant to the Circulars issued by Ministry of Corporate Affairs and SEBI with deemed location as registered office of the Company. Hence there is no requirement of venue for the AGM. For details please refer to the Notice of AGM separately provided in the Annual Report.

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

Year	Date and Time	Special Resolutions passed	Venue
2018-19	September 19, 2019 - 4.00 p.m.	Approval for sale/lease/ disposal of Property / Undertaking pursuant to Section 180(1)(a) of the Companies Act, 2013	The Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018
2017-18	September 21, 2018 – 11.30 a.m.	Appointment of & payment of remuneration to Mr. A V Ramachandran as an Executive Director for term of 3 years with effect from September 1, 2017.	The Hall of Culture, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018
		Maintenance of Register of Members at the office of the Registrar and Share Transfer Agent instead of Registered office of the Company.	
		Approval for sale/lease/ disposal of Property / Undertaking pursuant to Section 180(1)(a) of the Companies Act, 2013.	
2016-17	July 20, 2017 – 11.00 a.m.	Appointment of Mrs. Uma Mandavgane as an Independent Director for second term of 3 years with effect from December 19, 2017.	Registered Office: 11th Floor, Tower - 3, Indiabulls Finance Center, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013
		Appointment of Mr. Vishal Malhotra as an Independent Director for the second term of 3 years with effect from March 26, 2018.	
		Enhancement of Borrowing powers of the Board to ₹ 1,000 Crores in excess of limits prescribed u/s. 180(1)(c) of the Companies Act, 2013.	
		Grant of authority to the Board to give loan(s), make investment(s), provide guarantee(s)/ security(ies) in excess of limits prescribed under Section 186 of the Companies Act, 2013 upto financial limits of ₹ 1,000 Crores.	
		Adoption of new set of Article of Association of the Company.	

## POSTAL BALLOT

No Resolutions were passed by way of Postal Ballot during financial year 2019-20. Since the Company is providing E-voting facility to its Shareholders, none of the resolution(s) proposed at the ensuing AGM are required to be passed by way of Postal Ballot.

## MEANS OF COMMUNICATION

The Company has promptly reported all material information including declaration of financial results etc., to all Stock Exchanges where the shares of the Company are listed. Such information is also simultaneously displayed on the Company's website [www.dnaindia.com](http://www.dnaindia.com). The extract of quarterly, half yearly and annual financial results and other statutory information were communicated to the shareholders by way of

publication in English newspapers viz. 'Free Press Journal and in Marathi language newspaper viz 'Navsakti' and requisite information are filed with Stock Exchange(s) in compliance with the Listing Regulations. Additionally, the financial and other information are filed by the Company on electronic platforms of NSE and BSE.

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, Annual Report, quarterly/half-yearly/annual financial statements, Shareholding patterns, Stock Exchange filings along with applicable policies of the Company.

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

## SHAREHOLDERS' INFORMATION

<b>1 Date, Time and Venue of Shareholder's Meeting</b>	Meeting : Annual General Meeting Day & Date : Monday, 28th day of December 2020 Time : 1.00 p.m. Venue : The Company is conducting, AGM through VC / OAVM pursuant to the MCA /SEBI Circulars, with deemed location as registered office of the Company.
<b>2 Financial Year</b>	April 1, 2019 to March 31, 2020
<b>3 Registered Office</b>	18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013, India Tel: +91-22-71061234 / +91-22-3988 8888. Fax: +91-22- 2300 2107 Website: <a href="http://www.dnaindia.com">www.dnaindia.com</a>
<b>4 Plant Location</b>	Plot No. EL-201, TTC Industrial Area, MIDC, Mahape, Navi Mumbai 400 705, India. Tel: +91-22-3980 2200
<b>5 Listing on Stock Exchanges</b>	BSE Limited (BSE) - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 The National Stock Exchange of India Limited (NSE)- Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 The Company has paid requisite Listing Fees to the Stock Exchanges for FY 2019-20.
<b>6 Stock Code</b>	BSE- 540789 NSE- DNAMEDIA-EQ.
<b>7 ISIN No.</b>	INE016M01021
<b>8 Corporate Identity Number</b>	L22120MH2005PLC151377
<b>9 Registrar &amp; Share Transfer Agent</b>	Link Intime India Private Limited C101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400083 Tel: +91-22- 4918 6000   Fax: +91-22- 4918 6060. E-Mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
<b>10 Investor Relations Officer</b>	Mr. Ankit Shah Tel: +91-22-7106 1234   Fax: +91-22-23002107 E-mail: <a href="mailto:companysecretary@dnaindia.net">companysecretary@dnaindia.net</a>



**11. Dividend**

In view of losses, no Dividend has been recommended by the Board of Directors for FY 2019-20.

**12. Change of Address**

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

**13. Share Transfer System**

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

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

**14. Dematerialisation of Equity Shares & Liquidity**

To facilitate trading of Equity Shares of the Company in dematerialised form the Company has made arrangements with both the depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2020, 99.93% of the total issued and paid-up Equity Share Capital of the Company are held by 86,652 shareholders in Dematerialized form and the balance 0.07% are held by 1,901 shareholders in physical form.

**15. Shareholders' Correspondence**

The Company endeavours to respond to the investors' grievances/ queries/ information requests within a period of 5 working days. All correspondence may be addressed to the Registrar & Share Transfer Agent at the address given above. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Investor Relation Officer at the address given above.

**16. Share Capital Build-up****a) Equity Shares**

Particulars	No. of shares issued	Date of issue
Issued to Subscribers	50,000	February 17, 2005
Preferential Issue	50,000	May 25, 2005
Preferential Issue	6,383	July 19, 2005
Preferential Issue	38,033,617	October 29, 2005
Preferential Issue	31,180,000	March 31, 2009
Preferential Issue	16,677,533	January 24, 2011
Preferential Issue	3,098,009	April 30, 2011
<b>Sub-Division of Face Value of Shares from Rs. 10 each to Re. 1 each</b>	890,955,420	November 2, 2016
Cancellation of entire Pre -Scheme Paid-up Equity Share Capital of the Company pursuant to the Scheme approved by NCLT	(890,955,420)	October 9, 2017
Allotment Pursuant to Scheme approved by NCLT on June 8, 2017	117,708,018	October 9, 2017
<b>Issued &amp; paid up Capital as on March 31, 2020</b>	<b>117,708,018</b>	



**b) Preference Shares**

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

**17. Stock Market data relating to Shares Listed in India**

Monthly high and low quotations and volume of shares traded on BSE & NSE, during financial year 2019-20:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume of Share Traded (In Lakhs)	High (Rs.)	Low (Rs.)	Volume of Shares Traded (In Lakhs)
April 2019	1.13	0.91	19.81	1.30	0.85	38.02
May 2019	0.95	0.71	3.03	0.95	0.65	15.87
June 2019	0.81	0.53	28.83	0.85	0.50	14.06
July 2019	0.59	0.44	3.68	0.65	0.45	5.28
August 2019	0.50	0.35	0.48	0.55	0.35	2.29
September 2019	0.45	0.35	0.70	0.50	0.35	2.14
October 2019	0.47	0.30	1.70	0.45	0.30	2.82
November 2019	0.44	0.31	0.36	0.65	0.30	6.38
December 2019	0.54	0.39	0.75	0.65	0.40	4.04
January 2020	0.44	0.38	0.36	0.50	0.35	7.60
February 2020	0.37	0.34	0.91	0.45	0.30	3.20
March 2020	0.36	0.33	0.31	0.40	0.20	7.26

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



## 19. Distribution of Shareholding as on March 31, 2020

No. of Equity Shares	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Up to 5000	87867	99.2253	11289061	9.5907
5001 – 10000	320	0.3614	2344171	1.9915
10001-20000	175	0.1976	2428787	2.0634
20001-30000	52	0.0587	1330705	1.1305
30001-40000	27	0.0305	965809	0.8205
40001-50000	24	0.0271	1115111	0.9474
50001-100000	44	0.0497	3206952	2.7245
100001 and Above	44	0.0497	95027422	80.7315
<b>Total</b>	<b>88553</b>	<b>100</b>	<b>117708018</b>	<b>100</b>

## 20. Categories of Shareholders as on March 31, 2020

Category	No. of shares held	% of shareholding
Promoters	73,173,769	62.17%
Individuals/HUF	34,826,627	29.59%
Bodies Corporate / Clearing Members/NBFC	1,996,897	1.70%
FIs, Mutual funds, Trust & Banks	5,157	0.00%
FPIs, OCBs & NRIs	7,705,568	6.55%
<b>Total</b>	<b>117,708,018</b>	<b>100.00%</b>

## 21. Particulars of Shareholding

### a) Promoter Shareholding as on March 31, 2020

Sr.	Name of Shareholder	No of Shares held	% of shareholding
1	25FPS Media Private Ltd	37,924,613	32.22%
2	Sprit Infrapower & Multiventures Pvt Ltd	65	0.00%
3	Arm Infra & Utilities Pvt Ltd	35,243,182	29.94%
4	Primat Infrapower & Multiventures Pvt Ltd	5,909	0.01%
	<b>Total</b>	<b>73,173,769</b>	<b>62.17%</b>

**b) Top Ten (10) Public Shareholding as on March 31, 2020**

Sr.	Name of Shareholder	No of Shares held	% of shareholding
1	DilipkumarLakhi	3170322	2.69%
2	Acacia Partners, LP	2008533	1.71%
3	Vinay Somani	1629806	1.38%
4	India Opportunities Growth Fund Ltd - Pinewood Strategy	1525000	1.30%
5	Viral Amal Parikh	1400000	1.19%
6	Acacia Institutional Partners, LP	1296653	1.10%
7	Acacia Conservation Fund LP	900900	0.77%
8	Chirag DilipkumarLakhi	774636	0.66%
9	NimeshSumatilal	735000	0.62%
10	Hardik Dhanesh Shah	725000	0.62%
	<b>Total</b>	<b>14165850</b>	<b>12.06%</b>

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

**22. Disclosures**

- i. All transactions entered into by the Company with related parties during the financial year 2019-20 were in ordinary course of business and on arms-length basis. The related party transactions undertaken by the Company during the year under review were in compliance with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of the Annual Report. All ongoing related party transactions along with the estimated transaction value and terms thereof are approved by the Audit Committee before the commencement of financial year and thereafter reviewed on quarterly basis by the Audit Committee.

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

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

- ii. There has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Stock Exchanges or any other statutory authority on any matter relating to capital markets since listing of Equity Shares of the Company on Stock Exchanges in December 2017.
- iii. As per Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation. This Policy (copy of which is uploaded on the website of the Company) safeguards whistleblowers from reprisals or victimization. Your Board affirms that no personnel has been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.
- iv. In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the

regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information. Mr. Ankit Shah, Company Secretary is Compliance officer for the purposes of Insider Trading Code, while the Chief Executive Officer / Executive Director of the Company has been assigned responsibility under Fair Disclosure policy as Investor Relations Officer. In line with the amendment to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Insider Trading Code and Policy for Fair Disclosure of Unpublished Price Sensitive Information was revised with effect from April 1, 2019. The revised Code and Policy can be viewed on Company's website [www.dnaindia.com](http://www.dnaindia.com).

- v. The Board of Directors of the Company has in accordance with the requirements of Companies Act, 2013 and Listing Regulations approved and adopted various policies including Material Events Determination and Disclosure Policy, Document Preservation Policy etc. These policies can be viewed on Companies website at [www.dnaindia.com](http://www.dnaindia.com)
- vi. The Company does not carry out any hedging activities including those for hedging risk associated with commodity price risk or foreign exchange risk.
- vii. The Company has obtained a Certificate from a Company Secretary in Practice confirming that none of the Directors on the Board of the Company as at March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors by SEBI, Ministry of Corporate Affairs or any such other statutory authority.
- viii. As disclosed in Note No. 28 to the Financial Statements for the year ended March 31, 2020, the Company had paid an aggregate remuneration of Rs. 14.66 Lakhs (excluding taxes and out of pocket expenses) to its Statutory Auditor, M/s. B S Sharma & Co., Chartered Accountants, including Rs. 9 Lakhs towards Statutory Audit Fees and Rs. 1 Lakh towards Tax Audit Fees and Rs. 4.66 Lakhs towards fees for Certification and Tax representations.
- ix. Your Company has zero tolerance towards sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. There was no complaint on sexual harassment during the year under review.
- x. Details in respect of Equity Shares lying in the Unclaimed suspense account, is as under:

Description	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and outstanding shares lying Unclaimed as at April 1, 2019	817	35,856
Fresh Undelivered Cases during the financial year 2019-20	0	0
Number of shareholders who approached the Company for transfer of shares from Unclaimed Suspense account till March 31, 2020	3	452
Number of shareholders to whom shares were transferred from the Unclaimed Suspense account till March 31, 2020	3	452
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense account lying as on March 31, 2020	814	35,404

The voting rights on the shares outstanding in the Suspense Account as on March 31, 2020 shall remain frozen till the rightful owner of such shares claims the shares.

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

# Independent Auditor's Certificate on Corporate Governance

To  
The Members of  
**Diligent Media Corporation Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated 24th September, 2019.
2. This report contains details of compliance of conditions of Corporate Governance by Diligent Media Corporation Ltd., ("the Company") for the year ended 31 March 2020, as stipulated in Regulation 17 to 27; Regulation 46(2) and paragraphs C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations"), pursuant to the Listing Agreement of the Company with Stock Exchanges.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

4. Our responsibility is limited to examine the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, for the year ended 31 March 2020.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certification for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this Certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics, issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that performs Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27; Regulation 46(2) and paragraphs C, D and E of the Schedule V of the Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### **Restrictions on use**

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

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

**CA B S SHARMA**  
Proprietor  
Membership Number FCA 031578  
UDIN: 20031578AAAAEB7388

Place: Mumbai  
Date: 20th November 2020

# Management Discussion and Analysis

## Disclaimer

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

## Indian Economic Overview & Outlook

FY19-20 was a challenging year for the world economy as well as the Indian economy. While the world was already reeling from the lower output and slow GDP growth, a global health crisis further dampened world economic activity towards the end of the financial year. The pandemic and consequent lockdown have hit various industries including Print Media sector.

India's GDP growth during 2019-20 is estimated to have been 4.2%, down from 6.1% in the previous years and the slowest growth in over a decade. However, with the exception of China, among other major economies India still had the highest GDP growth rates in 2019. The decrease in GDP growth was primarily due to a slowdown in manufacturing and mining activity. The COVID-19 outbreak and the nationwide lockdown since March 25, 2020 posed new challenges in Q4 and the times ahead.

## Indian Media & Entertainment Industry

The media and entertainment (M&E) industry in India continues to undergo significant transformation. During CY 2019, Indian Media & Entertainment Industry registered a growth of 9%

over the previous year. Digital Media is the new growth driver of the Media & Entertainment Industry with Digital Subscription revenue more than doubling from 2018 levels and Digital Advertising revenue commanding around 24% share of total advertising spend. However, the outbreak of Corona Virus will have a significant impact on the Media & Entertainment Industry. It is difficult to estimate the scale of the impact at this stage and it will be possible to estimate the same only after the situation becomes normal post Corona Virus.

## Print Media

The print news industry lies in dire straits. The financial shock of the Covid-19 crisis has brought this trend to a precarious tipping point. The last few months have seen several reports of media houses laying off their journalists, cutting their salaries and benefits and even shutting down entire editions of their papers. This is not a crisis limited to India, as is evidenced by similar decisions being made in newsrooms across the world. It is also not a crisis that has an end in sight. Spectators of the industry unanimously express a pessimistic outlook about the future of print news, and it is easy to see why. In a world of mobile applications and web pages, the physical newspaper looks like a relic of a different age. Further the Print Media has been witnessing decrease in the advertisement revenues. In the rapidly evolving market, a very thin-line remained between print and digital resulting in duplication of print and digital readership, with most of the younger audience preferring digital medium of news consumption on their mobile phones rather than print.

## Company Overview

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

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



(NCLT) by its order dated 8th June 2017. Under the scheme, the Print Media Undertaking of Zee Media Corporation Limited along with its equity investment in 2 print media subsidiaries viz. Mediavest India Pvt Ltd and Pri-Media Services Pvt Ltd, was demerged and vested with the Company and upon such vesting, the said print Media subsidiaries viz. Mediavest India Private Limited and Pri-Media Services Private Limited got amalgamated with the Company with effect from Appointed Date of April 1, 2017. Accordingly, the entire Print Media business comprising of Printing & Publication of 'DNA' Newspaper and Marathi Magazine 'Zee Marathi Disha' along with Digital News Media business was vested with the Company.

As per the Scheme, the entire pre-Scheme Paid-up Equity Share Capital of the Company was cancelled and in consideration of the Demerger of Print Media Undertaking, the Company had issued and allotted an aggregate of 11,77,08,018 Equity Shares of Re.1 each to the Shareholders of Zee Media Corporation Limited. The shares of the Company got listed and commenced trading on BSE Limited (Scrip Code: 540789) and National Stock Exchange of India Limited (Scrip Code: DNAMEDIA) on and from December 11, 2017.

### Business Overview

In the rapidly evolving market, a very thin-line remained between print and digital resulting in duplication of print and digital readership, with most of the younger audience preferring digital medium of news consumption on their mobile phones rather than print. In view of the above and further considering that the under-utilization of printing capacity coupled with fixed cost required to be spent to keep the printing press running has been major contributor to Company's losses, the Company had as part of the business strategy proposed to outsource Printing activity and concentrate on Digital News Media. The Shareholders of the Company at the 14th Annual General Meeting held on September 19, 2019, authorized the Board to sell entire assets Printing Press assets of the Company including Land, Building and Plant & Machinery and utilize net proceeds for paying-off debts. As part of the business strategy, your Company suspended Printing and Publication of all editions of DNA newspaper as well as weekly magazine Zee Marathi Dishawith effect from October 2019.

Post suspension of Printing & Publication business, the Company's business comprises of Digital News Media.

Digital News Media - As part of the business strategy, your Company shall invest in Digital Media through its responsive and dynamic news website [www.dnaindia.com](http://www.dnaindia.com) and e-paper edition (<http://epaper2.dnaindia.com>). The Company is also present across social platforms such as Twitter, Facebook, YouTube, Instagram etc., with 13.75 million likes on its Facebook page and a total followership of 2.1 million for its Twitter accounts, as of March 2020. Overall page views on its website were 967.7 million, whereas unique users for FY2019-20 were 68.5 million. The Company's web properties are bundled with the News Channel owned by Zee Media, which enables advertisers to reach out to News viewers and digital readers.

Risk & Concerns  
The remainder of the year will be extremely challenging. According to an Advertising Bureau survey, almost 25% of media planers, buyers and brands have paused advertising spend until end of second quarter. Media industry is no stranger to disruption and turmoil. In the past businesses have overcome economic pressures, political tensions and even natural disasters but most of these episodes were short lived. In the case of present pandemic, a majority of respondents expect that there will be a much bigger and more sustained impact than the 2008 financial crisis.

Various segment of media derives a significant portion of their revenue from advertising and current pandemic has brought advertising almost to a standstill in many sectors. The quick recovery of various business sectors will play a critical role in helping Media business to grow its advertisement revenues. Till then leading advertising spenders will continue to keep a tight lid on expenditures and the advertising revenues will shrink.

During FY 2015, your Company had issued Non-Convertible Debentures (NCDs) of nominal value of Rs. 250 Crores. The said NCDs along with interest thereon resulting in total outgo of Rs. 427.25 Crores became due for redemption on June 30, 2020. The Company management is in discussions with the NCD holder for extension for repayment of NCDs.

### Internal Control Systems

Diligent Media has a sound Internal Control System, which aims to assure that operations are effective and well aligned with the strategic goals. The internal control framework is intended to ensure correct, reliable and timely financial reporting and management information. The Company has



implemented the Internal Financial Control (IFC) framework to ensure proper Internal Controls over financial reporting. The internal control system is further supplemented by Internal Audit carried out by an independent firm of Chartered Accountants and periodic review by Management. The Internal Audit process is designed to review the adequacy of internal control checks in the system and covers all the significant areas of the Company's operations. The Audit Committee reviews the adequacy and effectiveness of the internal control systems and tracks the implementation of corrective actions. Significant audit observations and corrective actions taken by the Management are presented to the Audit Committee.

### Human Resources

As at March 31, 2020, your Company had 52 employees. Due to discontinuation of Printing operations and as part of other cost optimization measures, an aggregate of 310 employees forming part of editorial, sales, marketing and circulation team had resigned and the proposal for retrenchment of workmen is pending before Hon'ble Labor Court in view of legal proceedings initiated by the workmen under Industrial Dispute Act and allied labor laws.

### FY2019-20 Performance

#### Financial Results

The financial performance of your Company for the year ended March 31, 2020 is summarized below:

(Rs in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Revenue from Operations	127	153
Other Income	-	-
Total Revenues	127	153
Total Expenses	117	137
Profit before tax	10	16
Tax Expenses	-	-
Net Profit after tax	10	16
Profit/(Loss) from discontinued Operations	(6,486)	(5,779)
Profit/(Loss) for the year	(6,476)	(5,763)

**Note:** The financial statement for the year ended March 31, 2019 have been restated in view of discontinuation of Printing & Publication business operations since October 2019.

### Financial Performance & Review of operations

During the year under review the Company re-worked its business strategy to restrict the quantum of loss and work towards reducing the same to attain better sustainability over next couple of years. As a step towards increasing operational efficiency, your Company started focusing both on cost optimization as well as revenue maximization. In line with the revised business strategy and based on evaluation of performance of various editions, your Company suspended printing of publication of all editions of DNA Newspaper and weekly magazine Zee Marathi Disha with effect from October 2019. As part of the business strategy your Company concentrate on online News Media business. The Financial statement for the year ended March 31, 2019 have been restated in view of discontinuation of Printing & Publication Business Operations.

Revenue from Operations, comprising of Advertisement Income on Digital News Media business, declined by 17% from Rs. 153 Lakhs in 2019 to Rs. 127 Lakhs in 2020. Operations of Continuing Business Operations during the year resulted in Profits of Rs. 10 Lakhs as against Profit of Rs. 16 Lakhs during previous year. Losses of Discontinued Operations during the year increased by 12% from Rs. 5,779 Lakhs in FY 19 to Rs. 6,486 Lakhs, resulting in overall loss of Rs. 6,476 Lakhs during FY 20 as against loss of Rs. 5,763 Lakhs during FY 19.



## Certification on Financial Statements of the Company

We, Shikhar Ranjan, Chief Executive Officer and Rajendra Bathula, Chief Financial Officer of Diligent Media Corporation Limited ('the Company'), certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2020 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the Internal Control Systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) During the year:
  - i) there has not been any significant change in internal control over financial reporting;
  - ii) there have not been any significant changes in accounting policies; and
  - iii) there have been no instances of significant fraud of which we are aware that involve management or an employee having significant role in the Company's internal control system over financial reporting.

**Shikhar Ranjan**  
Chief Executive Officer

**Rajendra Bathula**  
Chief Financial Officer

Place : Mumbai  
Date : November, 12, 2020

# Independent Auditor's Report on the Financial Statements

To,  
The Members of  
DILIGENT MEDIA CORPORATION LIMITED

## 1. Opinion

We have audited the accompanying financial statements of DILIGENT MEDIA CORPORATION LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, the Statement of Cash Flows for the year ended on that date, and Notes to the financial statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

## 2. Basis for Opinion

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

## 3. Emphasis of Matters

We draw attention to following Notes to financial statements:

- a. Note no. 31 related to discontinuation of print media operations 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'.
- b. Note no. 33 relating to non-provision for Deferred tax asset during the year and the balance brought forward of Rs.109,85.92 Lakhs from the preceding years has been continued with the expectation of future profits arising out of various options being exercised by the Management.
- c. Note no.53 related to payment of Rs.72,22.50 Lakhs given as Business Advance or Inter-corporate deposits, during the preceding financial years to ultimate four parties for the purposes as stated in various agreements entered into during that time. However, due to non-performance of the terms and conditions by the said parties, the advances so given were converted effective 31 May 2019, into Inter-corporate deposits (ICDs) carrying interest @ 12% p. a. Based thereon, interest income of Rs.718.06 Lakhs is accounted for the year ended 31 March 2020 subject to reconciliation and confirmations from parties concerned. However, no sufficient appropriate audit evidence is produced before us to validate management's assessment over recoverability of the Principal and Interest thereon, hence we are unable to comment.
- d. Note no. 54 relating to Ind AS 105 for not showing the relevant assets appearing in Property, Plant and Equipment in Note no. 4 as 'Assets held for Sale'
- e. Note No 55 to the Notes to the financial statement which states that the Company has incurred a net comprehensive loss of Rs.64,37.40 Lakhs for the year ended 31st March, 2020, the accumulated negative net owned funds stands at Rs.533,29.04 Lakhs as at that date, resulting in erosion of negative net worth and the temporary discontinuation of print media business of the

Company as referred to herein. The Management's submissions relating to preparing the financial results on Going Concern basis, despite continuous losses in current and preceding years is that considering various schemes for revival, support from the promoters, ongoing process for sale of assets etc., it was considered appropriate to prepare the financial statements on going concern basis.

- f. Note no. 56 relating to the repayment of Non-convertible Debentures issued in June 2015 for an amount of Rs.250,00 Lakhs fell due on 30 June 2020 for repayment aggregating including interest to Rs.427,24.83 Lakhs, it is informed that the Management is engaged in discussions and negotiations with the Debenture Trustees for restructuring of repayment of the said NCDs, with extension of time to repay, considering the overall business situation, economic environment, impact of pandemic COVID 19 on the economy and financial markets, restricting the raising of resources. The said request of the Company is pending consideration and reply from the Debenture Trustees.
- g. Note no.59 relating to Management's internal assessment as to the realizability of carrying values of the current 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-39 and Ind AS 109 Financial Instruments. In the absence of the aforementioned impairment assessment, as prescribed under the said Ind-AS, 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 statements as at 31 March 2020.

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

#### 4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31st March, 2020. These matters were addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide

a separate opinion on these matters. We have determined the matters described below to be the key matters to be communicated in our report.

- a. Contingent liabilities (Refer note no.34a to the financial statements):

The Company has tax cases and has also received legal notices of claims, law suits filed against it relating to defamation etc., in relation to the news published in DNA newspaper, of which no liability is ascertained, as in the opinion of the management, no liability is likely to arise in connection with such claims. The existence and probability of payment against these claims requires management judgment to ensure disclosure of most appropriate values of contingent liabilities.

We considered this as a Key Audit Matter, as the eventual outcome of litigations is uncertain, and the position taken by the Management are based on the application of significant judgement and estimation. Any unexpected adverse outcomes could significantly impact the Company's results and financial position.

#### Auditor's Response:

Our audit procedures included, among others, assessing the appropriateness of the management's judgment in estimating the contingent liabilities. We have obtained details of pending legal cases and demand/claims as at 31 March 2020 from the management. We assessed the completeness of the details of these claims through discussions with senior management personnel. We have also reviewed the outcome of the disputed cases pending at various forums. We have also assessed the appropriateness of disclosure made of the contingent liabilities in the financial statements.

- b. Assessment of Going Concern as a basis of accounting (Refer Note no.55 to the financial statements)

The Company has significant accumulated losses and has incurred loss during the current and earlier years. Its networth is eroded and the current liabilities exceed its current assets as at March 31,

2020. Apart, the business of print media has been temporarily discontinued effective 10/11 October 2020 except for insignificant digital news business is continued. These may create a doubt regarding the Company's ability to continue as going concern.

However, the financial statements have been prepared on a going concern basis in view of the financial support from the promoter companies, and management's plans to generate cash flow through sale of assets, expanding the digital news business, which would enable the Company to meet its financial obligations as and when fall due.

We considered this to be a key audit matter because management's assessment is largely dependent on the support from its promoters, realisation from sale of assets and increasing in digital news business etc.

**Auditor's Response:**

Our procedures included the following

- a. Obtained the management assessment of appropriateness of Going Concern basis of accounting.
  - b. Discussed with the management on future business and their plans to ensure that the Company is able to meet its financial obligations in the foreseeable future.
  - c. Read the minutes of board of directors meeting for discussion on future business plans and on liquidating certain assets to ensure availability of liquid funds.
  - d. Verified that the promoter company has supported the Company in the past when the need arose. Based on the above procedures, we noted the management assessment of going concern basis of accounting as appropriate.
- c. Recoverability of long overdue receivables and Other Current and financial Assets (Refer Note no.53 to the financial statements)

The Company has long overdue receivables of Rs.11,29.57 Lakhs out of total receivables of Rs.22,46.57 Lakhs and 'Other current assets' in Note no.10 include Rs.72,22.50 Lakhs and Note no.7 'Other financial assets' include interest thereon of Rs.718.06 Lakhs, aggregating to Rs.79,40.56 Lakhs given as Business advance and

converted into Inter-corporate Deposit w.e.f., 31 May 2019 which are outstanding beyond normal credit period of trade and beyond reasonable period etc.

We considered this as a Key Audit Matter on account of risk associated with long outstanding receivables and the other Current Assets, pending reconciliation and confirmations from parties concerned. The Company's assessment of the recoverability of the receivables and Other current and financial assets requires significant Management estimates and judgments.

Specific factors considered by the Management include dues from the Government departments, related group companies, and the expectation of recoveries of such current assets.

**Auditor's Response:**

We have analysed the effectiveness of the controls and methodologies adopted related to assessment of recoverability of receivables and the current and financial assets and determining the provisions for credit loss.

Verified the completeness and accuracy of data considered for ageing analysis and assessment of recoverability of receivables and current and financial assets and determination of the provision of the expected credit loss.

Obtained the payment plans as explained by the Management and checked if the collections were as per the said plans subsequent to the year end.

However, the above are pending reconciliation and confirmations from the parties concerned, hence the said note is to be read with the Note no. 3(c) herein the audit report.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on work we have performed, we conclude that there is a material misstatement of this other information, we will communicate that matter to those charged with governance. We have nothing to report in this regard.

## 6. Responsibility of Management for the Financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the IND AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

## 7. Auditor's Responsibility for the audit of the financial statements

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

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

- . Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- . Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 8. Report on Other Legal and Regulatory Requirements

- A) As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, ("the Order"), and on the basis of such checks of the books and records of the Company, as we consider appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- B) As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the IND AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the Directors as at 31st March, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial

- controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of the Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors including Executive Director during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the IND AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

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

**CA B S SHARMA**  
Proprietor.  
Membership No.031578  
UDIN NO.20031578AAAACF4127

Place: Mumbai,  
Dated: 30 July 2020



## Annexure “A”

### DILIGENT MEDIA CORPORATION LIMITED

Referred to in Paragraph 8(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 2020:

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

#### i) In respect of its fixed assets

- a) The company has maintained proper records showing full particulars including Quantitative details and situation of its fixed assets.
- b) According to the information and explanation given to us by the management of the company, majority of the fixed assets of the company have been physically verified, in phased manner, by the management during the year and the intervals of such verification had also been reasonable. As informed, no discrepancies were noticed on such verification.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of leasehold land including improvement thereon and buildings are held in the name of the Company.

#### ii) Inventories

- a) The inventories have been physically verified by the Management at reasonable intervals during the year.
- b) In our opinion the procedure of such physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- c) In our opinion, the Company has maintained proper records of inventory and no material discrepancies

were noticed on such verification of stock as compared to book records.

- iii) Based on our verification of the books and records and as per information and explanations given and documents produced before us by the management, the company has not granted any secured or unsecured loans to companies, firms, limited liabilities partnership firms or others parties covered in the Registers maintained under Section 189 of the Companies Act, 2013 (the Act).
- iv) In our opinion, according to the information and explanations given to us, the Company has neither given any loans to director/s nor has given any guarantee/s or has not provided any security/ies during the year. The company has not made any investments. Hence provisions of Section 185 and Section 186 of the Act are not applicable.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public as covered under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, hence clause (v) of the Order is not applicable.
- vi) We have been informed by the management that the maintenance of cost records has not been prescribed by the Central Government under section (1) of section 148 of the Act.
- vii) a) According to the books, records as produced and examined by us in accordance with Generally Accepted Auditing Practices in India and also based on management representations, statutory dues in respect of provident fund, employee state insurance, income tax, wealth tax, service tax, sales tax, value added tax, excise duty, cess and other material statutory dues have generally been regularly deposited by the company.  
 b) According to information and explanations given to us, there are disputed amounts payable in respect of income tax, outstanding as on 31st March, 2020:

Name of the Statute	Nature of Dues	Amount (₹) in Lakhs	Period to which the amount relates	Forum where the dispute is pending
Fring Benefit Tax	Tax on Employees benefits	3.63	A Y 2006-07	Commissioner of Income tax (Appeals)
Income tax Act	Income tax demand	33.37*	A Y 2010-11	-- do --
Income tax Act	Penalty u/s 271©	4.40	A Y 2008-09	-- do --

\* pending rectification under Section 154 of the Income tax Act 1961, which will result in Nil demand and the same will be remitted.

- c) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, GST, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
- viii) As observed by us and as per the information and explanations given by the Management, on the basis of the records verified, there are no loans taken from financial institutions or banks during the year under audit, hence the clause (viii) of the Order is not applicable.
- ix) The Company has not raised any money/s by way of initial public offer or further public offer (including debt instruments) or term loans hence reporting under the clause (ix) of the Order is not applicable.
- x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided as detailed in Note no.49 to the financial statements,

managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.

- xii) The Company is not a Nidhi Company, hence reporting under clause 3(xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed at Note no.30 to the financial statements as required by the applicable accounting standards.
- xiv) During the year, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review hence the clause (xiv) of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Act are not applicable.
- xvi) In our opinion and according to the information given, the company is not required to be registered under Section 45-I of the Reserve Bank of India Act 1934.

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

**CA B S SHARMA**  
Proprietor  
Membership No.031578  
UDIN20031578AAAACF4127

Place: Mumbai  
Dated: 30 July 2020

## Annexure “B”

To the Independent Auditor’s Report

Report on the Internal Financial Controls Over Financial Reporting (IFCOFR) under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”), as referred to in paragraph 8(B)(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date, to the Members of Diligent Media Corporation Limited, on the financial statements for the year ended 31 March 2020.

We have audited the internal financial controls over financial reporting of Diligent Media Corporation Limited (“the Company”) as of 31 March 2020 in conjunction with our audit of the 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### 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 authorizations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### 4. Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### 5. Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all

material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting, checked on test basis, considering the nature and size of business and operations with internal checks and controls, were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

**CA B S SHARMA**  
Proprietor  
Membership No.031578  
UDIN20031578AAAACF4127

Place: Mumbai  
Dated: 30 July 2020

## Balance Sheet as at 31st March, 2020

(₹ in lakhs)

Particulars	Note	31-03-2020	31-03-2019
<b>A. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	4	17,551.60	18,795.08
(b) Other intangible assets	5	135.98	196.74
(c) Financial assets			
(i) Other financial assets	6	40.44	41.43
(d) Income tax assets (net)	7	581.74	493.13
(e) Deferred tax assets	8	10,985.92	10,985.92
(f) Other non-current assets	9	-	-
<b>Total non-current assets</b>		<b>29,295.68</b>	<b>30,512.30</b>
<b>2. Current assets</b>			
(a) Inventories	10	162.26	699.97
(b) Financial assets			
(i) Trade receivables	11	2,246.57	3,523.73
(ii) Cash and cash equivalents	12(a)	317.65	526.68
(iii) Other bank balances	12(b)	105.70	298.28
(iv) Other financial assets	6	897.91	207.33
(c) Other current assets	9	7,472.45	6,339.16
<b>Total current assets</b>		<b>11,202.53</b>	<b>11,595.15</b>
<b>Total assets</b>		<b>40,498.21</b>	<b>42,107.45</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	13(a)	1,177.08	1,177.08
(b) Instruments entirely equity in nature	13(b)	-	-
(c) Other equity	14	(54,506.12)	(48,068.73)
<b>Total equity</b>		<b>(53,329.04)</b>	<b>(46,891.65)</b>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings			
(a) Redeemable preference shares	15(a)	43,626.56	43,626.56
(b) Others	15(b)	-	38,169.84
(ii) Other financial liabilities	16	83.83	90.45
(b) Provisions	17	59.89	396.88
(c) Other Non Current Liabilities	18	-	2.19
<b>Total non-current liabilities</b>		<b>43,770.28</b>	<b>82,285.92</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	42,724.83	-
(ii) Trade payables	19		
Dues of micro enterprises and small enterprises		24.13	71.91
Dues of creditors other than micro enterprises and small enterprises		971.79	1,526.31
(iii) Other financial liabilities	16	3,668.04	3,331.83
(b) Provisions	17	1.02	15.38
(c) Other current liabilities	18	2,667.16	1,767.75
<b>Total current liabilities</b>		<b>50,056.97</b>	<b>6,713.18</b>
<b>Total equities and liabilities</b>		<b>40,498.21</b>	<b>42,107.45</b>

### Notes forming part of the Financial Statements

1-61

As per our attached report of even date

For and on behalf of the Board

**For B S Sharma & Co.**

Chartered Accountants

Firm Registration No. : 128249W

**CA B S Sharma**

Proprietor

Membership No. 031578

Place: Mumbai

Date: 30 July 2020

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**Nishikant Upadhyay**  
Director

**Dinesh Kumar Garg**  
Director

**Ankit Shah**  
Company Secretary

**Rajendra Bathula**  
Chief Financial Officer

## Statement of Profit and Loss for the year ended 31st March, 2020

(₹ in lakhs)

Particulars	Note	31-03-2020	31-03-2019
<b>Revenue</b>			
Revenue from operations	20	126.65	152.95
<b>Total</b>		<b>126.65</b>	<b>152.95</b>
<b>Expenses</b>			
Other expenses	21	116.72	137.25
<b>Total expenses</b>		<b>116.72</b>	<b>137.25</b>
<b>Profit/(Loss) before Tax</b>		<b>9.93</b>	<b>15.70</b>
<b>Less: Tax expense</b>			
Current tax - current year		-	-
- earlier year		-	-
Deferred tax charge /(benefit)		-	-
<b>Net Profit/(Loss) after tax from continuing operations</b>		<b>9.93</b>	<b>15.70</b>
Profit/(Loss) for the year from discontinued operation		(6,485.37)	(5,779.09)
Tax expenses of discontinued operations		-	-
Profit/(Loss) from discontinued operations		(6,485.37)	(5,779.09)
<b>Profit/(Loss) for the year</b>		<b>(6,475.44)</b>	<b>(5,763.39)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement gains and (losses) on defined benefit obligations		38.04	38.74
Tax impact thereon		-	(11.27)
<b>Total other comprehensive income</b>		<b>38.04</b>	<b>27.47</b>
<b>Total comprehensive loss for the year, net of tax</b>		<b>(6,437.40)</b>	<b>(5,735.92)</b>
<b>Earning/Loss per share (face value of ₹ 1 each)</b>	23		
Basic & Dilluted [for Continued Business (₹)]		0.01	0.01
Basic & Dilluted [for Discontinued Business (₹)]		(5.51)	(4.91)
Basic & Dilluted [for Continued & Discontinued Business (₹)]		(5.50)	(4.90)

### Notes forming part of the Financial Statements

As per our attached report of even date

#### For B S Sharma & Co.

Chartered Accountants  
Firm Registration No. : 128249W

#### CA B S Sharma

Proprietor  
Membership No. 031578  
Place: Mumbai  
Date: 30 July 2020

1-61

For and on behalf of the Board

Nishikant Upadhyay  
DirectorDinesh Kumar Garg  
DirectorAnkit Shah  
Company SecretaryRajendra Bathula  
Chief Financial Officer

## Statement of Cash Flows for the year ended 31st March, 2020

(₹ in lakhs)

Particulars	31-03-2020	31-03-2019
<b>A. NET CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Tax from continuing operations	9.93	15.70
Profit/(Loss) before Tax from discontinued operations	(6,485.37)	(6,905.76)
<b>Profit before Tax</b>	<b>(6,475.44)</b>	<b>(6,890.06)</b>
<b>Adjustments for:</b>		
Depreciation and amortization expense (Discontinued operations)	1,172.26	1,277.07
Bad debts and advances written off, allowance for credit losses on financial assets (net) (Discontinued operations)	-	28.47
Balances written back (Discontinued operations)	(6.32)	(0.01)
Profit/(Loss) on sale of fixed assets (Discontinued operations)	119.50	(73.42)
Exchange adjustments (net) (Discontinued operations)	5.52	132.56
Remeasurement gains / (losses) on defined benefit plan (Discontinued operations)	38.04	38.74
Interest expense (Discontinued operations)	4,756.39	4,261.41
Interest income (Discontinued operations)	(733.13)	(34.93)
Operating loss before working capital changes (Continuing operations)	9.93	15.70
Operating loss before working capital changes (Discontinued operations)	(1,133.12)	(1,275.87)
<b>Operating loss before working capital changes</b>	<b>(1,123.19)</b>	<b>(1,260.17)</b>
<b>Adjustments for:</b>		
(Increase)/decrease in trade and other receivables (Continuing operations)	(148.83)	4.44
(Increase)/decrease in trade and other receivables (Discontinued operations)	336.94	(4,201.81)
(Increase)/decrease in inventories (Discontinued operations)	537.71	262.00
(Increase)/decrease in trade and other payables (Continuing operations)	23.93	18.18
(Increase)/decrease in trade and other payables (Discontinued operations)	37.27	(898.64)
Cash generated from operations (Continuing operations)	(114.97)	38.31
Cash generated from operations (Discontinued operations)	(221.19)	(6,114.31)
<b>Cash generated from operations</b>	<b>(336.16)</b>	<b>(6,076.00)</b>
Direct taxes (net of refunds) (Continuing operations)	6.71	0.09
Direct taxes (Net of refunds) (Discontinued operations)	(95.31)	(54.77)
Net cash flow from / (used) in operating activities (Continuing operations) (A)	(108.26)	38.40
Net cash flow from / (used) in operating activities (Discontinued operations) (A1)	(316.51)	(6,169.08)
<b>Net cash generated by operating activities</b>	<b>(424.76)</b>	<b>(6,130.68)</b>

## Statement of Cash Flows for the year ended 31st March, 2020

(₹ in lakhs)

Particulars	31-03-2020	31-03-2019
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (including capital work-in-progress)	(4.10)	(62.17)
Sale of property, plant and equipment	15.91	5,766.19
Interest received	11.35	39.01
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)	23.16	5,743.03
<b>Net cash used in investing activities</b>	<b>23.16</b>	<b>5,743.03</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of short term borrowings	-	-
Proceeds from issue of compulsory convertible debentures	-	-
Interest payment	-	-
Net cash flow from/(used) in financing activities (Continuing operations)	-	-
Net cash from from/(used) in financing activities (Discontinued operations)	-	-
<b>Net cash used in financing activities (C)</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents (Continuing operations) (A+B+C)	(108.26)	38.40
Net increase/(decrease) in cash and cash equivalents (Discontinued operations) (A+B+C)	(293.34)	(426.05)
Net increase/(decrease) in cash and cash equivalents	(401.60)	(387.65)
Cash/cash equivalents at the beginning of the year (Continuing operations)	80.13	41.73
Cash/cash equivalents at the beginning of the year (Discontinued operations)	744.83	1,170.88
<b>Cash/cash equivalents at the beginning of the year</b>	<b>823.35</b>	<b>1,212.61</b>
Cash and cash equivalents at the end of the year (Continuing operations)	(28.12)	80.13
Cash and cash equivalents at the end of the year (Discontinued operations)	451.47	744.83
<b>Cash and cash equivalents at the end of the year</b>	<b>423.35</b>	<b>824.96</b>

### Notes:

- Cash and cash equivalents at the end of the year includes other bank balances of ₹ 105.70 lacs (₹ 298.28 Lacs) (Refer Note No. 12b)
- Previous year figures are regrouped / reclassified wherever considered necessary.

As per our attached report of even date

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

**CA B S Sharma**  
Proprietor  
Membership No. 031578  
Place: Mumbai  
Date: 30 July 2020

For and on behalf of the Board

**Nishikant Upadhyay**  
Director

**Ankit Shah**  
Company Secretary

**Dinesh Kumar Garg**  
Director

**Rajendra Bathula**  
Chief Financial Officer



## Statement of Changes in Equity for the year ended 31st March, 2020

### a) Equity share capital

Particulars	Note	(₹ in lakhs)
<b>As at 01 April 2019</b>		1,177.08
Changes in equity share capital during the year	13	-
<b>Balance as at 31 March 2020</b>		<b>1,177.08</b>

### b) Other equity

Particulars	Reserves and Surplus		Total other equity
	General Reserve	Retained earnings	
<b>Balance as at 01 April 2019</b>	<b>17,498.91</b>	<b>(65,567.64)</b>	<b>(48,068.73)</b>
Loss for the period	-	(6,475.44)	(6,475.44)
Other comprehensive income for the year	-	38.04	38.04
<b>Balance as at 31st March 2020</b>	<b>17,498.91</b>	<b>(72,005.04)</b>	<b>(54,506.12)</b>

### Notes forming part of the Financial Statements 1-61

As per our attached report of even date

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

**CA B S Sharma**  
Proprietor  
Membership No. 031578  
Place: Mumbai  
Date: 30 July 2020

For and on behalf of the Board

**Nishikant Upadhyay**  
Director

**Dinesh Kumar Garg**  
Director

**Ankit Shah**  
Company Secretary

**Rajendra Bathula**  
Chief Financial Officer

# Notes forming part of the Financial Statements

## 1 Corporate information

Diligent Media Corporation Limited ('the Company') was incorporated in the State of Maharashtra on 17th February 2005 and is in the business of printing, publication and distribution of newspapers and printing of books and other periodicals.

The Separate financial statements (hereinafter referred to as "Financial Statements") of the company for the year ended 31 March 2020 were approved by the Board of Directors and authorised for issue on 30 July 2020.

During the year, the Company has discontinued its business of printing operations and the management is in the process of evaluating various alternate options, including expansion of Digital media platform.

## 2 Significant accounting policies

### i Basis of preparation and measurement of financial statements

#### a Basis of preparation

"These financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and guidelines issued by Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in financials statements. All the assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria as set out in the Division II of Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency')."

#### b Basis of measurement

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

### ii Revenue recognition

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

- a Advertisement revenue (net of discount and volume rebates) is recognized when the related advertisement is published.
- b Circulation revenue and sale of wastage and scrap is recognised when all the significant risks and rewards of ownership have passed on to the buyer, usually on delivery of the goods and is disclosed net of sales return, trade discounts and taxes.
- c Revenue from printing job work is recognized on the completion of the work.
- d Syndication revenue and royalty income is accounted as per agreed terms.
- e Revenue from subscription scheme is recognised based on the sales value of the item delivered in relation to the total sales value of all items covered by the subscription and the same has been netted off against circulation scheme promotion expense.
- f Participation fee is recognised when same is acknowledged by the parties
- g Interest income is recognised using the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial assets. Interest income is included in finance income in the statement of profit and loss.
- h Rent income is recognised on accrual basis as per the agreed terms.

## Notes forming part of the Financial Statements

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

### iii Leases

With effect from 1st April, 2019, Ind AS 116 – “Leases” (Ind AS 116) replaces Ind AS 17 – “Leases”. The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

### iv Non-current assets held for sale / discontinued operations / Liabilities directly associated with assets classified as held for sale:

The Company classifies non-current assets as held for sale/ discontinued operations if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

## Notes forming part of the Financial Statements

- Represents a separate major line of business or geographical area of operations,
  - Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Or
- Is a subsidiary acquired exclusively with a view to resale
- Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

### v Transactions in foreign currencies

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

- a Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.
- b Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting date of such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.
- c Non-monetary foreign currency items are carried at historical cost are translated at the exchange rate prevalent at the date of the transaction.

### vi Employee benefits

- a "The Company operates both defined benefit and defined contribution schemes for its employees. For defined contribution schemes the amount charged as expense is equal to the contributions paid or payable when employees have rendered services entitling them to the contributions. For post-employment benefit plans and other long term employee benefit plans, actuarial valuations are carried out at each balance sheet date using the Projected Unit Credit Method. Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods. All such plans are unfunded.
- b The Company recognises service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income as an expense in the statement of profit and loss.
- c The Company's contributions paid / payable towards the defined contribution plan is recognized as expense in the Statement of Profit and Loss during the period in which the employee renders the related service.
- d Short-term employee benefits are expensed at the undiscounted amount in the Statement of Profit and Loss in the year the employee renders service.

### vii Income taxes

Tax expense comprises of current and deferred tax.

#### a Current tax

Current tax is recognized in the statement of profit and loss except to the extent that the tax relates to items

## Notes forming part of the Financial Statements

recognized directly in other comprehensive income or directly in equity. Current tax in accordance with Income tax Act 1961 for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **b Deferred tax**

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

### **viii 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

### **ix 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.

### **x Depreciation / Amortisation on Property plant and equipment / Intangible assets**

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

- a Depreciation on Property, plant and equipment is provided on straight-line method as per the useful life prescribed in Part C of Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc.

Plant & Machinery (Press) - 16 years

## Notes forming part of the Financial Statements

Factory Building (Press) - 35 years .

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

### Particulars

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

- b. Premium on Leasehold Land is amortized over the period of Lease.
- c. Intangible assets are amortised on straight line basis over their respective individual useful lives estimated by the management.

### **xi Impairment of non-financial assets**

The carrying amounts of the Company's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. An impairment is recognised in income statement whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of net selling price, defined as the fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which estimates of future cash flows have not been adjusted.

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

### **xii 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.

### **xiii 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.

## Notes forming part of the Financial Statements

- a Stock of Newsprint and Consumable items is valued at lower of cost or net estimated realizable value. Cost is determined on First in First out Basis (FIFO).
- b Scrap and Waste Paper Stock is valued at net estimated realisable value.
- c Stores and Spares are valued at lower of weighted average cost or net realizable value.
- d Finished goods (Magazines) - Lower of cost or net realisable value. Cost is determined on a weighted average basis

### xiv Financial Instruments

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

#### Initial Recognition

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

#### Subsequent Measurement

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

#### Debt Instrument

##### Amortised Cost

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

##### Fair value through other comprehensive income (FVTOCI)

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principle and interest.

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

## Notes forming part of the Financial Statements

### **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.

### **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



## Notes forming part of the Financial Statements

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.

## **xv Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a probable, present legal or constructive obligation to make a transfer of economic benefits as a result of past events where a reliable estimate is available. The amounts recognised represent the Company's best estimate of the transfer of benefits that will be required to settle the obligation as of the reporting date. Provisions are discounted if the effect of the time value of money is material using a pre-tax market rate adjusted for risks specific to the liability.

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

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

## **xvi Earnings per share**

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

## Notes forming part of the Financial Statements

### xvii Cash and cash equivalents

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

### xviii 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.

## 3 Critical accounting judgements and estimates

### a Contingencies and commitments

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

### b Useful lives and residual values

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

### c Impairment testing

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

### d Taxes

- a) The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.
- b) Accruals for tax contingencies require management to make judgements and estimates in relation to tax audit issues and exposures.
- c) The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted.

## Notes forming part of the Financial Statements

Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax Company in which the deferred tax asset has been recognized.

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

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### **f Fair value measurement**

A number of company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirety 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

### DETAILS FOR THE PERIOD ENDED 31st MARCH 2020 4 & 5 FIXED ASSETS SCHEDULE

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01-04-2019	Additions	Deduction	As at 31-03-2020	As at 01-04-2019	For the year	Addition	Accum dep on sale	As at 31-03-2020	As at 31-03-2019
<b>Intangible Assets</b>										
Technical Know How	2,697.49	-	-	2,697.49	2,500.75	60.77	-	-	2,561.51	196.74
<b>Sub Total</b>	<b>2,697.49</b>	<b>-</b>	<b>-</b>	<b>2,697.49</b>	<b>2,500.75</b>	<b>60.77</b>	<b>-</b>	<b>-</b>	<b>2,561.51</b>	<b>196.74</b>
Leasehold Land - Press	6,187.56	-	-	6,187.56	453.44	80.54	-	-	533.98	5,734.12
Factory Building - Press	5,013.70	-	-	5,013.70	854.30	135.25	-	-	989.55	4,159.40
Plant & Machinery	13,230.32	-	-	13,230.32	4,624.51	800.58	-	-	5,425.09	8,605.81
Furniture & Fixtures - Office	152.53	-	-	152.24	94.17	10.75	-	-	104.91	58.36
Computer & Software - Office	1,467.90	4.01	1,472.91	0.00	1,349.83	25.72	1.00	1,376.53	-0.00	118.07
Office Equipments - Office	256.79	0.09	256.88	-	200.93	26.40	0.01	227.35	-	66.86
Vehicle	4.40	-	-	4.40	2.32	0.41	-	-	2.73	1.67
Lease hold Improvements	103.80	-	-	103.80	52.43	30.83	-	-	83.27	20.54
<b>Capital Work in Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sub Total</b>	<b>26,427.00</b>	<b>4.10</b>	<b>1,739.49</b>	<b>24,691.14</b>	<b>7,631.92</b>	<b>1,110.48</b>	<b>1.01</b>	<b>1,603.88</b>	<b>7,139.53</b>	<b>17,551.60</b>
<b>Total</b>	<b>29,124.01</b>	<b>4.10</b>	<b>1,739.49</b>	<b>27,388.63</b>	<b>10,132.68</b>	<b>1,171.24</b>	<b>1.01</b>	<b>1,603.88</b>	<b>9,701.05</b>	<b>18,991.33</b>

## Notes forming part of the Financial Statements

(₹ in lakhs)

Particulars	Non current	Current	Non current	Current
	As at 31-3-2020	As at 31-3-2020	As at 31-3-2019	As at 31-3-2019
<b>6 Other non-current financial assets</b>				
Security Deposits (unsecured, considered good)	41.36	20.28	41.43	63.13
Security Deposits (unsecured, considered doubtful)	0.00		0.92	-
Less: Provision for doubtful advances	(0.92)		(0.92)	-
Interest accrued on bank deposits	-	0.71	-	2.57
Loan to Employees	-	23.42	-	23.42
Less: Provision for doubtful on loan to employees	-	(23.42)	-	(23.42)
<b>Other Receivables</b>				
From Others	-	876.93	-	141.63
<b>Total</b>	<b>40.44</b>	<b>897.91</b>	<b>41.43</b>	<b>207.33</b>

(₹ in Lakhs)

Particulars	As at 31-3-2020	As at 31-3-2019
<b>7 Income tax assets (net)</b>		
Balance with Government authority		
- Advance Tax (net of provisions)	581.74	493.13
<b>Total</b>	<b>581.74</b>	<b>493.13</b>

(₹ in Lakhs)

Particulars	As at 31-3-2020	As at 31-3-2019
<b>8 Deferred Tax Assets (Please refer Note No. 33)</b>		
Arising on account of timing differences in Employee retirement benefits	108.77	108.77
Depreciation	(1,472.83)	(1,472.83)
Unabsorbed tax losses and depreciation	12,349.98	12,349.98
<b>Total</b>	<b>10,985.92</b>	<b>10,985.92</b>

## Notes forming part of the Financial Statements

Particulars	Non current		Current	
	As at 31-3-2020	As at 31-3-2020	As at 31-3-2019	As at 31-3-2019
<b>9 Other Assets</b>				
Capital advances (Unsecured)	-	29.20	-	29.20
Prepaid expenses	-	-0.00	-	19.04
Advance to others (Unsecured)	-	7,443.25	-	6,265.37
Balance with government authorities				
Indirect taxes	-	-	-	25.55
<b>Total</b>	-	<b>7,472.45</b>	-	<b>6,339.16</b>

(₹ in Lakhs)

Particulars	As at	
	31-3-2020	31-3-2019
<b>10 Inventories</b>		
Newsprint	36.57	479.46
Consumables and Stores, Spares and parts	125.16	170.11
Scrap and waste Papers	0.54	1.10
Finished goods	-	49.30
<b>Total</b>	<b>162.26</b>	<b>699.97</b>

(₹ in lakhs)

Particulars	As at	
	31-3-2020	31-3-2019
<b>11 Trade Receivables (Unsecured)</b>		
- Considered good	2,246.57	3,523.73
- Considered doubtful	144.45	144.47
	<b>2,391.02</b>	<b>3,668.20</b>
Less: Allowances for credit losses	144.45	144.47
<b>Total</b>	<b>2,246.57</b>	<b>3,523.73</b>

(₹ in Lakhs)

For details relating to related party, refer Note No. 30.

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days. The Company's exposure to credit and currency risks related to trade receivables is disclosed in Note No. 32.

Particulars	As at	
	31-3-2020	31-3-2019
<b>12A Cash and cash equivalents</b>		
Balances with Banks		
- In Current Accounts	317.35	525.16
Cash on Hand	0.30	1.52
<b>Total</b>	<b>317.65</b>	<b>526.68</b>

(₹ in Lakhs)

## Notes forming part of the Financial Statements

		(₹ in lakhs)	
Particulars	As at 31-3-2020	As at 31-3-2019	
<b>12B Other Bank Balances</b>			
Fixed deposit with Maturity for more than 3 months but less than 12 months *	105.70	298.28	
<b>Total</b>	<b>105.70</b>	<b>298.28</b>	

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

		(₹ in Lakhs)	
Particulars	As at 31-3-2020	As at 31-3-2019	
<b>13 (a) Equity Share Capital</b>			
<b>Authorised *</b>			
1,635,500,000 (1,635,000,000) Equity Shares of ₹ 1 each	16,355.00	16,355.00	
	<b>16,355.00</b>	<b>16,355.00</b>	
<b>Issued, Subscribed and Fully Paid up</b>			
117,708,018 (117,708,018) Equity Shares of ₹ 1 each fully paid up	1,177.08	1,177.08	
<b>Total</b>	<b>1,177.08</b>	<b>1,177.08</b>	

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

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

		(₹ in Lakhs)	
Particulars	As at 31-3-2020	As at 31-3-2019	
At the beginning of the period	1,177.08	1,177.08	
<b>At the closing of the period</b>	<b>1,177.08</b>	<b>1,177.08</b>	

### (ii) Terms / rights attached to equity shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes forming part of the Financial Statements

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

	As at 31-3-2020		As at 31-3-2019	
	No. of equity shares	% Shareholding	No. of equity shares	% Shareholding
25FPS Media Pvt Ltd	37,924,613	32.22	37,924,613	32.22
Arm Infra & Utilities Pvt Ltd	35,243,182	29.94	38,113,821	32.38

(iv) The Company has not issued any bonus shares or bought back any shares during five years preceeding 31 March 2020. Details of aggregate number of shares issued for consideration other than cash during five years preceding 31 March 2020.

	As at 31-3-2020	As at 31-3-2019
Equity Shares of ₹ 1/- each fully paid up issued pursuant to Scheme	117,708,018	117,708,018

### 13 (b) Instruments entirely equity in nature

Compulsory Convertible Debentures

Particulars	(₹ in lakhs)	
	As at 31-3-2020	As at 31-3-2019
Balance at the beginning of the reporting period (Reclassification of debt instrument)	-	-
Changes in compulsorily convertible debentures during the period	-	-
<b>Balance at the end of the reporting period</b>	-	-

### 14 Other equity

Particulars	(₹ in lakhs)	
	As at 31-3-2020	As at 31-3-2019
<b>General Reserve</b>		
As per last Balance sheet	17,498.91	17,498.91
<b>Deficit in statement of profit and loss</b>		
As per last Balance sheet	(65,567.63)	(59,831.72)
Loss for the period transfer from Statement of profit and loss	(6,475.44)	(5,763.39)
Re-measurement gains/(losses) on defined benefit plans	38.04	27.47
	<b>(72,005.04)</b>	<b>(65,567.64)</b>
<b>Total</b>	<b>(54,506.12)</b>	<b>(48,068.73)</b>



## Notes forming part of the Financial Statements

(₹ in Lakhs)

Particulars	Non current	Current	Non current	Current
	As at 31-3-2020	As at 31-3-2020	As at 31-3-2019	As at 31-3-2019
<b>15 Borrowings - Unsecured</b>				
<b>(a) Redeemable Preference Shares*</b>				
4,362,656,265 6% Non-cumulative, Non convertible redeemable preference shares of ₹ 1 each fully paid up	43,626.56	-	43,626.56	-
<b>Total</b>	<b>43,626.56</b>	<b>-</b>	<b>43,626.56</b>	<b>-</b>
<b>(b) Secured - Others</b>				
11.90% Non Convertible Debentures**	-	42,724.83	38,169.84	-
<b>Total</b>	<b>-</b>	<b>42,724.83</b>	<b>38,169.84</b>	<b>-</b>

### Non-cumulative, Non convertible redeemable preference shares\*

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

### SCHEDULED PAYOUTS\*\*

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

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

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

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

## Notes forming part of the Financial Statements

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

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

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

Particulars	(₹ in lakhs)			
	Non current As at 31-3-2020	Current As at 31-3-2020	Non current As at 31-3-2019	Current As at 31-3-2019
<b>16 Other financial liabilities</b>				
Current maturities of long-term debt			-	-
Deposits for rental premises and others	83.83	6.77	90.45	26.58
Other payables	-		-	
to Related party	-	1,169.72	-	669.81
to Others	-	2,475.17	-	2,615.80
Creditors for Capital Goods	-	16.38	-	19.64
Book overdrafts	-		-	-
<b>Total</b>	<b>83.83</b>	<b>3,668.04</b>	<b>90.45</b>	<b>3,331.83</b>

\* For details relating to related party, Refer Note No. 30.

Particulars	(₹ in lakhs)			
	Non current As at 31-3-2019	Current As at 31-3-2019	Non current As at 31-3-2018	Current As at 31-3-2018
<b>17 Provisions</b>				
Provision for employee benefits				
- Gratuity	56.47	0.92	317.18	11.29
- Leave Benefits	3.42	0.11	79.70	4.09
<b>Total</b>	<b>59.89</b>	<b>1.02</b>	<b>396.88</b>	<b>15.38</b>

## Notes forming part of the Financial Statements

(₹ in lakhs)

Particulars	Non current As at 31-3-2020	Current As at 31-3-2020	Non current As at 31-3-2019	Current As at 31-3-2019
<b>18 Other liabilities</b>				
Unearned Revenue	-	52.93	0.01	221.15
Prepaid advances	-	-	2.18	3.36
Statutory Dues	-	13.23	-	59.56
Income received in advance	-	-	-	-
Related party*	-	1,295.13	-	1,321.53
Others	-	206.87	-	162.15
Others-advance against sale of Land	-	1,099.00	-	-
<b>Total</b>	<b>-</b>	<b>2,667.16</b>	<b>2.19</b>	<b>1,767.75</b>

\* For details relating to related party, refer Note 30.

(₹ in lakhs)

Particulars	As at 31-3-2020	As at 31-3-2019
<b>19 Financial liabilities</b>		
Trade payables		
Dues of micro enterprises and small enterprises	24.13	71.91
Dues of creditors other than micro enterprises and small enterprises	971.79	1,526.31
<b>Total</b>	<b>995.92</b>	<b>1,598.22</b>

Terms and conditions of the above Financial liabilities :

- Trade and other payables are non-interest bearing and are generally on terms of 30 to 90 days.
- For details relating to related party, Refer Note No. 30.

(₹ in lakhs)

Particulars	Year ended 31-3-2020	Year ended 31-3-2019
<b>20 Revenue From Operations</b>		
Syndication revenue	126.65	152.95

(₹ in lakhs)

Particulars	Year ended 31-3-2020	Year ended 31-3-2019
<b>21 Other Expenses</b>		
General & Other Expenses	116.72	137.25

## Notes forming part of the Financial Statements

(₹ in lakhs)

Particulars	Year ended 31-3-2020	Year ended 31-3-2019
<b>22 Revenue From Operations (Discontinued Operations)</b>		
<b>a Sale of products</b>		
Circulation revenue	267.41	884.68
<b>b Sale of services</b>		
Advertisement revenue	1,876.84	6,496.72
Syndication revenue	2.40	7.79
Job revenue	1,325.24	3,528.44
<b>c Other operating revenues</b>		
Sale of waste and scrap	44.22	172.22
Royalty Income	13.24	23.79
Income from events and services	240.49	154.96
<b>Total</b>	<b>3,770.14</b>	<b>11,268.60</b>

(₹ in lakhs)

Particulars	Year ended 31-3-2020	Year ended 31-3-2019
<b>23 Other income (Discontinued Operations)</b>		
<b>Interest income from</b>		
Bank deposits	12.06	30.02
Financial assets carried at amortised cost	2.96	3.46
Interest on Income tax Refund	-	10.76
Interest on ICD and others	721.07	1.46
Rent Income	49.77	76.97
Profit on sale of fixed assets	0.30	73.42
Balances written back	6.32	0.01
Miscellaneous Income	8.58	177.08
<b>Total</b>	<b>801.06</b>	<b>373.18</b>

(₹ in lakhs)

Particulars	Year ended 31-3-2020	Year ended 31-3-2019
<b>24 A Cost of Raw Material Consumed (Discontinued Operations)</b>		<b>Newsprint</b>
Inventory at the beginning of the year	479.46	748.40
Add: Pursuant to scheme (refer Note No.38)		-
Add: Purchases (net)	425.63	3,310.66
(A)	905.09	4,059.06
Less: Inventory at the end of the year	36.57	479.46
(B)	36.57	479.46
<b>Total (A) - (B)</b>	<b>868.52</b>	<b>3,579.53</b>

## Notes forming part of the Financial Statements

Particulars	(₹ in lakhs)	
	Year ended 31-3-2020	Year ended 31-3-2019
<b>24 B (Increase) / Decrease In Inventories (Discontinued Operations)</b>		
<b>Scrap and waste papers</b>		
Inventory at the beginning of the year	(A) 1.10	1.17
Inventory at the end of the year	(B) 0.54	1.10
<b>Total (A) - (B)</b>	<b>0.56</b>	<b>0.07</b>

Particulars	(₹ in lakhs)	
	Year ended 31-3-2020	Year ended 31-3-2019
<b>25 Employee benefit expenses (Discontinued Operations)</b>		
Salaries and wages	1,720.54	4,167.00
Contribution to provident and other funds	82.50	229.10
Gratuity expense	34.77	43.89
Staff welfare expenses	5.93	26.92
<b>Total</b>	<b>1,843.74</b>	<b>4,466.91</b>

Particulars	(₹ in lakhs)	
	Year ended 31-3-2020	Year ended 31-3-2019
<b>26 Finance costs (Discontinued Operations)</b>		
<b>Interest on</b>		
-Financial liabilities carried at amortised cost	-	3.16
-Others	-	18.47
Premium on redemption of debentures	4,554.99	4,059.17
Guarantee Commission	201.40	180.60
Bank and other financial charges	4.57	30.28
<b>Total</b>	<b>4,760.26</b>	<b>4,291.68</b>

Particulars	(₹ in lakhs)	
	Year ended 31-3-2020	Year ended 31-3-2019
<b>27 Depreciation and amortisation expense (Discontinued Operations)</b>		
Depreciation on property, plant and equipment	1,111.49	1,216.47
Amortisation of intangible assets	60.77	60.60
<b>Total</b>	<b>1,172.26</b>	<b>1,277.07</b>

Particulars	(₹ in lakhs)	
	Year ended 31-3-2020	Year ended 31-3-2019
<b>28 Other Expenses (Discontinued Operations)</b>		
Power and Fuel	183.49	275.44
Jobwork charges	30.76	275.67

## Notes forming part of the Financial Statements

(₹ in lakhs)

Particulars	Year ended 31-3-2020	Year ended 31-3-2019
News Collection Expenses	192.48	539.91
Consumption of Stores and Spares	3.68	37.69
Direct Labour charges	105.82	175.93
Packing Material & Other Material consumed	608.97	1,211.46
Rent	13.86	73.42
<b>Repairs and Maintenance:</b>		
- Plant and Machinery	0.09	3.59
-Building	18.83	19.24
-Others	119.52	171.51
Insurance	18.51	6.36
Rates and Taxes	89.97	135.51
Electricity expenses	2.32	18.23
Legal and Professional expenses	54.77	107.49
Director's sitting fees	-	5.60
Printing and Stationery	16.67	52.27
Communication expenses	30.03	72.84
Travelling and Conveyance expenses	41.28	128.08
Payment to Auditor (Refer details below)	0.00	0.00
Marketing, distribution, business promotion expenses	348.05	657.54
Circulation Scheme Promotion expenses (net)	275.44	757.97
Commission	-	-
Hire & Service Charges	30.84	38.74
Provision for doubtful debts/advances	-	28.47
Loss on sale/discard of fixed assets	119.50	-
Loss on exchange difference (net)	5.52	132.56
General and other office expenses	100.52	6.76
Fair value loss on financial instruments at fair value through profit and loss		
<b>Total</b>	<b>2,411.23</b>	<b>4,932.28</b>

### Auditors Remuneration is as under:

(₹ in lakhs)

Particulars	Year ended 31-3-2020	Year ended 31-3-2019
<b>As Auditor</b>		
Audit Fee	9.00	9.00
Tax Audit Fee	1.00	1.00
Certification, tax representation and Interim audit	4.66	4.55
<b>Total</b>	<b>14.66</b>	<b>14.55</b>

## Notes forming part of the Financial Statements

### 29 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 25 "Employee benefit expenses" of the Statement of Profit and Loss.

#### B Defined Benefit Plans

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

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

Particulars	(₹ in lakhs)	
	Year ended 31-3-2020	Year ended 31-3-2019
	<b>Gratuity (Non funded)</b>	
<b>I. Expenses recognized in profit and loss</b>		
1 Current Service Cost	5.12	43.89
2 Past Service cost		-
3 Administrative expenses		-
4 Interest Cost	14.88	18.40
5 Actuarial Losses / (Gains)		
<b>Total Expenses</b>	<b>20.01</b>	<b>62.29</b>
<b>II. Amount recognized in other comprehensive income (OCI)</b>		
1 Opening amount recognized in OCI outside profit and loss account	44.75	83.50
2 <b>Remeasurement during the period due to</b>		
Experience adjustments	-31.15	-32.13
Changes in financial assumptions	7.88	-6.61
Changes in demographic assumptions		-
<b>Closing amount recognized in OCI outside profit and loss account</b>	<b>21.48</b>	<b>44.75</b>
<b>III. Net Asset/(Liability) recognized in the Balance Sheet</b>		
1. Present value of defined benefit obligation	-57.39	(328.46)
2. Net Asset / (Liability)	-57.39	(328.46)
<b>IV. Reconciliation of Net Asset/(Liability) recognized in the Balance Sheet</b>		
1 Net Asset/(Liability) at the beginning of year	(328.46)	(265.44)
2 Expense as per I above	(20.01)	(62.29)
3 Other comprehensive income as per II above	23.27	38.74
4 Benefit paid	267.81	40.20
5 Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	(79.66)

## Notes forming part of the Financial Statements

		(₹ in lakhs)	
Particulars	Year ended 31-3-2020	Year ended 31-3-2019	
6 Net Asset/(Liability) at the end of the year	(57.39)	(328.46)	
<b>V. Actuarial Assumptions:</b>			
1 Discount rate	6.66%	7.65%	
2 Expected rate of salary increase	5.00%	5.00%	
3 Mortality	IALM(2012-14) Ultimate	IALM(2006-08) Ultimate	
<b>VI. The following payments are expected to defined benefit plan in future years :</b>		(₹ in lakhs)	
1 Expected benefits for year 1	0.92	11.29	
2 Expected benefits for year 2 to year 5	6.62	40.49	
3 Expected benefits beyond year 5	49.85	276.69	

### VII. Sensitivity Analysis

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

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

#### Notes:

- (a) Amounts recognised as an expense and included in the Note 25 "Employee benefit expenses" are gratuity Rs. 34.77 lakhs (Rs. 43.89 lakhs) and leave encashment Rs. -7.47 lakhs (Rs. 0.96 lakhs). Net interest cost on defined benefit obligation recognised in Note 25 under "Finance cost" is Rs.14.88 lakhs (Rs. 18.40 lakhs).
- (b) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- (c) Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

### 30 Related Party Transactions

#### List of parties where control exists:-

**Direct Subsidiary, Indirect Subsidiary and Associates :** Nil



## Notes forming part of the Financial Statements

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

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

### Key Management Personnel & Director

A V Ramachandran (Executive Director - till December 12, 2019), Dinesh Garg (Non-Executive Director -w.e.f. March 30, 2019), Uma Mandavgane (Independent Director- till May 17, 2019), Vishal Malhotra (Independent Director), Mrs. Shilpi Asthana (Independent Director – w.e.f. May 30, 2019), Mr. Manoj Agarwal (Independent Director – w.e.f. May 30, 2019), Sanjeev Garg (Chief Executive Officer – w.e.f. May 30, 2019 - till October 10, 2019), Dinesh Agarwal (CFO till December 17, 2019) and Ankit Shah (Company Secretary - w.e.f. March 30, 2019).

	(₹ in lakhs)	
	31-3-2020	31-3-2019
<b>A) Transactions with related parties</b>		
<b>(i) With other related parties</b>		
<b>Advertisement Revenue</b>		
Zee Media Corporation Limited	0.82	99.91
Zee Entertainment Enterprises Limited	616.11	1,172.69
Zee Learn Limited	0.22	2.21
Dish TV India Limited	-	3.71
Essel Vision Productions Limited	5.00	16.35
Pan India Infraprojects Private Limited	-	3.00
Pan India Network Limited	-	1.00
MT Educare Limited	0.42	0.96
Zen Cruises Private Limited	-	59.62
<b>Job Work Revenue</b>		
Zee Entertainment Enterprises Limited	16.20	20.50
Dish TV India Limited	18.98	26.80
Zee Media Corporation Limited	11.91	13.19
Zee Learn Limited	71.72	413.10
Siti Networks Limited	11.07	15.88
<b>Purchase of services</b>		
Digital Subscriber Management And Consultancy Services Private Limited	-	3.99

## Notes forming part of the Financial Statements

(₹ in lakhs)

	31-3-2020	31-3-2019
<b>Financial Guarantee fees expense</b>		
Zee Media Corporation Limited	157.91	180.60
<b>Purchase of gold coins</b>		
Shirpur Gold Refinery Limited	38.06	150.34
<b>Rent expenses</b>		
Zee Entertainment Enterprises Limited	2.01	41.51
Essel Finance VKC Forex Limited	-	1.67
<b>Operational Expenses</b>		
Zee Entertainment Enterprises Limited	3.81	14.19
E-City Property Management & Services Private Limited	0.95	2.75
Essel Business Excellence Services Limited	1.41	8.93
<b>Advertisement Expenses</b>		
Zee Entertainment Enterprises Limited	-	3.58
<b>(ii) With Key Managerial Personnel/Director</b>		
<b>Remuneration paid/provided</b>		
A V Ramachandran	34.74	34.08
Vishal Malhotra (Sitting fees)	2.20	2.80
Manoj Agarwal (Sitting fees)	0.60	-
Shilpi Ashthana (Sitting fees)	1.60	-
Uma Mandaugana (Sitting fees)	-	2.80
<b>B) Balances outstanding</b>		
Debtors Having Credit Balances		
Zee Media Corporation Limited	962.13	946.53
Today Merchandise Private Limited	333.00	375.00
<b>Trade Payables</b>		
Digital Subscriber Management And Consultancy Services Private Limited	6.93	6.93
Pan India Network Infravest Private Limited	16.49	16.49
India Webportal Private Limited	1.48	1.48
Zee Entertainment Enterprises Limited	-	314.42
<b>Trade Receivables</b>		
Zee Entertainment Enterprises Limited	35.24	217.14
Zee Learn Limited	74.07	226.36
Pan India Infraprojects Private Limited	6.30	6.30
MT Educare Limited	0.01	0.21
Zen Cruises Private Limited	62.61	62.61
Siti Networks Limited	0.10	-

## Notes forming part of the Financial Statements

	(₹ in lakhs)	
	31-3-2020	31-3-2019
<b>Other Receivables</b>		
Essel Finance Management Llp	26.55	26.55
Shirpur Gold Refinery Limited	0.74	-
Cyquator Media Services Private Limited	81.11	81.11
Zee Entertainment Enterprises Limited	45.70	3.05
Zee Media Corporation Limited	1.32	1.32
Siti Networks Limited	0.58	-
Dish TV India Limited	0.18	-
Zee Learn Limited	0.73	-
<b>Other Payables</b>		
Essel Corporate Resources Private Limited	16.38	16.20
Essel Finance VKC Forex Limited	2.81	2.81
E-city Property Management & Services Private Limited	1.32	1.33
Shirpur Gold Refinery Limited	-	0.02
Zee Media Corporation Limited	1,204.73	649.19
Siti Vision Digital Media Private Limited	0.27	0.27
Essel Business Excellence Services Limited	11.77	-
<b>Preference Shares</b>		
Zee Media Corporation Limited	43,626.56	43,626.56

### Notes :

- i) All the transactions with related parties are made on arm's length basis in the ordinary course of business. The outstanding balances at year end are unsecured and interest free and settlement occurs in cash.
- ii) Salaries, allowances and perquisites paid to key managerial personnel/director for the year excludes leave encashment and gratuity provided on the basis of actuarial valuation on an overall Company basis. Allowances and perquisites are valued as per the Inome Tax Act, 1961.
- iii) The above disclosures are excluding Ind AS adjustments.

### 31 Discontinued Operation

With effect from October 10,2019 the Company has ceased to carry the print publication of all edition of its English Daily Newspaper called "DNA" and ceased to print with effect from October 11,2019 vernacular weekly magazine called 'Zee Marathi Disha'. As at 31st March 2020, the carrying amount of such assets and liabilities of dscontinuing opeartions which were not disposed off was Rs.40,332.49 Lakhs (previous year Rs.42,090.56 Lakhs) and Rs.40,441.13 Lakhs (previous year Rs.42,074.30 Lakhs) respectively. The following statement shows the revenue and expenses of continuing and discontinuing operations:

## Notes forming part of the Financial Statements

Particulars	Note	Continuing Operations		Note	Discontinuing Operations		Total	
		2019-20	2018-19		2019-20	2018-19	2019-20	2018-19
<b>Revenue</b>								
Revenue from operations	20	126.65	152.95	22	3770.14	11268.6	3896.79	11421.55
Other income				23	801.06	373.18	801.06	373.18
<b>Total Revenue</b>		<b>126.65</b>	<b>152.95</b>		<b>4,571.20</b>	<b>11641.78</b>	<b>4697.85</b>	<b>11794.73</b>
<b>Expenses</b>								
Cost of Raw Material Consumed		-	-	24A	868.52	3579.53	868.52	3579.53
(Increase)/Decrease in Inventories		-	-	24B	0.56	0.07	0.56	0.07
Employee benefit expense		-	-	25	1843.74	4466.91	1843.74	4466.91
Finance costs		-	-	26	4760.26	4291.68	4760.26	4291.68
Depreciation and amortisation expense		-	-	27	1172.26	1277.07	1172.26	1277.07
Other expenses	21	116.72	137.25	28	2411.23	4932.28	2527.95	5069.53
<b>Total Expenses</b>		<b>116.72</b>	<b>137.25</b>		<b>11,056.57</b>	<b>18,547.54</b>	<b>11,173.29</b>	<b>18,684.79</b>
<b>Profit/(Loss) before Tax</b>		9.93	15.70		-6,485.37	-6,905.76	-6,475.44	-6,890.06
Less: Tax expense								
Current tax- current year		0	0		0	0	0	0
- earlier year		0	0		0	0	0	0
Deferred tax charge /(benefit)		0	0	33	0	-1,126.67	0	-1,126.67
<b>Net Profit/(Loss) after Tax</b>		9.93	15.70		-6,485.37	-5,779.09	-6,475.44	-5,763.39
Other comprehensive income		0	0		38.04	27.47	38.04	27.47
<b>Profit/(Loss) for the year</b>		9.93	15.70		-6,447.33	-5,751.62	-6,437.40	-5,735.92

### 32 Financial Instruments

#### a) Financial risk management objective and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes trade and other receivables, and cash and cash equivalents that derive directly from its operations.

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

#### i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and FVTPL instrument.

## Notes forming part of the Financial Statements

### 1) Interest rate risk

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

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

#### Interest rate sensitivity analysis

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

### 2) Foreign Currency risk

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

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

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

Currency	Liabilities 31-3-2020	Assets 31-3-2020	Liabilities 31-3-2019	Assets 31-3-2019
United States Dollar (USD)	45.72	0.33	100.61	0.75
Great Britain Pound (GBP)	0.00	0.00	3.32	2.00

#### Foreign Currency sensitivity analysis

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

## Notes forming part of the Financial Statements

Currency	Sensitivity analysis	
	As at 31-3-2020	As at 31-3-2019
United States Dollar (USD) (10% net of assets)	(7.13)	(9.99)
Great Britain Pound (GBP) (10% net of assets)	(0.00)	(0.13)

### 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:

Particulars	(₹ in lakhs)	
	As at 31-3-2020	As at 31-3-2019
<b>Trade Receivables (Unsecured)</b>		
Over six months	2,346.74	782.68
Less than six months	44.28	2,885.52
<b>Total</b>	<b>2,391.02</b>	<b>3,668.20</b>

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

Particulars	(₹ in lakhs)	
	As at 31-3-2020	As at 31-3-2019
Opening Balance	144.47	121.49
Addition during the year	-	28.47
Add: Pursuant to the Scheme (Refer Note 43)	-	-
Reversal during the year	0.02	5.49
Closing Balance	144.45	144.47
<b>Net Trade receivable</b>	<b>2,246.57</b>	<b>3,523.73</b>

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

Particulars	As at	
	31-3-2020	31-3-2019
	%	%
Revenues generated from top 10 customers	33.65	41.80

## Notes forming part of the Financial Statements

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

### ii) Liquidity risk

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

**The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March 2020**

Particulars	(₹ in lakhs)		
	Due in 1st year	Due in 2 to 5 year	Due in 5 to 10 year
<b>Financial Liabilities</b>			
Trade payable and other financial liabilities	47,388.79	83.83	-
<b>Total</b>	<b>47,388.79</b>	<b>83.83</b>	-

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

Particulars	(₹ in lakhs)		
	Due in 1st year	Due in 2 to 5 year	Due in 5 to 10 year
<b>Financial Liabilities</b>			
Trade payable and other financial liabilities	4,930.05	38,260.29	-
<b>Total</b>	<b>4,930.05</b>	<b>38,260.29</b>	-

### b) Capital Management

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

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Other financial assets	938.35	938.35	248.76	248.76
Trade Receivables	2,246.57	2,246.57	3,523.73	3,523.73
Cash and cash equivalents	317.65	317.65	526.68	526.68
Other bank balances	105.70	105.70	298.28	298.28
	<b>3,608.26</b>	<b>3,608.26</b>	<b>4,597.45</b>	<b>4,597.45</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Borrowings	86,351.39	86,351.39	81,796.40	81,796.40
Other financial liabilities	3,751.88	3,751.88	3,422.28	3,422.28
Trade Payable	995.92	995.92	1,598.22	1,598.22
	<b>91,099.18</b>	<b>91,099.18</b>	<b>86,816.90</b>	<b>86,816.90</b>

## Notes forming part of the Financial Statements

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

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

- d) All financial assets and liabilities at amortised cost are in level 3 of fair value hierarchy and have been considered at carrying amount. D82

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

### 33 Taxes on income

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

- b) The component of deferred tax balances as at 31st March 2020 are as under :

Particulars	(₹ in lakhs)	
	Year ended 31-3-2020	Year ended 31-3-2019
<b>Income tax related to items recognised directly in the statement of profit and loss</b>		
Deferred tax charge / (benefit) *	-	(1,126.67)
<b>Effective tax rate</b>	0.00%	16.35%

\* reversed deferred tax assets of Rs. 0 lakhs (2019: Rs.477.99 lakhs) considered earlier, on account of unabsorbed business losses not entitled to be claimed, since lapsed as per the provisions of the Income Tax Act 1961.

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.54, the balance of DTA has been carried to future years.

A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Company's effective income tax rate for the period ended 31st March 2020 is as follows:

Particulars	(₹ in lakhs)	
	Year ended 31-3-2020	Year ended 31-3-2019
Profit before tax	(6,475.44)	(6,890.06)
<b>Income tax</b>		
Tax rate @ 29.12%	-	(2,006.38)
Lapse of unutilized unabsorbed business losses	-	477.97
Effect of change in tax rate (from 34.608% to 29.12%)	-	-
Tax effect on non deductible expense / income	-	(5.85)
Additional allowance for tax purpose	-	4.35
Other temporary differences	-	403.24
<b>Tax expense recognised in the statement of profit and loss</b>	-	<b>(1,126.67)</b>



## Notes forming part of the Financial Statements

### Deferred tax recognized in statement of other comprehensive income

Particulars	(₹ in lakhs)	
	Year ended 31-3-2020	Year ended 31-3-2019
Employee retirement benefits obligation	-	(11.27)

### Reconciliation of deferred tax assets / (liabilities) net:

Particulars	(₹ in lakhs)	
	As at 31-3-2020	As at 31-3-2019
Opening balance	10,985.92	9,870.52
Add:		
<b>Deferred tax charge / (benefit) recognised in</b>		
- Statement of profit and loss	-	(1,126.67)
- Recognised in other comprehensive income	-	11.27
<b>Total</b>	<b>10,985.92</b>	<b>10,985.92</b>

### 34 (a) Contingent Liabilities

- i. Contingent Liabilities not provided for, in respect of bank guarantees of Rs. Nil (2019 : Nil) and in respect of Letter of credits of Rs. Nil (2019 : 171.13 lakhs)
- ii. Income tax demands mainly include appeals filed by the Company before various appellate authorities against the disallowances of expenses/claims, non-deduction of tax at source etc. for A.Y 2006-07 Rs. 3.63 lakhs (2019: 3.63 lakhs), A.Y. 2008-09 Rs. 4.40 lakhs (2019: 4.40 lakhs) and AY 2010-11 Rs.33.37 lakhs (2019:33.37 lakhs) . These claims are being contested at various forums by the Company. The management does not expect these claims to succeed and accordingly, no provision for these claims has been recognised in the financial statements.
- iii. The company has received legal notices of claims lawsuits filed against it relating to defamation suits etc in relation to the News published in DNA newspaper. In the opinion of the Management, no material liability is likely to arise on account of such claims / law suits.

### (b) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account not provided (net of advances) for Rs. Nil (2019: Nil)

### 35 Leases:

The Company has cease to pay rent expenses under lease from 31-10-2019 and there is no other lease expenses hence it is not required to follow Ind AS 116.

Particulars	(₹ in lakhs)	
	As at 31-3-2020	As at 31-3-2019
Lease rental charges for the year	13.86	73.42
<b>Future Lease rental obligation payable (under non-cancellable lease)</b>		
Not later than one year	-	-
Later than one year but not later than five years	-	-

## Notes forming part of the Financial Statements

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

#### (i) Loans given

(₹ in lakhs)

Particulars	2019	Addition pursuant to Scheme (Refer Note No. 42)	Repaid	2020
In the form of unsecured short term inter corporate deposits	-	-	-	-

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

#### (ii) Investments made

There are no investments made during the period.

#### (iii) Guarantees given

There are no guarantees given during the period.

#### (iv) Securities given

There are no securities given during the period.

### 37 Income in foreign currency

(₹ in lakhs)

Particulars	As at 31-3-2020	As at 31-3-2019
Syndication Revenue	10.27	14.69

### 38 Expenditure in foreign currency

(₹ in lakhs)

Particulars	As at 31-3-2020	As at 31-3-2019
News expenses	6.86	21.72
Legal charges	-	-
Travelling expenses	-	-
CIF Value of imports: Newsprint	286.74	2,953.76

### 39 Foreign Exchange

Derivative Contracts (Forward contracts for hedging purposes) entered into by the Company and outstanding as at 31 March 2020 amount to Rs. Nil

Foreign exchange exposures that are not hedged by derivative instruments as at 31 March 2020 are as under:

(₹ in lakhs)

Particulars	As at 31-3-2020	As at 31-3-2019
Receivables	0.33	2.75
Payables	45.72	103.93

### 40 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.

## Notes forming part of the Financial Statements

Particulars	(₹ in lakhs)	
	As at 31-3-2020	As at 31-3-2019
Profit after tax for Basic & Dilutive EPS	-6,475.44	-5,763.39
Weighted Average number of equity shares for Basic EPS (in numbers)*	1,177.08	1,177.08
Weighted Average number of equity shares for Diluted EPS (in numbers)	1,177.08	1,177.08
Nominal value of equity shares *	1.00	1.00
Earnings per share (For continuing operation)		
Basic and diluted	0.01	0.01
Earnings per share (For discontinued operation)		
Basic and diluted	-5.51	-4.91
Earnings per share (For continuing and discontinued operation)		
Basic and diluted	-5.50	-4.90

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

### 41 Details of Consumption of Imported and Indigenous stocks

Particulars	(₹ in lakhs)			
	As at 31-3-2020		As at 31-3-2019	
	%	Amount	%	Amount
i) Raw Materials				
Imported	55.98	481.07	83.64	2,950.20
Indigenous	44.02	343.49	16.36	577.03
	<b>100.00</b>	<b>824.56</b>	<b>100.00</b>	<b>3,527.23</b>

### 42 Consumption of raw materials

Particulars	(₹ in lakhs)			
	As at 31-3-2020		As at 31-3-2019	
	MT (Quantity)	Value	MT (Quantity)	Value
Newsprint	1675.38	824.56	6,864.84	3,527.23

### 43 Segment Information

The Company has discontinued its printing operationis, hence there is no separate reportable business or geographical segments as per Ind AS 108 "Indian Accounting Standard on Operating Segments".

### 44 Disclosure under Micro, Small, Medium Enterprise Development Act, 2006

Particulars	(₹ in lakhs)	
	As at 31-3-2020	As at 31-3-2019
a) Principal amount due to suppliers under the Act	23.12	66.77
b) Interest accrued and due to suppliers under the Act, on the above amount	3.06	4.05
c) Payment made to suppliers ( other than interest) beyond the appointed day during the year	35.61	148.26
d) Interest paid to suppliers under the Act, (Other than Section 16)		
e) Interest paid to suppliers under the Act, (Section 16)		

## Notes forming part of the Financial Statements

Particulars	(₹ in lakhs)	
	As at 31-3-2020	As at 31-3-2019
f) Interest due and payable to suppliers under the Act, for payments already made during the year	9.81	6.71
g) Interest accrued and remaining unpaid at the end of the year to suppliers under the Act	13.41	10.76

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

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

### 46 Corporate Social Responsibility (CSR)

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

### 47 Dividend paid and proposed

No dividend on equity shares is paid or proposed by the Board of Directors for the year ended 31 March 2020 and 31 March 2019.

### 48 Collateral / security pledged

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

Particulars	(₹ in lakhs)	
	As at 31-3-2020	As at 31-3-2019
Property, plant and equipment	17,552	18,795
Other current and non-current financial assets	3,608	4,597
Other current and non-current assets	8,352	7,729
<b>Total assets pledged</b>	<b>29,512</b>	<b>31,122</b>

### 49 Managerial Remuneration

Remuneration paid or provided in accordance with section 197 of the companies act 2013 to executive director and CEO/COO, included in note 26 "Employee benefits expense" is as under

Particulars	(₹ in lakhs)	
	<b>Executive Director (1-09-2017 to 13-12-2020)</b>	
	As at 31-3-2020	As at 31-3-2019
Salary, allowances and perquisites	33.05	31.67
Contribution to provident fund	1.69	2.41
<b>Total</b>	<b>34.74</b>	<b>34.08</b>

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

## Notes forming part of the Financial Statements

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

(₹ in lakhs)

	Non current portion of long-term borrowings		Current portion of long-term borrowings	
	31-3-2020	31-3-2019	31-3-2020	31-3-2019
Opening	81,796.40	77,737.23	-	-
Cash inflow	-	-	-	-
Cash Outflow	-	-	-	-
Non-cash changes related to interest	4,554.99	4,059.17	-	-
<b>Closing</b>	<b>86,351.39</b>	<b>81,796.40</b>	-	-

### 51 Disclosures pertaining to Ind AS 115 “Revenue from Contracts with Customers”

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

(₹ in lakhs)

	31-3-2020
Opening balance of contract liabilities	1,711.16
Add: Contract liabilities recognized during the year	563.37
Less: Revenue recognized out of contract liabilities	705.30
Less: Contract liabilities written back	0.07
<b>Closing balance of contract liabilities as at 31 March 2019</b>	<b>1,569.16</b>

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

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

(₹ in lakhs)

	31-3-2020
Revenue which should have been recognized as per the contracted price	3,896.79
Less:	
Refunds given	-
Credits / discount given	-
<b>Revenue recognized in the statement of profit and loss</b>	<b>3,896.79</b>

52 During the year, the Company has made political contribution of ‘Nil’ (Nil).

53 The Company has long overdue of Rs.1,129.57 Lakhs out of the total Receivables of Rs.2,246.57 Lakhs as disclosed under Note no.11.

Note No.23 related to Other Income in discontinued operation includes Rs.718.06 Lakhs towards interest for the year receivable, included in Note no 6 “Other Financial Assets” on the outstanding business advances aggregating to Rs.72,22.50 lakhs and the advances have been shown under Note no. 9 “Advances to Others- Other Current Assets”. The said business advances had been converted into inter corporate deposits since those parties did not fulfill 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.

## Notes forming part of the Financial Statements

- 54** 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 payable. 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.
- 55** The Company has been incurring losses and the accumulated loss at the year end is Rs.54,506.12 lakhs, which has eroded entire paid up share capital and free reserves of Rs.1,177.08 lakhs. The Company has also incurred comprehensive loss of Rs. 6,437.40 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.
- 56** The Company has issued Non-Convertible Debentures (NCDs) of Rs.250.00 Crores in June 2015, which were guaranteed by Zee Media Corporation Limited (ZMCL). The NCDs had matured in June 2020 for repayment of Principal plus interest amounting to Rs.42,724.83 Lakhs. The Management is engaged in discussions and negotiations with the Debenture Trustees for restructuring of repayment of the said NCDs with extension of time to repay, considering overall business situation, economic environment, impact of pandemic COVID 19 on economy and financial markets, restricting raising of resources. The said request is pending consideration and reply from the Debenture Trustees.
- 57** 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 initiated legal proceedings under Industrial Dispute Act, 1947 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.
- 58** 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.
- 59** The management has its internal assessment as to the realizability of carrying values of the current and other assets but 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.
- 60** Balances in parties accounts are subject to confirmation / reconciliation. Appropriate adjustments, if any, will be made as and when the balances are reconciled.
- 61** Previous year's figures have been regrouped, rearranged, realigned or reclassified during the year to make them comparable with the current year.

As per our attached report of even date

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

**CA B S Sharma**  
Proprietor  
Membership No. 031578

Place: Mumbai  
Date: 30 July 2020

For and on behalf of the Board

**Nishikant Upadhyay**  
Director

**Ankit Shah**  
Company Secretary

**Dinesh Kumar Garg**  
Director

**Rajendra Bathula**  
Chief Financial Officer



## **Diligent Media Corporation Limited**

CIN : L22120MH2005PLC151377

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