

DILIGENT MEDIA CORPORATION LTD

ANNUAL REPORT
For the Financial Year ended
31st March 15



B. S. Sharma & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To
The members of
Diligent Media Corporation Limited,

1. Report on the Financial Statements

We have audited the accompanying financial statements of **Diligent Media Corporation Limited** ("The Company"), comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, which have been signed with reference to the report hereunder.

2. Management's Responsibility for the 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Rules").

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

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

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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



B S SHARMA & CO., Chartered Accountants, AUDITORS' REPORT TO THE MEMBERS OF DILIGENT MEDIA CORPORATION LIMITED

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purposes of expressing an opinion, whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of Affairs of the Company as at 31st March, 2015;
- b. In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- c. In the case of Cash Flow Statement, of the Cash Flows for the Company for the year ended on that date.

5. Emphasis of Matters

Without qualifying our report, we draw reference to

- a. Note 23 (iii) in Notes to Financial statements, regarding erosion of the entire equity capital, we state that the promoter and the holding company viz., Mediavest Private Limited (MVPL), has given a financial support letter to bring in from time to time, the requisite funds to ensure compliance of Going Concern Policy i.e., to enable continuation of operations. In the opinion of the management, continuation of such financial support by MVPL, would enable the company to carry-on its operations without any break, hence it is appropriate to prepare the financial statements under report on going concern basis.

6. Report on Other Legal and Regulatory Requirements

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

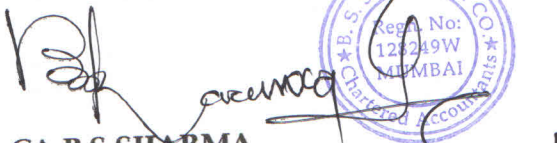
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;



**B S SHARMA & CO., Chartered Accountants, AUDITORS' REPORT TO THE MEMBERS OF
DILIGENT MEDIA CORPORATION LIMITED**

- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Rules;
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as per the evidences produced, details furnished, with support and other letters from the Management, we express our opinion to the best of our information and according to the explanations given to us, that:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no amount required to be transferred to the Investor Education and Protection Fund, since the same is not applicable to the Company.

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


**CA B S SHARMA,
PROPRIETOR,
Membership No.031578**



**Place: Mumbai
Date: 21.05.2015**



Annexure referred to in Paragraph 6 under the heading of "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" of our report of even date to the members of for the year ended 31 March 2015 of Diligent Media Corporation Limited.

- (i) a) The company has maintained requisite records showing required 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.
- ii) a) The inventories have been physically verified by the Management at reasonable intervals during the year.
- b) In our opinion the procedure of such physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- c) In our opinion, the Company has maintained proper records of inventory and no material discrepancies were noticed on such verification as compared to book records.
- (iii) a) Based on our verification of the books and records and as per information and explanations provided to us by the management, the company has not granted loans to persons covered in the Registers maintained under section 189 of the Companies Act, 2013 (the Act).
- b) Since no such loans or advances in the nature of loans are given to parties covered under Section 189 of the Act and as detailed herein above, the rest of the provisions in sub-clause iii(a) and iii (b) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchases, fixed assets and sales. During our course of audit, no major weakness was noticed by us in the existing internal control system.
- (v) a) In our opinion and according to the information and explanations given to us, the company has not accepted deposits as covered under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, hence this clause is not applicable.
- b) In view of our comments at Sr no.v(a) above, no order has been passed by either Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, hence this clause is not applicable.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the Rules made by the Central Government for maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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

b) According to information and explanations given to us, there are disputed amounts payable in respect of income tax, which is outstanding as on 31st March, 2015:

Income tax Assessment -Asst year 2012-13 -Appeal pending before Hon'ble Commissioner of Income Tax (Appeal)-12, Mumbai and Demand of Rs.9,17,67,710/- is subject to rectification under Section 154 of the Income tax Act 1961 before the Ld Assessing Officer.

c) As per the records of the company, there is no amount required to be transferred to investor Education and protection fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules made there under.

(viii) The Company has accumulated losses resulting in negative net-worth at the end of the financial year. The Company has incurred cash losses during the current financial year and also in the immediately preceding financial year.

(ix) As observed by us and as per the information and explanations given by the management, on the basis of the records verified, we state that there are no loans taken from financial institutions or banks during the year under audit, hence the clause relating to any default in repayment of dues etc is not applicable. However during the year the company has issued 0% 32,85,80,334 Unsecured Compulsorily Convertible Debentures (CCD) of Rs.10 each fully paid up aggregating to Rs.328,58,03,340/- are compulsorily convertible into Equity shares in the conversion ratio of 1:1 (one CCD shall be converted into one Equity share) at the end of fifth year i.e. 25 March, 2020. However, the CCD holders have an option for early conversion at any time after 18 months from the date of allotment, i.e., by 26.03.2015, hence there is no default in repayment of dues to debenture holders. Such equity on allotment will rank pari-passu with the then existing equity shares of the company.

(x) As per the information and explanations given to us, evidences produced before us, the company has not given any guarantee for loans taken by others from any bank or financial institutions. There are no other matters to report on terms and conditions of guarantee and others.

(xi) As per the information and explanations given, the company has neither applied for term loans nor such loans were obtained, hence this clause is not applicable.

(xii) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year under audit and even upto the date of our audit.

**For B S SHARMA & CO.,
Chartered Accountants**

FR No. 128249W

CA B S SHARMA,

PROPRIETOR,

Membership No.031578

Place: Mumbai, 21.05.2015



(Rupees in Lacs)

Particulars	Notes	31st March 2015	31st March 2014
Equity and Liabilities			
Shareholders' funds			
Share Capital	1	8,909.55	8,909.55
Reserves and Surplus	2	(40,374.78)	(38,081.06)
Share Application Money pending allotment		-	26,964.00
Non-Current Liabilities			
Long-Term Borrowings	3	32,858.03	-
Other Long-Term Liabilities	4	159.47	95.34
Long-Term Provisions	5	78.38	118.37
Current Liabilities			
Short-Term Borrowings	6	7,776.00	2,174.84
Trade Payables	7	1,341.75	2,798.13
Other Current Liabilities	7	3,727.52	4,259.34
Short-Term Provisions	5	13.70	20.24
Total		14,489.62	7,258.75
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8	353.45	673.78
Deferred Tax Assets (net)	9	8,574.47	5,972.18
Long-Term Loans and Advances	10	408.25	325.03
Current assets			
Inventories	11	193.00	126.59
Trade Receivables	12	1,635.21	-
Cash and Cash equivalents	13	358.66	22.04
Short-Term Loans and Advances	10	2,966.58	137.34
Other Current Assets	14	-	1.79
Total		14,489.62	7,258.75

Significant Accounting Policies 22-23
Other Notes to Financial Statements 24-37
This is the Balance Sheet referred to in our report.
As per our attached report of even date

For and on behalf of the Board

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

CA B S Sharma
Proprietor
Membership No. 031578

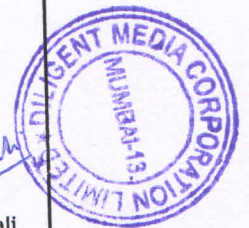


Himanshu Mody
Director

Mukund Galgali
Director

Ravindra Mishra
Company Secretary

Place: Mumbai
Date: 21.05.2015



Diligent Media Corporation Limited
Statement of Profit and Loss for the year ended 31st Mar 2015

(Rupees in Lacs)

Particulars	Notes	31st March 2015	31st March 2014
Revenue			
Revenue From Operations	15	10,219.49	12,775.91
Other income	16	382.28	164.12
Total		10,601.77	12,940.03
Expenses			
Cost of Material Consumed	17	3,920.36	6,772.40
Employee benefits expense	18	2,940.73	3,292.77
Finance costs	19	734.24	3,908.90
Depreciation and amortization expense	20	280.05	1,055.74
Other expenses	21	7,555.33	10,965.65
Total		15,430.71	25,995.46
Profit/(Loss) before tax		(4,828.94)	(13,055.43)
Less :- Tax expense			
Current tax		2,579.50	3,476.59
Deferred tax			
Profit/(Loss) after Tax		(2,249.44)	(9,578.84)
Earnings per equity share of face value of Rs.10 each. Basic and Diluted		(2.52)	(10.75)

Significant Accounting Policies 22-23
Other Notes to Financial Statements 24-37
This is the Statement of Profit & Loss referred to in our report.

As per our attached report of even date
For B S Sharma & Co
Chartered Accountants
Firm Registration: 128249W

CA B S Sharma
Proprietor
Membership No. 031578

Place: Mumbai
Date: 21.05.2015



For and on behalf of the Board

Himanshu Mody
Himanshu Mody
Director

Mukund Galgali
Mukund Galgali
Director



Ravindra Mishra
Ravindra Mishra
Company Secretary

Diligent Media Corporation Limited
Cash Flow Statement for the period ended 31st Mar, 2015

10th Annual Report 2014-15

(Rs. In Lacs)

Particulars	31st March 2015	31st March 2014
A Cash Flow from Operating Activities		
Loss Before Tax	(4,828.94)	(13,055.43)
Adjustments for:-		
Depreciation/ Amortization	280.05	1,055.74
Interest Income	(0.16)	(37.13)
Interest expense	730.69	3,851.03
Loss / (Profit) on sale/discard of fixed assets	2.63	(2.00)
Profit on sale of investments	-	(5.81)
Sundry Balance Written Back	(256.03)	47.09
Provision for doubtful debts and advances	-	(105.44)
Operating Profit Before Working Capital Changes	(4,071.76)	(8,251.95)
Movement in Working Capital		
(Increase)/ Decrease in Trade and other Receivables	(4,184.32)	39,601.35
(Increase)/ Decrease in Inventories	(66.41)	423.31
Increase/ (Decrease) in Trade and Other Payables	(2,228.36)	(456.49)
Cash Generated From Operations	(10,550.85)	31,316.22
Direct Taxes paid/Refunded (Net)	(105.53)	(7.42)
Net Cash From Operating Activities (A)	(10,656.38)	31,308.80
B Cash Flow from Investing Activities		
Purchase of Fixed Assets (Including Capital Work in progress)	(35.90)	(248.01)
Sale of Fixed Assets (Including Capital Work in progress)	6.46	229.39
Sale of Investment in deposit accounts	-	422.00
Interest Received	0.16	100.35
Sale / (Purchases) Investment in Real Estate	-	186.55
Net Cash From Investing Activities (B)	(29.28)	690.28
C Cash Flow from Financing Activities		
Refund of Share Application Money	(26,964.00)	(1,090.00)
Repayment of Long Term Borrowings	-	(19,727.09)
Repayment of Short Term Borrowings	(13,776.36)	(7,060.18)
Receipt of Long Term Borrowings	32,858.03	-
Receipt of Short Term Borrowings	19,377.53	-
Interest paid	(472.93)	(4,272.48)
Net Cash Flow From Financing Activities (C)	11,022.27	(32,149.75)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	336.61	(150.67)
Add: Cash and Cash Equivalents at the beginning of the year	22.05	172.72
Cash and Cash Equivalents at the end of the year	358.66	22.05

Significant Accounting Policies 22-23
Other Notes to Financial Statements 24-37

This is the Cash flow statement as referred to in our report.
As per our attached report of even date

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

CA B S Sharma
Proprietor
Membership No. 031578

Place: Mumbai
Date: 21.05.2015



For and on behalf of the Board

Himanshu Mody Director
Mukund Galgali Director

Ravindra Mishra
Company Secretary



		(Rupees in Lacs)	
1. Share Capital		31st March 2015	31st March 2014
Particulars			
Authorised shares 153,500,000 (153,500,000) Equity Shares of Rs. 10 each		15,350.00	15,350.00
Issued, Subscribed and Paid Up 89,095,542 (89,095,542) Equity Shares of Rs. 10 each fully paid up		8,909.55	8,909.55
Total		8,909.55	8,909.55

a. Reconciliation of number of Equity shares and Share Capital

Particulars	31st March 2015		31st March 2014	
	Number of Equity shares	Amount (Rupees in lacs)	Number of Equity shares	Amount (Rupees in lacs)
At the beginning of the year	89,095,542	8,909.55	89,095,542	8,909.55
Add: Issued during the period	-	-	-	-
Outstanding at the end of the period	89,095,542	8,909.55	89,095,542	8,909.55

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

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

		(Rupees in Lacs)	
c. Shares held by Holding Company		31st March 2015	31st March 2014
Particulars			
Mediavest India Private Limited, the holding Company & its nominees 89,095,342 (89,095,342) Equity shares of Rs 10 each fully paid up		8,909.53	8,909.53

d. Details of shareholders holding more than 5% of the aggregate shares in the company

Particulars	31st March 2015		31st March 2014	
	Number of Equity Shares held	Percentage (%) of Holding	Number of Equity Shares held	Percentage (%) of Holding
Media Vest India Private Limited	89,095,342	99.99	89,095,342	99.99

e. There are no bonus shares issued or shares issued for consideration other than cash or shares bought back during five years preceding 31st March 2015.

		(Rupees in Lacs)	
2. Reserves and Surplus		31st March 2015	31st March 2014
Particulars			
Securities Premium		34,327.67	60,112.38
As per last Balance Sheet			
Add : Excess of assets over liabilities transferred under the Scheme of Arrangement of demerger of Media and Event Business		-	(25,784.70)
		34,327.67	34,327.68
Capital Reserve		4,867.94	4,867.94
As per last Balance Sheet			
		4,867.94	4,867.94
General Reserve		17,498.91	17,498.91
As per last Balance Sheet			
		17,498.91	17,498.91
Surplus/ (Deficit) in the Statement of Profit and Loss		(94,775.59)	(85,196.75)
As per last Balance Sheet		(67.07)	-
Less : Depreciation adjustment as per Schedule II to the Companies Act 2013		22.80	-
Less : Deferred Tax impact on Depreciation adjustment as per Schedule II to the Companies Act 2013		(2,249.44)	(9,578.84)
Add: Profit/ (Loss) for the year		(97,069.30)	(94,775.59)
Total		(40,374.78)	(38,081.06)



(Rupees in Lacs)

Particulars	31st March 2015	31st March 2014
3. Long Term Borrowings		
<u>Unsecured-Holding Company :</u>		
328,580,334 (Nil) 0% Unsecured Compulsorily Convertible Debentures (CCD) of Rs.10 each fully paid up (refer note below *)	32,858.03	-
	32,858.03	-

- * 0% Unsecured Compulsorily Convertible Debentures (CCD) of Rs.10 each fully paid up, are compulsorily convertible into Equity shares in the conversion ratio of 1:1 (one CCD shall be converted into one Equity share) at the end of fifth year i.e. 25 March, 2020. However, the CCD holders have an option for early conversion at any time after 18 months from the date of allotment i.e. 26th March, 2015.

(Rupees in Lacs)

Particulars	31st March 2015	31st March 2014
4. Other Long Term Liabilities		
<u>Unsecured Others:</u>		
Deposits	64.98	71.14
Unearned Revenue	94.49	24.20
	159.47	95.34

(Rupees in Lacs)

Particulars	Long-Term		Short-Term	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
5. Provisions				
Provision for employee benefits				
Gratuity	55.91	86.48	6.21	9.61
Leave benefits	22.47	31.89	7.49	10.63
Total	78.38	118.37	13.70	20.24

(Rupees in Lacs)

Particulars	31st March 2015	31st March 2014
6. Short Term Borrowings		
<u>Unsecured</u>		
Inter Corporate Deposit	7,776.00	2,174.84
Total	7,776.00	2,174.84

(Rupees in Lacs)

Particulars	31st March 2015	31st March 2014
7. Current Liabilities		
Trade Payables (There are no dues to micro and small enterprises)	1,341.75	2,798.13
<u>Other Current Liabilities</u>		
Interest accrued but not due	257.75	-
Income received in advance	545.39	462.60
Trade Advances	0.72	11.32
Deposits	142.00	211.22
Statutory Liabilities	175.56	340.09
Employee liability Payable	6.39	19.34
Capital Liabilities	2,599.71	3,214.77
Other payables	-	-
	3,727.52	4,259.34
Total	5,069.27	7,057.47



DILIGENT MEDIA CORPORATION LIMITED
DETAILS FOR THE YEAR ENDING 31st Mar 15
8 Fixed Assets

10th Annual Report 2014-15

(Rs. In lacs)

Particulars	As at 01.04.2014	Gross Block			As at 31.03.2015	Upto 31.03.2014	For the Year	Depreciation		As at 31.03.2015	Net Block	
		Additions	Deduction					retained Earning	Deduction		As at 31.03.2015	As at 31.03.2015
(a) Tangible Assets												
Plant & Machinery	140.45	-	3.55	136.90	27.96	8.31	-	0.66	35.62	101.29	112.49	
Furniture & Fixtures	126.69	-	15.80	110.89	82.68	4.71	-	15.34	72.05	38.84	44.01	
Computer	725.68	30.32	38.60	717.40	538.06	93.53	38.21	35.46	634.33	83.06	187.62	
Office Equipments	134.44	3.24	21.76	115.93	85.11	4.92	28.86	19.15	99.74	16.18	49.33	
Vehicle	10.30	-	-	10.30	9.81	-	-	0.01	9.80	0.49	0.49	
Lease hold Improvements	406.50	2.33	-	408.83	126.66	168.58	-	(0.00)	295.24	113.59	279.84	
Sub Total	1,544.06	35.90	79.70	1,500.25	870.28	280.05	67.07	70.61	1,146.79	353.45	673.78	
Previous Year	1,595.80	248.01	299.75	1,544.06	759.07	190.61	-	80.52	870.28	673.78	-	
(b) Intangible Assets												
Technical Know How	2,394.49	-	-	2,394.49	2,394.49	-	-	-	2,394.49	-	-	
Sub Total	2,394.49	-	-	2,394.49	2,394.49	-	-	-	2,394.49	-	-	
Previous Year	9,401.89	-	7,007.40	2,394.49	2,931.64	865.13	-	-	1,402.28	-	-	
(c) CWIP												
Previous Year	12.15	-	12.15	-	-	-	67.07	-	3,541.28	353.45	673.78	
Grand TOTAL (a+b+c)	3,938.55	35.90	79.70	3,894.74	3,264.77	280.05	67.07	70.61	3,264.77	673.78	673.78	
Previous Year	11,009.84	248.01	7,319.30	3,938.55	3,690.71	1,055.74	-	1,481.68	3,264.77	673.78	-	

In accordance with the provisions of Schedule II of the Companies Act 2013, in case of the fixed assets which have completed their useful life as at 1st April 2014, Rs 67.07 lacs (net of deferred tax Rs.43.87) as transitional provision has been recognised in the retained earnings.

Further, in case of assets acquired prior to 1st April 2014, the carrying value of assets (net of residual value) is depreciated over the remaining useful life as determined effective 1st April 2014.
Depreciation and amortization expenses for the year is higher by Rs 109.95 lacs as per the provisions of Schedule II of the Companies Act 2013.



9. Deferred tax assets (net)

a. The components of deferred tax balances as at, are as under

(Rupees in Lacs)

Particulars	31st March 2015	31st March 2014
Deferred Tax Asset (effect)		
Depreciation/Amortisation on fixed assets	203.32	192.74
Depreciation/Amortisation on fixed assets as per Schedule II to the Companies Act 2013	23.21	-
Employee benefits	31.86	47.12
Unabsorbed tax , losses and depreciation	8,316.08	36,092.37
Less: Trf under scheme of Demerger of Media & Event business Ref Note No. 25	-	(30,360.05)
	8,574.47	5,972.18
Deferred tax asset (net)	8,574.47	5,972.18

b. Deferred tax assets on unabsorbed depreciation and business losses has been recognized as the management is of the opinion that sufficient future taxable income will be available against which these deferred tax assets can be realized, on the basis of business plan.

10. Loans and Advances

(Rupees in Lacs)

Particulars	Long-term		Short-Term	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Security Deposits				
Unsecured, considered good	151.54	173.85	9.26	28.49
Advances (recoverable in cash or kind)				
Unsecured, considered good				
Advance to related parties	-	-	499.81	-
Advance to others	-	-	2,412.52	56.91
Considered Doubtful	-	-	5.09	15.06
Less: Provision for doubtful advances	-	-	(5.09)	(15.06)
	-	-	2,912.33	56.91
Other Loans and Advances				
Unsecured, considered good				
Advances to employees			24.46	22.23
Considered Doubtful	23.42	23.42	-	10.94
Less: Provision for doubtful employee advances	(23.42)	(23.42)	-	(10.94)
Prepaid expenses	-	-	20.53	29.71
Advance Tax (net of provision)	256.71	151.18		
Total	408.25	325.03	2,966.58	137.34

11. Inventories (Valued at cost or realisable value)

(Rupees in Lacs)

Particulars	31st March 2015	31st March 2014
Raw Material:		
Newsprint	190.85	126.59
Consumables	2.15	-
Total	193.00	126.59



(Rupees in Lacs)

12. Trade Receivables (Unsecured)		31st March 2015	31st March 2014
Particulars			
More than six months		153.49	-
Considered good		41.92	-
Considered doubtful			
Other		1,481.72	
Considered good		1,677.13	-
		(41.92)	-
Less: Provision for doubtful debts		1,635.21	-
	Total	1,635.21	-

(Rupees in Lacs)

13. Cash and bank balances	Non -Current		Current	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Particulars				
Balances with banks in current accounts	-	-	356.51	20.51
Cash on hand	-	-	2.15	1.53
			358.66	22.04
	Total	-	-	-

(Rupees in Lacs)

14. Other Current Assets	Non- Current		Current	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Particulars				
Other Receivables	-	-	-	1.79
				1.79
	Total	-	-	-



15. Revenue from Operations (Rupees in Lacs)

Particulars	31st March 2015	31st March 2014
Sale of products		
-Circulation revenue	1,349.71	1,912.02
Sale of services		
-Advertisement Revenue	8,412.83	10,442.67
-Syndication Revenue	200.29	141.20
Other operating revenues		
-Sale of waste and scrap	169.51	144.58
-Royalty Income	79.50	98.03
-Income from Events	7.65	37.41
Total	10,219.49	12,775.91

16. Other Income (Rupees in Lacs)

Particulars	31st March 2015	31st March 2014
Interest Income on:		
-Bank deposits	-	36.41
-Others	0.16	0.71
Other non-operating Income :		
-Rent Income	124.86	60.00
-Profit (Loss) on sale of Assets	-	2.00
-Profit on sale of Investments	-	5.81
-Balances written back	256.03	58.35
-Miscellaneous receipts	1.23	0.84
Total	382.28	164.12

17. Cost of Material Consumed (Rupees in Lacs)

Particulars	31st March 2015	31st March 2014
Inventory at the beginning of the period / year	126.59	549.89
Add: Purchases	3,984.62	6,349.10
	4,111.21	6,898.99
Less: Inventory at the end of the period / year	190.85	126.59
Cost of raw material consumed	3,920.36	6,772.40

18. Employee Benefits Expense (Rupees in Lacs)

Particulars	31st March 2015	31st March 2014
Salaries, wages and allowances	2,671.70	3,043.01
Contributions to Provident and other funds	229.56	205.52
Recruitment and Training expenses	11.09	13.13
Staff welfare expenses	28.38	31.11
Total	2,940.73	3,292.77

19. Finance Cost (Rupees in Lacs)

Particulars	31st March 2015	31st March 2014
Interest Expense		
- term loans	-	1,888.40
- other loans		
- other	-	1,962.62
- related party	730.40	-
Interest on others	0.29	-
Bank charges	3.55	49.53
Other Financial Charges	-	8.35
Total	734.24	3,908.90



(Rupees in Lacs)

Particulars	31st March 2015	31st March 2014
Depreciation on tangible assets	280.05	190.61
Depreciation on intangible assets	-	865.13
	280.05	1,055.74

(Rupees in Lacs)

Particulars	31st March 2015	31st March 2014
Power and Fuel	0.32	0.14
Other production expenses	3,536.89	3,895.17
News expenses	473.57	541.89
Rent	678.11	712.79
Repairs and Maintenance:		
- Plant and Machinery	-	0.18
- Building	-	0.04
- Others	68.95	77.05
Insurance	3.73	5.72
Rates and Taxes	2.42	9.04
Electricity expenses	212.31	210.20
Legal and Professional expenses	62.61	115.91
Printing and Stationery	47.76	35.04
Communication expenses	52.46	61.15
Travelling and Conveyance expenses	89.11	114.94
Payment to Auditor (Refer details below)	20.20	16.93
Advertisement and Sales Promotion expenses	845.39	854.75
Circulation Scheme Promotion expenses (net)	986.79	3,429.75
Freight and Forwarding charges	198.18	261.09
Other Selling expenses	59.38	64.17
Bad Debts	0.96	31.02
Provision for doubtful debts/advances	24.90	23.05
Loss on sale/discard of fixed assets	2.63	-
Loss on exchange difference (net)	0.29	196.38
General and other office expenses	188.37	309.25
Total	7,555.33	10,965.65

(Rupees in Lacs)

Payments to the auditor	31st March 2015	31st March 2014
As Auditor		
Audit Fee	9.00	9.00
Tax Audit Fee	1.00	1.00
for other services including interim audit	10.20	6.93
Total	20.20	16.93



22 Corporate Information

Diligent Media Corporation Limited ("the Company") incorporated in the State of Maharashtra on 17th February 2005 and presently is in the business of Printing and Publication of newspapers. Mediavest India Private Limited, the holding company, holds 99.99% (along with its Nominee) of the equity share capital of the company.

23 Significant Accounting Policies

i Basis of Preparation

The financial statements are prepared and presented under the historical cost convention on going concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (upto March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014). The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except the method and manner of providing depreciation on tangible fixed assets pursuant to Schedule II of the Companies Act, 2013 made effective from April 1, 2014.

ii Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as of the date of the financial statements and the reported amount of revenue and expenses of the year. Actual results could differ from these estimates. Any revision to estimates is recognised prospectively in current and future periods.

iii Going Concern

The Company's accumulated losses aggregate to Rs. / Lacs 97,069.31 (94,775.59) as at 31st March 2015 which has resulted in complete erosion of the Net worth of the Company.

In view of the erosion of the entire equity, the promoters viz., Mediavests Pvt Ltd., the holding company, has given a support letter to bring in funds from time to time to ensure continuation of operations and to ensure compliance of Going Concern policy. Based on the above, the management is of the opinion that it is appropriate to prepare these financial statements on going concern basis.

v Tangible fixed assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and impairment losses, if any. Cost include all expenses incurred to bring the assets to its present location and condition.

vi Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortization and impairment loss, if any. Technical Know How are depreciated over a estimated useful life of 5 years.

vii Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as a part of the cost of the respective asset when such asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are expensed in the period they are incurred.



viii **Impairment of tangible and intangible assets**

As at Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired and if any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit, to which the asset belongs, is less than its carrying value, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. An assessment is also done at each Balance Sheet date as to whether there is an indication that if a previously assessed impairment loss, no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss is recognized in the statement of Profit and Loss. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on method of depreciation followed for the assets concerned over its remaining useful life. During the year Company has not recognised any impairment loss.

ix **Depreciation/Amortization on tangible / intangible assets**

- (a) Consequent to the enactment of the Companies Act, 2013 and its applicability for accounting period commencing from April 1, 2014, depreciation on tangible fixed assets is provided on straight line method as per the useful life prescribed by Schedule II to the Companies Act, 2013 except Technical Knowhow.
- (b) Technical Knowhow is amortized over their estimated useful life on a straight line basis commencing from the year in which it is available to the company.

x **Investments**

Investments intended to be held for more than one year, from the date of acquisition, are classified as long term and are carried at cost. On disposal of an investments, the difference between its carrying amount and Net Disposal Proceeds is charged or credited to the statement of Profit and Loss. Provision for diminution in value of these investments is made to recognize a decline other than temporary.

xi **Transactions in foreign currencies**

- (a) Foreign currency transactions are accounted at the exchange rates prevailing on date of such transaction.
- (b) Foreign currency monetary items are translated using the exchange rates prevailing at the reporting date. Exchange difference are recognised as income or expense in the period in which they arise.

xii **Revenue recognition**

- (a) Circulation revenue is recognized when the significant risks and rewards of ownership have passed on to the buyers and is net of sales return.
- (b) Advertisement Revenue (net of commission) is recognized when the related advertisement is published.
- (c) Syndication revenue and royalty income is accounted as per agreed terms.
- (d) Revenue from subscription scheme is recognised based on the sales value of the item delivered in relation to the total sales value of all items covered by the subscription.
- (e) Circulation scheme promotion expense is net of receipts from customers.
- (f) Participation fee is recognised when same is acknowledged by the parties/service provider.
- (g) Software development charges recognised on acknowledgment from parties.
- (h) Interest income is recognised on a time proportion basis taking into consideration the amount outstanding and the applicable interest rate.

xiii **Inventories**

- (a) Stock of Newsprint is valued at lower of cost or net estimated realizable value. Cost is determined on First in First out Basis (FIFO).
- (b) Scrap and Waste Paper Stock is valued at net estimated realisable value.

xiv **Retirement and other employee benefits**

(a) **Short Term Employee Benefit:**

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits and they are recognized in the period in which the employee renders the related services. The company recognizes the amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued Expenses) after deducting any amount already paid.



(b) **Post-employment benefits:**

Defined Contribution Plans :

Defined contribution plans are Employees State Insurance and Government administered Pension fund scheme for eligible employees. The company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the financial year to which they relate.

Defined Benefits Plan :

The Company is covered under the provisions of Provident Fund and Miscellaneous Funds Act, 1952. Contribution payable by the Company to the concerned Government Authorities in respect of Provident Fund and Family Pension Fund are charged to the Statement of Profit and Loss.

Gratuity Scheme :

The Company's Liability towards unfunded Gratuity is determined on the basis of year end Actuarial Valuation in accordance with Accounting Standard (AS) 15, 'Employee Benefits'.

Other long term employee benefits :

Entitlement to annual leave and sick leave are recognized when they accrue to employees concerned. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Unit Credit Method with actuarial valuations being carried out at each Balance sheet date. Liability for Leave Encashment is accounted on accrual basis and expensed. The company presents this liability as current and non-current in the balance sheet as per actuarial valuations certificate issued by the independent actuary.

xv **Accounting for taxes on income**

- (a) Current Tax is determined as the amount of tax payable in respect of taxable income for the year ended as per the provisions of the Income Tax Act, 1961.
- (b) Deferred tax is recognized, subject to consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates and laws.

xvi **Leases**

Operating Lease

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments / revenue under operating leases are recognized as expense/income on accrual basis in accordance with the respective lease agreements.

xvii **Earnings Per Share**

Basic earnings per share is computed and disclosed using 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 and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

xviii **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Liabilities are not recognized but are disclosed by way of Notes. Contingent assets are neither recognized nor disclosed in the financial statements.

xix **Contingencies and Events occurring after the Balance Sheet date**

All the major contingencies i.e., a condition or situation the ultimate outcome of which is known or determined only on their occurrences or non-occurrences of uncertain future events, till the signing of the financial statements, have been recognized. Material events occurring after the balance sheet date till signing thereof, affecting the going concern assumption or having material impact on the financial statements, are recognized.



24 Leases

Operating Leases:

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

Particulars	(Rupees in Lacs)	
	31st March 2015	31st March 2014
Lease rental charges for the year	678.11	712.79
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year	642.61	544.35
Later than one year but not later than five years	996.02	1,458.37

25 (a) Contingent Liabilities

- Contingent Liabilities not provided for, in respect of bank guarantees of Rs./Lacs Nil (Nil)
- For tax matter under rectification and appeal for A.Y. 2012-13 Rs 917.68 lacs.
- There are civil cases filed against the company arising out of normal course of business, which in the opinion of the management, have no financial implications, considering the past experience of such cases.

(b) Capital and other commitments

- Estimated amount of contracts remaining to be executed on capital account not provided (net of advances) for Rs./Lacs Nil (Nil)
- Other Commitments in respect of newsprint purchases is Rs./Lacs 52.58 (213.56)

26 Scheme of Arrangement to demerge Media & Event Business during the preceding year:

A Scheme of Arrangement ("the Scheme"), for the demerger of Media and Event Business (the Business) of Diligent Media Corporation Ltd "DMCL" called "the Transferor Company" (the Company) to Zee Entertainment Enterprises Limited "ZEEL" (the Transferee Company) with effect from March 31st, 2014, ("the Appointed Date"), was sanctioned by the Hon'ble High Court of Judicature at Bombay ("the Court"), vide its Order dated 12th September, 2014 and certified copies of the Order of the Court and others sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on 26th September 2014 (the "Effective Date").

The above Scheme of Arrangement between DMCL and ZEEL, for demerger of the Media and Event Business of the company, (the Business) had been given effect in the books by transferring to ZEEL, all the assets and liabilities related to the said business with effect from the appointed date, i.e., 31st March 2014, in terms of the Order dated 12th September 2014 with effective date 26th September 2014 of the Hon'ble Bombay High Court, (the Court). The accounting of such demerger of the said business was done in the preceding year 2013-14 and has been accounted for under the "purchase" method as prescribed by Accounting Standard AS 14 - Accounting for Amalgamations and the specific provisions of the Scheme. This has resulted in a deficit of Rs.257,84.70 lacs in the preceding year and has been adjusted against the Securities Premium Account, as per the directions of the said Court. The brief of the assets and liabilities of the said business is detailed below:

Effect of the following is considered wef appointed date of 31.03.2014 i.e., in the year 2013-14

Particulars	Rs in Lacs
Assets:	
Tangible Fixed Assets	5.11
Intangible Fixed Assets	5,605.12
Cash and Bank balance	0.62
Short-Term Loans and Advances	308.85
Deferred Tax Assets (net)	30,360.05
Deferred Tax Assets (net)	36,279.75
Liabilities	
Sundry creditors	485.84
Unsecured loan	10,009.21
Total Liabilities	10,495.05
Net capital loss adjusted against Share Premium account	25,784.70

27 Exchange Difference

- Derivative Contracts (Forward contracts for hedging purposes) entered into by the Company and outstanding as at 31 March 15 amount to Rs./ Lacs Nil (Nil)

- Foreign currency exposures that are not hedged by derivative instruments:

Particulars	(Rupees in Lacs)	
	31st March 2015	31st March 2014
Payables	298.49	1,574.00
Receivables	-	-



28 Employee Benefits

A Defined Benefit Plans

Particulars	(Rupees in Lacs)	
	2015	2014
	Gratuity (Non Funded)	
I. Expenses recognized during the year		
1 Current Service Cost	17.23	30.48
2 Interest Cost	7.69	7.03
3 Actuarial Losses / (Gains)	24.89	27.70
4 Past Service cost	-	-
Total Expenses	49.81	65.21
II. Net Asset/(Liability) recognized in the Balance Sheet		
1. Present value of unfunded benefit obligation	62.12	96.08
2. Net Asset / (Liability)	62.12	96.08
III. Reconciliation of Net Asset/(Liability) recognized in the Balance Sheet		
1 Net Asset/ (Liability) at the beginning of year	(96.08)	(87.86)
2 Expense as per I above	(49.81)	(65.21)
3 Transferred to Pri Media	-	-
4 Benefits Paid	83.77	56.99
5 Net Asset/ (Liability) at the end of the year	(62.12)	(96.08)
IV. Actuarial Assumptions:		
1 Discount rate	8%	8%
2 Expected rate of salary increase	5%	5%
3 Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Notes:

Amounts recognized as an expense and included in the Note 18 "Employee Benefits Expense" are gratuity Rs. 49.81 / Lacs (65.21) and leave benefits is Rs. 19.24 lacs (18.56)

The estimates of future salary increases considered in the actuarial valuation taking into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by actuary.

Defined contribution plan:

"Contribution to provident and other funds" is recognized as an expense in Note 18 of the Statement of Profit and Loss.



29 Related Party Disclosure

Holding Company

Mediavest Private Limited 99.99% (along with its Nominee)

Ultimate Holding Company

Zee Media Corporation Limited

Fellow Subsidiaries

Pri Media Services Private Limited,

(Rupees in Lacs)

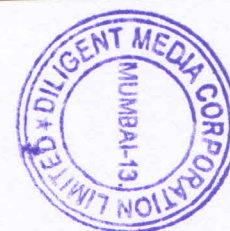
Particulars	31st March 15	31st March 14
Purchase of Services		
Pri Media Services Pvt Ltd	3,352.17	3,832.53
Interest on ICD taken		
Mediavest India Private Limited	444.02	-
Rent income		
Zee Media Corporation Limited	120.00	60.00
Advertisement, Job Work Revenue, Royalty Income and Sale of waste & scrap		
Zee Media Corporation Limited	79.81	16.83
ICD taken		
Mediavest India Private Limited	5,450.02	-
Refund of ICD		
Mediavest India Private Limited	5,450.02	-
Refund of Share Application Money received		
Mediavest India Private Limited	26,964.00	1,090.00
Issue of CCD		
Mediavest India Private Limited	32,858.03	-
Balances as at 31 March		
Loans and Advances		
Pri Media Services Pvt Ltd	499.81	-
Current liabilities		
Pri Media Services Pvt Ltd	-	838.15
Zee Media Corporation Limited	11.46	4.88
Outstanding CCD		
Mediavest India Private Limited	32,858.03	-
Share application money		
Mediavest India Private Limited	-	26,964.00

Related party relationships have been identified by the management and relied upon by the auditors

30 Details of Consumption of Imported and Indigenous stocks

(Rupees in Lacs)

Particulars	31st March 15		31st March 14	
	%	Amount	%	Amount
i) Raw Materials				
Imported	65.33%	2,561.13	53.53%	3,625.21
Indigenous	34.67%	1,359.23	46.47%	3,147.19
Total	100%	3,920.36	100%	6,772.40



31 Consumption of raw materials

(Rupees in Lacs)

Particulars	31st March 15		31st March 14	
	MT (Quantity)	Value	MT (Quantity)	Value
Newsprint	9,912.54	3,920.36	16,141.55	6,772.40

32 Earnings per Share

Particulars	31st March 15	31st March 14
Profit/ (Loss) after Tax	(2,249.86)	(9,578.84)
Weighted Average number of equity shares	89,095,542	89,095,542
Nominal Value of equity shares (Rs.)	10.00	10.00
Basic and Diluted Earnings per share	(2.53)	(10.75)

33 Segment Information

The Company is engaged in the business of Printing and Publication of Newspapers and is the only one reportable segment as per Accounting Standard - 17 Segment Reporting. Hence, the said accounting standard is not applicable.

34 Foreign Exchange Earnings and Outgo

(Rupees in Lacs)

Particulars	31st March 15	31st March 14
Earnings in Foreign Currency:		
Syndication Revenue	19.61	24.27
Expenditure in Foreign Currency:		
Travelling Expenses	8.88	6.81
News expenses	33.79	25.77
CIF Value of imports:		
Newsprint	2,922.67	3,258.22

35 Some of the Debtors/Loans and advances and creditors and subscription liabilities, pending confirmation, reconciliation and adjustments. In the opinion of the management, same will not have any consequential material effect on the Statement of Profit and Loss and/or Assets and Liabilities.

36 In accordance with the provisions of Schedule II of the Companies Act 2013, in case of the fixed assets which have completed their useful life as at 1st April 2014, Rs.67.07 lacs (net of deferred tax Rs.43.87) as transitional provision has been recognised in the retained earnings.

Further, in case of assets acquired prior to 1st April 2014, the carrying value of assets (net of residual value) is depreciated over the remaining useful life as determined effective 1st April 2014.

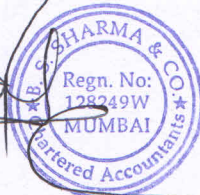
Depreciation and amortization expenses for the year is higher by Rs 109.95 lacs as per the provisions of Schedule II of the Companies Act 2013.

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

As per our report of even date,
For BS Sharma & Co.,
Chartered Accountants

CA BS Sharma
Proprietor
Membership No. 031578

Date 21.05.2015
Mumbai,



For and on behalf of the Board

Himanshu Mody
Director

Ravindra Mishra
Company Secretary

Mukund Galgali
Director



