INDEPENDENT AUDITORS' REPORT

To,
The Members of
PRI MEDIA SERVICES PRIVATE LIMITED,

1. Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **PRI MEDIA SERVICES PRIVATE LIMITED, ("The Company")**, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and Statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information, which have been signed with reference to the report hereunder.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

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

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

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

B. S. SHARMA & CO. F. R. No. 128249W MUMBAI Chartered Accountants

303, Level 3, Guruprabha CHS Ltd., 507-508 TPS IV, Sunder Nagar, Senapati Bapat Road, Dadar (W), Mumbai - 400 028.
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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

4. **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the said Ind AS financial statements together with notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind-AS of the financial position of the company as at 31 March, 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

5. **Emphasis of Matters**

Without qualifying our report, we draw reference to

A. Note no.2 relating to leasehold land and factory building situated at Mahape. The same continues to be in the name of Diligent Media Corporation Limited and the registration in the name of the company is pending before the authorities concerned.

B. Note no. 35 in Notes to Financial statements, regarding erosion of the entire equity capital, we state that the promoter and the holding company viz., Zee Media Corporation Limited (ZMCL), 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 ZMCL, 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.

   Further considering the Scheme of Arrangement and Amalgamation as detailed in Note no.38, the company would amalgamate, subject to requiste approvals of the authorities concerned, with Diligent Media Corporation Ltd., hence on filing the requisite documents with Ministry of Corporate Affairs, will cease to exist.

C. Note no. 36 relating to the sale of factory premises at Bengaluru resulting in a loss of Rs.18,88,13,262 shown below the line in the Statement of Profit & Loss.

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

Our opinion is not modified in respect of these matters.

6. **Report on Other Legal and Regulatory Requirements**

A. As required by the 'Companies (Auditor's Report) Order, 2016 as amended by issued by the Central Government of India in terms of Section 143 (11) of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

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

(e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as per the evidences produced, details furnished, with support and other letters from the Management, we express our opinion to the best of our information and according to the explanations given to us, that:

a. The Company does not have any pending litigations which would impact its Financial position.

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

c. There has been no amount required to be transferred to the Investor Education and

B. S. SHARMA & CO. F. R. No. 128249W MUMBAI Chartered Accountants

Protection Fund, since the same is not applicable to the Company.

d. The company has provided the requisite disclosers in the Ind AS financial statements as regards its holding as well as dealings in Specified Bank Notes as defined in Notification S.O. 3407(E) dated November 8, 2016 of Ministry of Finance ,during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and disclosures are in accordance with the books of accounts maintained by the company. Refer Note no 31 to Notes to financial statements hereto.

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

B. S. SHARMA & CO.
F. R. No.
128249W
MUMBAI
Chartered Accountants

CA B S SHARMA,
PROPRIETOR,
Membership No.031578

Place: Mumbai
Dated: 2 4 MAY 2017

PRI-MEDIA SERVICES PRIVATE LIMITED

Financials

2016 -2017

PRI-MEDIA SERVICES PRIVATE LIMITED

Balance Sheet

(In Rupees)

Particulars	Note	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	2	2,569,922,795	2,962,268,804	3,285,225,767
(b) Capital work-in-progress	2	-	-	20,400,336
(c) Financial assets				
(i) loans	3 (a)			
(i) Other financial assets	3 (b)	3,871,000	3,871,000	46,081,886
(d) Income tax assets (net)	4	10,128,259	14,783,230	12,674,131
(e) Deferred tax assets (net)	27	326,563,822	200,636,660	102,736,388
(f) Other non-current assets	5	43,726,480	61,913,477	105,250,240
Total non-current assets		**2,954,212,356**	**3,243,473,171**	**3,572,368,748**
Current assets				
(a) Inventories	6	18,136,151	19,201,958	29,560,528
(b) Financial assets				
(i) Trade receivables	7	233,831,021	56,598,656	28,548,816
(ii) Cash and cash equivalents	8A	7,725,687	817,694	20,349
(iii) Other bank balances	8B	1,800,000	-	39,800,000
(iv) Other financial assets	3	2,458,760	3,148,048	1,893,977
(c) Other current assets	5	350,152,083	266,833,501	6,445,974
Total current assets		**614,103,702**	**346,599,857**	**106,269,644**
Total assets		**3,568,316,058**	**3,590,073,028**	**3,678,638,392**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	9 (a)	100,000	100,000	100,000
(b) Instruments entirely equity in nature	9 (b)	-	1,100,000,000	1,100,000,000
(c) Other equity	10	(457,144,013)	(326,408,302)	(77,088,579)
Total equity		**(457,044,013)**	**773,691,698**	**1,023,011,421**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	11	3,930,182,220	2,724,413,651	2,001,173,412
(ii) Other financial liabilties	12	3,436,917	3,446,242	3,324,982
(b) Provisions	13	10,753,780	7,326,666	6,830,885
(c) Other Non Current Liabilities	14	-	229,235	686,453
Total non-current liabilities		**3,944,372,917**	**2,735,415,794**	**2,012,015,732**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	11	-	-	334,999,885
(ii) Trade payables	15	62,748,942	62,537,443	74,530,654
(iii) Other financial liabilities	12	15,134,537	13,930,482	139,317,664
(b) Other current liabilities	14	2,860,617	3,445,560	93,726,442
(c) Provisions	13	243,058	1,052,051	1,036,594
Total current liabilities		**80,987,154**	**80,965,536**	**643,611,239**
Total equities and liabilities		**3,568,316,058**	**3,590,073,028**	**3,678,638,392**

Notes forming part of the Financial Statements 1-40

As per our attached report of even date

For B S Sharma & Co.,
Chartered Accountants
FR No.128249

CA B S Sharma
Proprietor
Membership Number 031578

B. S. SHARMA & CO. F. R. No. 128249W MUMBAI Chartered Accountants

Place: Mumbai
Date: 24 May 2017

For and on behalf of the Board

A V Ramachandran
Director

Rajiv Singh
Director

PRI-MEDIA SERVICES PRIVATE LIMITED MUMBAI

PRI-MEDIA SERVICES PRIVATE LIMITED

Statement of Profit and Loss

(In Rupees)

Particulars	Note	Year ended 31 March 2017	Year ended 31 March 2016
Revenue			
Revenue from operations	16	523,686,265	525,657,350
Other income	17	10,479,909	14,837,763
Total		**534,166,174**	**540,495,113**
Expenses			
Operational cost	18	59,103,245	51,734,616
Cost of raw material consumed	18 A	164,871,796	129,724,736
Employee benefit expense	19	68,984,240	73,527,851
Finance costs	20	381,505,466	376,931,058
Depreciation and amortisation expense	21	115,178,063	126,999,579
Other expenses	22	64,738,410	71,497,042
Total		**854,381,220**	**830,414,882**
Profit/(Loss) before Tax and exceptional items		**(320,215,046)**	**(289,919,769)**
Less :Exceptional item			
Loss on sale of fixed assets		188,813,262	61,510,542
Profit/(Loss) before Tax and after exceptional items		**(509,028,308)**	**(351,430,311)**
Less: Tax expense			
Current tax- current year		-	-
- earlier year		-	-
Deferred tax	27	125,536,186	97,644,884
Net Profit/(Loss) after Tax		**(383,492,122)**	**(253,785,427)**
Other comprehensive income	23		
Items that will not be reclassified subsequentally to profit or loss Remesurement gains and (losses) on defined benefits obligations		(1,129,726)	(737,948)
Tax impact there on		390,976	255,389
Total other comprehensive income		**(738,750)**	**(482,559)**
Total other comprehensive income for the year, net of tax		**(384,230,872)**	**(254,267,986)**
Earning/(Loss) per share (face value of Rs. 10 each)	33		
Basic		(38,349.21)	(25,378.54)
Diluted		-	-

Notes forming part of the Financial Statements 1-40

As per our attached report of even date

For B S Sharma & Co.,
Chartered Accountants
FR No.128249

CA B S Sharma
Proprietor
Membership Number 031578
Place: Mumbai
Date: 24 May 2017

B. S. SHARMA & CO. F. R. No. 128249W MUMBAI Chartered Accountants

For and on behalf of the Board

A V Ramachandran
Director

Rajiv Singh
Director

PRI-MEDIA SERVICES PRIVATE LIMITED MUMBAI

PRI-MEDIA SERVICES PRIVATE LIMITED

Statement of Changes in Equity

A) Equity Share Capital

(In Rupees)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 01 April 15	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Opening balance	10,000	100,000	10,000	100,000	10,000	100,000
Add: Issued during the year	-	-	-	-	-	-
Closing balance	**10,000**	**100,000**	**10,000**	**100,000**	**10,000**	**100,000**

B) Instruments entirely equity in nature
Compulsorily Convertible Debentures

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balance at the beginning of the reporting period (Reclassification of debt instrument)	1,100,000,000	1,100,000,000	1,100,000,000
Add: Issued during the year	(1,100,000,000)		-
Balance at the end of the reporting period	-	**1,100,000,000**	**1,100,000,000**

C) Other Equity
Attributable to equity holders of the parent

(In Rupees)

Particulars	Reserves and Surplus		Total Other Equity
	Capital Contribution	Retained earnings	
Balance at 31 March 2015	-	(209,038,915)	(209,038,915)
Discounting of deposits received	-	35,654	35,654
Ancillary cost	-	31,583,649	31,583,649
Reclassification of debt instrument	-	-	-
Contribution received from Holding Company	125,616,302	(24,307,063)	101,309,239
Depreciation on account of retrospective application of schedule II		(1,495,911)	(1,495,911)
Deferred tax impact on the above transaction		517,705	517,705
As at 1 April 2015	**125,616,302**	**(202,704,881)**	**(77,088,579)**
Profit for the year	-	(253,785,427)	(253,785,427)
Other comprehensive income for the year (Refer note 23)	-	(482,559)	(482,559)
Total comprehensive income for the year	-	**(254,267,986)**	**(254,267,986)**
Contribution received from Holding Company	(19,358,800)	-	(19,358,800)
Reversal of guarantee	-	24,307,063	24,307,063
Balance at 31 March 2016	**106,257,502**	**(432,665,804)**	**(326,408,302)**
Profit for the year	-	(383,492,122)	(383,492,122)
Other comprehensive income for the year (Refer note 23)	-	(738,750)	(738,750)
Total comprehensive income for the year	-	**(384,230,872)**	**(384,230,872)**
Capital contribution on NCDs		250,598,172	250,598,172
Reversal of Compulsory convertible debentures	-		-
Contribution received from Holding Company	2,896,989	-	2,896,989
Balance at 31 March 2017	**109,154,491**	**(566,298,504)**	**(457,144,013)**

Notes forming part of the Financial Statements 1-40

As per our attached report of even date

For B S Sharma & Co.,
Chartered Accountants
FR No.128249

B. S. SHARMA & CO. F. R. No. 128249W MUMBAI Chartered Accountants

CA B S Sharma
Proprietor
Membership Number 031578
Place: Mumbai
Date: 24 May 2017

For and on behalf of the Board

A V Ramachandran
Director

Rajiv Singh
Director

PRI-MEDIA SERVICES PRIVATE LIMITED MUMBAI

PRI-MEDIA SERVICES PRIVATE LIMITED

Statement of Cash Flows

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A.NET CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax and exceptional items	(320,215,046)	(289,919,769)
Adjustments For :		
Depreciation and amortization Expense	115,178,063	126,999,579
Bad debts and advances written off, allowance for credit losses on financial assets (net)	(1,136,465)	(73,671)
Balances written back	(464,242)	-
Loss on sale of fixed assets	34,131	6,947
Remeasurement gains and losses on defined benefits obligations	(1,129,726)	(737,948)
Interest expense	381,505,466	376,931,058
Interest Income	(808,066)	(3,267,977)
Operating profit/(loss) before working capital changes	**172,964,115**	**209,938,219**
Adjustments For :		
Trade receivables, loans, other financial assets and other assets	(260,456,988)	(266,034,293)
Inventories	1,065,806	10,358,571
Trade payables, other financial liabilities, other liabilities and provisions	3,732,908	(102,351,223)
Cash generated from operations	**(82,694,159)**	**(148,088,726)**
Direct taxes paid (Net)	4,654,971	(2,109,099)
Net cash provided by operating activities	**(78,039,188)**	**(150,197,825)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of property ,plant and equipment / Capital Work In Progress	(18,153,988)	(29,358,645)
Sale of property ,plant and equipment / Capital Work In Progress	106,474,541	184,198,876
Sale of fixed deposits	-	41,270,914
Interest received	761,374	4,507,950
Net cash used in investing activities	**89,081,927**	**200,619,095**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of Vehicle loan	(127,883)	(114,615)
Proceeds from issue of Non convertible debentures	-	2,500,000,000
Payments of term loan	-	(2,126,124,180)
Repayments of Cash Credits	-	(334,999,885)
Interest Payments	(2,206,863)	(128,185,245)
Net cash used in financing activities	**(2,334,746)**	**(89,423,925)**
Net increase/(decrease) in cash and cash equivalents	8,707,993	(39,002,655)
Cash and cash equivalents at the beginning of the year	817,694	39,820,349
Cash and cash equivalents at the end of the year	**9,525,687**	**817,694**

Notes forming part of the Financial Statements 1-40

Note:

1. Previous year's figures have been regrouped, recast wherever necessary

As per our attached report of even date

For B S Sharma & Co.,
Chartered Accountants
FR No.128249

CA B S Sharma
Proprietor
Membership Number 031578
Place: Mumbai
Date: 24 May 2017

B. S. SHARMA & CO. F. R. No. 128249W MUMBAI Chartered Accountants

For and on behalf of the Board

A V Ramachandran
Director

Rajiv Singh
Director

PRI-MEDIA SERVICES PRIVATE LIMITED MUMBAI

1.1 **Corporate Information**

Pri Media Services Private Limited ('the Company'), incorporated in the State of Maharashtra on 8th June 2012 is in the business of Printing of newspapers, periodicals, financial statements, magazines, annual reports, books and others on job work basis. The company was a wholly owned subsidiary of Essel Publishers Private Limited,(EPPL) which holds 100% of the equity share capital of the Company till 31.03.2014. However, w.e.f. 27th May 2014 the EPPL has amalgamated from appointed date i.e. 01.04.2014 with Zee Media Corporation Ltd.,(ZMCL) vide order dt 02.05.2014 of the Hon"ble Bombay High Court. Hence the Company has became a subsidiary of ZMCL w.e.f.01.04.2014 and continued as such.

1.2 **Significant Accounting Policies**

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

These financial statements are prepared on going concern basis in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis , the provisions of the Companies Act , 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
Accordingly, the Company has prepared financial statements which comply in all material aspects with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period as at and for the year ended 31 March 2016. In preparing these first Ind AS financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS.
Reconciliations and descriptions of the effect of the transition has been summarized in note 40.
Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

ii **Revenue recognition**

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

a Revenue from printing job work is recognized on the completion of the work.

b 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.

c Rent income is recognised on accural basis as per the agreed terms.

d Revenue from 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 taxes

iii **Leases**

(a) **Finance lease**

Assets held under finance leases are recognised as assets of the Company at their fair value on the date of acquisition, or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reductions of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in statement of profit and loss account, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs . Contingent rentals are recognised as expenses in the periods in which they are incurred.

(b) **Operating lease**

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating Lease payments / revenue are recognised on staright line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

B. S. SHARMA & CO. F. R. No. 128249W MUMBAI Chartered Accountants

PRI-MEDIA SERVICES PRIVATE LIMITED MUMBAI

iv Transactions in foreign currencies

The functional currency of the company is Indian Rupees ("Rs."). The financial statements are presented in Indian Rupees.

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

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

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

v Retirement and other employee benefits

a

The Company operates defined benefit schemes for its employees. For defined contribution schemes the amount charged as expense is equal to the contributions paid or payable when employees have rendered services entitling them to the contributions.
For post-employment benefit plans and other long term employee benefit plans, actuarial valuations are carried out at each balance sheet date using the Projected Unit Credit Method.
Remeasurements, comprising of acturial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods. All such plans are unfunded.

b The Company recognises service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income as an expense in the statement of profit and loss.

c The Company's contributions paid / payable towards the defined contribution plan is recognized as expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

d Short-term employee benefits are expensed at the undiscounted amount in the Statement of Profit and Loss in the year the employee renders service.

vi Accounting for taxes on income

Tax expense comprises of current and deferred tax.

a

Current tax

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

b

Deferred tax

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

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

vii Property, plant and equipment

a Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.
The carrying amount of the replaced part accounted for as a separate asset previously is derecognised.

b Capital work-in-progress comprises cost of Property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date.

c Subsequent cost/expenditure related to an item of Property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the company and cost can be reliably measured

d Losses arising from the retirement of, and gains or losses arising from disposal of Property, plant and equipment are recognised in Statement of profit and loss

viii Intangible assets

Intangible assets acquired or developed are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any.

B. S. SHARMA & CO. F. R. No. 128249W MUMBAI Chartered Accountants

PRI-MEDIA SERVICES PRIVATE LIMITED MUMBAI

ix **Depreciation / Amortisation on Property, plant and equipment / Intangible assets**

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

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 - 16 years
Factory Building - 35 years

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

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

b Premium on Leasehold Land is amortized over the period of Lease.

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

x **Impairment of Property, plant and equipment / Intangible assets**

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

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

x **Borrowing costs**

Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of cost of the assets. All other borrowing costs are expensed in the period they occur.

xii **Inventories**

As per Ind AS 2 - Inventories, the inventory cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition & Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

a Stock of consumables items are valued at lower of cost or net estimated realizable value. Cost is determined on First in First out Basis (FIFO).

b Stores and Spares are valued at lower of weighted average cost or net realizable value.

c Scrap and Waste Paper Stock is valued at net estimated realisable value.

d Stock of Newsprint is valued at lower of cost or net estimated realizable value. Cost is determined on First in First out Basis (FIFO).

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xiii **Financial Instruments**

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

Initial Recognition

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

Subsequent Measurement

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

Debt Instrument

Amortised Cost

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

Fair value through other comprehensive income (FVTOCI)

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payments of principle and interest.

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

Fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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.

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Financial liabilities

Subsequent Measurement

Financial liabilities measured at amortised cost

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

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

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Determination of fair value

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

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xiv Provisions, contingent liabilities and contingent assets

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

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

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

xv Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive or the fair value at which the equity shares will be issued against compulsory convertible debentures is not determinable.

xvi Cash and cash equivalent

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

xvii Use of estimates

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

Critical accounting judgment and estimates

a Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes wherever possible and imminent are quantified but are not provided for in the financial statements. 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 judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

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d **Tax**

a) The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.
b) Accruals for tax contingencies require management to make judgments and estimates in relation to tax audit issues and exposures.
c) The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the particular legal entity or tax Company in which the deferred tax asset has been recognized.

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

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

f **Fair value measurement**

A number of company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
-Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly(i.e. prices) or indirectly (i.e. derived from prices).
-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
The company recognizes transfers between levels of the fair value hierarchy at the end of reporting year during which the change has occurred.

Standards issued but not yet effective

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

Amendment to Ind AS 7:

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

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Notes forming part of the Financial Statements

(In Rupees)

Particulars	Plant & Machinery	Leasehold Improvements	Leasehold Land	Freehold Land	Factory Building	Computers	Equipments	Furniture and Fittings	Vehicles	Total
2. Property, plant and equipment										
I. Cost										
As at 01 April 2015	1,620,213,197	87,334	1,101,169,408	134,223,148	658,542,454	24,265,335	4,226,544	1,576,732	439,798	3,544,743,950
Additions	2,788,373	-	-	-	43,851,836		2,998,772	120,000	-	49,758,981
Disposal	284,131,399	-	-	-				-	-	284,131,399
As at 31 March 2016	**1,338,870,171**	**87,334**	**1,101,169,408**	**134,223,148**	**702,394,290**	**24,265,335**	**7,225,316**	**1,696,732**	**439,798**	**3,310,371,532**
Additions	7,000,976	-	-	-	8,888,553	980,000	1,225,289	59,170	-	18,153,988
Disposal	38,612,970	-	-	134,223,148	143,572,107	1,271,242	96,848	53,738	-	317,830,053
As at 31 March 2017	**1,307,258,177**	**87,334**	**1,101,169,408**	**-**	**567,710,736**	**23,974,093**	**8,353,757**	**1,702,164**	**439,798**	**3,010,695,467**
II. Depreciation and impairment										
As at 01 April 2015	179,099,768	44,021	27,865,465	-	41,427,148	10,123,400	656,003	278,770	23,609	259,518,183
Depreciation charge for the year	87,533,101	26,377	13,401,787	-	17,817,451	6,756,960	1,254,243	157,290	52,369	126,999,579
Disposal	38,415,034	-		-				-	-	38,415,034
As at 31 March 2016	**228,217,835**	**70,398**	**41,267,252**	**-**	**59,244,599**	**16,880,360**	**1,910,246**	**436,060**	**75,978**	**424,932,798**
Depreciation charge for the year	79,433,351	12,569	13,365,170	-	16,407,858	4,195,914	1,544,349	166,626	52,226	115,178,063
Disposal	7,338,725	-		-	14,120,994	963,516	62,994	21,889	-	22,508,119
Balance as at 31 March 2017	**300,312,461**	**82,967**	**54,632,422**	**-**	**61,531,463**	**20,112,758**	**3,391,601**	**580,795**	**128,204**	**540,110,862**
Net book value										
At 31 March 2017	1,006,945,716	4,367	1,046,536,986	-	506,179,273	3,861,335	4,962,156	1,121,369	311,594	2,569,922,795
At 31 March 2016	1,110,652,336	16,936	1,059,902,156	134,223,148	643,149,691	7,384,975	5,315,070	1,260,672	363,820	2,962,268,804
At 01 April 2015	1,441,113,429	43,313	1,073,303,943	134,223,148	617,115,306	14,141,935	3,570,541	1,297,962	416,189	3,285,225,767

Net book value	31 March 2017	31 March 2016	01 April 2015
Property, plant and equipment	2,569,922,795	2,962,268,804	3,285,225,767
Capital Work-In-Progress	-	-	20,400,336

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Notes forming part of the Financial Statements as at

3 Financial Assets

(In Rupees)

Particulars	Non Current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
3 (b) Other financial assets						
Security Deposits (unsecured, considered good)	3,871,000	3,871,000	3,571,000	1,264,037	1,259,037	1,254,037
Balance with bank - in deposit account	-	-	41,270,914	-	-	-
Interest accrued but not due	-	-	1,239,972	46,692	-	-
Other Receivables	-	-	-	1,148,031	1,889,011	639,940
Total	3,871,000	3,871,000	46,081,886	2,458,760	3,148,048	1,893,977

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
4 Income tax assets (net)			
Balance with Government authority			
Advance Tax (net of provision)	10,128,259	14,783,230	12,674,131
Total	10,128,259	14,783,230	12,674,131

(In Rupees)

Particulars	Non Current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
5 Other assets						
Capital advances	2,920,000	2,920,000	3,941,001	-	-	-
Deferred Expense	40,806,480	58,993,477	101,309,239	21,083,986	22,862,473	-
Prepaid expenses	-	-	-	364,983	414,230	1,048,224
Advance to others	-	-	-	328,703,114	243,556,798	5,397,750
Total	43,726,480	61,913,477	105,250,240	350,152,083	266,833,501	6,445,974

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
6 Inventories			
Newsprint*	2,514,569	425,037	467,788
Ink*	2,129,939	3,166,561	4,005,473
Plates*	1,220,469	1,396,451	1,920,639
consumables*	1,912,448	2,609,249	5,175,498
stores, spares and parts**	10,358,726	11,604,660	17,991,130
Total	18,136,151	19,201,958	29,560,528

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

**valued at lower of weighted average cost or net estimated realizable value.

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Notes forming part of the Financial Statements as at

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
7 **Trade Receivables** (Unsecured)			
-Considered good	233,831,021	56,598,656	28,548,816
-Considered doubtful	2,747,884	3,884,349	3,958,020
	236,578,905	60,483,005	32,506,836
Less: Allowances for credit losses	2,747,884	3,884,349	3,958,020
Total	233,831,021	56,598,656	28,548,816

For details relating to related party receivables, refer Note 25.
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
8A **Cash and cash equivalents**			
Balances with Banks			
In Current Accounts	7,688,269	795,417	5,091
Deposit with Bank with maturity less than 3 months	-	-	-
Cash on Hand	37,418	22,277	15,258
Total	7,725,687	817,694	20,349

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
8B **Other Bank Balances**			
Fixed deposit with Maturity for more than 3 months but less than 12 months pledged against Bank Guarantee)	1,800,000	-	39,800,000
Total	1,800,000	-	39,800,000

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(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
9 (a) Share Capital			
Authorised			
50,000 (50,000) Equity Shares of Rs. 10 each	500,000	500,000	500,000
	500,000	**500,000**	**500,000**
Issued , Subscribed and Fully Paid up			
10,000 (10,000) Equity Shares of Rs. 10 each fully paid up	100,000	100,000	100,000
Total	**100,000**	**100,000**	**100,000**

a Reconciliation of number of Equity shares and Equity Share capital

Particulars	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	No. of Equity Shares	Amount	No. of Equity Shares	Amount	No. of Equity Shares	Amount
At the beginning of the year	10,000	100,000	10,000	100,000	10,000	100,000
Add: Issued during the year		-	-	-	-	-
At the end of the year	**10,000**	**100,000**	**10,000**	**100,000**	**10,000**	**100,000**

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 as and when declares dividend it pays in Indian Rupees. The dividend, if any, proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting.

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

c Details of equity shares held by the holding company:

(In Rupees)

Name of Shareholders	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Zee Media Corporation Limited (ZMCL) and its nominees			
10000 (10000) Equity shares of Rs 10 each fully paid up	100,000	100,000	100,000

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

Name of Shareholders	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	No. of Equity Shares	% Shareholding	No. of Equity Shares	% Shareholding	No. of Equity Shares	% Shareholding
Zee Media Corporation Limited (ZMCL) and its nominees	10,000	100	10,000	100.00	10,000	100.00

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

9 (b) Instruments entirely equity in nature

Compulsorily Convertible Debentures

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balance at the beginning of the reporting period (Reclassification of debt instrument)	1,100,000,000	1,100,000,000	1,100,000,000
Changes in compulsorily convertible debentures during the period	(1,100,000,000)	-	-
Balance at the end of the reporting period	-	**1,100,000,000**	**1,100,000,000**

*11,000,000 Compulsory Convertible Debentures of Rs.100 each amounting to Rs. 1,100,000,000 are issued and allotted on rights basis to ZMCL (formerly Essel Publishers Private Limited) at a coupon rate 0.01% p.a of face value and convertible within 5 years from the date of allotment. Pursuant to scheme of amalgamation Essel Publishers Private Limited has amalgamated from appointed date (01.04.2014) with Zee Media Corporation Limited on filing of the said order with ROC on 27.05.2014.

**During the year on 28th October 2016 under a Scheme of Arrangement and Amalgamation (Scheme) the above CCDs are converted by issuing 0% 1,10,00,000 (One crore Ten Lacs) Non convertible debentures (NCDs) of Re 1 each at par with 3 years term from the date of allotment. Further post such conversion on 2nd November 2016 the said NCDs are acquired by Diligent Media Corporation Limited from Zee Media Corporation Limited at book value i.e Rs. 110 crores

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Notes forming part of the financial statements

10 Other equity

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Capital Contribution			
As per last Balance sheet	109,154,491	106,257,502	125,616,302
Surplus in statement of profit and loss			
As per last Balance sheet	(432,665,804)	(202,704,881)	(202,704,881)
Profit/(loss) for the year transfer from Statement of profit and loss	(383,492,122)	(253,785,427)	-
Re-measurement gains/ (losses) on defined benefit plans	(738,749)	(482,559)	-
Reversal of guarantee	-	24,307,063	-
Capital contribution on NCDs	250,598,172	-	-
	(566,298,504)	(432,665,804)	(202,704,881)
Total	(457,144,013)	(326,408,302)	(77,088,579)

(In Rupees)

Particulars	Non Current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
11 **Borrowings- Secured**						
Term Loans						
From Bank*	-	-	2,000,976,137	-	-	125,148,043
Non Convertible Debentures*	3,048,316,952	2,724,344,262	-	-	-	-
Vehicle loan**						
From Banks	-	69,389	197,275	69,390	127,884	114,613
Cash credit from banks	-	-	-	-	-	334,999,885
Borrowings - Unsecured						
110,00,00,000- 0% Non-Convertible Debentures of Re. 1 each***	881,865,268	-	-	-	-	-
Less classified under current liabilities				(69,390)	(127,884)	(125,262,656)
Total	3,930,182,220	2,724,413,651	2,001,173,412	-	-	334,999,885

*** Term loan from Banks secured by:**

During the year 2015-16 the company has repaid its secured term loans of Rs 108.82 crores of IDBI Bank and Rs 106.28 crores of Jammu & Kashmir Bank Ltd by issuing NCD of Rs 250 crores at 11.9% p.a interest payable (based on internal rate of return) at the time of maturity (as per table below) and is secured on pari-passu basis by way of Hypothecation of movable fixed and current assets located at Mahape, Navi Mumbai and over monies lying to the credit of the designated account of the company and any investnent made therefrom and also corporate guarantee of Zee Media Corporation Ltd. (The Holding Company)

SCHEDULED PAYOUTS

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

Cash flows	Schedule due date	No.of days in Redemption premium amount	Amount (in Rupees)
RedemptionPremium	June 30, 2018	1,096	20,07,99,922
Principal Amount	June 30, 2018	1,096	50,00,00,000

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

Cash flows	Schedule due date	No.of days in Redemption premium amount	Amount (in Rupees)
RedemptionPremium	June 30, 2019	1,461	42,62,92,669
Principal Amount	June 30, 2019	1,461	75,00,00,000

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

Cash flows	Schedule due date	No.of days in Redemption premium amount	Amount (in Rupees)
Redemption Premium for Series A Debenfures	June 30, 2020	1,827	37,77,84,685
Principal Amount for Series A Debenfures	June 30, 2020	1,827	50,00,00,000
Redemption Premium for Series B Debenfures	June 30, 2020	1,827	56,66,77 ,027
Principal Amount for Series B Debenfures	June 30, 2020	1,827	75,00,00,000
Redemption Premium for Series C Debenfures	June 30, 2020	1,827	94,44,61,711
Principal Amount for Series C Debenfures	June 30, 2020	1,827	125,00,00,000

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

**** Vehicle Loan**

Vehicle loan sanctioned from HDFC Bank Ltd., @ 11% p.a on first and exclusive charge in favour of the said Bank against hypothecation of the vehicle for the due repayment of the said Term Loan. The loan is repayable in 36 Monthly equal installments commencing from Oct 2014.

***** Unsecured NCDs**

During the year on 28th October 2016 under a Scheme of Arrangement and Amalgamation (Scheme) the above CCDs are converted by issuing 0% 1,10,00,000 (One crore Ten Lacs) Non convertible debentures (NCDs) of Re 1 each at par with 3 years term from the date of allotment. Further post such conversion on 2nd November 2016 the said NCDs are acquired by Diligent Media Corporation Limited from Zee Media Corporation Limited at book value i.e Rs. 110 crores. These NCDs are discounted to present value @ 9% and the difference between present value and total NCDs is recognised to capital contribution and the Notional interest portion till 31st March 2017 has been charged to profit and loss and added back to borrowings

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PRI-MEDIA SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements

(In Rupees)

Particulars	Non Current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
12 Other financial liabilties						
Current maturities of long-term debt	-	-	-	69,390	127,884	125,262,656
Deposits for rental premises and others	3,436,917	3,446,242	3,324,982	3,087,000	4,037,000	3,137,000
Capital liabilities	-	-	-	3,573,391	3,083,095	-
Other payables*	-	-	-	8,404,756	6,682,503	10,918,008
Total	3,436,917	3,446,242	3,324,982	15,134,537	13,930,482	139,317,664

Includes payables to Director which is disclosed in Related party Notes

(In Rupees)

Particulars	Non Current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
13 Provisions						
Provision for employee benefits						
Provision for gratuity	9,407,144	6,255,769	5,579,911	165,636	695,085	619,901
Provision for compensated absences	1,346,636	1,070,897	1,250,974	77,422	356,966	416,693
Total	10,753,780	7,326,666	6,830,885	243,058	1,052,051	1,036,594

(In Rupees)

Particulars	Non Current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
14 Other Liabilities						
Prepaid advances	-	229,235	686,453	229,235	457,218	458,471
Statutory dues payable	-	-	-	1,141,411	2,864,123	1,340,570
Advances received	-	-	-	1,489,971	124,219	40,308,659
Advances from Customer(Related Parties)	-	-	-	-	-	49,981,422
Book overdrafts	-	-	-	-	-	1,637,320
Total	-	229,235	686,453	2,860,617	3,445,560	93,726,442

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
15 Financial liabilities			
Trade payables	62,748,942	62,537,443	74,530,654
	62,748,942	62,537,443	74,530,654

Terms and conditions of the above Financial liabilities :

a) Trade and other payables are non-interest bearing and are generally on terms of 30 to 90 days.
b) For details relating to related party payables, refer Note 25.

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(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
16 Revenue From Operations		
a Sale of services		
Job Revenue	511,989,906	514,459,401
b Other operating revenues		
Sale of waste and scrap	11,696,359	11,197,949
Total	523,686,265	525,657,350

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
17 Other Income		
Interest Income on		
Bank deposits	255,024	2,433,548
Others	553,042	834,429
Other non-operating Income		
Rent Income	7,787,386	10,253,779
Balances written back	464,242	-
Miscellaneous receipts	283,750	1,316,007
Provision for Doubtful debt reversed	1,136,465	-
Total	10,479,909	14,837,763

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
18 Operational cost		
Consumption of Stores and Spares	10,103,159	6,564,950
Direct Labour charges	18,441,622	15,665,060
Packing Material & Other Material consumed	30,558,464	29,504,606
Total	59,103,245	51,734,616

(In Rupees)

Particulars	Newsprint	Ink	Plates	Total
18 A Cost of raw material consumed				
Year ended 31 March 2017				
Inventory at the beginning of the year	425,037	3,166,561	1,396,451	4,988,049
Add: Purchases (includes overhead expenses and taxes)	68,891,619	36,290,008	27,221,234	132,402,861
Add: Raw material taken on loan	49,364,694	-	-	49,364,694
(A)	118,681,350	39,456,569	28,617,685	186,755,604
Less: Raw material given on loan	16,018,831	-	-	16,018,831
Less: Inventory at the end of the year	2,514,569	2,129,939	1,220,469	5,864,977
(B)	18,533,400	2,129,939	1,220,469	21,883,808
Total (A) - (B)	**100,147,950**	**37,326,630**	**27,397,216**	**164,871,796**
Year ended 31 March 2016				
Inventory at the beginning of the year	467,788	4,005,473	1,920,639	6,393,900
Add: Purchases during the period	39,945,519	41,842,608	26,414,772	108,202,899
Add: Raw material taken on loan	20,146,242	-	-	20,146,242
(A)	60,559,549	45,848,081	28,335,411	134,743,041
Less: Raw material given on loan	30,256	-	-	30,256
Less: Inventory at the end of the year	425,037	3,166,561	1,396,451	4,988,049
(B)	455,293	3,166,561	1,396,451	5,018,305
Total (A) - (B)	**60,104,256**	**42,681,520**	**26,938,960**	**129,724,736**

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
19 Employee benefit expenses		
Salaries and wages	62,244,550	66,473,055
Contribution to provident and other funds	5,087,309	4,645,069
Staff Welfare expenses	1,652,381	2,409,727
Total	68,984,240	73,527,851

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(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
20 Finance costs		
Interest Expense		
Term loans	-	99,290,496
Others	15,385	12,117,368
Premium on redemption of debentures	323,972,690	224,344,262
CCD & ICD	63,288	9,017,446
Bank & Other Financial Charges	10,979	4,249,276
Deferred Expense	22,862,473	24,401,552
Other Interest	1,631,789	3,084,005
Interest on NCDs	32,463,440	-
Notional interest on security deposit	485,422	426,653
Total	381,505,466	376,931,058

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
21 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	115,178,063	126,999,579
Amortisation on Intangible Assets	-	-
Total	115,178,063	126,999,579

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
22 Other Expenses		
Power and Fuel	28,709,073	18,408,302
Repairs and Maintenance:		
- Plant and Machinery	4,446,825	15,046,726
- Building	1,663,151	4,866,326
- Others	4,737,726	5,240,486
Insurance	498,434	634,105
Rates and Taxes	5,550,066	5,970,993
Legal and Professional expenses	4,800,679	4,758,209
Printing and Stationery	746,366	331,364
Communication expenses	116,979	198,881
Travelling and Conveyance expenses	3,128,687	3,656,336
Payment to Auditor (Refer details below)	965,088	608,588
Marketing, distribution, business promotion expenses	305,907	703,178
Bad debts	825,043	1,221,419
Hire & Service Charges	5,602,837	5,981,844
Loss on sale/discard of fixed assets	34,131	6,947
General and other office expenses	2,607,418	3,863,338
Total	64,738,410	71,497,042

Auditors Remuneration is as under:

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
As Auditor		
Audit Fee	500,000	500,000
Tax Audit Fee	100,000	100,000
for other services including interim audit	365,088	8,588
Total	965,088	608,588

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23 Components of other Comprehensive Income (OCI)

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

(In Rupees)

Particulars	Retained earnings	
	Year ended 31 March 2017	Year ended 31 March 2016
Re-measurement gains (losses) on defined benefit plans	(1,129,726)	(737,948)
Total	**(1,129,726)**	**(737,948)**

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Notes forming part of the Financial Statements

24 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 19 "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 (Non funded) in terms of Ind AS 19 is as under:

(In Rupees)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016	As at 1 April 2015
	Gratuity (Non funded)		
I. Expenses recognized in profit and loss			
1 Current Service Cost	1,027,938	833,125	
2 Past Service cost	-	-	
3 Administrative expenses	-	-	
4 Interest Cost	552,537	496,001	
5 Actuarial Losses / (Gains)		-	
Total Expenses	**1,580,475**	**1,329,126**	-
II. Amount recognized in other comprehensive income (OCI)			
1 Opening amount recognized in OCI outside profit and loss account	737,948	-	
2 **Remeasurment during the period due to**	-	-	
Experience adjustments	452,101	737,948	
Changes in financial assumptions	677,625	-	
Changes in demographic assumptions		-	
Closing amount recognized in OCI outside profit and loss account	**1,867,674**	**737,948**	-
III. Net Asset/(Liability) recognized in the Balance Sheet			
1. Present value of defined benefit obligation	(9,572,780)	(6,950,854)	
2. Net Asset / (Liability)	(9,572,780)	(6,950,854)	
III. Reconciliation of Net Asset/(Liability) recognized in the Balance Sheet			
1 Net Asset/(Liability) at the beginning of year	(6,950,854)	(6,200,012)	
2 Expense as per I above	(1,580,475)	(1,329,126)	
3 Other comprehensive income as per II above	(1,129,726)	(737,948)	
4 Employer contribution	88,275	1,316,232	
5 Net Asset/(Liability) at the end of the year	(9,572,780)	(6,950,854)	
IV. Actuarial Assumptions:			
1 Discount rate	7.50%	8.00%	8.00%
2 Expected rate of salary increase	5.00%	5.00%	5.00%
3 Mortality	IALM(2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
V. The following payments are expected to defined benefit plan in future years :	In Rupees		
1 Expected benefits for year 1	165,636	137,741	
2 Expected benefits for year 2 to year 5	814,904	632,738	
3 Expected benefits beyond year 5	8,592,240	6,180,375	

VI. Sensitivity Analysis

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

	Withdrawal rate	Discount Rate	Salary Escalation rate
PVO DR + 1%	9,980,395	8,073,986	11,175,569
PVO DR - 1%	9,103,089	10,945,621	8,225,800

Notes:

(a) Amounts recognised as an expense and included in the Note 19 "Employee benefit expenses" are gratuity Rs.1,027,938 (833,125) and leave encashment Rs. 645,078 (Rs. 9,641)

(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.

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25 **Related Party Transactions**

Holding Company
Zee Media Corporation Limited (ZMCL)

Fellow subsidiary companies
Pri Media Services Private Limited, Zee Akaash News Private Limited, Mediavest India Private Limited

(In Rupees)

(A)Transactions with Related Parties	Year ended 31 March 2017	Year ended 31 March 2016
Sale of Services		
Diligent Media Corporation Limited	261,575,151	321,997,225
Zee Media Corporation Ltd.	1,296,000	2,582,500
Interest Expense:		
ZMCL: Interest on ICDs	-	8,907,446
ZMCL: Interest on CCDs	63,288	110,000
Inter Corporate Deposit (Received)		
ZMCL	-	150,000,000
Inter Corporate Deposit (Paid)		
ZMCL	-	150,000,000
Payment to Directors		
Sitting Fees		
Surjit Banga	110,000	30,000
Nikhil Dilip Shoorji	110,000	30,000
Salary		
AV Ramachandran	4,439,648	5,029,680
CCDs received		
ZMCL	1,100,000,000	-
NCD issued of Rs 1,100,000,000 to Diligent Media Corporation Limited		
Recognised as capital contribution	250,598,172	-
Recognised as Borrowings	849,401,828	-
Notional Interest on above borrowings	32,463,440	-

(In Rupees)

B) Balances outstanding	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Trade receivables			
Diligent Media Corporation Limited	176,164,262	27,053,242	-
Other Payables			
AV Ramachandran	5,800	15,700	-
Convertible Debentures			
Zee Media Corporation Limited	-	1,100,000,000	1,100,000,000
NCD issued of Rs 1,100,000,000 to Diligent Media Corporation Limited			
Recognised as capital contribution	218,134,732	-	-
Recognised as Borrowings	881,865,268	-	-
Current Liabilities			
Diligent Media Corporation Limited	-	-	49,981,422

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27 **Financial Instruments**

i) **Financial risk management objective and policies**

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

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

a) **Market risk**

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

1) **Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the 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 Non convertible debenture holders.

Interest rate sensitivity

The borrowing of the company includes vehicle loan and Non convertible debentures which carries fixed coupon rate and hence the company is not exposed to interest rate risk.

2) There are no foreign currency transaction entered by the company. Hence the company is not exposed to currency risk

3) **Credit risk**

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

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

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

(In Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade Receivables (Unsecured)			
Over six months	46,001,169	5,738,449	4,663,769
Less than six months	190,577,736	54,744,556	27,843,067
Total	236,578,905	60,483,005	32,506,836

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

Particulars	As at 31 March 2017	As at 31 March 2016
Opening Balance	3,884,349	3,958,020
addition during the year	-	-
reversal during the year	1,136,465	73,671
Closing Balance	2,747,884	3,884,349
Net Trade receivable	233,831,021	56,598,656

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

Particulars	As at 31 March 2017	As at 31 March 2016
	%	%
Revenues generated from top 10 customers	83%	86%

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

b) **Liquidity risk**

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

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

Particulars	Due in 1st year	Due in 2 to 5 nd year
Financial Liabilities		
Trade payable and other financial liabilities	77,883,479	3,436,917
Borrowings	-	3,930,182,220
Total	77,883,479	3,933,619,137

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

Particulars	Due in 1st year	Due in 2 to 5 nd year
Financial Liabilities		
Trade payable and other financial liabilities	76,467,925	3,446,242
Borrowings	-	2,724,413,651
Total	76,467,925	2,727,859,893

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

Particulars	Due in 1st year	Due in 2 to 5 nd year
Financial Liabilities		
Trade payable and other financial liabilities	213,848,318	3,324,982
Borrowings	334,999,885	2,001,173,412
Total	548,848,203	2,004,498,394

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ii) **Capital Management**

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

(iii) **Categories of financial instruments**

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Financial assets			
Measured at amortised cost			
Other financial assets (Non current)	3,871,000	3,871,000	46,081,886
Trade Receivables	233,831,021	56,598,656	28,548,816
Cash and cash equivalents	7,725,687	817,694	20,349
Other bank balances	1,800,000	-	39,800,000
Other financial assets (current)	2,458,760	3,148,048	1,893,977
	249,686,468	**64,435,398**	**116,345,028**
Financial liabilities			
Measured at amortised cost			
Borrowings(Non current)	3,930,182,220	2,724,413,651	2,001,173,412
Borrowings(current)	-	-	334,999,885
Other financial liabilities (Non current)	3,436,917	3,446,242	3,324,982
Trade Payable	62,748,942	62,537,443	74,530,654
Other financial liabilities (current)	15,134,537	13,930,482	139,317,664
	4,011,502,616	**2,804,327,818**	**2,553,346,597**

Fair Value

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

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

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Measured at amortised cost						
Other financial assets (Non current)	3,871,000	3,871,000	3,871,000	3,871,000	46,081,886	46,081,886
Trade Receivables	233,831,021	233,831,021	56,598,656	56,598,656	28,548,816	28,548,816
Cash and cash equivalents	7,725,687	7,725,687	817,694	817,694	20,349	20,349
Other bank balances	1,800,000	1,800,000	-	-	39,800,000	39,800,000
Other financial assets (current)	2,458,760	2,458,760	3,148,048	3,148,048	1,893,977	1,893,977
	249,686,468	**249,686,468**	**64,435,398**	**64,435,398**	**116,345,028**	**116,345,028**
Financial liabilities						
Measured at amortised cost						
Borrowings(Non current)	3,930,182,220	3,930,182,220	2,724,413,651	2,724,413,651	2,001,173,412	2,001,173,412
Borrowings(current)	-	-	-	-	334,999,885	334,999,885
Other financial liabilities (Non current)	3,436,917	3,436,917	3,446,242	3,446,242	3,324,982	3,324,982
Trade Payable	62,748,942	62,748,942	62,537,443	62,537,443	74,530,654	74,530,654
Other financial liabilities (current)	15,134,537	15,134,537	13,930,482	13,930,482	139,317,664	139,317,664
	4,011,502,616	**4,011,502,616**	**2,804,327,818**	**2,804,327,818**	**2,553,346,597**	**2,553,346,597**

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

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

(iv) **Fair value Hierarchy**

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

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27 Taxes on income

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

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

Particulars	As at 31 March 2017	As at 31 March 2016
Income tax related to items recognised directly in the statement of profit and loss		
Deferred tax (charge) / benefit	125,536,186	97,644,884
Effective tax rate	-24.66%	-27.78%

A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Company's effective income tax rate for the year ended 31 March 2017 and 31 March 2016 is as follows

Particulars	As at 31 March 2017	As at 31 March 2016
Profit before tax and exceptional items	(509,028,308)	(351,430,311)
Tax rate @ 34.608%	176,164,517	121,623,002
Deferred tax	125,536,186	97,644,884
Difference	50,628,331	23,978,118
Explanation for the differences:		
Mat credit	-	-
Effect of Non-deductible expenses and carry forward of unabsorbed losses and depreciation	50,628,331	23,978,118

The company has brought forward losses of Rs. 889,745,292 (2016: Rs 707,955,608) (2015: 495,339,326) with no expiry on carry forward whereas Rs 383,586,322 (2016: Rs 234,338,718) (2015: Rs. 127,080,219) are available for offsetting over a period time till 2024-25. The losses are mainly in the nature of business losses

Deferred tax recognized in statement of other comprehensive income

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Employee retirement benefits obligation	390,976	255,389

Deferred tax recognized in statement of profit or loss

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Employee retirement benefits obligation	515,104	(78,632)
Depreciation and amortization	13,615,286	(12,677,238)
Unabsorbed losses and depreciation	111,405,795	110,400,754
Total	**125,536,186**	**97,644,884**

Reconciliation of deferred tax assets / (liabilities) net:

Particulars	As at 31 March 2017	As at 31 March 2016
Opening balance	200,636,660	102,736,388
Deferred tax (charge)/credit recognised in		
- Statement of profit and loss	125,536,186	97,644,884
- Recognised in other comprehensive income	390,976	255,389
Total	**326,563,822**	**200,636,660**

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Deferred Tax Assets / (Liabilities)

(in Rupees)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
A) Deferred Tax Assets			
Arising on account of timing differences in Employee retirement benefits	3,805,786	2,899,706	2,722,949
Unabsorbed tax ,losses and depreciation	440,674,605	329,268,810	218,868,057
(A)	**444,480,391**	**332,168,516**	**221,591,006**
B) Deferred Tax Liabilities			
Depreciation	117,916,569	131,531,856	118,854,618
(B)	**117,916,569**	**131,531,856**	**118,854,618**
Total (A-B)	**326,563,822**	**200,636,660**	**102,736,388**

28 Contingent Liabilities

Contingent Liabilities -Nil (2016: Nil) (2015: Nil)

29 Capital and other commitments

Estimated amounts of contracts remaining to be executed on capital account not provided (net of Advances) for Rs. Nil (2016: Nil) (2015: 2,563,000)

Other Commitments in respect of non newsprint purchases is Rs. 7,786,244 (2016 : 7,699,513) (2015: Nil)

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

(i) Loans given

There are no loans given during the year.

(ii) Investments made

There are no investments made during the year.

(iii) Guarantees given

There are no guarantees given during the year.

(iv) Securities given

There are no securities given during the year.

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

(in Rupees)

Particulars	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 08 .11.2016	161,500	26,036	187,536
Add : Permitted receipts	-	75,265	75,265
Less : Permitted payments		(83,391)	(83,391)
Less : Amount deposited in Banks	(161,500)	(300)	(161,800)
Closing cash in hand as on 30.12.2016	-	17,610	17,610

32 Earnings per share:

Basic earnings per share is computed by dividing net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity shares and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

(in Rupees)

	As at 31 March 2017	As at 31 March 2016
Profit after tax for Basic & Dilutive EPS	(383,492,122)	(253,785,427)
Weighted Average number of equity shares for Basic EPS (in numbers)*	10,000	10,000
Weighted Average number of equity shares for Diluted EPS (in numbers)	-	-
Nominal value of equity shares *	10	10
Basic EPS	(38,349.21)	(25,378.54)
Diluted EPS	-	-

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Notes forming part of the Financial Statements

33 Disclosure under Micro, Small, Medium Enterprise Development Act, 2006 **(in Rupees)**

Sr.	Particulars	As at 31 March 2017	As at 31 March 2016
a)	Principal amount due to suppliers under the Act	1,481,991	1,338,109
b)	Interest accrued and due to suppliers under the Act, on the above amount	33,810	20,760
c)	Payment made to suppliers (other than interest) beyond the appointed day during the year	6,531,175	4,824,000
d)	Interest paid to suppliers under the Act, (Other than Section 16)	-	-
e)	Interest paid to suppliers under the Act, (Section 16)	-	-
f)	Interest due and payable to suppliers under the Act, for payments already made	285,534	182,997
g)	Interest accrued and remaining unpaid at the end of the period to suppliers under the Act	319,343	203,757

Note: The information has been given in respect of such vendors to the extent they could be identified by the management as "Micro and Small" enterprises on the basis of information available with the company.

34 Segment Reporting

The Company is engaged only in the business of Printing of newspapers, periodicals, financial statements, magazines, annual reports, books and others on job work basis which is governed by the same set of risk, reward and returns, and hence Ind AS 108 "Segment Reporting" is not applicable

35 Going concern

The Company's accumulated losses at 31st March 2017 has resulted in complete erosion of the Net worth of the Company. In view of the erosion of the entire equity, the promoters viz., Zee Media Corporation 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.

36 The company has sold land and building at bengaluru during the year. The said sale of land and building has resulted in a loss of 188,813,261 shown below the line in the Statement of Profit & Loss Account.

37 The company has also sold printing machinery at bengaluru during previous year 2015-16. The said sale of plant and machinery has resulted in a loss of Rs 61,510,542 shown below the line in the Statement of Profit & Loss Account.

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

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

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Notes forming part of the Financial Statements

40.1 First-time adoption of Ind-AS

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

Exemptions availed on first time adoption of Ind-AS 101

1 **Business Combinations**

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

40.2 Reconciliations between Previous GAAP and Ind AS

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

1. Equity Reconciliation
2. Profit and Loss and Other comprehensive income Reconciliation

40.2.1 Equity Reconciliation

(In Rupees)

	Note	Balance Sheet as at 1 April 2015			Balance Sheet as at 31 March 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS							
Non-current assets							
(a) Property, plant and equipment	a	3,286,721,678	(1,495,911)	3,285,225,767	2,963,123,756	(854,953)	2,962,268,804
(b) Capital Work-In-Progress		20,400,336	-	20,400,336	-	-	-
(c) Intangible assets		-	-	-	-	-	-
(d) Financial assets							
(i) Investments		-	-	-	-	-	-
(ii) Loans		16,615,132	(16,615,132)	-	17,703,230	(17,703,230)	-
(iii) Other Financial assets		46,081,886	-	46,081,886	3,871,000		3,871,000
(e) Income tax assets (net)			12,674,131	12,674,131	-	14,783,230	14,783,230
(f) Deferred tax assets (net)	f	102,218,683	517,705	102,736,388	200,340,778	295,882	200,636,660
(g) Other non current assets	c	-	105,250,240	105,250,240	-	61,913,477	61,913,477
Total non-current assets		**3,472,037,715**	**100,331,033**	**3,572,368,748**	**3,185,038,764**	**58,434,406**	**3,243,473,171**
Current assets							
(a) Inventories		29,560,528	-	29,560,528	19,201,958	-	19,201,958
(b) Financial Assets			-				-
(i) Trade Receivables		28,548,816	-	28,548,816	56,598,656	-	56,598,656
(ii) Cash and cash equivalents		39,820,349	(39,800,000)	20,349	817,694		817,694
(ii) Other bank balances		-	39,800,000	39,800,000	-	-	-
(iv) Loans		6,445,974	(6,445,974)	-	243,971,028	(243,971,028)	-
(v) Other financial assets		1,893,977	-	1,893,977	3,148,048	-	3,148,048
(c) Other current assets	c	-	6,445,974	6,445,974		266,833,501	266,833,501
Total current assets		**106,269,645**	**-**	**106,269,644**	**323,737,384**	**22,862,473**	**346,599,857**
		3,578,307,360	**100,331,033**	**3,678,638,392**	**3,508,776,148**	**81,296,879**	**3,590,073,028**
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital		100,000	-	100,000	100,000	-	100,000
(b) Instruments entirely equity in nature		-	1,100,000,000	1,100,000,000	-	1,100,000,000	1,100,000,000
(c) Other Equity	a,b,c,d & f	(209,038,914)	131,950,335	(77,088,579)	(407,772,652)	81,364,350	(326,408,302)
Total Equity		**(208,938,914)**	**1,231,950,335**	**1,023,011,421**	**(407,672,652)**	**1,181,364,350**	**773,691,698**
Liabilities							
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	d	3,126,097,375	(1,124,923,963)	2,001,173,412	3,600,069,388	(875,655,736)	2,724,413,651
(ii) Other financial liabilties	d	4,505,560	(1,180,578)	3,324,982	228,544,428	(225,098,187)	3,446,242
(b) Provisions		6,830,885		6,830,885	7,326,666	-	7,326,666
(c) Other Non Current Liabilities	d	-	686,453	686,453		229,235	229,235
Total non-current liabilities		**3,137,433,820**	**(1,125,418,088)**	**2,012,015,732**	**3,835,940,482**	**(1,100,524,688)**	**2,735,415,794**
Current liabilities							
(a) Financial liabilities							
(i) Borrowings		333361089.8	1,638,795	334,999,885	-		-
(ii) Trade payables		74,530,654	-	74,530,654	62,537,443	-	62,537,443
(iii) Other current financial liabilities		239,246,796	(99,929,132)	139,317,664	16,918,825	(2,988,343)	13,930,482
(b) Current tax liabilities (net)		-	-		-	-	-
(c) Other current liabilities	d	1,637,320	92,089,122	93,726,442		3,445,560	3,445,560
(d) Provisions		1,036,594	-	1,036,594	1,052,051	-	1,052,051
Total current liabilities		**649,812,454**	**(6,201,215)**	**643,611,239**	**80,508,318**	**457,217**	**80,965,536**
		3,578,307,360	**100,331,033**	**3,678,638,392**	**3,508,776,148**	**81,296,879**	**3,590,073,028**

PRI-MEDIA SERVICES PRIVATE LIMITED
Notes forming part of the Financial Statements

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

(In Rupees)

	Note	Year ended 31 March 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS
Income				
Revenue from operations		525,657,350	-	525,657,350
Other Income	d	14,379,292	458,471	14,837,763
Total Income		**540,036,642**	**458,471**	**540,495,113**
Expenses				
Operational cost		51,734,616	-	51,734,616
Cost of materials Consumed		129,724,736	-	129,724,736
Employee benefit expense	b	74,761,800	(1,233,949)	73,527,851
Finance Cost	c & d	320,023,203	56,907,855	376,931,058
Depreciation and amortization expense	a	127,640,537	(640,958)	126,999,579
Other expenses		71,497,042	-	71,497,042
Total Expenses		**775,381,934**	**55,032,948**	**830,414,882**
Profit before Tax and exceptional items		**(235,345,292)**	**(54,574,477)**	**(289,919,769)**
Less :Exceptional item				
Loss on sale of fixed assets		61,510,542	-	61,510,542
Profit before tax and after exceptional items		**(296,855,834)**	**(54,574,477)**	**(351,430,311)**
Tax Expense				
Current tax				
-Current Year		-	-	-
-Earlier Year		-	-	-
-Deferred tax	f	98,122,096	(477,212)	97,644,884
Net Profit after Tax		**(198,733,738)**	**(55,051,689)**	**(253,785,427)**
Other Comprehensive income				
Items that will not be reclassified to profit or loss Remeasurement of the defined benefit (liabilities) / assets (net of tax)	b	-	(482,559)	(482,559)
Total Comprehensive profit for the year		**(198,733,738)**	**(55,534,248)**	**(254,267,986)**

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

a **Property, plant and equipment**

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

b **Employee benefit expenses**

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

c **Financial gurantee obligation**

As per Ind AS 109, Financial corporate gurantee obligation recognised in the financial statements of the company, the unwinding impact is recognised in Statement of profit and loss in a subsequent period.

d **Deposits/Term loan**

The company has discounted the deposits and term loans to consider wherever assesses that the fair value is different from market.

e **Cash flow statement**

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

f **Tax adjustments**

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

Notes forming part of the Financial Statements 1-40
As per our attached report of even date

For B S Sharma & Co.,
Chartered Accountants
FR No.128249

CA B S Sharma
Proprietor
Membership Number 031578

Place: Mumbai
Date: 24 May 2017

B. S. SHARMA & CO. F. R. No. 128249W MUMBAI Chartered Accountants

For and on behalf of the Board

A V Ramachandran
Director

Rajiv Singh
Director

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