

February 12, 2021

BSE Limited  
National Stock Exchange of India Limited

**Kind Attn: Manager - Corporate Relationship**

Dear Sir,

**Sub: Proceedings of the Board Meeting held on February 13, 2020**  
**Ref: Scrip Code - BSE - 540789/ NSE - DNAMEDIA - EQ**

The Board of Directors of the Company at the Meeting held today i.e. on February 12, 2020 (which commenced at 4:30 p.m. and concluded at 5.45 p.m.) has :


1. *Inter alia* approved Unaudited Financial Results of the Company for the 3<sup>rd</sup> quarter of the Financial Year 2020-21 and Nine Months ended on December 31, 2020, prepared as per Indian Accounting Standards.

Copy of Unaudited Financial Results for the 3<sup>rd</sup> Quarter of the Financial Year 2020-21 and Nine Months ended on December 31, 2020 along with the Limited Review Certificate on Financial Statements issued by the Statutory Auditor of the Company is enclosed.

2. Took on record resignation of Mr. Ankit Shah as Company Secretary and Key Managerial Personnel of the Company with effect from the close of business on February 12, 2021.
3. Approved based on recommendations of the Nomination & Remuneration Committee, appointment of Mr. Dhaval Ashar, a qualified Company Secretary (ACS 22281) with around 12 years of experience, as Company Secretary & Key Managerial Personnel pursuant to Section 203 of the Companies Act, 2013 and Compliance Officer under SEBI Listing Regulations and Company's Insider Trading Code, as revised with effect from February 13, 2021.

Kindly acknowledge receipt

Yours truly,  
**Diligent Media Corporation Limited**

  
**Nishikant Upadhyay**  
Director



Encl: As above

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CIN : U22120MH2005PLC151377



# B. S. Sharma & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT  
ON REVIEW OF INTERIM FINANCIAL RESULTS  
FOR NINE MONTHS AND QUARTER ENDED 31 DECEMBER 2020

TO THE BOARD OF DIRECTORS OF  
DILIGENT MEDIA CORPORATION LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of DILIGENT MEDIA CORPORATION LIMITED ("the Company"), for the nine months and quarter ended 31<sup>st</sup> December 2020 (the Statement), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. As reported in the preceding quarter/s amongst others, we continue to refer to the following notes:
  - i. Note no. 4 related to discontinuation of print media operations with effect from October 10, 2019 of print publication of all editions of its English Daily Newspaper called 'DNA' and ceased to print with effect from October 11, 2019 vernacular weekly magazine called 'Zee Marathi Disha' The financial effect of discontinued operations are included in Unaudited Financial results for previous periods presented above of print publication, (being discontinued operations), have been restated and disclosed separately under discontinued operations and classified as required by the Indian Accounting Standards 105 "Non-current Assets Held for Sale and Discontinued Operations" and Schedule III of the Companies Act, 2013.

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS  
FOR NINE MONTHS AND QUARTER ENDED 31 DECEMBER 2020 conti.....

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- ii. Note no. 5 related to payment of Rs.72,22.50 Lakhs given as Business Advance or Inter-corporate deposits, during the preceding financial years to ultimate four parties for the purposes as stated in various agreements entered into during that time. However, due to non-performance of the terms and conditions by the said parties, the advances so given were converted effective 31 May 2019, into Inter-corporate deposits (ICDs) carrying interest @ 12% p. a. Based thereon, interest income of Rs.218.45 Lakhs is accounted on the said ICDs for the quarter and Rs.652.99 Lakhs for nine months ended 31.12.2020 subject to confirmation from parties concerned. However, no sufficient appropriate audit evidence is produced before us to support the assessment over recoverability of the Principal and Interest thereon, hence we are unable to comment.
- iii. Note No. 6 states that the Company has detailed the reason for not showing related Assets held for sale, as required under Ind AS 105. Consequent thereto no Deferred tax is provided during the year and balance brought forward from preceding years has been continued with the expectation of future profit arising out of various options being exercised by the Management, as detailed in Note no. 8 to the financial result.
- iv. Note no. 7 related to Management's contention of preparing the financial results on Going Concern basis, despite continuous losses in preceding years. However, in the opinion of the Management, considering various schemes for revival, support from the sale of assets, settlement of NCD liability, as appearing in the financial results and Note no.4(v) and (vi) hereinafter, etc., it was considered appropriate to prepare the financial statements on going concern basis.
- v. As reported in Note no.9 hereof and the Limited Review reports of the preceding quarters, the Company was engaged in discussions and negotiations with the Debenture Trustee for the Non-Convertible Debentures aggregating to INR 250 Crore issued in June 2015, for which a Corporate Guarantee for repayment was given by Zee Media Corporation Limited (ZMCL). After the invocation of the said Guarantee, the liability against, NCDs has been discharged by the Corporate Guarantor i.e., ZMCL. The Company received No due Certificate dated 3 February 2021 from the Debenture Trustee confirming the discharge of the settled liability under NCD of the Company under the Corporate Guarantee. Hence the company is liable to pay ZMCL Rs.290,00 Lakhs under the said settlement.
- vi. As reported in Note no.10 and in above para (v), on the basis of the settlement of the dues to Debenture Trustees, the resultant excess provision of interest of Rs.137,24.82 Lakhs made by the Company in the preceding

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS  
FOR NINE MONTHS AND QUARTER ENDED 31 DECEMBER 2020 conti.....

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years, based on the terms and conditions of the NCD issue, has been reversed to the Statement of Profit & Loss for the quarter ended 31 December 2020, and is considered under the head "Excess provision of Interest of previous years written Back" under Other income of Discontinued operations.

- vii. As reported in para (i) above and Note no.11 to the financial results, due to discontinuation of Print Operations w.e.f., 10th and 11th October 2019 most of the employees forming part of editorial, sales, marketing and circulation team had resigned. The settlement with part of the workers is completed and settled. With the rest of the factory workers, settlement has been reached and the process of payments of dues are going on. The settlement of dispute with second and the last Workers' Union at Mhape, Thane, has been arrived at in February 2021 and steps are under way for completion of all the legal formalities to execute the Settlement Agreement, withdrawal of case filed by the said Union before the Labour Court, payment of the dues under the Agreement etc., The management is hopeful of completing the settlement this financial year ending 31 March 2021, Necessary provisions for liability, will accordingly be made on actual settlement.
- viii. As reported in June 2020 Quarter Limited Review Report and described herein the Note no.13, the management has its internal assessment as to the realizability of carrying values of the current assets and other assets. However, the management has not carried out a detailed and comprehensive impairment test in accordance with the principles of Ind AS - 36 - Impairment of Assets and Ind AS- 109 Financial Instruments. In the absence of the aforementioned impairment assessment, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these assets and consequential impact on the accompanying financial results as at 31 December 2020.
- ix. As reported in June 2020 Quarter's Limited Review Report and described herein in Note no.14, Management at its discretion have written down the inventories in the quarter ended 30 June 2020 by Rs.81,13 Lakhs (being 50% of the total inventory of Rs.1,62.26 Lakhs) on estimation basis, considering the age of holding and the estimated realizable rates of such inventory. The loss has increased, and inventories have decreased by the same amount.
- x. No provision for Tax has been made during the quarter since the Company has sufficient lower of the book loss or depreciation to set off the income under section 115JB of the Income Tax Act 1961 (Act). Alternatively, the company will consider adoption of provisions of section 115BAA of the Act or will rework the tax liability at the year end and will make necessary provision thereof, if any, as required under the statute.

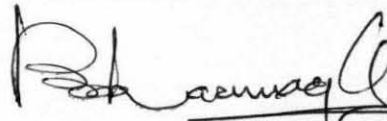



INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS  
FOR NINE MONTHS AND QUARTER ENDED 31 DECEMBER 2020 conti.....

Our opinion is not modified in respect of these matters.

5. Based on our review conducted *as stated in paragraph 3 above, except for the possible effect of the matters, as applicable, described in paragraph 4 above*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S SHARMA & CO  
Chartered Accountants  
(Firm's Registration No. 128249W)  
UDIN: 21031578AAAAEI1901

CA B S Sharma  
PROPRIETOR  
Membership No. 031578

Mumbai, 12.02.2021

Diligent Media Corporation Limited

CIN: L22120MH2005PLC151377

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

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Unaudited financial results for the quarter and nine months ended 31 December, 2020

Particulars	Quarter ended on			Nine months ended on		Rs. in Lakhs
	31-12-2020 (Ref note no 4)	30-09-2020 (Restated) (Ref note no 4)	31-12-2019 (Restated) (Ref note no 4)	31-12-2020 (Restated) (Ref note no 4)	31-12-2019 (Restated) (Ref note no 4)	31-03-2020 (Restated) (Ref note no 4)
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 Continuing operations</b>						
a) Revenue from operations	111	60	27	199	102	140
b) Other income	10	-	-	10	-	-
<b>Total Income (a+b)</b>	<b>121</b>	<b>60</b>	<b>27</b>	<b>209</b>	<b>102</b>	<b>140</b>
<b>2 Expenses</b>						
a) Cost of Raw Material Consumed	-	-	-	-	-	-
b) Increase/ (Decrease) in inventories	-	-	-	-	-	-
c) Employee benefit expense	-	-	-	-	-	-
d) Finance costs	-	-	-	-	-	-
e) Depreciation and amortization expense	-	-	-	-	-	-
f) Other expenses	-	18	26	40	91	117
<b>Total expenses { a to f }</b>	<b>-</b>	<b>18</b>	<b>26</b>	<b>40</b>	<b>91</b>	<b>117</b>
<b>3 Profit/(Loss) before Tax (1-2)</b>	<b>121</b>	<b>42</b>	<b>1</b>	<b>169</b>	<b>11</b>	<b>23</b>
<b>4 Less: Tax expense</b>						
a) Current Tax	-	-	-	-	-	-
b) Deferred tax charge / (credit)	-	-	-	-	-	-
<b>Total tax charge / (credit) { a-b }</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5 Profit/(Loss) after Tax from continuing operations (3-4)</b>	<b>121</b>	<b>42</b>	<b>1</b>	<b>169</b>	<b>11</b>	<b>23</b>
<b>Discontinued operation (refer note no. 4)</b>						
a) Profit/(Loss) after Tax from discontinued operations before tax	16,036	(1,567)	(1,769)	13,003	(4,832)	(6,499)
b) Tax expenses / (credit) of discontinued operations	-	-	-	-	-	-
<b>c) Profit / (Loss) from discontinued operations after tax {a-b}</b>	<b>16,036</b>	<b>(1,567)</b>	<b>(1,769)</b>	<b>13,003</b>	<b>(4,832)</b>	<b>(6,499)</b>
<b>6 Profit / (Loss) for the period (5-5(c'))</b>	<b>16,157</b>	<b>(1,525)</b>	<b>(1,768)</b>	<b>13,172</b>	<b>(4,821)</b>	<b>(6,476)</b>
<b>7 Other comprehensive income</b> (Items that will not be reclassified subsequently to profit or loss)						
a) Remeasurement gains and (losses) on defined benefits obligations (on March 2020 basis)	10	10	-19	29	-	38
b) Tax impact thereon (Nil-in view of losses)	-	-	-	-	-	-
<b>Total other comprehensive income { a +b }</b>	<b>10</b>	<b>10</b>	<b>-19</b>	<b>29</b>	<b>-</b>	<b>38</b>
<b>8 Total comprehensive income/(Loss){6+7}</b>	<b>16,167</b>	<b>(1,515)</b>	<b>(1,787)</b>	<b>13,201</b>	<b>(4,821)</b>	<b>(6,438)</b>
<b>9 Paid-up equity share capital (face value of Re.1/- each)</b>	<b>1,177</b>	<b>1,177</b>	<b>1,177</b>	<b>1,177</b>	<b>1,177</b>	<b>1,177</b>
<b>10 Other equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(54,507)</b>
<b>Earning/(Loss) per share ( of Re. 1 each) not annualised, except for year end.</b>						
Basic & Diluted (for Continuing Business (Rs.))	0.10	0.04	0.00	0.14	0.01	0.02
Basic & Diluted (for Discontinued Business (Rs.))	13.62	(1.33)	(1.50)	11.05	(4.11)	(5.52)
Basic & Diluted (for Continuing & Discontinued Business (Rs.))	13.73	(1.29)	(1.50)	11.19	(4.10)	(5.50)



## Notes to financial results

- 1 The above audited financial results, prepared in accordance with the Indian Accounting Standards ("Ind As"), the provisions of Companies Act, 2013 and SEBI regulations, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12 February 2021. The Statutory Auditors have carried out a Limited review of the result for the quarter ended 31 December 2020.
- 2 Leases had ceased with effect from 31.10.2019 and therefore the Company is not required to follow Ind AS 116 'Leases'.
- 3 The Company operates in a single reporting segment namely Digital media, Printing, Publication and Distribution of newspaper. However Printing, Publication and Distribution has been discontinued w.e.f. October 10 & 11, 2019, as detailed in Note no.4 below.
- 4 With effect from October 10, 2019 the Company has ceased to carry the print publication of all editions of its English Daily Newspaper called 'DNA' and ceased to print with effect from October 11, 2019 vernacular weekly magazine called 'Zee Marathi Disha'. The financial effect of discontinued operations are included in Unaudited Financial results for previous periods presented above of print publication, (being discontinued operations), have been restated and disclosed separately under discontinued operations and classified as required by the Indian Accounting Standards 105 "Non-current Assets Held for Sale and Discontinued Operations" and Schedule III of the Companies Act, 2013.
- 5 Other Income in discontinued operation includes Rs.652.99 Lakhs as at December 31,2020 towards interest for the Nine months period ended and Rs. 218.45 Lakhs for the quarter ended December 2020 receivable on the outstanding erstwhile given as business advances aggregating to Rs.72,22.50 lakhs. The said business advances had been converted into inter corporate deposits carrying interest, since those parties did not fulfill their respective obligations as per agreed terms and conditions. The management is hopeful of recovery thereof and are taking effective steps to recover the said business advances with interest due thereon, hence no provision for doubtful debts for expected credit loss, is made in the financial results.
- 6 Since the Print operations of the company have been suspended w.e.f. 11th October 2019, collections, although a challenge, is being focused so as to clear Outstanding payable. At the same time the company is planning for disposal of related business assets through active discussions with parties concerned. In terms of the power given under Special Resolution passed in the 14th Annual General Meeting of the Members held on 19 September 2019. While doing so, all care and precaution is being undertaken to manage litigative issues without harming company's interest. However, the management expects the sale may take place in the subsequent year i.e. in 2021-22 considering the present scenerios of COVID 19 and other multifarious factors, hence such assets have not been classified as ASSETS HELD FOR SALE,as required under Ind AS 105. The management is confident of realising the carrying values of the assets hence no impairment testing of such assets is carried under Ind AS 36 during the quarter.
- 7 The Company has been incurring continuous losses in the preceding years and the net worth has been continuously negative. However the management has stated that it is in the process of considering or evaluating various alternate options including continuing business operations by outsourcing and expanding Digital media platform in near future with the continued financial support from sale of assets and repayment of the NCD liabilities, referred to herein Note no. 9. The Company is confident of its ability to meet funds requirements and hence has considered it appropriate to prepare the financial results on going concern basis.
- 8 Considering various factors, financial position and present financial results, no provision for Deferred Tax (DT) is made. However, the DTA balance at the quarter end continued to be stated at carrying value as the Management is of the opinion that the same may be available against expected profits arising out of various options the Management is considering, as stated herein before. Hence, considering the proposed sale of fixed assets, settlement of the NCD liability through its guarantor viz., Zee Media Corporation Ltd., and others, as reported at Note No.9, the balance of DTA has been carried to future years.
- 9 Reference to Note no:9 as reported in June 2020 quarter, the Company was engaged in discussions and negotiations with the Debenture Trustee for the Non-Convertible Debentures aggregating to INR 250 Crore issued in June 2015, for which a Corporate Guarantee for repayment was given by Zee Media Corporation Limited (ZMCL). Subsequent to the invocation of the said Guarantee, the liability against, NCDs has been discharged by the Corporate Guarantor i.e. ZMCL. The Company received No due Certificate dated 3 February, 2021 from the Debenture Trustee confirming the discharge of the settled liability under NCD of the Company under the Corporate Guarantee. Hence the company is liable to pay ZMCL Rs.250,00 Lakhs under the said settlement.
- 10 On the basis of the settlement of the dues to Debenture Trustees, as detailed in Note no.9 above, the resultant excess provision of interest of Rs.137.24.82 Lakhs made by the Company in the preceding years, based on the terms and conditions of the NCD issue, has been reversed to the Statement of Profit & Loss for the quarter ended 31 December 2020, and is considered under the head "Excess provision of Interest of previous years written Back" under Other income of Discontinued operations.
- 11 Due to discontinuation of Print Operations w.e.f., 10th and 11th October 2019 most of the employees forming part of editorial,sales, marketing and circulation team had resigned. The settlement with part of the workers is completed and settled. With the rest of the factory workers, settlement has been reached and the process of payments of dues are going on. The settlement of dispute with second and the last Workers' Union at Mnape, Tnane, has been arrived at in February 2021 and steps are under way for completion of all the legal formalities to execute the Settlement Agreement, withdrawal of case filed by the said Union before the Labour Court, payment of the dues under the Agreement etc., The management is hopeful of completing the settlement this financial year ending 31 March 2021. Necessary provisions for liability, will accordingly be made on actual settlement.
- 12 The management of the company has assessed and concluded that there are no material impact due to COVID-19 pandemic and considering the segment (Digital Media) in which company operates, there was no material impact which require any adjustment in financial results as the company was operating without any disruptions. There may have eventual impact due to disruptions in the business worldwide and economic slowdown. A definitive assessment of the impact is not possible in view of the highly uncertain economic environment and the scenario is still evolving.
- 13 The management has its internal assessment as to the realisability of carrying values of the current assets and other assets and confirmed no provision for impairment of such assets including fixed assets and investments, is required to be made. However, it has not carried out a detailed and comprehensive test in accordance with the guidelines and principles of Ind-As 36- Impairment of assets and Ind AS 109 Financial instruments.
- 14 At the discretion of the management, inventories have been written down in the quarter ended 30 June 2020 by Rs.81,13,232/- (being 50% of the total inventory of RS.1,62,26,463) on estimation basis, considering the age of holding and the estimated realisable rates of such inventory. The loss has increased and inventories have decreased by the same amount
- 15 No provision for Tax has been made during the quarter since the Company has sufficient lower of the book loss or depreciation to set off the income under section 115JB of the Income Tax Act 1961(Act). Alternatively the company will consider adoption of provisions of section 115BAA of the Act or will rework the tax liability at the year end and will make necessary provision thereof, if any, as required under the statute.
- 15 The figures for the corresponding previous periods have been regrouped, wherever necessary, to make them comparable.

Place : Mumbai  
Date : 12.02.2021



For Diligent Media Corporation Limited

  
Nishikant Upadhyay  
Director