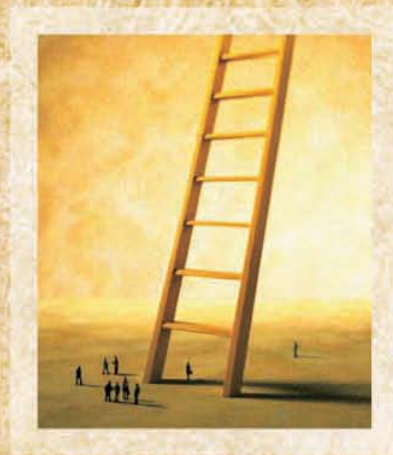


ANNUAL REPORT
2006-07



DB Corp Ltd

Milestones

- 2007**
 - Launch of Lakshya
 - Launch of DB Gold, Surat
 - Launch of Divya Bhaskar Anand Edition
 - Launch of Divya Bhaskar Bhuj Edition
 - Launch of Dainik Bhaskar New Delhi Edition
 - Launch of Dainik Bhaskar Ambala Edition
 - Launch of DNA Ahmedabad and Surat Editions

- 2006**
 - Launch of Aha! Zindagi - Gujarati in Ahmedabad
 - Launch of MY FM in Jaipur
 - Launch of DNA MONEY in Indore, Bhopal, Ahmedabad and Mumbai
 - Launch of Dainik Bhaskar in Punjab with two editions, Amritsar and Jalandhar
 - Launch of Divya Bhaskar Jamnagar and Rajkot Editions
 - Launch of Dainik Bhaskar Bhilwara, Sagar and Ujjain Editions

- 2004**
 - Launch of Divya Bhaskar in Surat, Baroda, Mumbai and Bhavnagar Editions
 - Launch of Aha! Zindagi, Hindi

- 2003**
 - Launch of Divya Bhaskar Ahmedabad Edition

- 2001**
 - Launch of Dainik Bhaskar Faridabad Edition

- 2000**
 - Launch of Dainik Bhaskar Chandigarh and Haryana (Panipat + Hissar) Editions

- 1999**
 - Launch of Dainik Bhaskar Kota and Sriganganagar Editions

- 1998**
 - Launch of Dainik Bhaskar Udaipur Edition

- 1997**
 - Launch of Dainik Bhaskar Bikaner, Jodhpur and Ajmer Editions

- 1996**
 - Launch of Dainik Bhaskar Jaipur, Alwar and Sikar Editions

- 1995**
 - Dainik Bhaskar declared fastest growing daily in India (NRS)

- 1992**
 - Dainik Bhaskar becomes the No.1 newspaper in M.P.

- 1983**
 - Launch of Dainik Bhaskar Indore Edition followed by Raipur and Bilaspur Editions

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Particulars

Directors' Report

Auditors' Report

Annual Accounts

BOARD OF DIRECTORS 2006-07

Directors	:	Shri Ramesh Chandra Agarwal Shri Sudhir Agarwal Shri Girish Agarwal Shri Pawan Agarwal Smt Jyoti Agarwal Shri Niten Malhan
Joint Auditors	:	M/s S. R. Batliboi & Associates., Chartered Accountants, Mumbai And M/s. Gupta Navin & Co Chartered Accountants Gwalior (M.P.)
Registered Office	:	Plot No. 280, Sarkhej-Gandhi Nagar Highway, Near YMCA Club, Makarba, Ahmedabad (Gujarat) - 380 051
Corporate Office	:	Dwarka Sadan, 6, Press Complex, M.P. Nagar, Zone-I, Bhopal (M.P.) – 462 011

DIRECTORS' REPORT**To**

The Members of
D B Corp Limited

Your Directors are delighted to present the 11th Annual Report of your Company for the year ended March 31, 2007

Financial Highlights

(Rs. in Lacs)

Particulars	2006-07	2005-06
Sales & Other Income	67242.10	53299.46
EBITDA	9940.57	8057.23
Interest	2016.29	2006.28
Depreciation/ Amortisation	1194.48	951.21
Profit before Tax	6729.80	5099.74
Provisions for Current Tax , Deferred tax & other Tax Expenses	712.89	1399.15
Profit after Tax	6016.91	3700.58
Prior period expenditure	37.98	-
Profit for the year	5978.93	3700.58
Proposed dividend	21.37	21.37

Review of Performance:

Your Directors are pleased to inform you that your company has reported improved results for the financial year ended on March 31, 2007. Some of the highlights of your Company's performance during the year under review are:-

1. The sales & other income have witnessed a magnificent growth of 26.16% over the previous year. The Sales & other income of your company have crossed the Rs 670 Crore benchmark.
2. The profit after tax for the year under review also registered over 62% growth and was more than Rs. 60 Crores. This was achieved mainly due to increase in sales volume and attainment of up most efficiency.
3. Your Directors would like to add that financial year 2006-2007 has been a year of re-assurance of marked performance for the company in it's chosen areas of business.

MANAGEMENT DISCUSSION

The growth of Indian economy across all sectors is a witness to the ever expanding potential available for the media and publication industry.

As the members are aware, the media industry is poised for unprecedented growth in future and the developments taking place in the industry strongly evidence the same.

On the basis of past experience, your Directors would also like to bring to your notice that any new edition launched by the company (as is the case with the industry) takes about 3-4 years for stabilization and for earnings as per industry standards.

Therefore, we are presenting here below bifurcation of our earnings into emerging editions and other edititons, which would give a clearer picture of the performance of the company and also its potential earnings capacity in future :-

(Rs. in Mn.)

SUMMARY FINANCIALS			
PARTICULARS	Emerging Editions FY 07	Others FY 07	Total FY 07
TURNOVER			
PUBLISHING			
- Advt Revenues	248.30	4617.55	4865.85
- Circulation Revenues	140.49	1599.26	1739.75
- Other Income	9.55	109.06	118.61
TOTAL INCOME	398.34	6325.87	6724.21
News Print Cost	378.64	2910.31	3288.95
Opex	308.74	2143.13	2451.87
Total Cost	687.38	5053.44	5740.82
EBITDA	-289.04	1272.43	983.39
TOTAL EBITDA	-289.04	1272.43	983.39
EBIDTA %	-73%	20%	15%
Interest	26.40	175.23	201.63
Depreciation	10.91	97.87	108.78
PBT	(326.35)	999.33	672.98

From the above, it is clear that your company will be able to achieve higher scales of earnings soon after stabilization of the emerging editions. Taking clue from these, your company keeps on tapping the potential business avenues continuously, as a part of the corporate growth strategy.

Further, the rising position of India on the global map as a fast emerging country, the consistent growth of the securities market and the consistent increase in the on set of new industries in the Asian region are considered indicators of the anticipated overall growth in the economy. Your company continues to be a trendsetter in it's chosen area of business.

Operating Results and Outlook:

Your directors are further pleased to inform that there has been an overall improvement in efficiency at all levels of the operations, a result of focused management, driven by a team of talented, dedicated professionals, with undeterred perseverance on identifying newer opportunities, continuous and timely innovations, at all business areas.

Encouraged by the performance, your directors consider it prudent to widen the avenues of business of your company and hence, are in the process of embarking upon expansion and value added business plans.

Besides, the onset of new MNCs, expansion of many industries, increasing consumer awareness etc. continue to make an increasing demand for knowledge, publicity and advertisement on all sectors and your company continues to provide the best to it's clients, clubbed with value additions.

Transfer to Reserve and Dividend:

As on 31st March, 2007 an amount of Rs. 350,000,000/- was transferred to General Reserve.

The Directors are pleased to recommend a dividend @ 10% (Re. 1 per equity share of the face value of Re. 10 per share) for the financial year 2006-07. The total amount of dividend outgo will be Rs. 21,36,554/- as against Rs. 21,36,550 /- for the previous financial year.

Corporate Takeover:

During the year under review, pursuant to the orders of Hon'ble High Court of Gujarat and the Hon'ble High Court of Karnataka, the Internet Division of India Info. Com Ltd., a company incorporated in the State of Karnataka, has been merged into the company. The Scheme of De-merger became effective from 31st July, 2007 with appointed date of 1st September, 2006.

Subsidiary Companies & its Business:

Synergy Media Entertainment Limited, I Media Corp Limited and All Season Events Private Limited are subsidiaries of your Company as on the date of the report.

Radio Business:-

In our subsidiary – Synergy Media Entertainment Ltd. we are already having licenses for FM radio stations at 17 locations across various northern cities. My FM is currently on air at 12 stations and balance would commence operations very soon.

The company proposes to expand its network of stations in near future.

Internet Business:-

Our subsidiary – I Media Corp Ltd. (IMCL) is engaged in providing integrated internet and mobile interactive services.

Through IMCL, we also operate internet portals (www. Bhaskarnet.com; www. Divyabhaskar.co.in; www.Indiainfo.com) which apart from other contents, also contain editorial content from the daily editions of our newspapers in the form of e-papers and SMS portals. The company was instrumental in the successful campaign to bring the pride of India-“Taj Mahal” within Seven Wonders of the World by providing platform of SMS and web portal for voting and by backing the campaign through media.

We plan to aggressively enter into online media business and other related businesses in near future.

Directorate:

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Smt. Jyoti Agarwal is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. Your Board of Directors recommends the same.

Auditors:

M/s S. R. Batliboi & Associates., Chartered Accountants, Mumbai and M/s Gupta Navin K. & Co, Chartered Accountants, Gwalior, the Joint Statutory Auditors of your company, will retire at the conclusion of the forthcoming 11th Annual General Meeting of your Company. Being eligible, they offer themselves to hold office as joint auditors from the conclusion of the ensuing Annual General meeting until the conclusion of the next Annual General Meeting of the Company.

The Auditors' Report read with notes to accounts is self-explanatory and hence, needs no further clarification.

Public Deposits:

Your company has not accepted or invited any deposits from public within the meaning of Section 58 A of the Companies Act, 1956, during the year under review.

Technology Absorption:

The company is using manufacturing technology, which is mostly indigenous and is the latest and advanced. The employees of the company are trained periodically and adequately to enable them to understand the related technology and the effects of such training result in improved efficiency in the operations of the company.

Foreign Exchange Earnings & Outgo:

The company did not have any foreign exchange earnings. Foreign exchange out flow on account of imported news print during the year was Rs. 12,870.03 lacs and on account of traveling other expenses was Rs. 19.08 Lacs.

DB Corp Ltd

Human Resources & Industrial relations:

Your Directors would like to place on record their sincere appreciation for all employees, at all levels, for their relentless service. During the year under review, the industrial relations have been very cordial.

None of the employees of the company is covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended.

Directors' Responsibility Statement:

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, we confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that have been reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities
4. the directors had prepared the annual accounts for the financial year ended 31st March, 2007 on a "going concern" basis; and
5. the properties of the company are adequately insured.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to express their gratitude to the producers, vendors, investors, banks, financial institutions, Central and State Governments and other authorities for their valuable guidance and continuous support.

For and on behalf of the Board of Directors

Place : Bhopal
Date : September 22, 2007

(R. C. Agarwal)
Chairman

AUDITORS' REPORT

To,
The Members,
D B Corp Limited

1. We have audited the attached Balance Sheet of D B Corp Limited as at March 31, 2007 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of the written representations received from the directors, as on March 31, 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2007;
 - (b) in the case of the profit and loss account, of the profit of the Company for the year ended on that date; and
 - (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner
Membership No. 36656

Place : Mumbai
Date : September 22, 2007

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin K. Gupta
Partner
Membership No. 75030

Annexure referred to in paragraph 3 of our report of even date**Re: D B Corp Limited**

- (i) (a) The Company is in the process of updating its fixed assets register to show full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been verified by the management according to the phased programme of verification of fixed assets once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventories have been dealt with in the books of account.
- (iii) (a) As informed the Company has granted unsecured loans to six companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 9,684.59 lacs and the year- end balance of loans granted was Rs 7,471.27 lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans granted to one of the parties, repayment of the principal amount is as stipulated and payment of interest have been regular. In respect of loans granted to other parties, we are informed that the loans are re-payable on demand. As informed, the company has not demanded repayment of any such loan during the year, thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) As informed, the Company has taken an unsecured loan from a company covered in the register maintained under section 301 of the Companies Act, 1956. The year end balance of loan taken and the maximum amount involved during the year was Rs. 285.82 lacs. The Company has not taken any other loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (g) We are informed that the loan taken is re-payable on demand. As informed, the lender has not demanded repayment of any such loan during the year, thus, there has been no default on the part of the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it, *except in case of tax deducted at source, provident fund and employees' state insurance, where there have been delays in certain cases.*
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner
Membership No. 36656

Place : Mumbai
Date : September 22, 2007

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin K. Gupta
Partner
Membership No. 75030

BALANCE SHEET AS AT MARCH 31, 2007

	Schedules	As At March 31,2007 Rs.	As At March 31,2006 Rs.
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	21,465,750	21,365,500
Reserves and Surplus	2	1,711,192,711	1,115,799,286
		<u>1,732,658,461</u>	<u>1,137,164,786</u>
Loan Funds			
Secured Loans	3	3,241,074,759	3,398,873,509
Unsecured Loans	4	214,783,157	182,062,207
		<u>3,455,857,916</u>	<u>3,580,935,716</u>
Deferred Tax Liability (Net)	5	269,107,770	247,470,182
TOTAL RUPEES		<u>5,457,624,147</u>	<u>4,965,570,684</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	2,273,868,419	1,669,142,468
Less : Accumulated Depreciation		<u>419,740,508</u>	<u>311,277,313</u>
Net Block		1,854,127,911	1,357,865,155
Capital Work-in-progress (including Capital Advances)		<u>84,371,140</u>	<u>5,028,605</u>
		<u>1,938,499,051</u>	<u>1,362,893,760</u>
Investments	7	705,841,000	700,868,200
Current Assets, Loans and Advances			
Inventories	8	633,407,949	559,897,954
Sundry Debtors	9	1,461,421,519	1,146,710,181
Cash and Bank Balances	10	176,715,904	79,581,822
Loans and Advances	11	1,595,480,967	1,606,599,237
		<u>3,867,026,339</u>	<u>3,392,789,194</u>
Less : Current Liabilities and Provisions			
Current Liabilities	12	969,210,305	361,119,280
Provisions	13	95,166,677	151,165,285
		<u>1,064,376,982</u>	<u>512,284,565</u>
Net Current Assets		2,802,649,357	2,880,504,629
Miscellaneous Expenditure (to the extent not written off or adjusted)	14	10,634,739	21,304,095
		<u>5,457,624,147</u>	<u>4,965,570,684</u>
NOTES TO ACCOUNTS	22		

The Schedules referred to above form an integral part of the Balance Sheet

As per our Report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner
Membership No. 36656

Mumbai
September 22, 2007

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin Gupta
Partner
Membership No. 75030

For and on behalf of the Board

Managing Director Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	Schedules	For the Year Ended March 31, 2007 Rs.	For the Year Ended March 31, 2006 Rs.
INCOME			
Sales	15	1,739,746,300	1,746,948,777
Income from Event Management		27,633,993	-
Advertisement Income		4,865,849,653	3,529,628,967
Other Income	16	90,980,392	53,368,175
		<u>6,724,210,338</u>	<u>5,329,945,919</u>
EXPENDITURE			
Raw Material Consumed	17	3,271,304,225	2,740,619,357
Printed Magazines Purchase		17,652,484	15,866,514
Event Expenses		20,068,745	-
Operating Expenses	18	917,081,452	841,583,236
Personnel Expenses	19	521,375,352	342,616,246
Administration, Selling and Other Expenses	20	993,339,051	594,122,350
Financial Expenses	21	201,629,462	200,628,241
Depreciation		108,779,352	84,536,386
		<u>6,051,230,123</u>	<u>4,819,972,330</u>
Profit Before Taxation and Prior Period Items		672,980,215	509,973,589
Tax Expenses			
Provision for Current Tax		80,000,000	120,000,000
MAT Credit Entitlement		(73,000,000)	-
Deferred Tax Charge		21,637,588	11,415,106
Provision for Fringe Benefit Tax		25,000,000	8,500,000
Provision for tax of earlier years		17,651,371	0
		<u>71,288,959</u>	<u>139,915,106</u>
Profit After Tax Before Prior Period Items		601,691,256	370,058,483
Prior Period Expenditure		3,798,169	-
Profit for the Year		597,893,087	370,058,483
Balance Brought forward from previous year		17,622,282	-
Profit available for appropriation		615,515,369	370,058,483
Appropriation:			
Proposed Dividend		2,136,554	2,136,550
Corporate Dividend Tax		363,108	299,651
Transfer to General Reserve		350,000,000	350,000,000
		<u>352,499,662</u>	<u>352,436,201</u>
Balance carried to Balance Sheet		263,015,707	17,622,282
Earning Per Share			
Basic Earning Per Share		279.84	173.20
Diluted Earning Per Share		279.84	173.20
Weighted Average No. of Shares		2,136,550	2,136,550
Nominal Value per Share		10	10

NOTES TO ACCOUNTS 22

The Schedules referred to above form an integral part of the Profit and Loss Account

As per our Report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner
Membership No. 36656

Mumbai
September 22, 2007

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin Gupta
Partner
Membership No. 75030

For and on behalf of the Board

Managing Director Director

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

	As At March 31, 2007 Rs.	As At March 31, 2006 Rs.
Schedule 1		
SHARE CAPITAL :		
Authorised :		
9,000,000 (Previous Year 10,000,000) Equity Shares of Rs. 10/- each	90,000,000	100,000,000
1,000 (Previous Year Nil), 0%, Redeemable Preference Share of Rs. 10,000/- each	10,000,000	-
	<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed & Paid up :		
2,136,550 (Previous Year Nil) Equity Shares of Rs.10/-each fully paid up	21,365,500	-
Share Suspense Account		
25 (Previous Year 2,136,550) Equity Shares of Rs. 10/- each	250	21,365,500
10 (Previous Year Nil) Preference Shares of Rs. 10,000/- each to be issued as per the Scheme of Arrangement. (Refer Note 3 of Schedule 22)	100,000	-
(Of the above shares, 2,136,550 Equity shares are issued for consideration other than cash)		
	<u>21,465,750</u>	<u>21,365,500</u>
Schedule 2		
RESERVES AND SURPLUS:		
General Reserve		
As per last Balance Sheet	1,098,177,004	748,177,004
Add : Transferred from Profit and Loss Account	350,000,000	350,000,000
	<u>1,448,177,004</u>	<u>1,098,177,004</u>
Profit and Loss Account		
	263,015,707	17,622,282
	<u>1,711,192,711</u>	<u>1,115,799,286</u>
Schedule 3		
SECURED LOANS :		
Term Loans		
- Rupee Loans from Banks	1,293,457,212	1,178,993,166
- Foreign Currency Loans from Banks	-	106,999,906
- From Financial Institutions	1,011,111,105	1,322,222,222
Cash Credit Facility from Banks		
(For Security Refer Note 6 of Schedule 22)	936,506,442	790,658,215
	<u>3,241,074,759</u>	<u>3,398,873,509</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

	As At March 31, 2007 Rs.	As At March 31, 2006 Rs.
Schedule 4		
UNSECURED LOANS :		
Security Deposits from Agents	186,200,817	155,131,663
From Subsidiary Company	28,582,340	-
From Bodies Corporate	-	26,930,544
	<u>214,783,157</u>	<u>182,062,207</u>
Schedule 5		
DEFERRED TAX LIABILITY (NET) :		
Deferred Tax Liability		
Depreciation	300,497,725	247,470,182
	<u>300,497,725</u>	<u>247,470,182</u>
Deferred Tax Asset		
Provision for Doubtful Debts / Advances	24,048,727	-
Provision for Gratuity and Leave Encashment	7,341,228	-
	<u>31,389,955</u>	-
Deferred Tax Liability (Net)	<u>269,107,770</u>	<u>247,470,182</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

Schedule 6

FIXED ASSETS :

	Gross Block						Accumulated Depreciation				Net Block	
	As At 01.04.2006	Assets Acquired on Demerger*	Additions During The Year	Deductions During The Year	As At 31.03.2007	Up To 01.04.2006	On Assets Acquired	For The Year	On Deductions	Up To 31.03.2007	As At 31-03-2007	As At 31.03.2006
Tangible Assets												
Building	-	-	113,058,234	-	113,058,234	-	-	1,387,582	-	1,387,582	111,670,652	-
Plant and Machinery	1,288,392,775	-	359,663,613	42,500	1,648,013,888	170,674,707	-	69,038,288	4,723	239,708,272	1,408,305,616	1,117,718,067
Office Equipments	68,917,952	198,850	17,397,872	261,720	86,252,954	11,940,320	-	3,637,891	9,060	15,569,151	70,683,804	56,977,632
Vehicles	19,530,299	10,000	820,572	534,697	19,826,174	9,223,180	-	1,909,180	294,619	10,837,741	8,988,433	10,307,119
Furniture & Fixtures	71,124,037	19,500	13,731,653	-	84,875,190	14,654,161	-	4,923,409	-	19,577,569	65,297,621	56,469,877
Electric Fitting Fans & Coolers	47,469,452	-	23,132,969	48,594	70,553,827	6,342,803	-	2,668,493	734	9,010,562	61,543,265	41,126,649
Computers	165,468,680	521,650	34,508,688	217,330	200,281,688	96,928,189	-	21,754,198	7,021	118,675,366	81,606,322	68,540,491
D.G.Set	8,239,273	-	17,157,674	-	25,396,947	1,513,953	-	763,694	-	2,277,647	23,119,300	6,725,320
Intangible Assets												
Goodwill	-	454,637	25,154,880	-	25,609,517	-	-	2,696,618	-	2,696,618	22,912,899	-
Total	1,669,142,468	1,204,637	604,626,155	1,104,841	2,273,868,419	311,277,313	-	108,779,352	316,157	419,740,508	1,854,127,911	1,357,865,155
Capital Work-in- progress including Capital Advances)	5,028,605	-	345,759,021	266,416,486	84,371,140	-	-	-	-	-	84,371,140	5,028,605
Previous year	1,674,171,073	1,204,637	950,385,176	267,521,327	2,358,239,559	311,277,313	-	108,779,352	316,157	419,740,508	1,938,499,051	1,362,893,760
	-	1,430,494,016	435,286,904	191,609,847	1,674,171,073	-	232,423,033	84,536,386	5,682,106	311,277,313	1,362,893,760	-

* Refer Note 3 of Schedule 22

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

	As At March 31, 2007 Rs.	As At March 31, 2006 Rs.
Schedule 7		
INVESTMENTS :		
Long Term Investments (As cost) - Unquoted and Non Trade		
In Subsidiary Companies		
22,800,000 (Previous Year 11,000,000) Equity Shares of Synergy Media Entertainment Limited of 10/- each fully paid	700,000,000	110,000,000
Share Application Money - Synergy Media Entertainment Limited	-	590,000,000
577,500 Equity Shares of Rs. 10/- each of I – Media Corp Ltd.	5,775,000	-
5,500 Equity Shares of All Season Event P. Ltd.	55,000	-
In Others		
100 Equity Shares of Sahakar Enterprises Private Limited	-	858,200
100 Equity Shares of Rs 100/- each of United News of India	10,000	10,000
10 Equity Shares of 100/- each of Press Trust of India	1,000	-
	<u>705,841,000</u>	<u>700,868,200</u>
Schedule 8		
INVENTORIES :		
News Prints	583,505,376	537,125,867
Non news print Wastage	628,037	61,437
Stores and Spares	36,019,620	21,977,787
Magazines	72,313	732,863
Gifts / Promotional Products	13,182,603	-
	<u>633,407,949</u>	<u>559,897,954</u>
Schedule 9		
SUNDRY DEBTORS :		
(Unsecured)		
Debts outstanding for a period exceeding six months :		
-Considered Good	168,947,414	152,374,903
-Considered Doubtful	68,479,558	-
	<u>237,426,972</u>	<u>152,374,903</u>
Others Debts :		
-Considered Good	1,292,474,105	994,335,278
	<u>1,529,901,077</u>	<u>1,146,710,181</u>
Less : Provision for Doubtful Debts	68,479,558	-
	<u>1,461,421,519</u>	<u>1,146,710,181</u>
Schedule 10		
CASH AND BANK BALANCES :		
Cash on Hand	9,415,385	4,889,344
Cheques on Hand	53,271,868	29,728,144
Balances with Scheduled Banks		
On Current Accounts	90,888,083	11,682,989
On Fixed Deposit Account	23,140,568	33,281,345
	<u>176,715,904</u>	<u>79,581,822</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

	As At March 31, 2007 Rs.	As At March 31, 2006 Rs.
Schedule 11		
LOANS AND ADVANCES: (Unsecured)		
Loans and Advances to Subsidiaries	23,295,470	40,379,658
Loans to employees - Considered Good	14,694,334	14,496,747
Advances recoverable in cash or kind or for value to be received		
- Considered Good	90,666,317	214,201,464
- Considered Doubtful	2,272,803	-
Inter Corporate Deposit	719,696,133	700,000,000
Deposit with Government Authorities	20,092,428	16,212,478
Security Deposit against Properties	639,359,545	608,971,473
Deposit with Others	14,676,740	12,337,417
MAT Credit Entitlement	73,000,000	-
	<u>1,597,753,770</u>	<u>1,606,599,237</u>
Less : Provision for Doubtful Loans and Advances	2,272,803	-
	<u>1,595,480,967</u>	<u>1,606,599,237</u>
Schedule 12		
CURRENT LIABILITIES :		
Sundry Creditors	931,685,031	344,970,910
Advances from Customers	16,192,461	704,215
Interest Accrued but not due on loans	498,630	-
Other Liabilities	20,834,183	15,444,155
	<u>969,210,305</u>	<u>361,119,280</u>
Schedule 13		
PROVISIONS :		
Provision for Tax (Net of Advance tax of Rs 180,243,483) (Previous year Rs 8,405,615))	71,068,818	120,094,358
Provision for Gratuity	18,626,445	28,634,726
Provision for Leave Encashment	2,971,752	-
Proposed Dividend	2,136,554	2,136,550
Tax on Proposed Dividend	363,108	299,651
	<u>95,166,677</u>	<u>151,165,285</u>
Schedule 14		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenses		
Opening Balance	21,304,095	31,888,836
Less : Written Off during the year	10,669,356	10,584,741
	<u>10,634,739</u>	<u>21,304,095</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	For the Year Ended March 31, 2007 Rs.	For the Year Ended March 31, 2006 Rs.
Schedule 15		
SALES :		
Sale of Newspaper	1,623,294,501	1,661,177,479
Wastage Sale	86,306,523	69,920,572
Sale of Power	5,402,693	66,842
Sale of Magazine	24,742,583	15,783,884
	<u>1,739,746,300</u>	<u>1,746,948,777</u>
Schedule 16		
OTHER INCOME		
Printing Job Charges	58,991,891	35,910,894
Rent received	1,665,450	1,270,500
Excess Liability / Provision written back	8,415,305	-
Exchange Gain (Net)	4,152,393	-
Miscellaneous Income	17,755,353	16,186,781
	<u>90,980,392</u>	<u>53,368,175</u>
Schedule 17		
RAW MATERIAL CONSUMED:		
News Print Paper		
Inventories as at April 1, 2006	537,125,867	329,941,701
Add: Purchase during the year	3,317,683,733	2,947,803,523
	3,854,809,600	3,277,745,224
Less: Inventories as at March 31, 2007	583,505,375	537,125,867
	<u>3,271,304,225</u>	<u>2,740,619,357</u>
Schedule 18		
OPERATING EXPENSES :		
Consumption of Stores and Spares	377,149,422	338,921,728
Printing Job Work Expenses	146,899,975	122,942,586
News Collection Expenses	212,310,243	234,896,516
Binding Expenses	21,972,046	22,593,188
Other Operating Expenses	11,083,506	3,319,477
Electricity, Power and Water Charges	101,811,252	86,572,600
Repairs and Maintenance – Machinery	45,855,008	32,337,141
	<u>917,081,452</u>	<u>841,583,236</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	For the Year Ended March 31, 2007 Rs.	For the Year Ended March 31, 2006 Rs.
Schedule 19		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	466,964,188	304,325,818
Contribution to Provident Fund and Other Funds	20,631,710	13,666,745
Workmen and Staff Welfare Expenses	33,779,454	24,623,683
	<u>521,375,352</u>	<u>342,616,246</u>
Schedule 20		
ADMINISTRATION, SELLING AND OTHER EXPENSES:		
Electricity Expenses	2,811,676	3,000,730
Rent	39,885,326	35,080,583
Rates and Taxes	3,651,600	6,286,829
Insurance	6,929,826	5,729,962
Repairs and Maintenance		
- Buildings	5,937,319	5,285,577
- Others	11,205,903	12,123,088
Legal and Professional Charges	38,013,107	16,617,990
Advertisement and Publicity	163,108,616	23,239,386
Distribution Expenses	114,934,384	83,893,042
Business Promotion	276,395,505	231,091,562
Survey Expenses	95,915,862	39,943,774
Postage and Telegram	6,450,600	5,197,985
Telephone Expenses	28,606,806	33,000,178
Printing and Stationery	13,213,998	11,202,556
Traveling Expenses	51,437,546	34,801,189
Conveyance Expenses	5,328,611	2,995,733
Vehicle Running and Maintenance	11,740,805	13,010,820
Auditors Remuneration		
- Statutory Audit	3,426,980	500,000
- Tax Audit	224,720	100,000
Loss on Sale of Assets (Net)	173,890	924,258
Provision for Doubtful Debts	68,479,558	-
Provision for Doubtful Advances	2,272,803	-
Miscellaneous Expenditure written off	10,669,356	10,584,741
Royalty	525,000	-
Sundry Office Expenses	31,999,254	19,512,367
	<u>993,339,051</u>	<u>594,122,350</u>
Schedule 21		
FINANCIAL EXPENSES :		
Interest Expenses	257,554,304	228,971,984
Less : Interest Income	75,715,815	63,673,571
	<u>181,838,489</u>	<u>165,298,413</u>
Exchange Loss / (Gain) on Foreign Currency Loan (net)	8,329,334	17,428,670
Bank Charges	11,461,639	17,901,158
	<u>201,629,462</u>	<u>200,628,241</u>

CASH FLOW FOR THE YEAR ENDED MARCH 31, 2007**A CASH FLOW FROM OPERATING ACTIVITIES**

	March 31, 2007 Rs.	March 31, 2006 Rs.
Profit/ (Loss) before Taxation after Prior Period Items	669,182,046	509,973,589
Adjustment for :		
Loss on sale of Fixed Assets	173,890	924,258
Interest Expenses	201,629,462	182,727,083
Depreciation / Amortization	108,779,352	84,536,386
Miscellaneous Expenditure Written off	10,669,356	10,584,741
Provision for Doubtful Loans and Advances	2,272,803	-
Provision for Doubtful Debts	68,479,558	-
Operating profit before working capital changes	1,061,186,468	788,746,057
Increase / Decrease in Working Capital		
Decrease/(Increase) in Inventories	(73,509,995)	(200,337,152)
Decrease / (Increase) in Sundry Debtors	(383,190,896)	(437,359,425)
Decrease/ (Increase) in Loans and Advances	81,845,467	(1,302,321,830)
(Decrease)/Increase in Current Liabilities	608,091,027	103,433,820
(Decrease)/Increase in Provisions	(7,036,529)	1,489,826
Cash generated from operations	1,287,385,541	(1,046,348,704)
Interest on Income-Tax refund		
Payment of Taxes	(171,676,912)	(8,405,642)
NET CASH FROM OPERATING ACTIVITIES	1,115,708,629	(1,054,754,346)
B CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets	(685,173,327)	(430,739,442)
Proceeds from Sale of Fixed Assets	614,794	180,456,021
Purchase of Investment	(4,972,800)	(700,010,000)
NET CASH FROM INVESTING ACTIVITIES	(689,531,333)	(950,293,421)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase in/ (Repayment of Borrowings)	(125,077,801)	2,051,026,822
Dividend Paid	(2,136,550)	-
Dividend distribution tax	(299,651)	-
Interest Paid	(201,629,462)	(182,727,083)
Increase in share capital	100,250	-
NET CASH FROM FINANCING ACTIVITIES	(329,043,214)	1,868,299,739
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	97,134,082	(136,748,028)
Cash and Cash Equivalents at the beginning of the year	79,581,822	216,329,850
Cash and Cash Equivalents at the end of the year	176,715,904	79,581,822
Net Increase/ (Decrease) in Cash and Cash Equivalents	97,134,082	(136,748,028)

For details of Cash and Cash Equivalents - Refer Schedule 10

For S. R. Batliboi & Associates
Chartered AccountantsFor Gupta Navin K. & Co.
Chartered Accountants

For and on behalf of the Board

Per Amit Majmudar
Partner
Membership No. 36656Per Navin Gupta
Partner
Membership No. 75030

Managing Director Director

Mumbai
September 22, 2007

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2007

SCHEDULE 22

NOTES TO ACCOUNTS :

1. Nature of Operations

The Company publishes 'Dainik Bhaskar', a Hindi daily, 'Divya Bhaskar' and 'Saurashtra Samachar', Gujarati daily and monthly magazines, 'Aha Jindagi', 'Bal Bhaskar' and others. The Company derives revenue from the sale of the above mentioned publications, advertisements published therein and by undertaking printing jobs. The Company is also into the business of Wind Energy.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year..

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates

c) Fixed Assets:

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use

d) Depreciation:

Depreciation is provided on Straight Line Method at the rates computed based on estimated useful life of the assets, which are equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956.

Assets costing below Rs. 5,000 are fully depreciated in the year of acquisition.

e) Intangibles

Goodwill

Goodwill is amortized on a straight-line basis over five years.

f) Expenditure on new projects

Capital Work-in-Progress:

Expenditure directly relating to construction activity is capitalized.

Pre-operative Expenditure:

Indirect expenditure incurred during construction period is capitalized under the respective asset-head as part of the indirect construction cost to the extent to which the expenditure is indirectly related to the asset-head. Other indirect expenditure incurred during the construction period, which is not related to the construction activity or which is not incidental thereto is written off to revenue.

Income earned during the construction period and income from trial runs is deducted from preoperative expenditure pending allocation.

g) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

h) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments

i) Leases (Where the Company is the lessee)

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

j) Inventories:

Inventories are valued as follows :

Raw materials	Lower of cost and net realizable value. However, material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a FIFO basis
Stores and spares	Lower of cost and net realizable value. However, material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis
Work-in-progress	Lower of cost and net realizable value. Cost represents direct materials cost
Scrap and Waste papers	At net realizable value

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale

k) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically, the following basis is adopted:

Advertisements

Revenue is recognized as and when advertisement is published /displayed and is disclosed net of discounts.

Sale of Publications, Waste Paper and Scrap

Revenue is recognized when the significant risks and rewards of ownership have passed on to the buyer and is disclosed net of sales return and discounts.

Printing Job Work

Revenue from printing job work is recognized on the completion of job work as per terms of the agreement.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

l) Foreign Currency Transaction:**Initial Recognition**

Foreign currency transactions are recorded in Indian Rupees by applying to the foreign currency amount, the exchange rate between the Indian Rupee and the foreign currency prevailing at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise except gain or loss on transactions relating to acquisition of Fixed Assets/Intangibles from outside India, which is adjusted to the carrying amount of the Fixed Assets/Intangibles.

m) Retirement and other Employee Benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability, a defined benefit obligation, is provided for on the basis of an actuarial valuation made at the end of each financial year and is contributed to Gratuity Fund created by the Company.

Provision for leave encashment is accrued and made on the basis of an actuarial valuation carried out by an independent actuary at the year end.

n) Income Taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Unrecognized Deferred Tax Assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such Deferred Tax Assets can be realized

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

o) Provision

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate

required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

p) Deferred Revenue Expenditure

Deferred Revenue Expenditure incurred prior to April 1, 2003 is written off over a period of five years.

q) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

r) Cash and Cash equivalents

Cash and Cash equivalents in the cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

s) Segment Information

The Company is engaged in the Printing and Publication of Newspapers and Periodicals. The entire operations are governed by the same set of risk and returns, hence, the same has been considered as representing a single primary segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard – 17 on Segment Reporting.

The Company sells its products mostly within India with insignificant export income and does not have any operations in economic environments with different risks and returns, hence, it is considered operating in a single geographical segment.

3. Scheme of Arrangement:

- a) Pursuant to the Scheme of Arrangement approved by Honbl'e Karnataka High Court and Gujarat High Court, under Section 391 to 394 read with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956, the Company has taken over the Internet division of Indiainfo.com Ltd. (the De-merged entity) with effect from September 1, 2006, being the Appointed Date. All the assets and liabilities of the Internet division of Indiainfo.com as at September 1, 2006 have been transferred to the Company at their respective book values.
- b) The scheme of Arrangement shall be effective from the Appointed Date (September 1, 2006) but is operative from the date on which the certified copies of the Orders of the High Court of Karnataka and Gujarat are filed with the Registrar of Companies (the effective date, which is July 31, 2007)
- c) As per the Scheme of Arrangement, from the Appointed Date (September 1, 2006) Indiainfo.com Ltd carried on business and activities for the benefit of and in trust for the Company and thus, all the profits or losses accruing or arising to the Internet Division of Indiainfo.Com Ltd. shall be treated as profits or losses of the Company. The Scheme of Arrangement has accordingly been given effect to in these financial statements.
- d) As per the Scheme, the Company has to issue 25 (twenty five) fully paid equity shares of Rs. 10/- each and 10 (Ten) fully paid Preference shares of Rs.10,000/- each to the equity shareholders of Indiainfo.com on the effective date i.e. July 31, 2007. The shares to be issued amounting to Rs. 100,250/- are shown under Share Suspense Account on the Balance Sheet date. Out of these shares, 4 equity shares and 1 preference shares have been allotted till date and the balance will be allotted subsequent to obtaining the FIPB approval.
- e) The details of the assets and liabilities transferred to the Company, the shares to be issued and the resultant Goodwill as per the Scheme of Arrangement are detailed as below:-

Particulars	Amount in Rs.
Fixed assets	750,000
Current Assets	1,269,536
Total Assets	2,019,536
Less:	
Current liabilities and provision	2,373,923
Shares to be allotted	100,250
Goodwill	(454,637)

- f) Further, the Company has entered into another agreement for taking over the Overseas Rights which would be effective from the date of court order. For the said rights, the Company will pay Rs 200 lacs which has also been accrued and debited to Goodwill.
- g) The Company has been legally advised that it shall be able to set off the unabsorbed losses of Internet Division of Indiainfo.com against its taxable income.

4. Purchase / Acquisition.

The Company has entered into Business Transfer Agreement with Saurashtra Samachar Pvt. Ltd. and New Era Publication Pvt. Ltd. for acquisition of certain businesses as a going concern with effect from January 1, 2007. The respective assets and liabilities of the businesses have been acquired by the Company at their book values. The difference of Rs. 5,154,880 between the book value of net assets and the consideration paid by the Company has been accounted as Goodwill.

5. Related Parties Disclosure

Related party disclosures, as required by Accounting Standard 18 - "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, are given below:

Particulars	Related Party
Subsidiaries	<ul style="list-style-type: none"> - Synergy Media Entertainment Ltd. - All Season Events (P) Ltd. - I Media Corp Ltd.
Key Management Personnel	<ul style="list-style-type: none"> - Shri Sudhir Agarwal, Managing Director (SA) - Shri Girish Agarwal, Director (GA)
Relatives of key management personnel	<ul style="list-style-type: none"> - Shri Ramesh Chandra Agarwal (RCA) - Smt. Kasturi Devi Agarwal (KDA) - Shri Pawan Agarwal (PA) - Smt. Jyoti Sudhir Agarwal (JSA) - Smt. Namita Girish Agarwal (NGA) - Smt. Nikita Pawan Agarwal (NPA)
Enterprises owned or significantly influenced by Key management personnel or their relatives	<ul style="list-style-type: none"> - Writers & Publishers Limited - Bhaskar Phototype Setter - Bhaskar Printing Press - RC Phototype Setter- RC Printer - Bhaskar Publication and Allied Industries Pvt. Ltd. - New Era Publications Private Limited - Bhaskar Fiscal & Infrastructure Limited - Bhaskar Industries Limited - Bhaskar Multinet Limited - Bhaskar Exxoil Limited - Diligent Media Corporation Limited - Stitex Global Limited - Saurashtra Samachar Private Limited - Divya Prabhat Publications Private Limited - Bhaskar Venkatesh Enterprises Private Limited - Sharda Solvent Limited

Related Parties Disclosure (Cont'd)
Transaction with Related Parties are given below:-

Related Party Name	Loan / Advance / Deposit Given (Repaid)		Loan/Advance Taken (Repaid)		Interest Received (Paid)		Revenue Booked		Receiving of Services/Purchases		Rendering of Services / Sales		Remuneration Paid		Amount Outstanding Debit / (Credit)	
	Mar-07	Mar-06	Mar-07	Mar-06	Mar-07	Mar-06	Mar-07	Mar-06	Mar-07	Mar-06	Mar-07	Mar-06	Mar-07	Mar-06	Mar-07	Mar-06
	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)
Synergy Media Entertainment Ltd.	3,364.24	403.80	265.82	-	86.55	-	86.39	-	-	-	-	-	-	-	(285.82)	403.80
I Media Corp Ltd.	(3,788.04)	-	-	-	8.63	-	36.82	-	-	-	-	-	-	-	261.30	-
All Season Events (P) Ltd	(238.09)	-	-	-	0.15	-	-	-	-	-	-	-	-	-	8.15	-
	22.32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(14.29)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Writers & Publishers Ltd (WPL)	491.44	13,089.71	-	-	630.00	-	-	-	122.70	168.47	-	-	-	-	13,690.56	13,089.71
	(475.95)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MP Printer (Unit of WPL)	-	-	-	-	-	-	-	-	34.45	-	-	-	-	-	(80.68)	(80.06)
M P Printer (Unit of Bhaskar Ind.)	-	-	-	-	-	-	-	-	317.23	-	-	-	-	-	-	(11.62)
Bhaskar Phototype Setter, Bhopal (Prop. Sudhir Agarwal)	-	-	-	-	-	-	-	-	26.98	81.07	-	-	-	-	(17.06)	(15.11)
Bhaskar Printing Press, Bhopal (Prop. Jyoti Agarwal)	-	-	-	-	-	-	-	-	36.14	36.11	-	-	-	-	(12.11)	(12.30)
Bhaskar Printing Press, Ahmedabad, Surat, Baroda (Prop. Pawan Agarwal)	-	-	-	-	-	-	-	-	187.12	163.70	-	-	-	-	(29.42)	(10.27)
R.C.Phototype Setter, Raipur (Prop. R.C. Agarwal)	-	-	-	-	-	-	-	-	52.17	43.22	-	-	-	-	(46.63)	(32.24)
R.C. Printer, Raipur (Prop. R.C.Agarwal)	-	-	-	-	-	-	-	-	56.18	41.41	-	-	-	-	7.53	19.50
Bhaskar Publication & Allied Industries Ltd.	-	-	-	-	-	-	-	-	0.78	419.66	127.63	-	-	-	-	-
New Era Publication P Ltd	-	-	-	-	-	-	-	-	163.43	183.91	-	-	-	-	-	-
Bhaskar Fiscal & Infrastructure Ltd.	-	-	-	-	-	-	-	-	32.38	-	-	-	-	-	0.41	-
Bhaskar Industries Ltd.	-	-	-	-	-	-	0.77	3.57	-	-	-	-	-	-	47.25	-
Bhaskar Multinet Ltd.	370.20	-	-	-	-	-	42.39	-	-	-	-	-	-	-	-	-
	(365.34)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.34	-	-	-	-	-	1.99	-	-	-	-	-	-	-	2.33	-
Bhaskar Exxoil Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Diligent Media Corp Ltd.	-	-	-	-	-	-	-	-	-	-	847.15	7,312.69	-	-	-	261.09
Sudhir Agarwal, Managing Director	-	-	-	-	-	-	-	-	-	-	-	-	15.71	6.20	-	-
Girish Agarwal, Director	-	-	-	-	-	-	-	-	0.85	-	-	-	5.51	5.72	-	-
Stitex Globe Ltd.	0.15	-	-	-	-	-	-	-	-	-	-	-	-	-	0.15	-
Saurashtra Samachar P Ltd.	-	-	-	-	-	-	-	-	266.45	-	-	-	-	-	-	-
Diya Prabhat Publications P Ltd.	73.49	-	-	-	-	-	4.31	-	-	-	-	-	-	-	77.80	-
Bhaskar Venkesh Products P Ltd.	-	-	-	-	-	-	42.92	-	-	-	-	-	-	-	42.82	-
Sharda Solvent Limited	-	-	-	-	-	-	1.23	-	-	-	-	-	-	-	1.23	-

6. Term Loans and Working Capital Demand Loans consist of :

(in Rs.)

Particulars	State Bank of Hyderabad	State Bank of Indore	Yes Bank	Rabo India Finance Pvt. Ltd.	Bank of Maharashtra
Rupee Term Loan and Foreign Currency Term Loan	255,186,474 (321,786,964)	367,742,606 (190,956,202)	670,528,132 (666,250,000)	1,011,111,105 (1,322,222,222)	—
Cash Credit Facilities	149,924,401 (—)	688,258,842 (694,383,196)	—	—	98,323,198 (96,275,019)
		USD Nil (USD 2,464,300 equivalent of Rs.106,999,906)			—

(Figures in bracket represent previous year's balance)

a) The Term Loans are secured by:

- i) First Exclusive charge on the Fixed Assets of the Company in NICT Project;
- ii) First Charge on existing / future Plant & Machinery of Ahmedabad, Surat and Baroda Project;
- iii) First Charge on Plant & Machinery situated at all locations (other than Gujarat) of the Company;
- iv) Term Loan also includes car loan of Rs 4,370,346 (closing balance) which is secured against hypothecation of vehicle and all its components;
- v) Second Charge on all current assets;
- vi) Personal Guarantee of Directors (RCA, SA, GA and PA)
- vii) Corporate Guarantees of Writers & Publishers Limited and Bhaskar Publication & Allied Industries Pvt. Ltd.

b) Cash Credit Facilities are secured by:

- i) First charge on the entire current assets and;
- ii) Second charge on the other movable properties (other than current assets) of the Company.
- iii) Personal Guarantee of Directors (RCA, SA, GA and PA)
- iv) Corporate Guarantees of Writers & Publishers Limited and Bhaskar Publication & Allied Industries Pvt. Ltd.

7. Leases

Rental expenses in respect of operating leases are recognized as an expense in the Profit and Loss Account, on a straight-line basis over the lease term.

Operating Lease (for assets taken on Lease)

- a) The Company has taken various residential, office and godown premises under operating lease agreements. These are generally renewable by mutual consent;
- b) Lease payments for the year are Rs. 39,385,326 (Previous year Rs. 35,080,583);
- c) The future minimum lease payments under non-cancellable operating leases;
 - not later than one year is Rs. 42,754,519.
 - later than one year but not later than five years is Rs. 183,959,920.

8. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 189,268,709 (Previous year Rs. 156,457,811).

9. Contingent Liabilities not provided for

- a) Letter of Credit against purchase of capital goods : Rs. 2,100,000 (Previous year Rs. 3,250,000).

10. Derivative Instruments

- a) Particulars of Hedged Foreign Currency exposure as at the Balance Sheet date:

Particulars	Currency	Amount in respective currency	
		March 31, 2007	March 31, 2006
Sundry Creditors	USD	1,941,594.93	—

- b) Particulars of Unhedged Foreign Currency exposure as at the Balance Sheet date:

Particulars	Currency	Amount in respective currency	
		March 31, 2007	March 31, 2006
Sundry Creditors	USD	1,896,989.16	3,366,260

11. Additional information pursuant to the provisions of paragraphs 3, 4B, 4C, 4D of part II of the Schedule VI of the Companies Act, 1956:

- a)
- Licensed and installed capacity:-**

Licensed capacity is not applicable.

Installed Capacity:

Type of Machine	March 31, 2007		March 31, 2006	
	No. of Machines	Total Capacity (Impressions per hour)	No. of Machines	Total Capacity (Impressions per hour)
Cold Set Machines	49	1,584,000	33	1,142,000
Heat Set Machines	4	96,000	4	96,000

- b)
- Actual Production and Sales**

	March 31, 2007 In Lacs of Copies	March 31, 2006 In Lacs of Copies
News paper		
Production	11,979.77	10,269.48
Sales	11,748.80	10,269.48

- c)
- Value of Import on CIF Basis**

Particulars	March 31, 2007 Rs. In lacs	March 31, 2006 Rs. In lacs
Raw Material	11,503.42	14,659.42
Capital Goods	—	60.11

- d)
- Consumption of Raw Material (Rs. in lacs)**

	March 31, 2007		March 31, 2006	
	Quantity In MT	Value Rs. In Lacs	Quantity In MT	Value Rs. In Lacs
Newsprint	114,691.88	32,713.04	102,584.57	27,406.19

- e)
- Imported and indigenous raw materials, stores and spares consumed (Rs. in lacs)**

	March 31, 2007		March 31, 2006	
	Value Rs. In Lacs	% of total Consumption	Value Rs. In Lacs	% of total Consumption.
i) Raw Materials				
Imported	12,870.03	39.34%	13,475.40	49.17%
Indigenous	19,843.01	60.66%	13,930.79	50.83%
	32,713.04	100.00%	27,406.19	100.00%
ii) Stores and Spares				
Imported	—	—	—	—
Indigenous	3771.49	100.00%	3389.21	100.00%
		100.00%		100.00%

DB Corp Ltd

f) Expenditure in foreign currency (on accrual basis)

Particulars	March 31, 2007 Rs. In Lacs	March 31, 2006 Rs. In Lacs
Traveling	7.63	29.64
Conference Expense	7.72	0.17
Others	3.73	4.46

g) Managerial Remuneration

Particulars	March 31, 2007 Rs. In Lacs	March 31, 2006 Rs. In Lacs
Salaries and Allowances	15.50	8.90
Key Man Insurance	5.72	3.02
Total	21.22	11.92

12. Receivables from Companies under the same management

- (a) Sundry Debtors include the following amounts receivable from the companies under the same management:
(Rs. In Lacs)

Name of the Company	Closing Balance		Maximum Amount Outstanding during the year	
	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
I Media Corp Ltd.	36.62	—	36.62	—
Bhaskar Industries Ltd.	0.77	—	0.77	—
Bhaskar Multinet Ltd.	42.39	—	42.39	—
Bhaskar Exxoil Ltd.	1.99	—	1.99	—
Bhaskar Venkatesh Products P Ltd.	42.82	—	42.82	—
Divya Prabhat Publication	4.31	—	4.31	—
Sharda Solvent Ltd.	1.23	—	1.23	—

- (b) Loans, Advances and Deposits includes the following amounts receivable from the companies under the same management.
(Rs. In Lacs)

Name of the Company	Closing Balance		Maximum Amount Outstanding during the year	
	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
Synergy Media Entertainment Ltd.	—	403.80	2,137.98	335.35
I Media Corp Ltd.	224.68	—	336.09	—
All Season Events (P) Ltd	8.15	—	8.70	—
Writers & Publishers Ltd.	13,590.56	13,089.71	13,828.23	13,089.71
R.C. Printer, Raipur	7.53	19.50	22.29	—
Bhaskar Multinet Ltd.	4.86	—	4.86	—
Bhaskar Exxoil Ltd.	0.34	—	2.27	—
Diligent Media Corp Ltd.	—	261.09	610.85	261.09
Stitex Globle Ltd.	0.15	—	0.15	—
Divya Prabhat Publications P Ltd.	73.49	—	73.49	—

13. Investments

The Company has invested Rs 7,000 lacs in Synergy Media Entertainment Ltd., a subsidiary company. The said investment is of a long term strategic nature. Considering the future business projections of the subsidiary company, the management is of the opinion that there is no diminution other than temporary in the value of these investments.

14. Dues to Small Scale Industrial Units (SSI)

The Company has sent a request to its suppliers for confirmation of their status under Small Scale Industrial Undertakings. Pending responses from the suppliers, the disclosures have not been made.

15. Dues to Micro And Small Enterprises

The Company has sent a request to its suppliers for confirmation of their status under Micro, Small and Medium Enterprises Development Act, 2006. Pending responses from the suppliers, the disclosures have not been made.

16. Previous Year's Audit

Previous year's audit was conducted by Gupta Navin K. & Co. and the current year's audit is conducted jointly by Gupta Navin K. & Co. and S.R. Batliboi & Associates.

17. Previous Year comparatives

Previous year's figures have been regrouped/rearranged where necessary to conform to this year's classification.

As per our report of even date

For S.R. Batliboi & Associates
Chartered Accountants

For Gupta Navin K. & Co.
Chartered Accountants

For and on behalf of the Board

Per Amit Majmudar
Partner
Membership No. 36656

Per Navin K. Gupta
Partner
Membership No. 75030

Managing Director Director

Mumbai
September 22, 2007

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details :**

Registration No.	04-47208	State Code	4
Balance Sheet Date	31.03.2007	Date of Incorporation	27.10.1995

II. Capital Raised during the year (Amount in Rs. Thousand):

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	100

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand):

Total Liabilities	6,522,001	Total Assets	6,522,001
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Sources of Funds :

Paid up Capital	21,466	Reserves & Surplus	1,711,193
Secured Loans	3,241,075	Unsecured Loans	214,783
Deferred Tax Liability	269,108		

Application of Funds :

Net Fixed Assets	1,938,499	Investments	705,841
Net Current Assets	2,802,649	Misc. Expenses	10,635
Accumulated Losses	Nil		

IV. Performance of Company (Amount in Rs. Thousands):

Turnover	6,724,210	Total Expenditure	6,051,230
Profit / (Loss) Before Tax	672,980	Profit / (Loss) After Tax	597,893
Earning per Share in Rs.	279.84	Dividend Rate %	10

V. Generic Name of Principal Product / Service of Company

(As per Monetary Terms)

N.A.

For and on behalf of the Board

Mumbai
September 22, 2007

Managing Director Director

Statement pursuant to section 212 of the Companies At, 1956 relating to Subsidiary Companies

Name(s) of the Subsidiary Companies	Synergy Media Entertainment Limited	I Media Corp Limited	All Season Events Private Limited
(A) The "Financial Year" of the Subsidiary Companies	31st March, 2007	31st March, 2007	31st March, 2007
(B) Shares of the subsidiary held by DB Corp Limited on the above dates:	22800000 Equity Shares of Rs. 10/- each of Rs. 10/- each	577500 Equity shares Rs. 10/- each	5500 Equity Shares of
i) Number and face value	99.69%	55%	55%
ii) Extent of holding			
(C) The net aggregate of Profits/ Loss of the subsidiary's companies so far as it concerns the members of the DB Corp Limited:			
(a) not dealt with in the accounts of DB Corp Limited for the year ended 31st March, 2007 amounted to-			
(i) for the Subsidiaries' financial year ended as in (A) above	Rs. (3.12) Crores (NOTE A)	Rs. (0.586) Crores* (NOTE B)	Rs. (0.0102) Crores** (NOTE C)
(ii) For the Previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries	NIL	NIL	NIL
(b) dealt with in the accounts of DB Corp Limited for the year ended 31st March, 2007 amounted to-			
(i) for the Subsidiaries' financial year ended as in (A) above	NIL	NIL	NIL
(ii) For the Previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries	NIL	NIL	NIL

For and on behalf of the Board

(Director) (Director)

* I Media Corp Limited has become the subsidiary w.e.f. 20/09/2006.

** All Season Events Private Limited has become the subsidiary w.e.f. 19/02/2007.

<p>NOTES</p>	<p>A: Synergy Media Entertainment Limited Net Profit/(Loss) for the year ended on 31/03/2007 DB Corp Limited extent of holding Therefore, the net aggregate of Profit/Loss of the subsidiary Companies so far as it concerns the members of DB Corp Limited not dealt with in the accounts of DB Corp Limited</p>	<p>99.69%</p>	<p>Rs. (31307101) Rs. (31307101)*99.69% Rs. (31210048.98) Rs. (3.12) Crores Rs. (17767387)</p>
	<p>B: I MEDIA CORP LIMITED Net Profit/(Loss) from 01/06/2006 to 31/03/2007 i.e. for 10 months 01/06/2006 is the date of incorporation of I Media Corp Limited DB Corp Limited extent of holding I Media Corp Limited has become the subsidiary w.e.f. 20/09/2006. Therefore, the net aggregate of Profit/Loss of the subsidiary Companies so far as it concerns the members of DB Corp Limited not dealt with in the accounts of DB Corp Limited</p>	<p>55.00%</p>	<p>Rs. (17767387)*55%*6/10 Rs. (5863237.71) Rs. (0.586) Crores</p>
	<p>C: ALL SEASON EVENTS PRIVATE LIMITED Net Profit/(Loss) from 02/11/2006 to 31/03/2007 i.e. for 5 months APPROX. 02/11/2006 is the date of incorporation of All Season Events Private Limited DB Corp Limited extent of holding All Season Events Private Limited has become the subsidiary w.e.f. 19/02/2007 Therefore, the net aggregate of Profit/Loss of the subsidiary Companies so far as it concerns the members of DB Corp Limited not dealt with in the accounts of DB Corp Limited</p>	<p>55.00%</p>	<p>Rs. (930990) Rs. (930990)*55%*1/5 Rs. (102408.9) Rs. (0.0102) Crores</p>

AUDITOR'S REPORT**To****The Board of Directors****DB Corp Limited**

1. We have audited the attached consolidated balance sheet of D B Corp Limited ('DBCL') Group, as at March 31, 2007, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the DBCL's management and have been prepared by the management on the basis of separate financial statement and other financial information regarding components. Our responsibility is to express an opinion on these financial statement based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. S. R. Batliboi & Associates did not audit the financial statement of the subsidiaries, whose financial statement reflect total assets of Rs. 10,633.55 lacs as at March 31, 2007, the total revenue of Rs. 232.05 lacs and and cash flows amounting to Rs. 2,802.18 lacs for the year then ended. These financial statement and other financial information have been audited solely by one of the joint auditor Gupta Navin K. & Co., whose reports have been furnished to S. R. Batliboi & Associates, and our joint opinion is based on these reports.
4. We report that the consolidated financial statements have been prepared by the DBCL's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated financial statements issued by the Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the DBCL Group as at March 31, 2007;
 - (b) in the case of the consolidated profit and loss account, of the profit of the DBCL Group for the year ended on that date; and
 - (c) In the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S. R. Batliboi & Associates
Chartered Accountants**Per Amit Majmudar**
Partner
Membership No. 36656Mumbai
October 25, 2007**For Gupta Navin K. & Co.**
Chartered Accountants**Per Navin Gupta**
Partner
Membership No. 75030

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

	Schedules	As At March 31,2007 Rs.	As At March 31,2006 Rs.
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	21,465,750	21,365,500
Reserves and Surplus	2	<u>1,654,905,607</u>	<u>1,115,799,286</u>
		<u>1,676,371,357</u>	<u>1,137,164,786</u>
Loan Funds			
Secured Loans	3	<u>3,590,992,977</u>	<u>3,657,677,766</u>
Unsecured Loans	4	<u>186,200,817</u>	<u>182,062,207</u>
		<u>3,777,193,794</u>	<u>3,839,739,973</u>
Deferred Tax Liability (Net)	5	<u>277,362,240</u>	<u>247,470,182</u>
Minority Interest		<u>2,015,891</u>	<u>700,000</u>
		<u>5,732,943,282</u>	<u>5,225,074,941</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	<u>2,875,926,289</u>	<u>2,181,343,468</u>
Less : Accumulated Depreciation		<u>430,537,390</u>	<u>311,277,313</u>
Net Block		<u>2,445,388,899</u>	<u>1,870,066,155</u>
Capital Work-in-progress (including Capital Advances)		<u>318,740,857</u>	<u>171,972,233</u>
		<u>2,764,129,756</u>	<u>2,042,038,388</u>
Investments			
Current Assets, Loans and Advances	7	<u>11,000</u>	<u>868,200</u>
Inventories	8	<u>634,308,940</u>	<u>559,897,954</u>
Sundry Debtors	9	<u>1,468,038,292</u>	<u>1,146,710,181</u>
Cash and Bank Balances	10	<u>198,911,837</u>	<u>381,996,166</u>
Loans and Advances	11	<u>1,749,119,154</u>	<u>1,584,435,379</u>
		<u>4,050,378,223</u>	<u>3,673,039,680</u>
Less : Current Liabilities and Provisions			
Current Liabilities	12	<u>996,505,110</u>	<u>361,139,280</u>
Provisions	13	<u>95,705,326</u>	<u>151,165,285</u>
		<u>1,092,210,436</u>	<u>512,304,565</u>
Net Current Assets			
		<u>2,958,167,787</u>	<u>3,160,735,115</u>
Miscellaneous Expenditure			
(to the extent not written off or adjusted)	14	<u>10,634,739</u>	<u>21,433,238</u>
		<u>5,732,943,282</u>	<u>5,225,074,941</u>
NOTES TO ACCOUNTS			
	22		

The Schedules referred to above form an integral part of the Balance Sheet

As per our Report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner
Membership No. 36656

Mumbai
October 25, 2007

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin Gupta
Partner
Membership No. 75030

For and on behalf of the Board

Managing Director Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	Schedules	For the Year Ended March 31, 2007 Rs.	For the Year Ended March 31, 2006 Rs.
INCOME			
Sales	15	1,741,455,088	1,746,948,777
Income from Event Management		29,317,578	-
Advertisement Income		4,882,000,015	3,529,628,967
Other Income	16	90,980,527	53,368,175
		<u>6,743,753,208</u>	<u>5,329,945,919</u>
EXPENDITURE			
Raw Material Consumed	17	3,271,304,225	2,740,619,357
Printed Magazines Purchase		17,652,484	15,866,514
Event Expenses		21,073,118	-
Operating Expenses	18	932,813,246	841,583,236
Personnel Expenses	19	538,772,952	342,616,246
Administration, Selling and Other Expenses	20	1,015,951,285	594,122,350
Financial Expenses	21	205,819,853	200,628,241
Depreciation		119,576,234	84,536,386
		<u>6,122,963,397</u>	<u>4,819,972,330</u>
Profit Before Taxation and Prior Period Items		<u>620,789,811</u>	<u>509,973,589</u>
Tax Expenses			
Provision for Current Tax		80,000,000	120,000,000
MAT Credit Entitlement		(73,000,000)	-
Deferred Tax Charge		29,892,058	11,415,106
Provision for Fringe Benefit Tax		25,741,131	8,500,000
Provision for tax of earlier years		17,651,371	-
		<u>80,284,560</u>	<u>139,915,106</u>
Profit After Tax Before Prior Period Items		<u>540,505,251</u>	<u>370,058,483</u>
Prior Period Expenditure		3,798,169	-
Profit for the Year Before minority Interest		<u>536,707,082</u>	<u>370,058,483</u>
Minority Interest in the loss of Subsidiaries		4,898,901	-
Profit for the Year		<u>541,605,983</u>	<u>370,058,483</u>
Balance Brought forward from previous year		17,622,282	-
Profit available for appropriation		<u>559,228,265</u>	<u>370,058,483</u>
Appropriation:			
Proposed Dividend		2,136,554	2,136,550
Corporate Dividend Tax		363,108	299,651
Transfer to General Reserve		350,000,000	350,000,000
		<u>352,499,662</u>	<u>352,436,201</u>
Balance carried to Balance Sheet		<u>206,728,603</u>	<u>17,622,282</u>
Earning Per Share			
Basic Earning Per Share		253.50	173.20
Diluted Earning Per Share		253.49	173.20
Weighted Average No. of Shares		2,136,550	2,136,550
Nominal Value per Share		10	10
NOTES TO ACCOUNTS	22		

The Schedules referred to above form an integral part of the Profit and Loss Account

As per our Report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner
Membership No. 36656

Mumbai
October 25, 2007

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin Gupta
Partner
Membership No. 75030

For and on behalf of the Board

Managing Director **Director**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

	As At March 31,2007 Rs.	As At March 31,2006 Rs.
SOURCES OF FUNDS		
Schedule 1		
SHARE CAPITAL :		
Authorised :		
9,000,000 (Previous Year 10,000,000) Equity Shares of Rs. 10/- each	90,000,000	100,000,000
1,000 (Previous Year Nil), 0%, Redeemable Preference Share of Rs. 10,000/- each	10,000,000	-
	<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed & Paid up :		
2,136,550 (Previous Year Nil) Equity Shares of Rs.10/-each fully paid up	21,365,500	-
Share Suspense Account		
25 (Previous Year 2,136,550) Equity Shares of Rs. 10/- each	250	21,365,500
10 (Previous Year Nil) Preference Shares of Rs. 10,000/- each to be issued as per the Scheme of Arrangement. (Refer Note 6 of Schedule 22)	100,000	-
(Of the above shares, 2,136,550 Equity shares are issued for consideration other than cash)		
	<u>21,465,750</u>	<u>21,365,500</u>
Schedule 2		
RESERVES AND SURPLUS:		
General Reserve		
As per last Balance Sheet	1,098,177,004	748,177,004
Add : Transferred from Profit and Loss Account	350,000,000	350,000,000
	<u>1,448,177,004</u>	<u>1,098,177,004</u>
Profit and Loss Account	206,728,603	17,622,282
	<u>1,654,905,607</u>	<u>1,115,799,286</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

	As At March 31,2007 Rs.	As At March 31,2006 Rs.
Schedule 3		
SECURED LOANS :		
Term Loans		
- Rupee Loans from Banks	1,643,375,430	1,437,797,423
- Foreign Currency Loans from Banks	-	106,999,906
- From Financial Institutions	1,011,111,105	1,322,222,222
(including interest accrued and due Rs. Nil (Previous years Rs. Nil))		
Cash Credit Facility from Banks (For Security Refer Note 9 of Schedule 22)	936,506,442	790658215
	<u>3,590,992,977</u>	<u>3,657,677,766</u>
Schedule 4		
UNSECURED LOANS :		
Security Deposits from Agents	186,200,817	155131663
From Bodies Corporate	-	26930544
	<u>186,200,817</u>	<u>182,062,207</u>
Schedule 5		
DEFERRED TAX LIABILITY (NET) :		
Deferred Tax Liability		
Depreciation	309,906,146	247,470,182
	<u>309,906,146</u>	<u>247,470,182</u>
Deferred Tax Asset		
Provision for Doubtful Debts / Advances	24,048,727	-
Provision for Gratuity and Leave Encashment	7,341,228	-
Others	-	-
	<u>32,543,906</u>	<u>-</u>
Deferred Tax Liability (Net)	<u>277,362,240</u>	<u>247470182</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

Schedule 6

FIXED ASSETS :

Assets	Gross Block				Accumulated Depreciation				Net Block			
	As At 01.04.2006	Assets Acquired on Demerger*	Additions During The Year	Deductions During The Year	As At 31.03.2007	Up To 01.04.2006	On Assets Acquired	For The Year	On Deductions	Up To 31.03.2007	As At 31-03-2007	As At 31.03.2006
Tangible Assets												
Building	-	-	113,058,234	-	113,058,234	-	-	1,387,582	-	1,387,582	111,670,652	-
Plant and Machinery	1,288,392,775	-	410,931,865	42,500	1,699,282,140	170,674,707	-	71,608,460	4,723	242,278,444	1,457,003,696	1,117,718,068
Office Equipments	68,917,952	198,850	18,312,483	261,720	87,167,565	11,940,320	-	3,682,588	9,060	15,613,848	71,553,717	56,977,632
Vehicles	19,530,299	10,000	1,328,545	534,697	20,334,147	9,223,180	-	1,953,502	294,619	10,882,063	9,452,084	10,307,119
Furniture & Fixtures	71,124,037	19,500	30,953,628	-	102,097,165	14,654,161	-	5,389,176	-	20,043,337	82,053,828	56,469,876
Electric Fitting Fans & Coolers	47,469,452	-	28,597,800	48,594	76,018,658	6,342,803	-	2,954,792	734	9,296,861	66,721,797	41,126,649
Computers	165,468,680	521,650	47,543,124	217,330	213,316,124	96,928,189	-	22,349,436	7,021	119,270,604	94,045,520	68,540,491
D.G.Set	8,239,273	-	17,157,674	-	25,396,947	1,513,953	-	763,694	-	2,277,647	23,119,300	6,725,320
Intangible Assets												
Goodwill	-	454,637	25,154,880	-	25,609,517	-	-	2,696,618	-	2,696,618	22,912,899	-
Goodwill on Consolidation	-	-	1,444,792	-	1,444,792	-	-	288,958	-	288,958	1,155,834	-
One Time Licence Fees	512,201,000	-	-	-	512,201,000	-	-	6,501,428	-	6,501,428	505,699,572	512,201,000
Total	2,181,343,468	1,204,637	694,483,025	1,104,841	2,875,926,289	311,277,313	-	119,576,234	316,157	430,537,390	2,445,388,899	1,870,066,155
Capital Work-in-progress including Capital Advances)	171,972,233	-	418,529,020	271,760,396	318,740,857	-	-	-	-	-	318,740,857	171,972,233
Previous year	-	1,430,494,016	1,114,431,552	191,609,847	2,353,315,701	311,277,313	-	84,536,386	5,682,106	311,277,313	2,042,038,388	-

* Refer Note 7 of Schedule 22

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

	As At March 31,2007 Rs.	As At March 31,2006 Rs.
Schedule 7		
INVESTMENTS :		
Long Term Investments (As cost) - Unquoted and Non Trade		
In Others		
100 Equity Shares of Sahakar Enterprises Private Limited	-	858,200
100 Equity Shares of Rs 100/- each of United News of India	10,000	10,000
10 Equity Shares of 100/- each of Press Trust of India	1,000	-
	<u>11,000</u>	<u>868,200</u>
Schedule 8		
INVENTORIES :		
News Prints	583,505,376	537,125,867
Non news print Wastage	628,037	61,437
Stores and Spares	36,019,620	21,977,787
Magazines	72,313	732,863
Gifts / Promotional Products	14,083,594	-
	<u>634,308,940</u>	<u>559,897,954</u>
Schedule 9		
SUNDRY DEBTORS :		
(Unsecured)		
Debts outstanding for a period exceeding six months :		
- Considered Good	169,123,006	152,374,903
- Considered Doubtful	68,479,558	-
	<u>237,602,564</u>	<u>152,374,903</u>
Others Debts :		
- Considered Good	1,298,915,286	994,335,278
	<u>1,536,517,850</u>	<u>1,146,710,181</u>
Less : Provision for Doubtful Debts	68,479,558	-
	<u>1,468,038,292</u>	<u>1,146,710,181</u>
Schedule 10		
CASH AND BANK BALANCES :		
Cash on Hand	10,331,505	5,589,344
Cheques on Hand	53,271,868	29,728,144
Balances with Scheduled Banks		
On Current Accounts	105,533,844	312,077,033
On Fixed Deposit Account	29,774,620	34,601,645
	<u>198,911,837</u>	<u>381,996,166</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

	As At March 31,2007 Rs.	As At March 31,2006 Rs.
Schedule 11		
LOANS AND ADVANCES:		
(Unsecured)		
Intrest accrued	4,256,591	-
Loans to employees		
- Considered Good	14,694,334	14,496,747
- Considered Doubtful		
Advances recoverable in cash or kind or for value to be received		
- Considered Good	233,228,057	214,201,464
- Considered Doubtful	2,272,803	-
Inter Corporate Deposit	719,696,133	700,000,000
Deposit with Government Authorities	39,255,228	34,428,278
Security Deposit against Properties	639,359,545	608,971,473
Deposit with Others	20,352,940	12,337,417
Balance with Excise Authorities	5,276,326	-
MAT Credit Entitlement	73,000,000	-
	<u>1,751,391,957</u>	<u>1,584,435,379</u>
Less : Provision for Doubtful Loans and Advances	2,272,803	-
	<u>1,749,119,154</u>	<u>1,584,435,379</u>
Schedule 12		
CURRENT LIABILITIES :		
Sundry Creditors	956,621,428	344,990,910
Advances from Customers	16,192,461	704,215
Interest Accrued but not due on loans	498,630	-
Other Liabilities	23,192,591	15,444,155
	<u>996,505,110</u>	<u>361,139,280</u>
Schedule 13		
PROVISIONS :		
Provision for Tax (Net of Advance tax)	71,607,467	120,094,358
Provision for Gratuity	18,626,445	28,634,726
Provision for Leave Encashment	2,971,752	-
Proposed Dividend	2,136,554	2,136,550
Tax on Proposed Dividend	363,108	299,651
	<u>95,705,326</u>	<u>151,165,285</u>
Schedule 14		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses		
Opening Balance	21,433,238	31,888,836
Addition during the year	-	129,143
Less : Written Off during the year	10,798,499	10,584,741
	<u>10,634,739</u>	<u>21,433,238</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	For the Year Ended March 31, 2007 Rs.	For the Year Ended March 31, 2006 Rs.
Schedule 15		
SALES :		
Sale of Newspaper	1,623,294,501	1,661,177,479
Wastage Sale	86,306,523	69,920,572
Sale of Power	5,402,693	66,842
Sale of Magazine	24,742,583	15,783,884
Sales Portal and SMS	1,708,788	-
	<u>1,741,455,088</u>	<u>1,746,948,777</u>
Schedule 16		
OTHER INCOME :		
Printing Job Charges	58,991,891	35,910,894
Rent received	1,665,450	1,270,500
Excess Liability / Provision written back	8,415,305	-
Exchange Gain (Net)	4,152,393	-
Miscellaneous Income	17,755,488	16,186,781
	<u>90,980,527</u>	<u>53,368,175</u>
Schedule 17		
RAW MATERIAL CONSUMED:		
News Print Paper		
Inventories as at April 1, 2006	537,125,867	329,941,701
Add: Purchase during the year	3,317,683,733	2,947,803,523
	<u>3,854,809,600</u>	<u>3,277,745,224</u>
Less: Inventories as at March 31, 2007	583,505,375	537,125,867
	<u>3,271,304,225</u>	<u>2,740,619,357</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	For the Year Ended March 31, 2007 Rs.	For the Year Ended March 31, 2006 Rs.
Schedule 18		
OPERATING EXPENSES :		
Consumption of Stores and Spares	377,149,422	338,921,728
Printing Job Work Expenses	146,899,975	122,942,586
News Collection Expenses	212,310,243	234,896,516
Binding Expenses	21,972,046	22,593,188
Other Operating Expenses	13,205,630	3,319,477
Electricity, Power and Water Charges	101,811,252	86,572,600
Repairs and Maintenance - Machinery	45,855,008	32,337,141
Licence Fees	9,897,910	-
Tower Rent and Other Operating Rental	2,676,817	-
Portal Expenses	1,034,943	-
	<u>932,813,246</u>	<u>841,583,236</u>
Schedule 19		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	482,990,362	304,325,818
Contribution to Provident Fund and Other Funds	21,506,941	13,666,745
Workmen and Staff Welfare Expenses	34,275,649	24,623,683
	<u>538,772,952</u>	<u>342,616,246</u>
Schedule 20		
ADMINISTRATION, SELLING AND OTHER EXPENSES :		
Electricity Expenses	5,173,767	3,000,730
Rent	40,460,886	35,080,583
Rates and Taxes	3,749,120	6,286,829
Insurance	6,984,627	5,729,962
Repairs and Maintenance		
- Buildings	5,937,319	5,285,577
- Others	11,679,702	12,123,088
Legal and Professional Charges	43,730,751	16,617,990
Advertisement and Publicity	163,320,103	23,239,386
Distribution Expenses	114,934,384	83,893,042
Business Promotion	284,650,048	231,091,562

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	For the Year Ended March 31, 2007 Rs.	For the Year Ended March 31, 2006 Rs.
Schedule 20		
ADMINISTRATION, SELLING AND OTHER EXPENSES : (Cont..)		
Survey Expenses	95,915,862	39,943,774
Postage and Telegram	6,476,748	5,197,985
Telephone Expenses	29,335,672	33,000,178
Printing and Stationery	13,552,055	11,202,556
Traveling Expenses	52,898,537	34,801,189
Conveyance Expenses	5,429,289	2,995,733
Vehicle Running and Maintenance	11,942,926	13,010,820
Auditors Remuneration		
- Statutory Audit	3,579,980	500,000
- Tax Audit	224,720	100,000
Loss on Sale of Assets (Net)	173,890	924,258
Provision for Doubtful Debts	68,479,558	-
Provision for Doubtful Advances	2,272,803	-
Miscellaneous Expenditure written off	10,798,499	10,584,741
Royalty	525,000	-
Sundry Office Expenses	33,725,039	19,512,367
	<u>1,015,951,285</u>	<u>594,122,350</u>
Schedule 21		
FINANCIAL EXPENSES :		
Interest Expenses	262,016,381	228,971,984
Less : Interest Income	75,999,529	63,673,571
	<u>186,016,852</u>	<u>165,298,413</u>
Exchange Loss / (Gain) on Foreign Currency Loan (net)	8,329,334	17,428,670
Bank Charges	11,473,667	17,901,158
	<u>205,819,853</u>	<u>200,628,241</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2007

SCHEDULE 22

CONSOLIDATED NOTES TO ACCOUNTS :

1. Nature of Operations

The Group is in the business of publishing newspaper 'Dainik Bhaskar', a Hindi daily, 'Divya Bhaskar' and 'Saurashtra Samachar', Gujarati dailies, monthly magazines, 'Aha Jindagi', 'Bal Bhaskar' and other magazines. It derives revenue from sale of these publications, advertisements published therein and by undertaking printing jobs. The Group is also in the business of running radio broadcasting, event management, internet and wind energy.

2. Basis of Consolidation

The consolidated financial statements are related to D B Corp Limited (the Company) and its subsidiary companies. The Company and its subsidiaries constitute the Group.

a) Basis of Accounting:

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) – "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

The subsidiaries considered in the preparation of these consolidated financial statements are:

Name	Country of Incorporation	Percentage of Ownership interest as at March 31, 2007
Subsidiary Companies:		
1. Synergy Media Entertainment Limited	India	99.6939%
2. I Media Corp Limited	India	55%
3. All Seasons Events Private Limited	India	55%

b) Principles of consolidation:

The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary companies have been combined on a line to line basis by adding together like items of assets, liabilities, income and expenses. The intra group balances and intra group transactions and unrealized profits or losses have been fully eliminated.
 - ii) The excess of the cost to the Company of its investment in a subsidiary over the Company's portion of equity of the subsidiary, at the date on which the investment in the subsidiary is made, is accounted as goodwill; when the cost to the Company of its investment in the subsidiary is less than the Company's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, the difference is accounted as capital reserve.
 - iii) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity subsequent to the date of investments as stated above.
- c) These consolidated financial statements are based, in so far as they are related to amounts included in respect of subsidiaries, on the audited financial statements prepared for consolidation in accordance with the requirements of AS 21 by each of the included entities.

3. Significant Accounting Policies

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

d) Depreciation

Depreciation is provided on Straight Line Method at the rates computed based on estimated useful life of the assets, which are equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956.

Assets costing below Rs. 5,000 are fully depreciated in the year of acquisition.

e) Intangibles**Goodwill**

Goodwill is amortized on a straight-line basis over five years.

One time Entry Fees

One time Entry fees represent amount paid for acquiring new license for new radio stations and is amortized over a period of ten years.

f) Expenditure on new projects**Capital Work-in-Progress:**

Expenditure directly relating to construction activity is capitalized.

Pre-operative Expenditure:

Indirect expenditure incurred during construction period is capitalized under the respective asset-head as part of the indirect construction cost to the extent to which the expenditure is indirectly related to the asset-head. Other indirect expenditure incurred during the construction period, which is not related to the construction activity or which is not incidental thereto is written off to revenue.

Income earned during the construction period and income from trial runs is deducted from preoperative expenditure pending allocation.

g) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

h) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

i) Leases (Where the Company is the lessee)

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

j) Inventories:

Inventories are valued as follows :

Raw materials	Lower of cost and net realizable value. However, material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a FIFO basis.
Stores and spares	Lower of cost and net realizable value. However, material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Work-in-progress	Lower of cost and net realizable value. Cost represents direct materials cost.
Scrap and Waste papers	At net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically, the following basis is adopted:

Advertisements

Revenue is recognized as and when advertisement is published /displayed / aired and is disclosed net of discounts.

Sale of Publications, Waste Paper and Scrap

Revenue is recognized when the significant risks and rewards of ownership have passed on to the buyer and is disclosed net of sales return and discounts.

Printing Job Work

Revenue from printing job work is recognized on the completion of job work as per terms of the agreement.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

l) Foreign Currency Transaction:

Initial Recognition

Foreign currency transactions are recorded in Indian Rupees by applying to the foreign currency amount, the exchange rate between the Indian Rupee and the foreign currency prevailing at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction; and non- monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise except gain or loss on transactions relating to acquisition of Fixed Assets/Intangibles from outside India, which is adjusted to the carrying amount of the Fixed Assets/ Intangibles.

m) Retirement and other Employee Benefits

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation carried out by an independent actuary at the year end and is contributed to Gratuity Fund created by the Company.

Provision for leave encashment is provided for on the basis of an actuarial valuation carried out by an independent actuary at the year end.

n) Income Taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Unrecognized Deferred Tax Assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be, that future taxable income will be available against which such Deferred Tax Assets can be realized

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

o) Provision

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

p) Deferred Revenue Expenditure

Deferred Revenue Expenditure incurred prior to April 1, 2003 is written off over a period of five years.

q) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) Cash and Cash equivalents

Cash and Cash equivalents in the cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

s) **Segment Information**

i. Identification of Segments:

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group sells its products and services within India with insignificant export income and does not have any operations in economic environments with different risks and returns, hence, it is considered operating in a single geographical segment.

ii. Allocation of costs:

Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenues and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses/ income".

4. **Goodwill on Consolidation comprises of goodwill arising on the Company's investment as under:**

Name	March 31, 2007 Rs.	March 31, 2006 Rs.
Synergy Media Entertainment Limited	1,444,792	-

5. I Media Corp Limited (IMCL) and All Seasons Events Private Limited (ASEPL) became a subsidiary of D B Corp Limited during the year. The figures for the current year include figures relating to IMCL and ASEPL as given below:

Particulars	IMCL (Rs.)	ASEPL (Rs.)
Liabilities:		
Profit and Loss Account	(17,797,147)	(986,190)
Current Liabilities	2,347,916	985,379
Assets:		
Fixed Assets	15,317,710	290,609
Current Assets	4,987,467	623,780
Deferred Tax Asset	876,214	-

Results for the period include Rs 17,797,147 loss for the period from June 1, 2006 to March 31, 2007 relating to IMCL and Rs 986,190 loss for the period from November 2, 2006 to March 31, 2007 relating to ASEPL.

6. **Scheme of Arrangement:**

- Pursuant to the Scheme of Arrangement approved by Honbl'e Karnataka High Court and Gujarat High Court, under Section 391 to 394 read with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956, the Company has taken over the Internet division of Indainfo.com Ltd. (the De-merged entity) with effect from September 1, 2006, being the Appointed Date. All the assets and liabilities of the Internet division of Indainfo.com Ltd. as at September 1, 2006 have been transferred to the Company at their respective book values.
- The scheme of Arrangement shall be effective from the Appointed Date (September 1, 2006) but is operative from the date on which the certified copies of the Orders of the High Court of Karnataka and Gujarat are filed with the Registrar of Companies (the effective date, which is July 31, 2007)
- As per the Scheme of Arrangement, from the Appointed Date (September 1, 2006) Indainfo.com Ltd carried on business and activities for the benefit of and in trust for the Company and thus, all the profits or losses accruing or arising to the Internet Division of Indainfo.com Ltd. shall be treated as profits or losses of the Company. The Scheme of Arrangement has accordingly been given effect to in these financial statements.
- As per the Scheme, the Company has to issue 25 (twenty five) fully paid equity shares of Rs. 10/- each and 10 (Ten) fully paid Preference shares of Rs.10,000/- each to the equity shareholders of Indainfo.com Ltd. on the effective date i.e. July 31, 2007. The shares to be issued amounting to Rs. 100,250/- are shown under Share Suspense Account on the Balance Sheet date. Out of these shares, 4 equity shares and 1 preference shares have been allotted till date and the balance will be allotted subsequent to obtaining the FIPB approval.

- e) The details of the assets and liabilities transferred to the Company, the shares to be issued and the resultant Goodwill as per the Scheme of Arrangement are detailed as below:-

Particulars	Amount (In Rs.)
Fixed assets	750,000
Current Assets	1,269,536
Total Assets	2,019,536
Less:	
Current liabilities and provision	2,373,923
Shares to be allotted	100,250
Goodwill	(454,637)

- f) Further, the Company has entered into another agreement for taking over the Overseas Rights which would be effective from the date of court order. For the said rights, the Company will pay Rs 200 lacs which has also been accrued and debited to Goodwill.
- g) The Company has been legally advised that it shall be able to set off the unabsorbed losses of Internet Division of Indiainfo.com ltd. against its taxable income.

7. Purchase / Acquisition

The Company has entered into Business Transfer Agreement with Saurashtra Samachar Pvt. Ltd. and New Era Publication Pvt. Ltd. for acquisition of certain businesses as a going concern with effect from January 1, 2007. The respective assets and liabilities of the businesses have been acquired by the Company at their book values. The difference of Rs. 5,154,880 between the book value of net assets and the consideration paid by the Company has been accounted as Goodwill.

8. Related Parties Disclosure

Related party disclosures, as required by Accounting Standard 18 - "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, are given below:

Particulars	Related Party
Key Management Personnel	- Shri Sudhir Agarwal, Managing Director (SA) - Shri Girish Agarwal, Director (GA)
Relatives of key management personnel	- Shri Ramesh Chandra Agarwal (RCA) - Smt. Kasturi Devi Agarwal (KDA) - Shri Pawan Agarwal (PA) - Smt. Jyoti Sudhir Agarwal (JSA) - Smt. Namita Girish Agarwal (NGA) - Smt. Nikita Pawan Agarwal (NPA)
Enterprises owned or significantly influenced by Key management personnel or their relatives	- Writers & Publishers Limited - Bhaskar Phototype Setter - Bhaskar Printing Press - RC Phototype Setter - RC Printer - Bhaskar Publication and Allied Industries Pvt. Ltd. - New Era Publications Private Limited - Bhaskar Fiscal & Infrastructure Limited - Bhaskar Industries Limited - Bhaskar Multinet Limited - Bhaskar Exxoil Limited - Diligent Media Corporation Limited - Stitex Global Limited - Saurashtra Samachar Private Limited - Divya Prabhat Publications Private Limited - Bhaskar Venkatesh Enterprises Private Limited - Sharda Solvent Limited

Related Parties Disclosure (Cont'd)
Transaction with Related Parties are given below:-

Related Party Name	Loan / Advance / Deposit Given (Repaid)		Loan/Advance Taken (Repaid)		Interest Received (Paid)		Revenue Booked		Receiving of Services/ Purchases		Rendering of Services / Sales		Remuneration Paid		Amount Outstanding Debit / (Credit)	
	Mar-07	Mar-06	Mar-07	Mar-06	Mar-07	Mar-06	Mar-07	Mar-06	Mar-07	Mar-06	Mar-07	Mar-06	Mar-07	Mar-06	Mar-07	Mar-06
	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)
Writers & Publishers Ltd (WPL)	491.44	13,089.71	-	-	630.00	-	-	-	122.70	168.47	-	-	-	-	13,590.56	13,089.71
M P Printer (Unit of WPL)	(475.35)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
M P Printer (Unit of Bhaskar Ind.)	-	-	-	-	-	-	-	-	34.45	-	-	-	-	-	(80.68)	(80.06)
Bhaskar Phototype Setter, Bhopal (Prop. Sudhir Agarwal)	-	-	-	-	-	-	-	-	317.23	-	-	-	-	-	-	(11.62)
Bhaskar Printing Press, Bhopal (Prop. Jyoti Agarwal)	-	-	-	-	-	-	-	-	26.98	81.07	-	-	-	-	(17.06)	(15.11)
Bhaskar Printing Press, Bhopal (Prop. R.C. Agarwal)	-	-	-	-	-	-	-	-	36.14	36.11	-	-	-	-	(12.11)	(12.30)
Bhaskar Printing Press, Ahmedabad/Surat, Baroda (Prop. Pawan Agarwal)	-	-	-	-	-	-	-	-	187.12	163.70	-	-	-	-	(29.42)	(10.27)
R.C. Phototype Setter, Raipur (Prop. R. C. Agarwal)	-	-	-	-	-	-	-	-	52.17	43.22	-	-	-	-	(46.63)	(32.24)
R.C. Printer, Raipur (Prop. R.C. Agarwal)	-	-	-	-	-	-	-	-	56.18	41.41	-	-	-	-	7.53	19.50
Bhaskar Publication & Allied Industries Ltd.	-	-	-	-	-	-	-	-	0.78	419.66	127.63	-	-	-	-	-
New Era Publication P Ltd.	-	-	-	-	-	-	-	-	163.43	183.91	-	-	-	-	-	-
Bhaskar Fiscal & Infrastructure Ltd.	-	-	-	-	-	-	-	-	32.38	-	-	-	-	-	0.41	-
Bhaskar Industries Ltd.	-	-	-	-	-	-	-	0.77	3.57	-	-	-	-	0.77	-	-
Bhaskar Multinet Ltd.	370.20	-	-	-	-	-	-	42.39	-	-	-	-	-	47.25	-	-
	(365.34)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bhaskar Exxoil Ltd.	0.34	-	-	-	-	-	-	1.99	-	-	-	-	-	2.33	-	-
Diligent Media Corp Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sudhir Agarwal, Managing Director	-	-	-	-	-	-	-	-	-	-	847.15	7,312.69	15.71	6.20	-	-
Girish Agarwal, Director	-	-	-	-	-	-	-	-	0.85	-	-	-	5.51	5.72	-	-
Sitex Global Ltd.	0.15	-	-	-	-	-	-	-	-	-	-	-	-	-	0.15	-
Saurashtra Samachar P Ltd.	-	-	-	-	-	-	-	-	266.45	-	-	-	-	-	-	-
Divya Prabhat Publications P Ltd.	73.49	-	-	-	-	-	-	4.31	-	-	-	-	-	-	77.80	-
Bhaskar Venkatesh Products P Ltd.	-	-	-	-	-	-	-	42.82	-	-	-	-	-	-	42.82	-
Sharda Solvent Limited	-	-	-	-	-	-	-	1.23	-	-	-	-	-	-	1.23	-

9. Term Loans and Working Capital Demand Loans consist of :

(in Rs.)

Particulars	State Bank of Hyderabad	State Bank of Indore	Yes Bank	Rabo India Finance Pvt. Ltd.	Bank of Maharashtra	The J&K Bank Limited	Corporation Bank
Rupee Term Loan	255,186,474 (321,786,964)	367,742,606 (190,956,202)	670,528,132 (666,250,000)	1,011,111,105 (1,322,222,222)	—	253,418,218 (258,804,257)	96,500,000
Foreign Currency Term Loan	—	USD Nil(USD 2,464,300 equivalent of Rs.106,999,906)	—	—	—	—	—
Cash Credit Facilities	149,924,401 (—)	688,258,842 (694,383,196)			98,323,198 (96,275,019)	—	—

(Figures in bracket represent previous year's balance)

a) The Term Loans are secured by:

- i) First Exclusive charge on the Fixed Assets of the Company in NICT Project;
- ii) First Charge on existing / future Plant & Machinery of Ahmedabad, Surat and Baroda Project;
- iii) First Charge on Plant & Machinery situated at all locations (other than Gujarat) of the Company;
- iv) The J&K Bank and Corporation Bank – Hypothecation of all present and future fixed and current assets of the Company (Synergy Media Entertainment Limited)
- v) Term Loan also includes car loan of Rs 4,370,346 (closing balance) which is secured against hypothecation of vehicle and all its components;
- vi) Second Charge on all current assets;
- vii) Personal Guarantee of Directors (RCA, SA, GA and PA)
- viii) Corporate Guarantees of Writers & Publishers Limited and Bhaskar Publication & Allied Industries Pvt. Ltd.

b) Cash Credit Facilities are secured by:

- i) First charge on the entire current assets and;
- ii) Second charge on the other movable properties (other than current assets) of the Company.
- iii) Personal Guarantee of Directors (RCA, SA, GA and PA)
- iv) Corporate Guarantees of Writers & Publishers Limited and Bhaskar Publication & Allied Industries Pvt. Ltd.

10. Leases

Rental expenses in respect of operating leases are recognized as an expense in the Profit and Loss Account, on a straight-line basis over the lease term.

Operating Lease (for assets taken on Lease)

- a) The Group has taken various residential, office and godown premises under operating lease agreements. These are generally renewable by mutual consent;
- b) Lease payments for the year are Rs. 401.73 lacs (Previous year Rs. 350.80 lacs);
- c) The future minimum lease payments under non-cancellable operating leases;
 - not later than one year is Rs. 427.54 lacs.
 - later than one year but not later than five years is Rs. 1,839.59 lacs.

11. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 2,311.46 lacs (Previous year Rs. 1,636.56 lacs).

DB Corp Ltd

12. Contingent Liabilities not provided for :

- a) Letter of Credit against purchase of capital goods : Rs. 21 lacs (Previous year Rs. 32.50 lacs).
- b) Legal Suit pending against Synergy Media Entertainment Limited with IPRS towards so called royalty payable to performers Rs 27.12 lacs (Previous year Rs. Nil).

13. Derivative Instruments

- a) Particulars of Hedged Foreign Currency exposure as at the Balance Sheet date:

Amount in respective currency

Particulars	Currency	March 31, 2007	March 31, 2006
Sundry Creditors	USD	1,941,595	—

- b) Particulars of Unhedged Foreign Currency exposure as at the Balance Sheet date:

Amount in respective currency

Particulars	Currency	March 31, 2007	March 31, 2006
Sundry Creditors	USD	1,896,989	3,366,260

14. Additional information pursuant to the provisions of paragraphs 3, 4B, 4C, 4D of part II of the Schedule VI of the Companies Act, 1956:

- a) **Licensed and installed capacity:-**

Licensed capacity is not applicable.

Installed Capacity:

Type of Machine	March 31, 2007		March 31, 2006	
	No. of Machines	Total Capacity (Impressions per hour)	No. of Machines	Total Capacity (Impressions per hour)
Cold Set Machines	49	1,584,000	33	1,142,000
Heat Set Machines	4	96,000	4	96,000

- b) **Actual Production and Sales**

News paper	March 31, 2007 In Lacs of Copies	March 31, 2006 In Lacs of Copies
Production	11,979.77	10,269.48
Sales	11,748.80	10,269.48

- c) **Value of Import on CIF Basis**

Particulars	March 31, 2007 Rs. In lacs	March 31, 2006 Rs. In lacs
Raw Material	11,503.42	14,659.42
Capital Goods	355.75	82.75

- d) **Consumption of Raw Material (Rs. in lacs)**

	March 31, 2007		March 31, 2006	
	Quantity (In MT)	Value (Rs. In Lacs)	Quantity (In MT)	Value (Rs. In Lacs)
Newsprint	114,691.88	32,713.04	102,584.57	27,406.19

- e) **Imported and indigenous raw materials, stores and spares consumed (Rs. in lacs)**

	March 31, 2007		March 31, 2006	
	Value Rs. In Lacs	% of total Consumption	Value Rs. In Lacs	% of total Consumption
i) Raw Materials				
Imported	12,870.03	39.34%	13,475.40	49.17%
Indigenous	19,843.01	60.66%	13,930.79	50.83%
	32,713.04	100.00%	27,406.19	100.00%

	March 31, 2007		March 31, 2006	
	Value Rs. In Lacs	% of total Consumption	Value Rs. In Lacs	% of total Consumption
ii) Stores and Spares				
Imported	—	—	—	—
Indigenous	3771.49	100.00%	3389.21	100.00%
		100.00%		100.00%

f) Expenditure in foreign currency (on accrual basis)

Particulars	March 31, 2007 Rs. In Lacs	March 31, 2006 Rs. In Lacs
Traveling	7.63	29.64
Conference Expense	7.72	0.17
Others	20.07	4.46

g) Managerial Remuneration

Particulars	March 31, 2007 Rs. In Lacs	March 31, 2006 Rs. In Lacs
Salaries and Allowances	15.50	8.90
Key Man Insurance	5.72	3.02
Total	21.22	11.92

15. Receivables from Companies under the same management

(a) Sundry Debtors include the following amounts receivable from the companies under the same management:

(Rs. In Lacs)

Name of the Company	Closing Balance		Maximum Amount Outstanding during the year	
	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
Bhaskar Industries Ltd.	0.77	—	0.77	—
Bhaskar Multinet Ltd.	42.39	—	42.39	—
Bhaskar Exxoil Ltd.	1.99	—	1.99	—
Bhaskar Venkatesh Products P Ltd.	42.82	—	42.82	—
Divya Prabhat Publication	4.31	—	4.31	—
Sharda Solvent Ltd.	1.23	—	1.23	—

(b) Loans, Advances and Deposits includes the following amounts receivable from the companies under the same management.

(Rs. In Lacs)

Name of the Company	Closing Balance		Maximum Amount Outstanding during the year	
	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
Writers & Publishers Ltd.	13,590.56	13,089.71	13,828.23	13,089.71
R.C. Printer, Raipur	7.53	19.50	22.29	—
Bhaskar Multinet Ltd.	4.86	—	4.86	—
Bhaskar Exxoil Ltd.	0.34	—	2.27	—
Diligent Media Corp Ltd.	—	261.09	610.85	261.09
Stitex Global Ltd.	0.15	—	0.15	—
Divya Prabhat Publications P Ltd.	73.49	—	73.49	—

16. Segment Information for the year ended March 31, 2007

PARTICULARS	PRINTING / PUBLISHING		RADIO		OTHERS		CONSOLIDATION	
	Mar-07	Mar-06	Mar-07	Mar-06	Mar-07	Mar-06	Mar-07	Mar-06
External Revenue	6,685,249,117	5,328,608,577	19,812,616	-	66,842	6,742,087,757	5,328,675,419	
Segment Results	874,497,880	710,691,037	(29,002,634)	-	(759,707)	829,037,873	709,931,330	
Less : Unallocated Corporate Expensesnet of Unallocated Income					(16,457,373)	2,428,208	(670,500)	
Operating Profit						826,609,665	710,601,830	
Less : Financial Expenses (Net of Interest Income)						205,819,853	200,628,241	
Less : Prior Period Expenditure						3,798,169	-	
Less : Tax Expenses						80,284,560	139,915,106	
Profit for the year						536,707,082	370,058,483	
Other Information								
Segment Assets	4,858,034,611	3,816,423,890	1,009,296,420	999,774,772	198,879,406	6,087,151,783	5,015,078,068	
Unallocated Corporate Assets						798,119,558	700,868,200	
Segmental Liabilities	4,459,823,981	4,146,299,097	373,878,832	40,399,658	14,180,498	4,844,451,265	4,200,879,253	
Unallocated Corporate Liabilities						373,067,566	398,635,467	
Minority Interest						2,015,891	700,000	
Capital Expenditure	605,662,943	1,661,149,657	72,372,881	512,201,000	199,602,658	694,242,870	2,372,953,315	
Depreciation	99,280,802	83,746,292	10,077,046	-	790,094	119,576,234	84,536,386	
Non - cash expenses other than depreciation	81,595,607	11,508,999	129,143	-	-	81,724,750	11,508,999	

17. Previous Year's Audit

Previous year's audit was conducted by Gupta Navin K. & Co. and the current year's audit is conducted jointly by Gupta Navin K. & Co. and S.R. Batliboi & Associates.

18. Previous Year comparatives

Previous year's figures have been regrouped/rearranged where necessary to conform to this year's classification.

As per our Report of even date

For S. R. Batliboi & Associates
Chartered Accountants

For Gupta Navin K. & Co.
Chartered Accountants

For and on behalf of the Board

Per Amit Majmudar
Partner
Membership No. 36656
Mumbai
October 25, 2007

Per Navin Gupta
Partner
Membership No. 75030

Managing Director Director

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2007

	March 31, 2007 Rs.	March 31, 2006 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before Taxation after Prior Period Items	616,991,642	509,973,589
Adjustment for :		
Loss on sale of Fixed Assets	173,890	924,258
Financial Expenses	205,819,853	182,727,083
Depreciation / Amortization	119,576,234	84,536,386
Miscellaneous Expenditure Written off	10,798,499	10,584,741
Provision for Doubtful Loans and Advances	2,272,803	-
Provision for Doubtful Debts	68,479,558	-
Operating profit before working capital changes	1,024,112,479	788,746,057
Increase / Decrease in Working Capital		
Decrease/(Increase) in Inventories	(74,410,986)	(200,337,152)
Decrease / (Increase) in Sundry Debtors	(389,807,669)	(437,359,425)
Decrease/ (Increase) in Loans and Advances	(93,956,578)	(1,280,157,972)
(Decrease)/Increase in Current Liabilities	635,365,830	103,453,820
(Decrease)/Increase in Provisions	(7,036,529)	1,489,826
(Increase) in Preliminary Expenditure	-	(129,143)
Cash generated from operations	1,094,266,547	(1,024,293,989)
Payment of Taxes	(171,879,393)	(8,405,642)
NET CASH FROM OPERATING ACTIVITIES	922,387,154	(1,032,699,631)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets	(841,011,494)	(1,109,884,070)
Proceeds from Sale of Fixed Assets	614,794	180,456,021
Sales (purchase) of Investment	857,200	(10,000)
NET CASH FROM INVESTING ACTIVITIES	(839,539,500)	(929,438,049)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in/ (Repayment of Borrowings)	(62,546,179)	2,309,831,079
Dividend Paid	(2,136,550)	-
Dividend distribution tax	(299,651)	-
Interest Paid	(205,819,853)	(182,727,083)
Proceeds from issuance of share capital.	100,250	-
Proceeds from issuance of share capital of subsidiaries	4,770,000	700,000
NET CASH FROM FINANCING ACTIVITIES	(265,931,983)	2,127,803,996
Net Increase/ (Decrease) in Cash and Cash Equivalents	(183,084,329)	165,666,316
Cash and Cash Equivalents at the beginning of the year	381,996,166	216,329,850
Cash and Cash Equivalents at the end of the year	198,911,837	381,996,166
Net Increase/ (Decrease) in Cash and Cash Equivalents	(183,084,329)	165,666,316

For details of Cash and Cash Equivalents - Refer Schedule 10

For S. R. Batliboi & Associates
Chartered Accountants

For Gupta Navin K. & Co.
Chartered Accountants

For and on behalf of the Board

Per Amit Majmudar
Partner
Membership No. 36656

Per Navin Gupta
Partner
Membership No. 75030

Managing Director

Director

Mumbai
October 25, 2007

SYNERGY MEDIA ENTERTAINMENT LIMITED

Registered Office: 6, Dwarka Sadan, Press Complex, Zone-1, M.P. Nagar, Bhopal - 462011

To,
The Members,
Synergy Media Entertainment Limited

DIRECTORS' REPORT

Your directors have pleasure in presenting you the **Second Annual Report** together with the Audited Results of the operations of the Company for the year ended 31st March 2007. The summarized financial results for the year ended 31st March 2007 are given below -

Financial Results	Amount (In Rs.)
Gross Revenue Received	25440240
Profit /(Loss) before Depreciation & Amortization	(21230055)
Depreciation & Amortization	10077046
Net Profit / (Loss)	(31307101)

The Directors are hopeful in getting better results during the next financial year with more activity.

OPERATIONS :

Your Director's are happy to inform you that during the year under review Jaipur and Chandigarh were ON_AIR out of total 17 radio stations licensed. Directors are also confident in launching the remaining 15 stations within next 6 months.

AUDITORS :

M/s Gupta Navin K. & Co, Chartered Accountants, Gwalior were appointed as auditors of your Company from the conclusion of the previous Annual General Meeting until the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

The Company has received a special Notice from a member intending to appoint M/s S. R. Batliboi & Co., Chartered Accountants as Statutory Joint Auditors of the Company along with M/s Gupta Navin K. & Co., Chartered Accountants.

The Board proposes appointment of M/s S. R. Batliboi & Associates., Chartered Accountants, Mumbai and of M/s Gupta Navin K. & Co., Chartered Accountants, Gwalior as Joint Statutory Auditors of your Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the Company. M/s S R Batliboi & Associates & M/s Gupta Navin K. & Co have expressed their willingness and eligibility for the said appointment as Joint Auditors of the Company.

The Auditor's Report read with notes to accounts is self-explanatory and hence, requires no further clarification herewith.

DIVIDEND :

The Company has not declared any Dividend keeping in view the future growth plan of the Company.

PUBLIC DEPOSITS :

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding on the date of the Balance Sheet.

DIRECTORS' RESPONSIBILITY STATEMENT :

As required under section 217(2AA) of the Companies Act, the Directors hereby confirm that :

- i) In preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation to material departures.

DB Corp Ltd

- ii) The Directors have selected such accounting policies and applied them consistently and made judgement and estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of Companies Act, 1956 for Safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability;
- iv) The directors have prepared the Annual Accounts on a going concern basis.

PARTICULARS OF EMPLOYEES:

The Company does not have any employee to whom the provision of section 217(2A) Of Companies Act, 1956 read with the "The Companies (Particulars of employees) Rules, 1975" apply.

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

The Company has taken adequate measure relating to conservation of energy or Technology absorption wherever possible. There is no foreign exchange earnings and total outgo is Rs. 355.75 Lacs during the period under review.

ACKNOWLEDGEMENT :

Your Directors gratefully acknowledge the wholehearted support and help extended By Bankers and other government bodies.

Your Directors wish to place on record their deep sense of appreciation for the devoted services rendered by the employees of the Company.

For and on behalf of the board of Directors

Director

Place :Bhopal

Date :June 9, 2007

AUDITORS' REPORT

To,

The Members,

Synergy Media Entertainment Limited

We have audited the attached Balance Sheet of SYNERGY MEDIA ENTERTAINMENT LIMITED, as at 31st March 2007 and the Profit & Loss Account for the year ended on that date annexed thereto for the year ended on the date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) Proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
 - d) In our opinion, the Profit & Loss Account and Balance Sheet comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent possible.
 - e) On the basis of information and explanation given to us none of the Director is disqualified from being appointed as Director of the Company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account read together with the notes there upon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-
 - i) In so far as it relates to Balance Sheet of the state of affairs of the Company as at 31st March, 2007, and
 - ii) In so far as it relates to loss of Profit & Loss Account for the year ended on that date.

**For GUPTA NAVIN K. & CO.
CHARTERED ACCOUNTANTS**

Navin K. Gupta
Partner
Membership No. 75030
Bhopal
June 9, 2007

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 2 of our report of even date.

- 1) In respect of its Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the Company has not disposed of any part of fixed assets during the year and the going concern status of the Company is not affected.
- (2) In respect of its inventories the Company does not have any Inventories.
- (3) In respect of loans:
 - (a) The Company has not granted Secured/Unsecured loans to Companies, firms or other parties covered with Register mentioned under section 301 of the Companies Act 1956.
 - (b) Not applicable, as the Company has not given any loan.
 - (c) Not applicable, as the Company has not given any loan.
 - (d) Not applicable, as the Company has not given any loan.
 - (e) Not applicable, as the Company has not taken any loan.
 - (f) Not applicable, as the Company has not taken any loan.
 - (g) Not applicable, as the Company has not taken any loan.
- (4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and also for sale of securities. During the course of our audit, we have not observed any major weaknesses in internal controls.
- (5) In respect of transactions covered under Section 301 of the Companies Act, 1956.
 - (a) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs only) or more in respect of any party.
- (6) The Company has not accepted any deposits from the public.
- (7) In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
- (8) Maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 are not applicable to this Company.
- (9) In respect of statutory dues:
 - (a) According to the records of the Company, undisputed statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the statutory dues were outstanding as at 31st March, 2007 for a period of more than six months from the date of becoming payable.

- (b) There are no disputed Statutory dues as on 31st March 2007.
- (10) As the Company has not completed 5 years of its operation hence this clause is not applicable to the Company.
- (11) There are no default in respect of repayment of dues of Financial Institution or Bank or Debenture Holders.
- (12) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (13) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (14) There are no investments with the Company.
- (15) The Company has not given guarantees for loan taken by others from Banks or Financial Institutions.
- (16) The Company has raised term loan during the year and same has been utilized by the Company for which it was sanctioned.
- (17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilized funds raised on short-term basis have been used for long term investment and vice versa.
- (18) During the year, the Company has made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 and in our opinion price at which shares issued is not pre-judicious to the interest of the Company.
- (19) The Company has not issued any debenture.
- (20) No Money raised through Public issue by the Company during the year.
- (21) In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

**For GUPTA NAVIN K. & CO.
CHARTERED ACCOUNTANTS**

Navin K. Gupta
Partner
Membership No. 75030
Bhopal
June 9, 2007

SYNERGY MEDIA ENTERTAINMENT LIMITED

BALANCE SHEET AS AT MARCH 31, 2007

SOURCE OF FUNDS	Schedules	As At March 31, 2007 Rs.		As At March 31, 2006 Rs.	
SHAREHOLDERS FUNDS					
Share Capital	1	228700000		700700000	
Reserve & Surplus	2	472000000	700700000	-	700700000
LOAN FUNDS					
Secured Loan	3		349918218		258804257
DEFERRED TAX LIABILITIES (NET)	4		9408421		-
TOTAL			1060026639		959504257
APPLICATION OF FUNDS :					
FIXED ASSETS	5				
Gross Block		589933266		512201000	
Less: Accumulated Depreciation		10077046		-	
Net Block		579856220		512201000	
Capital Work-in-Progress		185443203	765299423	153861680	666062680
DEFERRED TAX ASSETS (NET)	4		277737		-
CURRENT ASSETS, LOANS & ADVANCES					
Sundry Debtors	6	8185473		-	
Cash & Bank Balances	7	20507389		302414344	
Loans & Advances	8	168247922		-	
Other Current Assets	9	36328015		18215800	
		233268799		320630144	
Less: CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	10	23960614		40399658	
Provision	11	539545		-	
		24500159		40399658	
NET CURRENT ASSETS			208768640		280230486
MISCELLANEOUS EXPENDITURE	12		54373738		13211091
(To the extent not written off or adjusted)					
PROFIT AND LOSS ACCOUNT			31307101		-
TOTAL			1060026639		959504257
Significant Accounting Policies & Notes on Accounts	18				
Balance Sheet abstract and General Business Profile	19				

As per our separate Report attached

For GUPTA NAVIN K & CO.,
Chartered AccountantsNavin K. Gupta
Partner
Membership No. 75030
Bhopal
June 9, 2007

For and on behalf of the Board

Director

Director

SYNERGY MEDIA ENTERTAINMENT LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

PARTICULARS	Schedules	For the Year ended March 31, 2007 Rs.	For the Year ended March 31, 2006 Rs.
INCOME			
Sales		19812616	
Other Income	13	5627624	
TOTAL		<u>25440240</u>	
EXPENDITURE			
Operating Expenses	14	4500479	-
Licence Fee		8228147	-
Employee Costs	15	8280238	-
Administrative & Other Expenses	16	7143976	-
Business Promotion Expenses	17	5247665	-
TOTAL		<u>33400505</u>	-
PROFIT/(LOSS) BEFORE INTEREST, DEPRECIATION & TAXES		<u>(7960265)</u>	-
Interest on Term Loan		3599561	-
Depreciation & Amortisation		10077046	-
TOTAL		<u>13676607</u>	-
PROFIT BEFORE TAX		<u>(21636872)</u>	-
PROVISION			
For Deferred Tax		(9130684)	-
For Fringe Benefit Tax		(539545)	-
TOTAL		<u>(9670229)</u>	-
NET PROFIT/(LOSS) FOR THE YEAR		<u>(31307101)</u>	-
Significant Accounting Policies & Notes on Accounts	18		
Balance Sheet abstract and General Business Profile	19		

As per our separate Report attached

**For GUPTA NAVIN K & CO.,
Chartered Accountants**

Navin K. Gupta
Partner
 Membership No. 75030
 Bhopal
 June 9, 2007

For and on behalf of the Board

Director

Director

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

	As As March 31, 2007 Rs.	As As March 31, 2007 Rs.
Schedule 1		
SHARE CAPITAL :		
Authorised :		
30000000 Equity Shares of Rs. 10/- Each	<u>300000000</u>	<u>300000000</u>
Issued, Subscribed & Paid Up :		
22870000(11070000) Equity Shares of Rs. 10 each fully paid on cash at part Share Application Money	<u>228700000</u>	<u>110700000</u>
	-	<u>590000000</u>
TOTAL	<u><u>228700000</u></u>	<u><u>700700000</u></u>
Schedule 2		
RESERVE & SURPLUS:		
Security Premium Account	<u>472000000</u>	-
TOTAL	<u><u>472000000</u></u>	<u><u>-</u></u>
Schedule 3		
SECURED LOAN:		
Term Loan from		
(Secured against hypothecation of all present and future fixed and current assets of the company and personal guarantee of directors)		
The J & K Bank Limited	<u>253418218</u>	<u>258804257</u>
Corporation Bank	<u>96500000</u>	-
TOTAL	<u><u>349918218</u></u>	<u><u>258804257</u></u>
Schedule 4		
DEFERRED TAX BALANCES:		
(a) Deferred Tax Liabilities (Net)		
Depreciation	<u>9408421</u>	-
TOTAL	<u><u>9408421</u></u>	<u><u>-</u></u>
(b) Deferred Tax Assets (Net)		
Others	<u>277737</u>	-
TOTAL	<u><u>277737</u></u>	<u><u>-</u></u>

SYNERGY MEDIA ENTERTAINMENT LIMITED

**SCHEDULE 5
FIXED ASSETS**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Gross Block as at April 1, 2006	Additions/ Adjustment	Gross Block as at March 31, 2007	Accumulated Depreciation as at April 1, 2006	Depreciation for the year	Accumulated Depreciation as at March 31, 2007	Net Block as at March 31, 2007	Net Block as at April 1, 2006
PLANT & MACHINERY	0	51268252	51268252	0	2570173	2570173	48698079	0
COMPUTER & ACCESSORIES	0	3582359	3582359	0	232668	232668	3349691	0
FURNITURE & FIXTURE	0	10982511	10982511	0	413449	413449	10569062	0
OFFICE EQUIPMENT	0	582455	582455	0	29068	29068	553387	0
OFFICE VEHICLE	0	507973	507973	0	44322	44322	463651	0
ELECTRIC FITTING & INSTALLATION	0	2780270	2780270	0	170246	170246	2610024	0
AIR CONDITION & INSTALLATION	0	2669061	2669061	0	115692	115692	2553369	0
INTANGIBLE ASSETS	512201000	5359385	517560385	0	6501428	6501428	511058957	512201000
Total	512201000	77732266	589933266	0	10077046	10077046	579856220	512201000
Capital Work-in-progress (including Capital Advances)							185443203	153861680
Grand Total							765299423	666062680

SYNERGY MEDIA ENTERTAINMENT LIMITED**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007**

	As At March 31, 2007 Rs.	As At March 31, 2006 Rs.
Schedule 6		
SUNDRY DEBTORS :		
(Unsecured, considered Good)		
Over Six Month	175592	-
Others	8009881	-
TOTAL	8185473	-
Schedule 7		
CASH & BANK BALANCES:		
Cash In Hand	903342	700000
Bank Balances :		
With Scheduled Bank		
On Current Accounts (Including Cheques in Hand)	12969995	300394044
On Fixed Deposit Account	6634052	1320300
TOTAL	20507389	302414344
Schedule 8		
LOANS & ADVANCES :		
Advances recoverable or adjustable in cash or kind	168247922	-
TOTAL	168247922	-
Schedule 9		
Other Current Assets		
Security Deposit With Govt.Department	19162800	18215800
Security Deposit With Others	5656200	-
Service Tax on Input Services	388484	-
Cenvat Credit on Capital Goods	4887842	-
Prepaid Expenses	1075107	-
Accrued Interest on FDRs	111854	-
Accrued Interest on Deposit with BECIL-Net	4144737	-
Branding Material in Hand	900991	-
TOTAL	36328015	18215800

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

	As At March 31, 2007 Rs.	As At March 31, 2006 Rs.
Schedule 10		
CURRENT LIABILITIES		
Sundry Creditors for Capital Goods	9235612	40399658
Sundry Creditors for Expenses	4506218	-
Statutory Liabilities	2358408	-
Other Liabilities	7860376	-
TOTAL	<u>23960614</u>	<u>40399658</u>
Schedule 11		
PROVISIONS		
For Fringe Benefit Tax	539545	-
TOTAL	<u>539545</u>	<u>-</u>
Schedule 12		
MISC. EXPENDITURE		
Pre-Operative Expenses	54270424	13081948
Preliminary Expenses	103314	129143
TOTAL	<u>54373738</u>	<u>13211091</u>
Schedule 13		
OTHER INCOME		
Interest from Bank	283239	-
Interest from Others	5344385	-
TOTAL	<u>5627624</u>	<u>-</u>
Schedule 14		
OPERATING EXPENSES		
Common Facility_Prasar Bharti	11233	-
Open Space Lease for Building_Prasar Bharti	35855	-
Towel Rent_Prasar Bharti / Railtel	1839507	-
Rental Charges_Prasar Bharti	790222	-
Other Operating Expenses	1823662	-
TOTAL	<u>4500479</u>	<u>-</u>
Schedule 15		
EMPLOYEE COSTS		
Personal Cost-Staff Salary	7614860	-
Employer Contribution to PF & Other Fund	449255	-
Employees Welfare Expenses	216123	-
TOTAL	<u>8280238</u>	<u>-</u>

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31, MARCH 2007

	As At March 31, 2007 Rs.	As At March 31, 2006 Rs.
Schedule 16		
ADMINISTRATION & OTHER EXPENSES		
Communication Expenses	439762	-
Conveyance Expenses	33421	-
Electricity Cost	2106449	-
House Keeping Expenses	165767	-
Insurance Charges	51604	-
Auditors Remuneration	125000	-
Legal & Professional Charges	2570485	-
General Expenses	587288	-
Postage & Courier Expenses	11549	-
Printing & Stationery	156636	-
Repair & Maintenance Expenses	60465	-
Security Expenses	270586	-
Tour & Travelling Expenses	192014	-
Vehicle Running & Maintenance Expenses	202121	-
Membership Fee and Seminar	145000	-
Preliminary Expenses W/O	25829	-
TOTAL	7143976	-
Schedule 17		
BUSINESS PROMOTION		
Branding Expenses	30000	-
Business Promotion Expenses	689164	-
Professional & Consultancy-Marketing & Promotion	2409184	-
Selling & Distribution, Events Expenses	2119317	-
TOTAL	5247665	-

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULE 18

1 Significant Accounting Policies & Notes on Accounts

a Basis of Accounting

The financial statement have been prepared on going concern basis under historical cost convention on accrual basis and comply with generally accepted accounting principals in India and as per Accounting Standard referred in Section 211 (3C) of the Indian Companies Act, 1956.

b Use of Estimates

The preparation of financial statements requires the Management of the Company to make estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual result and estimates are recognised in the period in which the results are known/ materialised.

c Fixed Assets

- 1 Tangible fixed assets are stated at cost net of CENVAT Less accumulated depreciation, impairment loss, if any
- 2 Intangible Fixed Assets are stated at cost less amortisation, if any
- 3 All Costs, including financing costs till commencement of commercial functioning (ON-AIR) of respective station are capitilised
- 4 Expenses incurred relating to project prior to commencement of commercial functioning of each station are classified as Project Development Expenditure and are disclosed under Capital Work-in-progres

d Depreciation/Amortisation

- 1 Depreciation on tangible fixed assets is provided on straight-line method at the rates in the manner specified in Schedule XIV to the Companies Act, 1956.
- 2 Intangible Assets are amortized over a period of ten years in the ratio of probable future economic benefits attributable to the reporting period.

e Revenue Recognition

Revenue from Advertisement and Events are recognised when services are intialted and billed though services are not completely rendered

f Foreign Currency Transaction

Transaction denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction

g Investments

Investments are stated at cost

h Borrowing Cost

Borrowing cost attributable to the acquisition or construction of a qualifying assets is capitalised as part of cost of the assets upto the date of ON_AIR. Borrowing costs are recognised as an expenses for post ON_AIR period. The borrowing costs is calculated as per A S-16 on Borrowing Cost Issued By ICAI in this regard.

i Retirement benefits

Liabilities in respect of retirement to employees are determined and provided on the basis of actuarial valuation.

j Preliminary Expenses

Preliminary Expenses are written off in accordance with provision of Income Tax Act 1961

k Taxation

Provision for income tax is made as in accordance with the provision of Income Tax Act 1961


DB Corp Ltd
I Deferred Taxation

Deferred tax liability is recognised, subject to consideration of prudence, on timing difference, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent year

2 Provision, Contingent Liabilities, Contingent Assets

- (a) Guarantees issued by bank on behalf of the Company Rupees Rs 163.91 Lacs
- (b) Provision involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources Contingent liabilities are not recognised but are disclosed in the Notes Contingent Assets are neither recognised nor disclosed in the financial statements
- (c) Legal Suit is pending against company with IPRS towards so called royalty payable to performers.

3 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account Rs. 415.04 Lacs

4 Sundry Creditors

Amount due to small-scale industries undertaking Rupees-NIL. This information has been obtained to the extent such parties have been identified on the basis of information available with the Company.

5 Value of Import

Capital Advances/Work in Proress includes advance in foreign currency Rs. 355.75 Lacs

6 Related Party Disclosures:

- a Parties where control exists
DB Corp Ltd.-Holding Company Holding 99.69% equity shares of the Company
- b Transaction with related parties
Advertisement Revenue transaction with holding company Rs. 6.09 Lacs

7 Segment Information

The Company is only one segment i e. Radio Broadcasting Business. Consequently, there is no other reportable segments. The Company caters in the needs of the domestic market and hence there are no reportable geographical segments.

8 During the year the company has launched stations at Jaipur and Chandigarh.

9 Previous year figures have been re-grouped and re-arranged where-ever necessary. As the company has been incorporated on 17.10.2005, hence the figure for previous year are not comparable to that extent.

10 Capital advance given to BECIL for Common Transmission Infrastructure (CTI) have been shown Under CWIP.

11 Depreciation is not charged on Fixed Assets for the location which were not commercial functioning (ON-AIR) during the period under review, though some of the assets have been acquired fully during the period and even partially put to use.

12 Amount paid to BECIL towards Common Transmission Infrastructure (CTI) for Chandigarh is shown as CWIP and depreciation is not calculated accordingly as the same is not fully completed, though the same is put to use in the current year.

As per our separate Report attached

**For GUPTA NAVIN K & CO.,
Chartered Accountants**

Navin K. Gupta
Partner
Membership No. 75030
Bhopal
June 9, 2007

For and on behalf of the Board

Director Director

SYNERGY MEDIA ENTERTAINMENT LIMITED**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****Schedule 19****I Registration Details :**

Registration No.	18039	State Code	10
Balance Sheet Date	31.03.2007	Date of Incorporation	17.10.2005

II Capital Raised during the year (Amount in Rs. Thousand) :

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III Position of Mobilisation and Deployment of the Funds (Amount in Rs. Thousand) :

Total Liabilities	1084527	Total Assets	1084527
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Sources of Funds :

Paid Up Capital	228700	Reserves & Surplus	472000
Secured Loans	349918	Unsecured Loans	NIL
Deffered Tax Liability	9408		

Application of Funds :

Net Fixed Assets	765299	Investments	NIL
Net Current Assets	208769	Misc. Expencess	54374
Accumulated Losses	31307	Deferred Tax Assets	278

IV Performance of Company (Amount in Rs. Thousand) :

Turnover	25440	Total Expenditure	47077
Profit/(Loss) Before Tax	(21637)	Profit/(Loss) After Tax	(31307)
Earning per Share in Rs.	N.A.	Dividend Rate %	0

V Generic Name of Principal Product / Service of Company

As per our separate Report attached

**For GUPTA NAVIN K & CO.,
Chartered Accountants**

Navin K. Gupta
Partner
 Membership No. 75030
 Bhopal
 June 9, 2007

For and on behalf of the Board**Director****Director**

DIRECTOR'S REPORT

Dear Shareholders

Your Directors present the 1st Annual Report and the Audited statement of Accounts for Period Ended 31st March 2007.

FINANCIAL HIGHLIGHTS:

(In Rs.)

Particulars	Period Ended March 31, 2007
Profit/(Loss) for the year	(1,84,60,601)
Deferred tax Liability /(Assets)	(8,76,214)
Fringe Benefit Tax	1,83,000
Profit/(Loss) after tax	(17767387)
Loss Carried to B/S	(17767387)

Review of Performance

This year 2006-07, being the first year of operation of the company, comparison with the figures of the previous year does not arise.

The first year of the company was challenging and significant. The Company has started its operations from November 2006 in the IT Enabled Services category with an intention to capitalize of the content and marketing synergies of its parent company DB Corp Limited Clearly Identifying Internet, Mobile Services, IT Enabled Services and Software Development, as the main four verticals to carry on business, your company focused on the first two verticals to meet the direct synergy with the Group.

The mobile business is primarily dependant on the short code, and allocation and integration of the same with each operator in each circle to ensure availability to all its consumers under many telecom operators. The Pan India integration of short code is under process and hence may add to the revenues of the company from the forthcoming years.

Our portals www.bhaskar.com, www.divyabhaskar.co.in and www.indiainfo.com were under a major overhaul to enable them to be of latest in technology. Besides, shifting of all the channels of these portals on to the latest blade technology servers IMCL IDC was created for this purpose in February 2007, which was also progressing well. The servers were ordered in September 2006 which were to arrive in October 2006 but due to the change in management of Fujitsu-Japan the deliveries were delayed by 4 months. The revamp of the portals and its commercial launch did not happen in the currency of this financial year.

FUTURE PROSPECTS:

- 1) Mobile Value Added Services business is under-going major changes in terms of technology and business models. In Line with the changes, our business plans are also being re-modeled, by providing business on a common platform for Classifieds and Counseling Services, a new trend adopted only by our company, as a pioneer in this method and this has tremendous business potential.
- 2) Similarly for the portals we are adding monetizable verticals like travel, finance, astro and classifieds this year. Also for internet, providing facility for revisits of its users is a major business opportunity particularly where the users hail from e-mail users. To expand the strength of the company in this area, your company proposes to augment e-mail services on our portals with regional flavour, which can bring traction to it's sites. The other un-explored areas on the internet are the regional markets, with huge untapped potential. The digital market (mobile/ internet penetration) is growing at a rapid rate annually and the budgets for on-line advertisements are growing by almost 100% year on year. We will soon see the Internet and mobile sharing an equal pie with TV in a near future.

DIVIDEND :

In view of the absence of any profits for the year under review, your Directors refrain from recommending any dividend for the year ended 31st March 2007.

Share Capital :

During the year the Authorised Share Capital of the Company was increased from Rs. 10,00,000/- (Rupees Ten Lakhs only) to Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only) each.

Besides, during the year, the Paid up Share Capital of the Company was increased from Rs. 5,00,000/- (Rupees Five Lakhs Only) to Rs. 1,05,00,000/- (Rupees One Crore Five Lakhs only) by issuing 10,00,000 (Rupees Ten Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only) each.

Change of Name :

With a view to represent the activities of the company in a synergized manner, during the year, the name of your Company was changed from I MEDIA CENTRE LIMITED to I MEDIA CORP LIMITED, with effect from 28th August, 2006

Directors :

In terms of the Articles of Association, Mr. Pawan Agarwal, a director of your company, retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Statutory Auditors :

M/s. Gupta Navin K & Co, Chartered Accountants, the Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received letter from M/s. Gupta Navin K & Co. Chartered Accountants to that effect that their re-appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

Auditors Report :

There are no significant comments of Auditors, which requires explanation in Directors Report.

Public Deposits :

The Company has not invited and / or accepted any deposits, within the meaning of Section 58-A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975 made there under.

Internal Control System :

The Company's internal control System is commensurate with the nature and size of it's Business. The Company has well documented procedures and functional areas, which address the internal controls adequately.

Particulars Regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo.

The Particulars regarding foreign exchange earnings and expenditure appears an item no 7 in notes to Accounts. Since IMCL does not own any manufacturing facility the other particulars relating to conservation of energy and technology absorption as stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

Directors Responsibility Statement :

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed.

- a) That in the preparation of the Annual accounts for the Period ended March 31st 2007 the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- b) That the Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a fair view of the state of affairs of the Company as at the Period ended March 31st, 2007 and of the profit of the Company for that period.
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing fraud and other irregularities.
- d) That the directors have prepared the Annual Accounts for the Period ended March 31st, 2007 on a going concern basis.

DB Corp Ltd

Human Resource & Industrial Relation :

Your Directors would like to place on record their deep appreciation for all employees at all levels, for their relentless service. During the year under review, the industrial relations has been very cordial.

None of the employees of the company is covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

Acknowledgements:

Your Directors wish to express their grateful appreciation for the assistance and co-operation to the valued customers, Suppliers, bankers, and financial institutions for their continued support, co-operation and guidance. Your directors also wish to thank the employees and executives at all levels for their invaluable contribution.

For and on behalf of the Board of Directors

Director

Place : Bhopal

Date : August 22, 2007

AUDITORS' REPORT

To,
The Members,

We have audited the attached Balance Sheet of I MEDIA CORP LIMITED as at 31st March, 2007 and Profit & Loss Account for the period ended on that date annexed there to and report that:

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the annexure referred to in the paragraph 2 above, we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. Proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c. The Balance Sheet and Profit & Loss Account referred to in this Report are in agreement with the books of account.
 - d. In our opinion, the Profit & Loss Account and Balance Sheet comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent possible
 - e. On the basis of information and explanations given to us none of the Director is disqualified from being appointed as Director of the Company under clause (g) of subsection (1) of section 274 of the Companies Act, 1956
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - i. In so far as it relates to Balance Sheet of the State of Affairs of the Company as at 31st March, 2007 and
 - ii. in so far as it relates to Profit & Loss Account of the Loss for the period ended on that date.

**For GUPTA NAVIN K. & CO.
CHARTERED ACCOUNTANTS**

Navin K. Gupta
Partner
Membership No. 75030
Bhopal
August 22, 2007

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 2 of our report of even date.

- (1) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- (2) As there is no inventory with the company, hence this clause not applicable to the company.
- (3) In respect of loans:
 - (a) The Company has not granted Secured/Unsecured loans to Companies, firms or other parties covered with Register mentioned under section 301 of the Companies Act 1956.
 - (b) Not applicable, as the Company has not given any loan.
 - (c) Not applicable, as the Company has not given any loan.
 - (d) Not applicable, as the Company has not given any loan.
 - (e) The Company has taken unsecured loan from the parties covered under section 301 of the Act to the extent of Rs. 2.25 Crores.
 - (f) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
 - (g) In respect of loans taken by the Company, the interest payments wherever applicable are regular and the principal amount is repayable on demand. and as informed to us, that no notices have been received from the parties concerned about its repayment the question of irregularity of repayment of loan/ interest does not arise.
- (4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of fixed assets etc. During the course of our audit, we have not observed any major weaknesses in internal controls.
- (5) In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the act need to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rs. 500000/- have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (6) The Company has not accepted any deposits from the public.
- (7) In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
- (8) Maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 are not applicable to this Company
- (9) In respect of statutory dues:
 - (a) According to the records of the Company, undisputed statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the statutory dues were outstanding as at 31st March, 2007 for a period of more than six months from the date of becoming payable.

- (b) There are no disputed Statutory dues as on 31st March 2007.
- (10) As this year being the first year of the company hence question of accumulated losses does not arise.
- (11) There are no dues of financial institution or Bank or debenture holders.
- (12) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (13) In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (14) There is no investments with the company
- (15) The Company has not given guarantees for loan taken by others from Banks or financial institutions.
- (16) The Company has not raised any term loan.
- (17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilized funds raised on short-term basis have been used for long term investment and vice versa.
- (18) During the year, the Company has made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 and in our opinion the terms of issuance of shares are not prejudicial to the interest of the company.
- (19) The Company has not issued any debenture.
- (20) Company has not accepted any public deposits during the year.
- (21) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

**For GUPTA NAVIN K. & CO.
CHARTERED ACCOUNTANTS**

Navin K. Gupta
Partner
Membership No. 75030
Bhopal
August 22, 2007

I MEDIA CORP LIMITED

BALANCE SHEET AS AT MARCH 31, 2007

	Schedules	As At March 31, 2007 Rs.
SOURCE OF FUNDS		
SHAREHOLDERS FUNDS		
Share Capital	1	10500000
LOAN FUNDS		
Unsecured Loans from Bodies Corporate		<u>22468368</u>
TOTAL		<u>32968368</u>
APPLICATION OF FUNDS		
Gross Block		15733174
Less : Depreciation		<u>415464</u>
NET BLOCK	2	15317710
CURRENT ASSETS , LOANS & ADVANCES		
Sundry Debtors	3	1877942
Cash & Bank Balances	4	1383868
Loans & Advances	5	<u>1726553</u>
		4988363
Less : CURRENT LIABILITIES	6	
Current Liabilities		<u>6011066</u>
		6011066
NET CURRENT ASSETS		(1022703)
Miscellaneous Expenditure (to the extent not written off or adjusted)		29760
Deferred Tax / Assets		876214
Profit & Loss Account		<u>17767387</u>
TOTAL		<u>32968368</u>
Accounting Policies and Notes on Accounts	11	
Balance Sheet abstract and General Business profile	12	

Note : This year being the first year of the Company hence no figures of previous year have been given

As per our separate Report attached

**For GUPTA NAVIN K & CO.,
CHARTERED ACCOUNTANTS**

For and on behalf of the Board

Navin K. Gupta
Partner
Membership No. 75030
Bhopal
August 22, 2007

Director **Director**

I MEDIA CORP LIMITED
PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2007

	Schedules	For the year ended March 31, 2007 Rs.
INCOME		
Sales	7	1708788
TOTAL		1708788
EXPENDITURE		
Operating Expenses	8	3003168
Payments to and Provisions for Employees	9	8339950
Selling, Administration & Other Expenses	10	7548291
Interest		862516
TOTAL		19753925
Profit / (Loss) Before Depreciation		(18045137)
Less : Depreciation		415464
Profit / (Loss) Before Tax		(18460601)
Less :		
Provision for Fringe Benefit Tax		183000
Deffered Tax Liabilities / (Assets)		(876214)
Profit / (Loss) After Tax		(17767387)
Balance carried to Balance Sheet		(17767387)
Accounting Policies and Notes on Accounts	11	
Balance Sheet abstract and General Business profile	12	

Note : This year being the first year of the Company hence no figures of previous year have been given
As per our separate Report attached

**For GUPTA NAVIN K & CO.,
CHARTERED ACCOUNTANTS**

For and on behalf of the Board

Navin K. Gupta
Partner
Membership No. 75030
Bhopal
August 22, 2007

Director Director

I MEDIA CORP LIMITED**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

Amount (In Rs.)

Schedule 1**SHARE CAPITAL :****Authorised :**50,00,000 Equity Shares of Rs. 10/- each 50000000**Issued, Subscribed & Paid up :**10,50,000 Equity Shares of Rs.10/- each fully paid up for Cash at par 10500000**TOTAL****10500000****Schedule 2****FIXED ASSETS**

S. No.	PARTICULARS	COST			DEPRECIATION		WRITTEN DOWN VALUE
		OPENING BALANCE	ADDITIONS DURING THE YEAR	TOTAL	FOR THE YEAR	TOTAL	AS AT 31.03.07
1	FURNITURE & FIXTURE	0	6117231	6117231	48929	48929	6068302
2	COMPUTERS	0	9324427	9324427	351830	351830	8972597
3	OFFICE EQUIPMENT	0	291516	291516	14705	14705	276811
	TOTAL RUPPES	0	15733174	15733174	415464	415464	15317710

Schedule 3**SUNDRY DEBTORS**

(Unsecured , considered Good)

Others 1877942**TOTAL****1877942****Schedule 4****CASH & BANK BALANCES :**Cash in Hand 11372**BANK BALANCES WITH SCHEDULED BANKS :**On Current Accounts 1372496**TOTAL****1383868****Schedule 5****LOANS & ADVANCES**

(Unsecured , considered good)

Advances (Recoverable or adjustable) 1725657Advance Income Tax & TDS 896**TOTAL****1726553****Schedule 6****CURRENT LIABILITIES:**Sundry Creditors 5265335Other Liabilities 745731**TOTAL****6011066**

I MEDIA CORP LIMITED**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

Amount (In Rs.)

Schedule 7**SALES**

Sales - Portal	306390
Sales - SMS	1402398
TOTAL	1708788

Schedule 8**OPERATING EXPENSES**

Portal Expenses	1034943
SMS Expenses	47332
Licence & Other Fees	1669763
Data Acquisition Expenses	178900
Internet Expenses	72230
TOTAL	3003168

Schedule 9**PAYMENTS TO AND PROVISIONS FOR EMPLOYEES**

Salary , Wages , Bonus & Gratuity	7796473
Employer's Contribution to P.F. & Other Funds	425976
Employees Welfare Expenses	117501
TOTAL	8339950

Schedule 10**SELLING , ADMINISTRATION AND OTHER EXPENSES :**

Communication Expenses	222765
Conveyance Expenses	52259
General Expenses	193928
Rent, Rates & Taxes	522080
Repairs & Maintenance	413334
Travelling Expenses	1079721
Business Promotion	48100
Legal & Professional Charges	688898
Advertisement Expenses	3663379
Bank Charges	4786
Insurance	3197
Courier, Cargo & Postage Expenses	1557
Electricity Expenses	251775
Preliminary Expenses W/Off	7440
Audit Remueration (As Auditors)	18000
Security Expenses	161049
Printing & Stationary	106123
Subscription & Membership Fees	109900
TOTAL	7548291

I MEDIA CORP LIMITED

SCHEDULE 11

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENT AS AT MARCH 31, 2007.

General Information

The Company was incorporated on 01.06.2006 under the Indian Companies Act, 1956. and has received the certificate of commencement of business w.e.f. 24th July 2006. The Company's name was changed from I MEDIA CENTRE LIMITED to I MEDIA CORP LIMITED w.e.f. 28th August, 2006.

This being the first year of the Company, hence previous year figures are not given. The figures for the current period are from the date of incorporation till 31st March 2007

The Registered office of the Company is in the state of Madhya Pradesh. The Company is engaged in the business of brand marketing through interactive wireless medium like Mobile, Internet.

Significant Accounting Policies

1 Basis of Preparation

The financial statements have been prepared under the Historical cost convention on the basis of going concern and in accordance with the accounting standards referred in Section 211 (3C) of the Companies Act, 1956. The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis.

2 Use of Estimates

The preparation of the financial statements in accordance with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses of the period.

3 Fixed Assets and Depreciation

Fixed Assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition for its intended use, less depreciation. The company provides depreciation on Fixed Assets on Straight Line Method basis, at the rates prescribed under Schedule XIV of Companies Act 1956.

4 Impairment of Assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying amount of the fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured at the higher of the net selling price and value in use, determined by the present value of estimated future Cash flows.

5 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discount.

6 Foreign Currency Transactions

Foreign currency transactions are recorded in Indian Rupees by applying to the foreign currency amount, the exchange rate between the Indian Rupee and the foreign currency prevailing at the date of the transaction. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

7 Taxes on Income

Income tax comprises of Current tax (i.e the amount of tax payable for the period determined in accordance with the Income Tax Act), Fringe Benefit Tax and Deferred Tax Charged or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

8 Borrowing costs

Borrowing costs that are attributable to the acquisition of assets are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

9 Miscellaneous Expenditure

Preliminary expenses are amortized over a period of five years.

NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENT AS AT MARCH 31, 2007

- 1 The estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 373216/-
- 2 The principal business of the company is brand marketing through interactive wireless medium like Mobile, Internet. All other activities of the company revolve around its main business. Hence, there is no Separate reportable Segments as defined by Accounting Standard 17 – “Segment Reporting”.
- 3 In view of losses, no provision for Current Tax is made as per the provisions of the Income Tax Act, 1961.

In accordance with the Accounting Standard 22 on “Accounting for taxes on income” (AS 22) issued by ICAI, deferred tax assets and liability should be recognized only to the extent that there is reasonable certainty that the assets can be realized in future, where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date written down to reflect that is reasonably /virtually certain to be realized.

- 4 The Company has not received any intimation from “Suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.and hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid / payable as required under the said Act have not been given and there are no amounts payable to any Small Scale Industrial undertaking.

5 Expenditure in Foreign Currency Acquisition of Rights (US \$37500) Rs.16,33,763

6 Related Party Disclosures Associates- Holding company : D.B.Corp Limited.
Key Management Personnel : NIL

Transactions with Related Parties :

Sr. No.	Particulars	Associates	Amount (In Rs.)
A	Outstanding as on 31.03.2007	D.B.Corp Limited	2,24,68,368
B	Sales Revenue	D.B.Corp Limited	69,028
C	Advertisement & Publicity Expenses	D.B.Corp Limited	36,62,254
D	Interest Paid	D.B.Corp Limited	8,62,516

- 7 Additional Information pursuant to Part II of Schedule VI of the Companies Act, 1956 : NIL

For GUPTA NAVIN K & CO.,
CHARTERED ACCOUNTANTS

For and on behalf of the Board

Navin K. Gupta
Partner
Membership No. 75030
Bhopal
August 22, 2007

Director Director

I MEDIA CORP LIMITED**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****Schedule - 12****I. Registration Details :**

Registration No.	10-018676	Date of Incorporation	01.06.2006
Balance Sheet Date	31.03.2007	State Code	10

II. Capital Raised during the year (Amount in Rs. Thousand) :

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	10000

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand) :

Total Liabilities	38979	Total Assets	38979
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Sources of Funds :

Paid up Capital	10500	Reserves & Surplus	Nil
Secured Loans	Nil	Unsecured Loans	22468

Application of Funds :

Net Fixed Assets	15318	Investments	Nil
Net Current Assets	(1023)	Misc. Expenditure	30
Accumulated Losses	17767		

IV. Performance of Company (Amount in Rs. Thousands):

Turnover	1709	Total Expenditure	19754
Profit / Loss Before Tax	(18461)	Profit / Loss After Tax	(17767)
Earning per Share in Rs.	(16.92)	Dividend Rate %	Nil

V. Generic Name of Principal Product / Service of Company (As per Monetary Terms)

Code : 899.9 - Information Technology (IT) Enabled Services

For GUPTA NAVIN K & CO.,
CHARTERED ACCOUNTANTS

For and on behalf of the Board

Navin K. Gupta
Partner
Membership No. 75030
Bhopal
August 22, 2007

Director

Director

ALL SEASON EVENTS PRIVATE LIMITED

Regd. Office : Dwarka Sadan, 6, Press Complex, M. P. Nagar, Zone-1, Bhopal-462 011

DIRECTORS' REPORT**To****The Members****All Season Events Private Limited**

Your Directors herewith present the 1st Annual Report on the working of the Company together with the audited Statement of Accounts for the Year ended 31st March, 2007.

This is the first year of the Company's operations since formation of the Company. The company is engaged in management of events in which revenue streams include rent of stalls, sponsorship of event/sub-event or programme parking charges & related items.

FINANCIAL RESULTS:

The summarized financial performance of your company is as under:-

Profit / (Loss) Before Tax	(912404)
Less :	
Provision for Fringe Benefit Tax	18586
Profit / (Loss) After Tax	(930990)
Balance carried to Balance Sheet	(930990)

Dividend:

In view of Loss your payment of Dividend has not being considered.

Directors Responsibility Statement:

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, we confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that have been reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
4. the directors had prepared the annual accounts for the financial year ended 31st March, 2007 on a "going concern" basis; and
5. the properties of the company are adequately insured.

Public Deposits:

Your company has not accepted or invited any deposits from public within the meaning of Section 58 A of the Companies Act, 1956, during the year under review.

Auditors:

M/s. Gupta Navin K. & Co., Chartered Accountants, are going to retire as auditors of your company at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Auditors, if reappointed Members are requested to consider their reappointment for the Financial Year ending 31st March 2007 on remuneration to be decided by the Board of Directors of your company

DB Corp Ltd

Auditors Report:-

The Auditors' Report for the year under report and observations made therein as tabled before the Board are self explanatory and do not call for any comments as required under section 217 of the Companies Act, 1956.

Particulars of Employees:

Your company had not employed any person in employment who, if employed throughout the financial year or part thereof who was in receipt of remuneration; particulars of which are required to be included in this report as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975

Acknowledgement:

Your directors would like to express their grateful appreciation for the support & co-operation received from the employees of the company,

For and on behalf of the Board of Directors

Chairman

Place : Bhopal

Date : August 22, 2007

ALL SEASON EVENTS PRIVATE LIMITED

Regd. Office : Dwarka Sadan, 6, Press Complex, M. P. Nagar, Zone-1, Bhopal-462 011

AUDITORS' REPORT

To

THE MEMBERS

We have audited the attached Balance Sheet of ALL SEASONS EVENTS PRIVATE LIMITED as at 31st March. 2007 and Profit and Loss Account for the period year ended on that date annexed there to and report that:

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing (the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the annexure referred to in the paragraph 2 above, we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. Proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c. The Balance Sheet and Profit and Loss Account referred to in this Report are in agreement with the books of account.
 - d. In our opinion, the Profit & Loss Account and Balance Sheet comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent possible
 - e. On the basis of information and explanations given to us none of the Director is disqualified from being appointed as Director of the Company under clause (g) of sub-section (i) of section 274 of the Companies Act, 1956
 - f. In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet and Profit & Loss Account give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;
 - i. In so far as it relates to Balance Sheet of the State of Affairs of the Company as at 31st March. 2007 and
 - ii. In so far as it relates to Profit & Loss Account of the Loss for the period ended on that date.

For GUPTA NAVIN & CO.
CHARTERED ACCOUNTANTS

Navin K. Gupta
Partner
Membership No. 75030

Bhopal
August 22, 2007

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 2 of our report of even date.

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- (2) As there is no inventory with the company hence this clause not applicable to the company.
- (3) In respect of loans:
 - (a) The Company has not granted Secured/Unsecured loans to Companies, firms or other parties covered with Register mentioned under section 301 of the Companies Act 1956.
 - (b) Not applicable, as the Company has not given any loan.
 - (c) Not applicable, as the Company has not given any loan.
 - (d) Not applicable, as the Company has not given any loan.
 - (e) The Company has taken unsecured loan from the parties covered under section 301 of the Act to the extent of Rs. 8.15 Lacs.
 - (f) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
 - (g) In respect of loans taken by the Company, the interest payments wherever applicable are regular and the principal amount is repayable on demand, and as informed to us, that no notices have been received from the parties concerned about its repayment the question of irregularity of repayment of loan/interest does not arise.
- (4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and also for sale of securities. During the course of our audit, we have not observed any major weaknesses in internal controls.
- (5) In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs only) or more in respect of any party.
- (6) The Company has not accepted any deposits from the public.
- (7) In our opinion, the internal audit system of Company is commensurate with its size and nature of its business.
- (8) Maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 are not applicable to this Company

- (9) In respect of statutory dues:
- (a) According to the records of the Company, undisputed statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the statutory dues were outstanding as at 31st March, 2007 for a period of more than six months from the date of becoming payable.
 - (b) There are no disputed Statutory dues as on 31st March 2007.
- (10) As this year being the first year of the company hence question of accumulated losses does not arise.
- (11) There are no dues of financial institution or Bank or debenture holders.
- (12) In our opinion and according to the information and explanation give to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore clause 4(xiii) of the Companies (Auditor's Report) Oder, 2003 is not applicable to the Company.
- (14) There is no investments with the company.
- (15) The Company has not given guaranties for loan taken by others from Banks or financial institutions.
- (16) The Company has not raised any term loan.
- (17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilized funds raised on short-term basis have been used for long term investment and vice versa.
- (18) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (19) The Company has not issued any debenture.
- (20) Being Private Limited Company, this clause is not applicable to it.
- (21) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For GUPTA NAVIN K. & CO.
CHARTERED ACCOUNTANTS

Navin K. Gupta
Partner
Membership No. 75030

Bhopal
August 22, 2007

ALL SEASON EVENTS PRIVATE LIMITED**BALANCE SHEET AS AT MARCH 31, 2007**

	SCHEDULES	As At March 31, 2007 Rs.
SOURCE OF FUNDS		
SHAREHOLDERS FUNDS		
Share Capital	1	100000
LOAN FUNDS		
Unsecured Loans from Bodies Corporate		815200
TOTAL		915200
APPLICATION OF FUNDS		
Gross Block		306023
Less : Depreciation		15414
NET BLOCK	2	290609
CURRENT ASSETS, LOANS & ADVANCES		
Sundry Debtors	3	215612
Cash & Bank Balance	4	304676
Loans & Advances	5	103492
		623780
Less : CURRENT LIABILITIES	6	
Current Liabilities		985379
		985379
NET CURRENT ASSETS		(361599)
Miscellaneous Expenditure (to the extent not written off or adjusted)		55200
Profit & Loss Account		930990
TOTAL		915200
Accounting Policies and Notes on Accounts	9	
Balance Sheet abstract and General Business profile	10	

Note : This year being the first year of the Company hence no figures of previous year have been given

As per our separate Report attached

For **GUPTA NAVIN K. & CO.**
CHARTERED ACCOUNTANTS

For and behalf of the Board

Navin K. Gupta
Partner
Membership No. 75030

Director

Director

Bhopal
August 22, 2007

ALL SEASON EVENTS PRIVATE LIMITED**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2007**

	Schedules	For the year ended March 31, 2007 Rs.
INCOME		
Event Income		1683585
Miscellaneous Income		135
TOTAL		<u>1683720</u>
EXPENDITURE		
Events Expenses		1004373
Payments to and Provisions for Employees	7	632412
Selling, Administration & Other Expenses	8	943925
Depreciation		15414
TOTAL		<u>2596124</u>
Profit / (Loss) Before Tax		<u>(912404)</u>
Less :		
Provision for Fringe Benefit Tax		18586
Profit / (Loss) After Tax		<u>(930990)</u>
Balance carried to Balance Sheet		<u>(930990)</u>
Accounting Polices and Notes on Accounts	9	
Balance Sheet abstract and General Business Profile	10	

Note : This year being the first year of the Company hence no figures of previous year have been given

As per our separate Report attached

**For GUPTA NAVIN K. & CO.
CHARTERED ACCOUNTANTS**

For and behalf of the Board

Navin K. Gupta
Partner
Membership No. 75030

Director

Director

Bhopal
August 22, 2007

ALL SEASON EVENTS PRIVATE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

Amount (In Rs.)

Schedule 1

SHARE CAPITAL :

Authorised :

2,50,000 Equity Shares of Rs. 10/- each 2500000

Issued, Subscribed & Paid up :

10,000 Equity Shares of Rs.10/- each fully paid up for Cash at par 100000

TOTAL **100000**

Schedule 2

FIXED ASSETS

S. NO.	PARTICULARS	COST			DEPRECIATION		WRITTEN DOWN VALUE
		OPENING BALANCE	ADDITIONS DURING THE YEAR	TOTAL	FOR THE YEAR	TOTAL	AS AT 31.03.07
1	FANS & COOLERS	0	15500	15500	361	361	15139
2	FURNITURE & FIXTURE	0	122233	122233	3389	3389	118844
3	COMPUTERS	0	127650	127650	10740	10740	116910
4	OFFICE EQUIPMENT	0	40640	40640	924	924	39716
	TOTAL RUPPES	0	306023	306023	15414	15414	290609

Schedule 3

SUNDRY DEBTORS

(Unsecured , considered Good)

Others 215612

TOTAL **215612**

Schedule 4

CASH & BANK BALANCES :

Cash in Hand 1406

BANK BALANCES WITH SCHEDULED BANKS :

On Current Accounts 303270

TOTAL **304676**

ALL SEASON EVENTS PRIVATE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Amount (In Rs.)
Schedule 5	
LOANS & ADVANCES	
(Unsecured, considered good)	20000
Deposit with others	83492
Advances (Recoverable or adjustable)	
TOTAL	<u><u>103492</u></u>
Schedule 6	
CURRENT LIABILITIES :	
Sundry Creditors	681784
Other Liabilities	303595
TOTAL	<u><u>985379</u></u>
Schedule 7	
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES	
Salary	614841
Staff Welfare	17571
TOTAL	<u><u>632412</u></u>
Schedule 8	
SELLING, ADMINISTRATION AND OTHER EXPENSES :	
Business Promotion	38577
General Expenses	75640
Legal & Professional Charges	49077
Rent, Rates & Taxes	151000
Advertisement Expenses	180362
Bank Charges	7242
Conveyance	14998
Courier, Cargo & Postage Expenses	13042
Electricity Expenses	3867
Preliminary Expenses W/Off	13800
Audit Remueration (As Auditors)	10000
Security Expenses	55427
Printing & Stationary	75298
Telephone Expenses	66339
Travelling Expenses	189256
TOTAL	<u><u>943925</u></u>

ALL SEASON EVENTS PRIVATE LIMITED

Schedule 9 of Notes on accounts and Significant Accounting Policies annexed to and forming part of the Balance sheet as at 31st March, 2007 and Profit and Loss Account for the period ended on that date

1. Significant Accounting Policies

i) Basis Of Accounting :

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards except as otherwise stated.

ii) Fixed Assets :

Fixed Assets, other than land are stated at cost less depreciation. Cost is inclusive of freight duties, levies and any directly attributable cost of bringing the asset to its working condition for intended use and capitalisation of other expenses incurred upto the date of commissioning.

Depreciation is provided on Fixed Assets on the **Straght Line Method** at the rates specified in Schedule XIV to the Companies Act, 1956, from the month following the month of acquisition/commissioning.

iii) Inventories :

Inventories are valued at cost.

iv) Investment :

Investments are valued at cost.

v) Recognition of Income & Expenditure :

Items of Income & Expenditure are recognised on accrual basis.

vi) Retirement Benefits :

Liability in respect of Gratuity is not provided in the accounts. It will be accounted for as and when paid.

2. Figures for previous year have not been given as this year is the first of the company.

3. Quantitative information as required by Part-II of schedule VI to the Companies Act, 1956 are as under.: Nil

For GUPTA NAVIN K. & CO.
CHARTERED ACCOUNTANTS

For and on behalf of the Board

Navin K. Gupta
Partner
Membership No. 75030

Director Director

Bhopal
August 22, 2007

ALL SEASON EVENTS PRIVATE LIMITED**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****Schedule - 10****I Registration Details :**

Registration No	10-019035	Date of Incorporation	02.11.2006
Balance Sheet Date	31.03.2007	State Code	10

II Capital Raised during the year (Amount in Rs. Thousand) :

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand) :

Total Liabilities	1901	Total Assets	1901
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Sources of Funds :

Paid up Capital	100	Reserves & Surplus	Nil
Secured Loans	Nil	Unsecured Loans	815

Application of Funds

Net Fixed Assets	291	Investments	Nil
Net Current Assets	-362	Misc. Expenditure	55
Accumulated Losses	931		

IV Performance of Company (Amount in Rs. Thousands) :

Turnover	1684	Total Expenditure	2596
Profit / Loss Before Tax	-912	Profit / Loss After Tax	-931
Earning per share in Rs.	Nil	Dividend Rate %	Nil

V. Generic Name of Principal Product / Service of Company (As per Monetary Terms)

For GUPTA NAVIN K. & CO.
CHARTERED ACCOUNTANTS

For and on behalf of the Board

Navin K. Gupta
Partner
Membership No. 75030
Bhopal
August 22, 2007

Director Director



Divya Bhaskar, Ahmedabad



Mr. Girish Agarwal, Director, DB Corp Ltd., receiving
Ernst & Young Entrepreneur of the Year Award 2006



Divya Bhaskar

Dainik Bhaskar



DB Corp Ltd

Corporate Office: 6, Dwarka Sadan, Press Complex, M.P. Nagar, Bhopal (M.P.)

Registered Office: Plot No. 280, Sarkhej - Gandhi Nagar Highway, Near Y.M.C.A. Club, Makarba, Ahmedabad (Gujarat)

Mumbai Office: G4/5/6 & 105 Kamanwala chambers, New Udyog Mandir II, Mugal Lane, Mahim (West), Mumbai (Maharashtra)