

One Zidd can bring
a million smiles.

2007

2008



Milestones

- 2008
 - Dainik Bhaskar completes 50 glorious years as a publication.
 - As an integrated brand campaign "Zidd Karo Duniya Badlo was launched across India.
 - M.S.Dhoni was signed as the Brand Ambassador of Dainik Bhaskar, a never attempted feat by any publication.
 - Launch of Business Bhaskar a financial Hindi newspaper was a great success. It was launched in Bhopal, Indore, Raipur, Panipat, New Delhi, Jalandar and Ludhiana editions
 - Launch of Shimla edition, Himachal Pradesh
- 2007
 - Launch of Bhuj edition of Divya Bhaskar - making it the only leading newspaper with 7 editions in Gujarat Catalyst as the exclusive partner with New7wonders in getting TAJ its rightful place in the wonders of the world.
 - Dainik Bhaskar launches its New Delhi edition followed by Ludhiana edition.
 - DNA launched in Ahmedabad and Surat as a franchise by DB Corp Ltd
 - Addition to this the company also launched Bal Bhaskar and Young Bhaskar for Kids and Lakshay as a career Magazine.
 - MYFM was launched in Bhopal, Indore, Chandigarh, Nagpur, Surat, Ahmedabad, Amritsar, Udaipur, Jodhpur, Amritsar, Udaipur, Jodhpur, Ajmer, Bilaspur, Gwalior and Jalandar.
- 2005 - 06
 - Dainik Bhaskar entered Punjab with two editions, Amritsar & Jalandhar.
 - Divya Bhaskar launched Rajkot & Jamnagar editions.
 - AHA! Zindagi Magazine was launched in Gujarati Language.
 - Launch of IMCL- a new media company.
 - Launch of MYFM radio in Jaipur.
- 2004
 - Divya Bhaskar's soon launched 2 more editions in Gujarat Surat and Baroda editions
 - Divya Bhaskar also took over "Saurashtra Samachar", the leading Gujarati newspaper of Bhavnagar. It also added a new state to its portfolio by entering Maharashtra with Mumbai edition
 - DB Corp Ltd also launched its new Hindi magazine, AHA! Zindagi, first of its kind on lifestyle and positive thinking.
- 2003
 - DB Corp Ltd' group enters Gujarat with launch of its first Gujarati daily in Ahmedabad.
- 2001
 - Dainik Bhaskar launched its Faridabad edition.
- 2000
 - Two more states added to the portfolio of Dainik Bhaskar by launch of Chandigarh and Haryana editions (Panipat and Hissar).
- 1990's
 - Dainik Bhaskar became the No.1 Newspaper in Madhya Pradesh and was declared the fastest growing daily in India, estimated by an independent third party.
 - In the later half of the century Dainik Bhaskar was launched in Bilaspur (Chhattisgarh) followed by Jaipur, Ajmer, Jodhpur, Bikaner, Udaipur and Kota in Rajasthan
- 1983
 - Beginning of a new thinking. Launch of Dainik Bhaskar Indore edition, followed by Raipur editions in Chhattisgarh
- 1958
 - Dainik Bhaskar launches its first edition in the hometown of Agarwal family, Bhopal.



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BOARD OF DIRECTORS

Chairman	:	Shri Ramesh Chandra Agarwal
Managing Director		Shri Sudhir Agarwal
Non- Executive Directors		Shri Girish Agarwal Shri Pawan Agarwal
Nominee Director		Shri Niten Malhan
Independent Directors		Shri Kailash Chandra Chowdhary Shri Ajay Piramal Shri Piyush Pandey Shri Harish Bijoor Shri Ashwani Kumar Singhal
Company Secretary	:	Shri K. Venkataraman
Auditors	:	M/s S. R. Batliboi & Associates., Chartered Accountants, Mumbai (Maharashtra) And M/s. Gupta Navin K & Co Chartered Accountants Gwalior (Madhya Pradesh)
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
Mumbai Office	:	G-3A/4-6, Kamanwala Chambers, New Udyog Mandir - 2, Mogul Lane, Mahim (W), Mumbai - 400 016 (Maharashtra)

CONSOLIDATED ANNUAL REPORT 2007-08

DIRECTORS' REPORT**To****Dear Shareholders,**

Your Directors are delighted to present the 12th Annual Report of your Company for the year ended March 31, 2008.

Financial Highlights

(Rs. in Lacs)

Particulars	2007-08	2006-07
Sales & Other Income	85058.88	67343.81
EBITDA	20310.46	9833.88
Interest	2427.37	2016.29
Depreciation/ Amortisation	1468.65	1087.79
Profit Before Tax	16414.44	6729.80
Provisions for Current Tax , Deferred tax & other Tax Expenses	6274.59	712.89
Profit After Tax	10139.85	6016.91
Prior period expenditure	--	37.98
Profit for the year	10139.85	5978.93
Proposed Dividend	843.95	21.37

REVIEW OF PERFORMANCE:

Your Directors are pleased to inform the improved results of your company for the financial year ended on March 31, 2008 and the following highlights evidence the performance during the said period:-

- The Sales & Other incomes have witnessed a magnificent growth of 26.31% crossing Rs. 850 Crores, compared to Rs. 673 Crores in the previous year.
- The EBITDA rose by more than 106% to Rs. 203 Crores as against Rs. 98 Crores in the previous year.
- The profit after tax for the year under review also registered an impressive growth of more than 69% with Rs. 101 Crores compared to Rs. 60 Crores in the previous year.
- Further, for the year ended on March 31, 2008, the consolidated revenue of your company increased to Rs 862.70 Crores from Rs. 675.39 Crores in the previous year, registering a growth of over 27.73% and the consolidated PAT stood at Rs. 75.06 Crores as against Rs 54.16 Crores of the previous year.

MANAGEMENT DISCUSSION

The overall growth of the economy vouches for the potential available to the industry and as the members may be aware, the Media segment continues to thrive, all along.

The past experience in the industry indicates that any new edition launched by the company takes about 3-4 years for stabilization and for earnings. The following Table provides information about the emerging editions, in the light of business potential of the company:

SUMMARY FINANCIALS			
PARTICULARS	Emerging Editions FY 08	Others FY 08	Total FY 08
TURNOVER			
PUBLISHING			
- Advt Revenues	2947.05	60943.81	63890.86
- Circulation Revenues	1206.95	17035.55	18242.50
- Other Income	217.39	2708.08	2925.47
TOTAL INCOME	4371.39	80687.45	85058.83
News Print Cost	4694.12	28954.92	33649.04
Opex	4545.55	26553.79	31099.33
Total Cost	9239.67	55508.71	64748.37
EBITDA	(4868.28)	25178.74	20310.46
EBIDTA %	(111.4%)	31.2%	23.9%
Interest	488.73	1938.63	2427.36
Depreciation	200.52	1268.14	1468.66
PBT	(5557.53)	21971.98	16414.44

In your company's endeavour to scale newer heights, post stabilization of the emerging editions, the long term results of the corporate growth strategy would be seen in the forthcoming years.

Besides, the consistent growth of India on all fronts, places it on the global map as a fast emerging economy, clubbed with the rise in the onset of new industries in the Region and in line with the same, your company, as always, continues to be a trendsetter in its chosen area of business.

OPERATING RESULTS AND OUTLOOK:

"The Indian Print Media industry is witnessing a faster growth in reach....there are over 359 Mn literate people in the country who do not read any publication which leaves enough scope for improvement in penetration levels "... (Source: Report of FICCI and PwC- April, 2007)

This opens up new horizons for your company with huge potential opportunity and your Directors are consistently moving in this direction. Further, the expansion of many industries, improving consumer awareness and the entry and onset of MNCs etc. provide tremendous business avenues for your Company. Value added service to clients being the motto, your company continues to tread in this path, with growth on it's stride.

NEW EDITIONS & TITLES LAUNCHED

We take pride in informing you that during the year under review, your company added the following feathers to it's cap of basket of offerings to our readers:

During the year under review, your company launched the following new editions:

Sl. No.	Title	Edition / Location	Average Circulation Copies / per day	Month of Launch
1	Dainik Bhaskar	Bhuj	50000	August 2007
2	DNA	Ahmedabad and Surat	170000	November 2007
3	Dainik Bhaskar	Ludhiana	145000	December 2007
4	New magazines :Lakshya (Hindi) She (English) Go Getter (English)		November / December 2007	February 2008

Besides, during the current year 2008-09, your company has enhanced it's presence by addition of the following to it's spectrum:

DB Corp Ltd**DB STAR**

DB STAR is an extension of Bhaskar's continuous efforts to create readers delight and additional touch points through well researched products that will nurture and satisfy overt and latent needs of the readers. It addresses the leisure reading with a youth mindset within a family environment. Your Company has already launched DB STAR as a tabloid from Bhopal and Indore.

BUSINESS BHASKAR

To cater to the needs of today's businessman, preferring to read his news in Hindi, your company has launched Business Bhaskar from Bhopal in Hindi in June 2008. The company proposes to launch at least four more editions of this newspaper in Tier II and Tier III cities by the year end, apart from the Indore edition, which will be launched by July end. Considering the rapid economic growth in Tier II towns in India with an increased need for a Hindi financial daily, Business Bhaskar will bridge this gap and will cover news relevant to entrepreneurs as well as working professionals.

DNA Rajasthan

The company realized the potential for English Newspaper in the region and launched DNA from Jaipur, in Rajasthan, in the month of June 2008.

CAPITALISATION AND RESERVES**Issue of Bonus Shares:**

During the year 2007-08, Bonus Shares in the ratio of 78 Equity Shares for every 1 Equity Share held were issued on September 29, 2007 by capitalization of General Reserve. In all 16,66,52,850/- Equity Shares were issued as Bonus Shares, including 1638 Shares issued on June 7, 2008, pursuant to receipt of appropriate statutory approval, additionally therefor.

Transfer to Reserve:

As on March 31, 2008 an amount of Rs. 70,00,00,000/- was transferred to General Reserve as against Rs. 35,00,00,000/- in the previous year.

Dividend:

The Directors are pleased to recommend a dividend @ 5% on the enlarged capital for the financial year 2007-08. The total amount of dividend outgo will be Rs. 8,43,94,803/- as against Rs. 21,36,554/- for the previous financial year.

EMPLOYEES' STOCK OPTION SCHEME

With a view to reward, motivate and retain the talented brain and to share the growth of the organisation with its tenacious manpower resources, pursuant to the resolution passed at shareholders' meeting held on November 30, 2007, the company adopted an Employee Stock Option Plan (ESOP) called as "DBCL – ESOS 2007" under which the employees of your company and its subsidiaries in India and abroad as determined by the Compensation Committee in its own discretion will be entitled to receive stock options. The issue of options pursuant to the ESOP will be subject to compliance with all applicable laws and regulations. The number of Equity Shares to be issued under the ESOP will not exceed 7,00,000/- Equity Shares and the exercise price will be Rs. 275 per option. The ESOP granted shall be capable of being exercised within a period of 3 years from the date of vesting of ESOP. The particulars required to be disclosed pursuant to Clause 12 of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are set out in the Annexure to this Report.

INITIAL PUBLIC OFFERING

As the members are aware, the company is proposing to come out with a public issue of upto 1,88,00,000/- Equity Shares of Rs. 10 each, at a price to be determined by Book-building process and a Draft Red Herring Prospectus for the same has been filed with the Securities and Exchange Board of India (SEBI) and your company is awaiting clearance from SEBI before it can approach the Primary Market. The objects of the issue are to raise funds to (i) set up new publishing units; (ii) up gradation of existing plant and machinery; (iii) enhancing the brand image through sales and marketing; (iv) reduction of existing working capital loan; (v) prepayment of existing term loans; (vi) general corporate purposes and (vii) meet the issue expenses.

Change in Directorate:

During the year under review Smt. Namita Agarwal and Smt. Jyoti Agarwal resigned as Directors with effect from September 22, 2007 and October 20, 2007 respectively. The Board places on record the contribution made by them towards the growth of your company.

Further, Shri Kailash Chandra Chowdhary, Shri Ajay Piramal, Shri Piyush Pandey, Shri Harish Bijoor and Shri Ashwani Kumar Singhal were appointed as Additional Directors (Independent) with effect from November 28, 07 will hold office till the ensuing AGM.

Besides, in accordance with the provisions of the Companies Act 1956, and the Articles of Association of the Company, Shri. Ramesh Chandra Agarwal and Shri. Girish Agarwal, directors of the company, retire by rotation at the ensuing Annual general Meeting of the company and being eligible, offer themselves for re-appointment and your directors recommend the same.

CORPORATE GOVERNANCE

The Directors are pleased to inform that your company firmly believes in the best principles and practices of Corporate Governance. In Compliance with the applicable provisions of the Companies Act 1956 and also as a pro active step, as required by Clause 49 of the Listing Agreement. In view of the forthcoming Initial Public offer of the Company, your company has implemented the requirements of Corporate Governance and accordingly the following committees have been constituted:

Audit Committee:

The Audit Committee of the company comprises of:

Name of the Director	Position Held
Mr. Kailash Chandra Chowdhary	Chairman, (Independent Director)
Mr. Ashwani Singhal	Member, (Independent Director)
Mr. Piyush Pandey	Member, (Independent Director)
Mr. Girish Agarwal	Member, (Non Executive Director)
Mr. Niten Malhan	Member, (Nominee Director - Non Executive)

Terms of reference of the Audit Committee, amongst other applicable requirements, include:

- Reviewing the Company's overall financial reporting process and disclosure of financial information, including the over-viewing of operations on quarterly, half yearly and annual intervals and financial results and the annual accounts and ensuring compliance of accounting policies and accounting standards, with the applicable statutory requirements and including the recommendation and terms of appointment of internal auditors;
- Reviewing the scope of the internal audit plan, procedures, adequacy of the internal audit functions and discussions with auditors in relation to the adequacy of internal control systems;
- Reviewing of and periodical interaction with statutory and internal auditors on their scope of functions, reporting systems and implementation of measures for improvement;
- Reviewing the Company's financial and risk management policies,
- Reviewing the findings of external and internal auditors with reference to management response on matters of material nature and related party transactions;
- Reviewing any claims against the Company or customer's complaints, if any;
- Attending to such functions as required under the Listing Agreement, proposed to be entered into by the company, from time to time, including review and reporting of utilization of proceeds of the proposed public Issue,
- Carrying out any other functions as may be referred to, by the Board of Directors, from time to time.

DB Corp Ltd**Shareholders'/Investors' Grievance Committee**

The Shareholders'/Investors' Grievance Committee of the company comprises of:

Name of the Director	Position Held
Mr. Girish Agarwal	Chairman, (Non Executive Director)
Mr. Sudhir Agarwal	Member, (Executive Director)
Mr. Pawan Agarwal	Member, (Non Executive Director)
Mr. Niten Malhan	Member, (Nominee Director - Non Executive)

The Shareholders'/Investors' Grievance Committee is responsible for the redressal of shareholders' and investors' grievances such as non-receipt of share certificates, annual reports, dividend etc. The committee oversees performance of the Registrars and Share Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The committee also monitors the implementation and compliance of our proposed code of conduct for prohibition of insider trading in pursuance of applicable statutory requirements.

Remuneration Committee

The Remuneration Committee comprises of:

Name of the Director	Position Held
Mr. Kailash Chandra Chowdhary	Chairman, (Independent Director)
Mr. Ajay Piramal	Member, (Independent Director)
Mr. Girish Agarwal	Member, (Non Executive Director)
Mr. Niten Malhan	Member, (Nominee Director - Non Executive)

The Remuneration Committee determines our Company's remuneration policy, having regard to performance standards and existing industry practice. Under the existing policies of our Company, the Remuneration Committee, *inter alia*, determines the remuneration payable to our Directors.

Apart from discharging the above-mentioned basic function, the Remuneration Committee also discharges the following functions:

- Framing policies and compensation including salaries and salary adjustments, incentives, bonuses, promotion, benefits, stock options and performance targets of the top executives; and
- Formulating strategies for attracting and retaining employees, employee development programmes.

Compensation Committee

With a view to comply with the provisions of the SEBI (Employees Stock Option Scheme) Guidelines, 1999, and other provisions as applicable, the company has constituted a Compensation Committee, on November 28, 2007. The main scope of functions of this committee shall be administration, implementation, execution and monitoring of the Employees' Stock Option Scheme/s, of our Company, from time to time.

The Compensation Committee presently consists of:

Name of the Director	Position Held
Mr. Kailash Chandra Chowdhary	Chairman, (Independent Director)
Mr. Ashwani Singhal	Member, (Independent Director)
Mr. Piyush Pandey	Member, (Independent Director)
Mr. Pawan Agarwal	Member, (Non Executive Director)
Mr. Niten Malhan	Member, (Nominee Director - Non Executive)

Executive Committee

The Executive Committee was constituted by the Directors at their Board meeting held on November 15, 2006. The Executive Committee handles matters related to the day to day operations of our Company including but not limited to opening and operations of the bank accounts, applications to statutory and other authorities from time to time and other routine aspects and aspects delegated by the Board. The present constitution of the Executive Committee is as under:

Name of the Director	Position Held
Mr. Ramesh Chandra Agarwal	Chairman (Non- Executive Director)
Mr. Sudhir Agarwal	Member, (Executive Director)
Mr. Girish Agarwal	Member, (Non- Executive Director)
Mr. Pawan Agarwal	Member, (Non-Executive Director)
Mr. Niten Malhan	Member, (Nominee Director - Non Executive)

IPO Committee

The IPO Committee of our Company was constituted by the Directors at their Board meeting held on November 28, 2007 and handles matters related to the proposed to the IPO of our Company like appointment of various intermediaries like merchant bankers, Registrars, printers, advertisement and publicity agents, legal counsels, bankers to the Issue, submission of applications and documents to statutory and other authorities from time to time, determination of price band and issue price and other aspects related thereto, as may be delegated by the Board in this regard.

The present constitution of the IPO Committee is as under:

Name of the Director	Position Held
Mr. Sudhir Agarwal	Chairman, (Executive Director)
Mr. Girish Agarwal	Member, (Non Executive Director)
Mr. Ashwani Singhal	Member, (Independent Director)
Mr. Niten Malhan	Member, (Nominee Director - Non Executive)
Mr. Pradyumna Kumar Mishra	Member, (CFO)
Mr. Ashok Sodhani	Member, (G.M. – Finance)

Mr. K.Venkataraman, Company Secretary is the Secretary of all Committees of the Board of Directors of the company.

Subsidiary Companies & their Business:

The Directors are also pleased to inform that the following subsidiaries of your company, as on the date of the report, are performing in a commendable manner.

Synergy Media Entertainment Limited

The company is engaged in FM Radio business and during the year under review, many additional stations have been added to its network and presently its business is on air at 17 locations across various cities. As a part of the group's growth plans this company is also contemplating expansion in new markets.

I Media Corp Limited

This company is engaged in providing integrated internet and mobile interactive services and is operating internet portals and SMS 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. Further to scale its corporate objective, the company proposes its online business development by maximizing the natural synergies between the local newspaper and local Web site. The company has local content, the customer relationships, the news and advertising sales force, and the promotional vehicle in place and therefore it proposes to strategically avail the advantages of selling packaged advertising products that meet the demands of advertisers, operate efficiently, and leverage the known and trusted brand of the newspaper.

DB Corp Ltd

The company is poised for tremendous growth in it's areas of business.

All Season Events Private Limited

The company is currently involved in the business of events management with various revenue streams. The company is now into its second year of operations and hence is in the process of establishing a niche in it's chosen areas of business.

DB Partners Enterprises Private Limited

DB Partners Enterprises Private Limited has been incorporated during the year under review and the company proposes to deal in various activities including investment in securities etc. and the company has not yet commenced its operations.

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 12th 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 58A of the Companies Act, 1956, during the year under review.

Technology absorption & Foreign Exchange Management.**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 Earning & Outgo.

The company earned Foreign Exchange of Rs. 10.84 Lacs. Foreign exchange Expenses on account of imported Raw Material during the year was Rs. 14,797.40/- lacs and on account of traveling and other expenses was Rs. 15.84/- Lacs.

Human Resource & 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.

Particulars of employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are given as an annexure attached separately.

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, 2008 on a “going concern” basis; and

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:June 27, 2008

(Sudhir Agarwal)
Managing Director

(Girish Agarwal)
Director

(Annexure pursuant to the ESOP Scheme)

Particulars	Details
Options granted (net)	700,000
Pricing Formula	Fair Market Value
Vesting schedule (FY wise) at the Exercise Price of Rs.275/= per option	
FY 2009	140,000
FY 2010	140,000
FY 2011	140,000
FY 2012	140,000
FY 2013	140,000
Details of options granted during FY 08 to :	
(a) Directors and Key Managerial Personnel	
Dr. Bharat Agarwal	20,000
Mr. P G. Mishra	16,000
Mr. Shravan Garg	10,000
(b) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year (Includes ex-employees and group company employees)	Nil
(c) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant (includes ex-employees and group company employees)	Nil
Fully diluted EPS on a pre-issue basis for Fiscal 2007	Rs. 3.67
Difference, if any, between employee compensation cost (calculated using the intrinsic value of stock options) and the employee compensation cost (calculated using the fair value of stock options)	Not applicable
Weighted average exercise price either equals or exceeds or is less than the market value of the shares	Not applicable
Weighted average fair values of options whose exercise price equals or is less than the market value of the stock.	Not applicable
Impact on the profits and EPS if the Issuer had followed the accounting policies specified in Clause 13 of the ESOP Guidelines.	Not applicable
Lock-in	Nil
Impact on profits and EPS of the last three years	Not applicable

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, 2008 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, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 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, 2008;
 - (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 : June 27, 2008

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin K. Gupta
Partner
Membership No. 75030

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

- (i) (a) The Company has maintained adequate records showing 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 seven companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 15,924.89 lacs and the year- end balance of loans granted was Rs 11,032 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 not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (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 respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at 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.

- (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 or bank. The Company did not have any outstanding debentures during the year.
- (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 : June 27, 2008

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin K. Gupta
Partner
Membership No. 75030

BALANCE SHEET AS AT MARCH 31, 2008

	Schedules	As At March 31, 2008 Rs.	As At March 31, 2007 Rs.
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	1,687,994,250	21,465,750
Reserves and Surplus	2	957,860,653	1,711,192,711
		<u>2,645,854,903</u>	<u>1,732,658,461</u>
Loan Funds			
Secured Loans	3	2,820,492,286	3,241,074,759
Unsecured Loans	4	208,131,407	214,783,157
		<u>3,028,623,693</u>	<u>3,455,857,916</u>
Deferred Tax Liability (Net)	5	338,010,825	269,107,770
		<u>6,012,489,421</u>	<u>5,457,624,147</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	2,971,640,482	2,273,868,419
Less : Accumulated Depreciation / Amortisation		566,445,382	419,740,508
Net Block		<u>2,405,195,100</u>	<u>1,854,127,911</u>
Capital Work-in-progress (including Capital Advances)		229,582,086	84,371,140
		<u>2,634,777,186</u>	<u>1,938,499,051</u>
Investments	7	773,441,000	705,841,000
Current Assets, Loans and Advances			
Inventories	8	671,317,878	633,407,949
Sundry Debtors	9	1,680,795,764	1,461,421,519
Cash and Bank Balances	10	587,296,302	176,715,904
Loans and Advances	11	1,254,924,661	1,595,480,967
		<u>4,194,334,605</u>	<u>3,867,026,339</u>
Less : Current Liabilities and Provisions			
Current Liabilities	12	1,274,447,703	969,210,305
Provisions	13	348,752,028	95,166,677
		<u>1,623,199,731</u>	<u>1,064,376,982</u>
Net Current Assets		<u>2,571,134,874</u>	<u>2,802,649,357</u>
Miscellaneous Expenditure (to the extent not written off or adjusted)	14	33,136,361	10,634,739
		<u>6,012,489,421</u>	<u>5,457,624,147</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
June 27, 2008

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin Gupta
Partner
Membership No. 75030

For and on behalf of the Board of
Director of D B Corp Limited

Managing Director Director

Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	Schedules	For the Year Ended March 31, 2008 Rs.	For the Year Ended March 31, 2007 Rs.
INCOME			
Sales	15	1,945,126,150	1,739,746,300
Income from Event Management		55,898,809	39,152,491
Advertisement Income		6,389,087,691	4,865,849,653
Other Income	16	115,775,402	89,632,240
		<u>8,505,888,052</u>	<u>6,734,380,684</u>
EXPENDITURE			
Raw Material Consumed	17	3,365,323,590	3,271,304,225
Printed Magazines Purchase		493,424	17,652,484
(Increase) / Decrease in Stock of Finished Goods		(913,374)	-
Event Expenses		41,845,657	30,239,091
Operating Expenses	18	1,098,102,846	917,081,452
Personnel Expenses	19	791,774,078	521,375,352
Administration, Selling and Other Expenses	20	1,178,216,352	993,339,051
Financial Expenses	21	242,736,675	201,629,462
Depreciation / Amortisation		146,865,083	108,779,352
		<u>6,864,444,331</u>	<u>6,061,400,469</u>
Profit Before Taxation and Prior Period Items		1,641,443,721	672,980,215
Tax Expenses			
Provision for Current Tax (including Interest on Advance Tax Rs. 25,800,000 (Previous year Rs. 5,000,000))		530,000,000	80,000,000
MAT Credit Entitlement		-	(73,000,000)
Deferred Tax Charge		69,958,963	21,637,588
Provision for Fringe Benefit Tax		27,500,000	25,000,000
Provision for tax of earlier years		-	17,651,371
		<u>627,458,963</u>	<u>71,288,959</u>
Profit After Tax Before Prior Period Items		1,013,984,758	601,691,256
Prior Period Expenditure		-	3,798,169
Profit for the Year		1,013,984,758	597,893,087
Balance Brought forward from previous year		263,015,707	17,622,282
Profit available for Appropriation		1,277,000,465	615,515,369
Appropriation:			
Proposed Dividend		84,394,803	2,136,554
Corporate Dividend Tax		14,342,897	363,108
Transfer to General Reserve		700,000,000	350,000,000
		<u>798,737,700</u>	<u>352,499,662</u>
Balance carried to Balance Sheet		478,262,765	263,015,707
Earning Per Share (Refer Note 15 of Schedule 22)			
Basic Earning Per Share		6.01	3.54
Weighted Average No. of Shares		168,787,766	168,787,450
Diluted Earning Per Share		6.01	3.54
Weighted Average No. of Shares		168,789,605	168,789,605
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
June 27, 2008

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin Gupta
Partner
Membership No. 75030

For and on behalf of the Board of
Director of D B Corp Limited

Managing Director Director

Company Secretary

DB Corp Ltd

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 :		
249,000,000 (Previous Year 9,000,000) Equity Shares of Rs. 10/- each	2,490,000,000	90,000,000
1,000 (Previous Year 1,000), 0%, Redeemable Preference Shares of Rs. 10,000/- each	10,000,000	10,000,000
	<u>2,500,000,000</u>	<u>100,000,000</u>
Issued, Subscribed & Paid up :		
168,787,766 (Previous Year 2,136,550) Equity Shares of Rs. 10/- each fully paid up	1,687,877,660	21,365,500
1 (Previous Year Nil), 0%, Preference Share of Rs. 10,000/- each (Of the above, 166,651,212 (Previous Year Nil) Equity shares of Rs. 10/- each, fully paid up has been issued as bonus shares in the ratio of 78 : 1 on September 29, 2007 by capitalisation of balance in General Reserve)	10,000	-
Share Suspense Account (Refer Note 4 of Schedule 22)		
1,839 (Previous Year 25) Equity Shares of Rs. 10/- each (Of the above 1,638 (Previous Year Nil) shares are to be issued as bonus shares and 180 (Previous Year Nil) shares are to be issued at premium of Rs. 490/- each)	106,590	250
Nil (Previous Year 10) Preference Shares of Rs. 10,000/- each to be issued as per the Scheme of Arrangement.	-	100,000
Note :		
a) Of the above shares, 2,136,554 (Previous Year 2,136,550) Equity shares are issued for a consideration other than cash.		
b) 1 Preference share of Rs. 10,000/- (Previous Year Nil) has been issued for consideration other than cash.		
c) Preference shares are redeemable at par after five years from the date of issue.		
d) For Employee Stock Option Scheme, Refer Note 17 of Schedule 22		
	<u>1,687,994,250</u>	<u>21,465,750</u>

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

	As At March 31, 2008 Rs.	As At March 31, 2007 Rs.
Schedule 2		
RESERVES AND SURPLUS:		
General Reserve		
As per last Balance Sheet	1,448,177,004	1,098,177,004
Less: Leave Encashment Liability prior to March 31, 2007 (Net of Deferred Tax Rs.1,055,908) as per Revised AS 15 (Refer Note 16 of Schedule 22)	2,050,616	-
Add : Transferred from Profit and Loss Account	700,000,000	350,000,000
Less: Bonus Shares Issued	1,666,528,500	-
	<u>479,597,888</u>	<u>1,448,177,004</u>
Profit and Loss Account	<u>478,262,765</u>	<u>263,015,707</u>
	<u>957,860,653</u>	<u>1,711,192,711</u>
Schedule 3		
SECURED LOANS :		
Term Loans		
- Rupee Loans from Banks	1,460,851,645	1,293,457,212
- From Financial Institution	699,999,990	1,011,111,105
Cash Credit Facility from Banks (For Security Refer Note 6 of Schedule 22)	659,640,651	936,506,442
	<u>2,820,492,286</u>	<u>3,241,074,759</u>
Schedule 4		
UNSECURED LOANS :		
Security Deposits from Agents	208,131,407	186,200,817
From Subsidiary Company	-	28,582,340
	<u>208,131,407</u>	<u>214,783,157</u>
Schedule 5		
DEFERRED TAX LIABILITY (NET) :		
Deferred Tax Liability		
Depreciation	358,786,455	300,497,725
	<u>358,786,455</u>	<u>300,497,725</u>
Deferred Tax Asset		
Provision for Doubtful Debts / Advances	10,964,545	24,048,727
Provision for Gratuity and Leave Encashment	9,811,085	7,341,228
	<u>20,775,630</u>	<u>31,389,955</u>
Deferred Tax Liability (Net)	<u>338,010,825</u>	<u>269,107,770</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008

Schedule 6

FIXED ASSETS :

	Gross Block			Accumulated Depreciation			Net Block				
	As At 01.04.2007	Assets Acquired on Demerger*	Additions During The Year**	Deductions During The Year	As At 31.03.2008	Up To 01.04.2007	For The Year	On Deductions	Up To 31.03.2008	As At 31-03-2008	As At 31.03.2007
Tangible Assets											
Land - Freehold	-	-	37,737,900	-	37,737,900	-	-	-	-	37,737,900	-
Building	113,058,234	-	88,718,708	127,400	201,649,542	1,387,582	4,537,089	3,101	5,921,570	195,727,972	111,670,652
Leasehold Improvement	-	-	4,865,550	-	4,865,550	-	7,315	-	7,315	4,858,235	-
Plant and Machinery	1,648,013,888	-	360,742,370	1,250,000	2,007,506,258	239,708,272	85,379,708	50,000	325,037,980	1,682,468,278	1,408,305,616
Office Equipments	86,252,954	-	22,461,638	85,602	108,628,990	15,569,151	5,037,340	2,388	20,604,103	88,024,887	70,683,803
Vehicles	19,826,174	-	-	25,792	19,800,382	10,837,741	1,885,350	15,310	12,707,781	7,092,601	8,988,433
Furniture & Fixtures	84,875,190	-	45,330,684	-	130,205,874	19,577,569	8,594,250	-	28,171,819	102,034,055	65,297,621
Electric Fitting, Fans & Coolers	70,553,827	-	40,918,424	-	111,472,251	9,010,562	4,155,102	-	13,165,664	98,306,587	61,543,265
Computers	200,281,688	-	54,156,368	554,050	253,884,006	118,675,366	27,080,054	89,410	145,666,010	108,217,996	81,606,322
D.G. Set	25,396,947	-	18,903,615	-	44,300,562	2,277,647	1,536,924	-	3,814,571	40,485,991	23,119,300
Intangible Assets											
Computer Software	-	-	25,979,650	-	25,979,650	-	3,428,155	-	3,428,155	22,551,495	-
Goodwill	25,609,517	-	-	-	25,609,517	2,696,618	5,223,796	-	7,920,414	17,689,103	22,912,899
Total	2,273,868,419	-	699,814,907	2,042,844	2,971,640,482	419,740,508	146,865,083	160,209	566,445,382	2,405,195,100	1,854,127,911
Capital Work-in-progress (including Capital Advances)	84,371,140	-	474,007,867	328,796,921	229,582,086	-	-	-	-	229,582,086	84,371,140
Previous year	2,358,239,559	-	1,173,822,774	330,839,765	3,201,222,568	419,740,508	146,865,083	160,209	566,445,382	2,634,777,186	1,938,499,051
	1,674,171,073	1,204,637	950,365,176	267,521,327	2,358,239,559	311,277,313	108,779,352	316,157	419,740,508	1,938,499,051	-

* Refer Note 4 of Schedule 22

** Refer Note 5 and 23 of Schedule 22

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008

	As At March 31, 2008 Rs.	As At March 31, 2007 Rs.
Schedule 7		
INVESTMENTS :		
A. Long Term Investments (At cost) - Unquoted and Non Trade		
In Subsidiary Companies : (Refer Note 21(a) and (b) of Schedule 22)		
22,800,000 (Previous Year 22,800,000) Equity Shares of Rs. 10/- each fully paid up of Synergy Media Entertainment Ltd.	700,000,000	700,000,000
577,500 (Previous Year 577,500) Equity Shares of Rs. 10/- each fully paid up of I Media Corp Ltd.	5,775,000	5,775,000
5,500 (Previous Year 5,500) Equity Shares of Rs. 10/- each fully paid up of All Season Event (P) Ltd.	55,000	55,000
10,000 (Previous Year Nil) Equity Shares of Rs. 10/- each fully paid up of DB Partners Enterprises Private Ltd.	100,000	-
In Others :		
100,000 (Previous Year Nil) Equity Shares of Rs. 10/- each fully paid up at a premium of Rs. 140/- per share of Dwarkas Gems Ltd. (Refer Note 21(c) of Schedule 22)	15,000,000	-
100 (Previous Year 100) Equity Shares of Rs. 100/- each fully paid up of United News of India	10,000	10,000
10 (Previous Year 10) Equity Shares of Rs. 100/- each fully paid up of Press Trust of India	1,000	1,000
	720,941,000	705,841,000
B. Long Term Investments (At cost) - Quoted		
(Refer Note 21(c) of Schedule 22)		
300,000 (Previous Year Nil) Equity Shares of Rs. 10/- each fully paid up at a premium of Rs. 65/- per share of Ajcon Global Services Ltd. (Market Value as on March 31, 2008 is Rs. 5,490,000/-)	22,500,000	-
750,000 (Previous Year Nil) Equity Shares of Rs. 2/- each fully paid up at a premium of Rs. 38/- per share of CHD Developers Ltd. (Market Value as on March 31, 2008 is Rs. 10,912,500/-)	30,000,000	-
Aggregate Market value as on March 31, 2008 is Rs.16,402,500	52,500,000	-
	773,441,000	705,841,000
Schedule 8		
INVENTORIES :		
Raw Material - News Prints (Including Stock in Transit Rs.120,399,947/-) (Previous Year Nil)	607,012,215	583,505,376
Non news print Wastage	-	628,037
Stores and Spares	49,421,527	36,019,620
Magazines	985,687	72,313
Gift / Promotional Products	13,898,449	13,182,603
	671,317,878	633,407,949

DB Corp Ltd

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008

	As At March 31, 2008 Rs.	As At March 31, 2007 Rs.
Schedule 9		
SUNDRY DEBTORS : (Refer Note 13(a) of Schedule 22) (Unsecured)		
Debts outstanding for a period exceeding six months :		
- Considered Good	119,515,640	168,947,414
- Considered Doubtful	21,503,244	68,479,558
	141,018,884	237,426,972
Others Debts:		
- Considered Good	1,561,280,124	1,292,474,105
	1,702,299,008	1,529,901,077
Less : Provision for Doubtful Debts	21,503,244	68,479,558
	1,680,795,764	1,461,421,519
Schedule 10		
CASH & BANK BALANCES :		
Cash on Hand	8,659,382	9,415,385
Cheques on Hand	106,836,068	53,271,868
Balances with Scheduled Banks:		
On Current Accounts	199,839,931	90,888,083
On Fixed Deposit Account	271,960,921	23,140,568
	587,296,302	176,715,904
Schedule 11		
LOANS & ADVANCES : (Unsecured, considered good unless otherwise stated)		
Loans and Advances to Subsidiaries (Refer Note 13(b) and Note 21(a) of Schedule 22)	465,709,489	23,295,470
Loans and Advances to Employees Advances recoverable in cash or kind or for value to be received (Refer Note 13(b) of Schedule 22)	25,360,026	14,694,334
- Considered Good	139,157,730	90,666,317
- Considered Doubtful	11,065,688	2,272,803
Inter Corporate Deposits	582,393,005	719,696,133
Deposit with Government Authorities	24,810,652	20,092,428
Security Deposit against Lease of Properties	-	639,359,545
Deposit with Others	17,493,759	14,676,740
MAT Credit Entitlement (Refer Note 22 of Schedule 22)	-	73,000,000
	1,265,990,349	1,597,753,770
Less : Provision for Doubtful Loans and Advances	11,065,688	2,272,803
	1,254,924,661	1,595,480,967

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008

	As At March 31, 2008 Rs.	As At March 31, 2007 Rs.
Schedule 12		
CURRENT LIABILITIES :		
Sundry Creditors (Refer Note 25 of Schedule 22)	1,066,865,878	931,685,031
Advances from Customers	185,802,284	16,192,461
Interest Accrued but not due on loans	392,819	498,630
Other Liabilities	21,386,722	20,834,183
	<u>1,274,447,703</u>	<u>969,210,305</u>
Schedule 13		
PROVISIONS :		
Provision for Tax (Net of Advance tax of Rs. 456,190,500/-) (Previous year Rs. 162,174,802/-)	291,403,492	56,319,190
MAT Credit Set - Off (Refer Note 22 of Schedule 22)	(73,000,000)	-
	<u>218,403,492</u>	<u>56,319,190</u>
Provision for Fringe Benefit Tax (Net of Advance FBT of Rs. 58,472,096/-) (Previous Year Rs.18,968,681/-)	2,746,213	14,749,628
Provision for Gratuity (Refer Note 16 (a) of Schedule 22)	11,794,812	18,626,445
Provision for Leave Encashment (Refer Note 16 (b) of Schedule 22)	17,069,811	2,971,752
Proposed Dividend	84,394,803	2,136,554
Tax on Proposed Dividend	14,342,897	363,108
	<u>348,752,028</u>	<u>95,166,677</u>
Schedule 14		
MISCELLANEOUS EXPENDITURE : (to the extent not written off or adjusted)		
Preliminary Expenses		
Opening Balance	10,634,739	21,304,095
Less : Written Off during the year	10,634,739	10,669,356
	-	<u>10,634,739</u>
Share Issue Expenses (Refer Note 18 of Schedule 22)	33,136,361	-
	<u>33,136,361</u>	<u>10,634,739</u>

DB Corp Ltd

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	For the Year Ended March 31, 2008 Rs.	For the Year Ended March 31, 2007 Rs.
Schedule 15		
SALES :		
Sale of Newspaper	1,782,007,809	1,623,294,501
Wastage Sale	104,987,677	86,306,523
Sale of Power	15,887,502	5,402,693
Sale of Magazine	42,243,162	24,742,583
	<u>1,945,126,150</u>	<u>1,739,746,300</u>
Schedule 16		
OTHER INCOME :		
Printing Job Charges	70,397,134	58,991,891
Rent received	718,275	1,665,450
Excess Liability / Provision written back	2,715,261	8,415,305
Exchange Gain (Net)	26,195,614	4,152,393
Miscellaneous Income	15,749,118	16,407,201
	<u>115,775,402</u>	<u>89,632,240</u>
Schedule 17		
RAW MATERIAL CONSUMED:		
News Print Paper		
Opening Inventories	583,505,375	537,125,867
Add: Purchase during the year	3,388,830,430	3,317,683,733
	<u>3,972,335,805</u>	<u>3,854,809,600</u>
Less: Closing Inventories	607,012,215	583,505,375
	<u>3,365,323,590</u>	<u>3,271,304,225</u>
Schedule 18		
OPERATING EXPENSES :		
Consumption of Stores and Spares	463,696,076	377,149,422
Printing Job Work Expenses	160,765,955	146,899,975
News Collection Expenses	241,941,519	212,310,243
Binding Expenses	31,506,342	21,972,046
Other Operating Expenses	14,534,634	11,083,506
Electricity, Power & Water Charges	114,752,063	101,811,252
Repair and Maintenance - Machinery	70,906,257	45,855,008
	<u>1,098,102,846</u>	<u>917,081,452</u>
Schedule 19		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	712,055,896	466,964,188
Contribution to Provident Fund and Other Funds	34,887,971	20,631,710
Workmen and Staff Welfare Expenses	44,830,211	33,779,454
	<u>791,774,078</u>	<u>521,375,352</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	For the Year Ended March 31, 2008 Rs.	For the Year Ended March 31, 2007 Rs.
Schedule 20		
ADMINISTRATION, SELLING AND OTHER EXPENSES :		
Electricity Expenses	8,819,055	2,811,676
Rent	55,792,481	39,885,326
Rates and Taxes	15,141,670	3,651,600
Insurance	5,459,740	6,929,826
Repair & Maintenance		
- Building	11,986,028	5,937,319
- Others	17,480,828	11,205,903
Legal and Professional Charges	59,291,474	38,013,107
Advertisement and Publicity	206,406,432	163,108,616
Distribution Expenses	188,886,881	114,934,384
Business Promotion	171,556,543	276,395,505
Survey Expenses	123,919,590	95,915,862
Postage and Telegram	6,904,037	6,450,600
Telephone Expenses	35,176,330	28,606,806
Printing and Stationery	18,874,695	13,213,998
Traveling Expenses	84,294,470	51,437,546
Conveyance Expenses	13,398,669	5,328,611
Vehicle Running and Maintenance	19,823,353	11,740,805
Auditors Remuneration (Refer Note 12 (i) of Schedule 22)	3,623,600	3,651,700
Loss on Sale of Assets (Net)	9,166	173,890
Bad Debts Written Off	119,677,562	-
Less: Out of the Provision of earlier years	<u>68,479,558</u>	-
Sundry Balances Written off	644,870	-
Provision for Doubtful Debts	21,503,244	68,479,558
Provision for Doubtful Advances	8,792,885	2,272,803
Miscellaneous Expenditure written off	10,634,739	10,669,356
Royalty	1,025,000	525,000
Sundry Office Expenses	37,572,568	31,999,254
	<u>1,178,216,352</u>	<u>993,339,051</u>
Schedule 21		
FINANCIAL EXPENSES :		
Interest Expenses	354,731,519	257,554,304
Less : Interest Income (TDS Deducted Rs. 27,623,006/-)	<u>124,971,693</u>	<u>75,715,815</u>
(Previous year TDS Rs. 16,663,943/-)	229,759,826	181,838,489
Exchange Loss / (Gain) on Foreign Currency Loan (net)	-	8,329,334
Bank Charges	12,976,849	11,461,639
	<u>242,736,675</u>	<u>201,629,462</u>

CASH FLOW FOR THE YEAR ENDED MARCH 31, 2008

	March 31, 2008 Rs.	March 31, 2007 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Taxation after Prior Period Items	1,641,443,721	669,182,046
Adjustment for :		
Loss on Sale of Fixed Assets (net)	9,166	173,890
Interest Expense (net)	229,759,826	181,838,489
Depreciation / Amortisation	146,865,083	108,779,352
Miscellaneous Expenditure Written off	10,634,739	10,669,356
Provision for Doubtful Loans and Advances	8,792,885	2,272,803
Bad Debts Written Off (Net of Provision written back)	51,198,004	-
Provision for Doubtful Debts	21,503,244	68,479,558
Unrealised Exchange Rate Fluctuation	1,685,962	(3,369,706)
Operating profit before working capital changes	2,111,892,630	1,038,025,788
Increase / Decrease in Working Capital		
Decrease/(Increase) in Inventories	(37,909,929)	(73,509,995)
Decrease/(Increase) in Sundry Debtors	(292,075,493)	(383,190,896)
Decrease/(Increase) in Loans and Advances	258,763,421	81,845,467
(Decrease)/Increase in Current Liabilities	303,445,625	610,962,103
(Decrease)/Increase in Provisions	4,159,900	(7,036,529)
Cash generated from operations	2,348,276,154	1,267,095,938
Taxes Paid (Including Fringe Benefit Tax)	(334,419,113)	(171,676,912)
NET CASH FROM OPERATING ACTIVITIES	2,013,857,041	1,095,419,026
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets	(845,025,853)	(685,173,327)
Proceeds from Sale of Fixed Assets	1,873,469	614,794
Purchase of Investments	(67,600,000)	(4,972,800)
Interest Received	124,971,693	75,715,815
Fixed Deposit with maturity period of more than three months	(226,532,304)	10,352,728
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	(1,012,312,995)	(603,462,790)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan taken- Secured	430,000,000	513,590,832
Repayment of Loan - Secured	(850,582,471)	(671,389,582)
Repayment of Loan - Unsecured	(6,651,750)	32,720,949
Share Issue Expenses	(33,136,361)	-
Dividend Paid	(2,136,554)	(2,136,550)
Dividend Distribution Tax	(363,108)	(299,651)
Interest Paid	(354,625,708)	(257,055,674)
Proceeds from issuance of Share Capital.	-	100,250
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	(817,495,952)	(384,469,426)
Net Increase/ (Decrease) in Cash and Cash Equivalents	184,048,094	107,486,810
Cash and Cash Equivalents at the beginning of the year	153,787,287	46,300,477
Cash and Cash Equivalents at the end of the year	337,835,381	153,787,287
Net Increase/ (Decrease) in Cash and Cash Equivalents	184,048,094	107,486,810
For Details of Cash and Cash Equivalents - Refer Schedule - 10		
Closing Balance	587,296,302	176,715,904
Less: Fixed Deposit with maturity period of more than three months	249,460,921	22,928,617
Net Cash and Cash Equivalents at the end of the Year (As per AS- 3)	337,835,381	153,787,287

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner
Membership No. 36656

Mumbai
June 27, 2008

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin Gupta
Partner
Membership No. 75030

For and on behalf of the Board of
Director of D B Corp Limited

Managing Director Director

Company Secretary

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2008

SCHEDULE 22

NOTES TO ACCOUNTS :

1. Nature of Operations

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies Accounting Standards Rules, 2006 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 change 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 and impairment losses, if any. 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.

Leasehold Improvement is amortized over a period of 10 years.

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.

Computer Software

Computer Software, being the cost of ERP License and Installation, is amortised 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 in the profit and loss account.

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.

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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, if any, 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 weighted average 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.
Magazines	Lower of cost and net realizable value.
Gifts / Promotional Products	At net realizable value.
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.

Sale of power

Revenue from generation of power in the Wind Energy Unit of the Company is accounted on the basis of billing to Madhya Pradesh Paschim Kshetra V.V. Co. Ltd.

Billing is done on the basis of supply of power to the Grid as recorded in the installed meters.

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 and non-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.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

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 is a defined benefit obligation and is provided for on the basis of an actuarial valuation done as per Projected Unit Credit method, carried out by an independent actuary at the end of the year / period and is contributed to Gratuity Fund created by the Company.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided based on actuarial valuation carried out by an independent actuary at the end of the year / period. The actuarial valuation is done as per projected unit method.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

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. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised.

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) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity


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shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the 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 Company'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 Company 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".

iii. Inter segmental Transfers

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

t) Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

3. Change in accounting policy

Hitherto the Company was computing cost of raw material inventory on FIFO basis. During the current year, the Company has changed the method of valuation from FIFO to Weighted Average Method. As a result of the change, the inventory of raw materials and the profit for the year is lower by Rs. 292,258.

4. 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 had 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 was 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 of its Internet Division 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. was treated as profits or losses of the Company. The Scheme of Arrangement had accordingly been given effect to in the financial statements for the year ended March 31, 2007.
- d) As per the Scheme, the Company had 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. Out of these shares, 4 equity shares and 1 preference share have been allotted till date and the balance were to be allotted subsequent to obtaining the FIPB approval. However subsequent to the filing of the scheme with the High Courts, the Reserve Bank of India has issued a press

release which restricts issue of non-convertible securities to non-resident shareholders in par with External Commercial Borrowings (ECB). Accordingly, as a matter of abundant precaution and to avoid any ambiguity it is considered appropriate to modify the form and terms of consideration pursuant to clause 14 of the Scheme of Arrangement. Accordingly it was decided by the Board of Directors in its meeting dated October 25, 2007, to issue 180 equity shares of Rs. 10/- each in lieu of 9 preference shares at a total value of Rs. 90,000. Further the Company has declared bonus shares during the current year. The shares to be issued (including bonus shares) amounting to Rs. 106,590/- are shown under Share Suspense Account on the Balance Sheet date. Subsequent to the year end, the Company has issued all the balance shares on June 7, 2008.

- 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 Provisions	2,373,923
Shares to be allotted	100,250
Goodwill	(454,637)

- f) In connection with the scheme, the Company has also paid an additional amount of Rs. 200 lacs as consideration which has been accounted as Goodwill in the financial statements for the year ended March 31, 2007.
- 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. Accordingly, the Company has considered and adjusted the unabsorbed tax losses and unabsorbed depreciation of erstwhile Internet Division of Indiainfo.com Ltd. in its taxable income for the year ended March 31, 2007, as permissible under the relevant provisions of Income Tax Act, 1961. The management is confident that all the conditions stipulated under Section 72A of the Income Tax Act, 1961 shall be fulfilled within stipulated time period.

5. Purchase / Acquisition:

The Company had 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 had been acquired by the Company at their book values during the year ended March 31, 2007. The difference of Rs. 5,154,880 between the book value of net assets and the consideration paid by the Company was accounted as Goodwill in the financial statements for the year ended March 31, 2007.

6. Term Loans and Cash Credit facilities consist of:

Particulars	Rupee Term Loans		Cash Credit Facilities	
	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007
IDBI Bank	180,000,000	-	-	-
Standard Chartered Bank	250,000,000	-	-	-
State Bank of Hyderabad	184,940,593	255,186,474	139,976,680	149,924,401
State Bank of Indore	291,744,387	367,742,606	362,697,556	688,258,842
Yes Bank	554,166,665	670,528,132	-	-
Rabo India Finance Pvt. Ltd.	699,999,990	1,011,111,105	-	-
Bank of Maharashtra	-	-	156,966,415	98,323,198

- a) The Term Loans are secured by:
- First Exclusive charge on the Fixed Assets in NICT Project;
 - First Charge on existing / future Plant & Machinery of Ahmedabad, Surat and Baroda Project;
 - First Charge on Plant & Machinery situated at all locations (other than Gujarat) of the Company;
 - Term Loan also includes car loan of Rs. 3,196,575 (closing balance) which is secured against hypothecation of vehicle and all its components;
 - Second Charge on all current assets;

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- vi) Personal Guarantee of Directors aggregating to Rs. 6,566.85 lacs (RCA, SA, GA and PA);
- vii) Corporate Guarantees of Writers & Publishers Limited and Bhaskar Publication & Allied Industries Pvt. Ltd.;
- viii) IDBI Bank: Exclusive Charge on the Plant and Machinery being acquired out of the financial assistance. Second Charge on all the fixed assets of the Company;
- ix) Standard Chartered Bank Ltd: Exclusive charge on Fixed Assets on facility at Ludhiana.
- 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 aggregating to Rs. 6,596.41 lacs (RCA, SA, GA and PA);
 - iv) Corporate Guarantees of Writers & Publishers Limited and Bhaskar Publication & Allied Industries Pvt. Ltd.

7. Related Parties Disclosure

Related party disclosures, as required by Notified 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. - D B Partners Enterprises Private Ltd.
Key Management Personnel Relatives of key management personnel	<ul style="list-style-type: none"> - Shri Sudhir Agarwal, Managing Director (SA) - Shri Girish Agarwal, Director (GA) - 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. Nitika 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 Phototype Setter – Bhopal - Bhaskar Printing Press – Bhopal, Ahmedabad, Surat, Baroda, Chandigarh, Panipat and Hissar - RC Phototype Setter - Raipur - RC Printer - Raipur - Bhaskar Publication and Allied Industries Pvt. Ltd. - New Era Publications Private Limited - Bhaskar Infrastructure Limited - Bhaskar Industries Limited - Bhaskar Multinet Limited - Bhaskar Exxoil Limited - Diligent Media Corporation Limited - Direct (OOH) Media Pvt. Ltd. - Stitex Global Limited - Saurashtra Samachar Private Limited - Divya Prabhat Publications Private Limited - Bhaskar Venkatesh Enterprises Private Limited - Sharda Solvent Limited - D B Malls Pvt. Ltd. - Bhaskar Samachar Seva - Jaipur Printing Press - Bikaner Printing Press - Jaipur Phototype Setter - Ajmer Printing House - Udaipur Printing Press - New Jodhpur Printe - New Kota Printers

7. 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		Receiving of Services/Purchases		Rendering of Services / Sales		Remuneration Paid		Amount Outstanding Debit / (Credit)	
	Mar-08	Mar-07	Mar-08	Mar-07	Mar-08	Mar-07	Mar-08	Mar-07	Mar-08	Mar-07	Mar-08	Mar-07	Mar-08	Mar-07	Mar-08	Mar-07
Synergy Media Entertainment Ltd.	8,718.18	3,364.24	-	287.46	207.72	86.55	354.05	86.39	92.94	-	-	-	-	-	3,851.37	(287.46)
I Media Corp Ltd.	(4,785.66)	(3,768.04)	-	-	58.11	8.63	60.05	36.62	33.35	240	-	-	-	-	827.06	261.30
All Season Events (P) Ltd	(127.62)	(238.09)	-	-	1.20	0.15	0.95	-	-	-	-	-	-	-	14.77	8.15
D B Partners Pvt. Ltd	4.56	(14.29)	-	-	-	-	-	-	-	-	-	-	-	-	4.36	-
Writers & Publishers Ltd (WPL)	240.15	491.44	-	-	880.32	630.00	-	-	201.36	122.70	-	-	-	-	5,884.10	13,590.56
M P Printer (Unit of WPL)	(7,740.24)	(475.35)	17.18	-	-	-	-	-	368.88	34.45	-	-	-	-	(75.74)	(80.68)
Bhaskar Phototype Setter, Bhopal (Prop. Sudhir Agarwal)	-	-	-	-	-	-	-	-	28.33	26.98	-	-	-	-	(17.77)	(17.06)
Bhaskar Printing Press, Bhopal (Prop. Jyoti Agarwal)	-	-	-	-	-	-	-	-	44.40	36.14	-	-	-	-	(13.55)	(12.11)
Bhaskar Printing Press, Ahmedabad, Surat, Baroda (Prop. Pawan Agarwal)	-	-	-	-	-	-	-	-	199.75	187.12	-	-	-	-	(41.64)	(29.42)
R.C.Photoype Setter, Raipur (Prop. R.C. Agarwal)	-	-	-	-	-	-	-	-	41.58	52.17	-	-	-	-	(45.90)	(46.63)
R.C. Printer, Raipur (Prop. R.C. Agarwal)	-	-	-	-	-	-	-	-	66.78	56.18	-	-	-	-	(9.90)	7.53
Bhaskar Publication & Allied Industries Ltd.	1,803.78	-	-	-	43.11	-	115.41	-	1.00	0.78	41.82	127.63	-	-	378.29	-
New Era Publication P Ltd	(1,581.58)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bhaskar Infrastructure Ltd.	1263	(10.67)	-	-	-	-	-	-	39.67	163.43	-	-	-	-	(31.28)	0.41
Bhaskar Industries Ltd.	181.67	370.20	-	-	15.79	-	0.53	0.77	4.60	3.57	-	-	-	-	(3.42)	0.77
Bhaskar Multinet Ltd.	(78.62)	(365.94)	-	-	-	-	11.25	42.39	-	-	-	-	-	-	174.44	200.75
Bhaskar Excoil Ltd.	1.19	0.34	-	-	-	-	0.03	1.99	-	-	-	-	-	-	-	-
Diligent Media Corp Ltd.	1.18	-	24.38	-	-	-	-	-	1,675.86	-	250	847.15	-	-	(121.75)	-
Sudhir Agarwal, Managing Director	-	-	(17.09)	-	-	-	-	-	-	-	-	-	36.00	-	(24.32)	-
Grish Agarwal, Director	-	-	-	-	-	-	-	-	1.00	0.85	-	-	-	-	(0.85)	-
Pawan Agrawal, Director	5.95	-	-	-	-	-	-	-	-	-	-	-	-	-	5.95	-
Direct (OOH) Media Pvt Ltd	14.58	-	-	-	-	-	-	-	-	-	-	-	-	-	14.58	-
Sillex Global Ltd.	-	0.15	-	-	-	-	-	-	-	-	-	-	-	-	0.15	0.15
Saurashtra Samachar P Ltd.	-	-	-	-	-	-	-	-	-	266.45	-	-	-	-	-	-
Divya Prabhat Publications P Ltd.	59.47	73.49	-	-	-	-	-	4.31	-	-	79.98	-	-	-	97.97	77.80
Bhaskar Venkatesh Products P Ltd.	(65.60)	-	-	-	-	-	76.01	42.82	-	-	-	-	-	-	22.90	42.82
D B Mails Pvt. Ltd.	(10.67)	-	-	-	-	-	0.91	-	-	-	-	-	-	-	0.89	-
Sharda Solvent Limited	-	-	-	-	-	-	0.99	1.23	-	-	-	-	-	-	-	1.23
Bhaskar Samachar Seva (Prop. D.K.Tiwari)	-	-	-	-	-	-	-	-	870.93	1,017.61	-	-	-	-	(10.47)	(149.71)
Bhaskar Printing Press, Chandigarh, Panipat, Hissar (Prop. Vinod Jain)	-	-	-	-	-	-	-	-	86.28	79.41	-	-	-	-	(5.31)	(4.62)
Jaipur Printing Press (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	97.80	72.45	-	-	-	-	(11.68)	(8.35)
Bikaner Printing Press (Prop. Manish Tiwari)	-	-	-	-	-	-	-	-	7.95	7.20	-	-	-	-	(2.29)	(2.02)
Jaipur Phototype Setter (Prop. Shri Surendra Mishra)	-	-	-	-	-	-	-	-	108.90	99.50	-	-	-	-	(10.50)	(8.26)
Ajmer Printing House (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	44.46	29.76	-	-	-	-	(9.84)	(4.61)
Ldaipur Printing Pres (Prop. Shri Dhamendra Atri)	-	-	-	-	-	-	-	-	60.00	49.80	-	-	-	-	(6.69)	(6.54)
New Jodhpur Printer (Prop. Shri Jagdish Sharma)	-	-	-	-	-	-	-	-	57.60	47.45	-	-	-	-	(9.60)	(9.01)
New Kota Printer (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	26.40	21.00	-	-	-	-	(1.70)	(1.81)
Bhaskar Process House	-	-	-	-	-	-	-	-	42.00	21.00	-	-	-	-	(1.30)	-

Note:

For the Personal Guarantees given by the directors for the Terms Loan taken by the Company, refer Note 6.

DB Corp Ltd

8. 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. 55,792,481 (Previous year Rs. 39,385,326);
- c) The future minimum lease payments under non-cancellable operating leases;
 - not later than one year is Rs. 45,632,748 (Previous year Rs. 42,754,519);
 - later than one year but not later than five years is Rs. 185,075,534 (Previous year Rs. 183,959,920);
 - later than five years Rs. 5,912,469 (Previous year Nil).
- d) There are no restrictions imposed in these lease agreements.

9. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1,254,794,523 (Previous year Rs. 189,268,709).

10. Contingent Liabilities not provided for

- a) Letter of Credit against purchase of capital goods: Rs. 1,453,371,461 (Previous year Rs. 2,100,000).
- b) There are several defamation and other legal cases pending against the Company and its directors. These include criminal and civil cases. In view of large number of cases, it is impracticable to disclose the details of each case. The estimated amount of claims against the Company in respect of civil claims is Rs. 30,907,577. The estimated contingency in respect of the other cases cannot be ascertained. Based on discussions with the solicitors and also the past trend in respect of such cases, the Company believes that there is fair chance of decisions in its favour in respect of above and hence no provision is considered necessary against the same. Further there are certain employee related cases pending against the Company. The estimated amount of such claims against the Company is not ascertainable.

11. Derivative Instruments

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

Particulars	Currency	Amount in respective currency	
		March 31, 2008	March 31, 2007
Forward Contract to Hedge payments to Suppliers	USD	—	1,941,595

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

Particulars	Currency	Amount in respective currency	
		March 31, 2008	March 31, 2007
Sundry Creditors	USD	5,170,151	1,896,989
Sundry Debtors	USD	3,342	7,046

12. 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 (As certified by the management):

Type of Machine	March 31, 2008		March 31, 2007	
	No. of Machines	Total Capacity (Impressions per hour)	No. of Machines	Total Capacity (Impressions per hour)
Cold Set Machines	52	1,686,000	49	1,584,000
Heat Set Machines	4	96,000	4	96,000

b) Actual Production and Sales

News paper	March 31, 2008 In Lacs of Copies	March 31, 2007 In Lacs of Copies
Production	13,450.64	11,979.77
Sales	13,127.95	11,748.80

c) Value of Import on CIF Basis

Particulars	March 31, 2008 Rs. In lacs	March 31, 2007 Rs. In lacs
Raw Material	9,595.79	11,503.42
Stores and Spares	112.08	—
Capital Goods	191.52	355.75

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

	March 31, 2008		March 31, 2007	
	Quantity In MT	Value Rs. In Lacs	Quantity In MT	Value Rs. In Lacs
Newsprint	130,677.96	33,653.24	114,691.88	32,713.04

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

	March 31, 2008		March 31, 2007	
	Value Rs. In Lacs	% of total Consumption	Value Rs. In Lacs	% of total Consumption.
i) Raw Materials				
Imported	14,797.40	43.97%	12,870.03	39.34%
Indigenous	18,855.84	56.03%	19,843.01	60.66%
Total	33,653.24	100.00%	32,713.04	100.00%
ii) Stores and Spares				
Imported	57.89	1.25%	—	—
Indigenous	4,579.07	98.75%	3,771.49	100.00%
Total	4,636.96	100.00%	3,771.49	100.00%

f) Earnings in foreign currency (on accrual basis)

Particulars	March 31, 2008 Rs. In Lacs	March 31, 2007 Rs. In Lacs
Advertisement Income	10.84	5.04

g) Expenditure in foreign currency (on accrual basis)

Particulars	March 31, 2008 Rs. In Lacs	March 31, 2007 Rs. In Lacs
Traveling	5.57	7.63
Conference Expense	—	7.72
Advertisement & Publicity	1.89	—
Others	8.38	3.73

h) Managerial Remuneration

Particulars	March 31, 2008 Rs. In Lacs	March 31, 2007 Rs. In Lacs
Salaries and Allowances	36.00	15.50
Key Man Insurance	—	5.72
Total	36.00	21.22

DB Corp Ltd

i) Auditors Remuneration

Particulars	March 31, 2008 Rs. In Lacs	March 31, 2007 Rs. In Lacs
For Statutory Audit	34.00	34.26
For Certification relating to IPO	81.74	-
For Tax Audit	2.24	2.25
Total	117.98	36.51

Out of above expenditure, Rs. 81.74 lacs is included in Share Issue Expenses and disclosed under the head 'Miscellaneous Expenditure' in the Balance Sheet.

13. 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, 2008	March 31, 2007	March 31, 2008	March 31, 2007
Synergy Media Entertainment Ltd.	43.65	—	226.26	—
I Media Corp Ltd.	—	36.62	170.42	36.62
All Season Events Pvt. Ltd.	0.95	—	0.95	—
Bhaskar Industries Ltd.	0.14	0.77	1.00	0.77
Bhaskar Multinet Ltd.	0.82	42.39	47.21	42.39
Bhaskar Exxoil Ltd.	0.04	1.99	1.99	1.99
Bhaskar Venktesh Products P Ltd.	22.90	42.82	78.99	42.82
Divya Prabhat Publication P Ltd.	—	4.31	4.31	4.31
Sharda Solvent Ltd.	—	1.23	1.79	1.23
DB Malls Pvt. Ltd.	0.89	—	0.89	—

(b) Loans, Advances and Deposits 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, 2008	March 31, 2007	March 31, 2008	March 31, 2007
Synergy Media Entertainment Ltd.	3,807.71	—	6,698.40	2,137.98
I Media Corp Ltd.	830.26	224.68	885.87	336.09
All Season Events Pvt. Ltd.	13.82	8.15	13.82	8.70
D B Partners Enterprises Pvt. Ltd.	4.36	—	4.56	—
Writers & Publishers Ltd.	5,884.10	13,590.56	13,643.14	13,828.23
R.C. Printer, Raipur	—	7.53	—	22.29
Bhaskar Multinet Ltd.	173.63	4.86	197.78	4.86
Bhaskar Exxoil Ltd.	0.36	0.34	1.19	2.27
Diligent Media Corp Ltd.	—	—	—	610.85
Stitex Global Ltd.	0.15	0.15	0.15	0.15
Divya Prabhat Publications P Ltd.	97.97	73.49	74.31	73.49
Bhaskar Infrastructure Ltd.	2.90	—	4.22	—
Bhaskar Publication & Allied Industries Pvt. Ltd.	378.29	—	927.50	—
Direct(OOH) Media Pvt. Ltd.	14.58	—	14.58	—

14. The Company has issued 166,651,212 (Previous year Nil) equity shares of Rs. 10 each fully paid up as bonus shares in the ratio of 78 bonus shares for every 1 share held on September 29, 2007 by capitalization of balance in General Reserve. As per Notified Accounting Standard 20 on 'Earning per share', the weighted average number of equity shares outstanding during the period and for all the periods presented are adjusted for issue of these bonus shares.

15. Earning Per Share

Particulars	March 31, 2008	March 31, 2007
i) Profit for the Year (Rs.)	1,013,984,758	597,893,087
ii) Weighted average number of Equity Shares outstanding for Basic EPS	168,787,766	168,787,450
iii) Basic Earnings per share (Rs.)	6.01	3.54
iv) Weighted average number of Equity Shares outstanding for Basic EPS	168,787,766	168,787,450
v) On account of issue of shares held in suspense	1,839	2,155
vi) On account of Conversion of preference shares	-	-
vii) Weighted average number of Equity Shares outstanding for Diluted EPS	168,789,605	168,789,605
viii) Diluted Earnings per share (Rs.)	6.01	3.54
ix) Nominal value of shares (Rs.)	10.00	10.00

16. Employee Benefits

A- Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

B- Leave Encashment

In accordance with leave policy, the company has provided for leave entitlement on the basis of actuarial valuation carried out at the end of the year.

Adoption of revised AS 15

During the period, the Company has accounted the liability in respect of employee benefits, viz., Gratuity and Leave Encashment in accordance with the revised Accounting Standard 15 - Employee Benefits, which became applicable from April 1, 2007. In accordance with the transitional provisions of the revised Accounting Standard, the incremental liability [net of deferred tax effect of Rs. 1,055,908] for the period upto March 31, 2007 of Rs. 2,050,616 has been debited to General Reserve.

The Current year being the first year of adoption of AS 15 (Revised) by the Company, the previous year comparative information has not been furnished.

The following tables summarise the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan.

Profit and Loss Account:

Net Employee benefit expense (recognized in Employee Cost)

Particulars	March 31, 2008 Gratuity Rs.
Current service cost	11,128,711
Interest cost on benefit obligation	1,942,409
Expected return on plan assets	(452,782)
Net actuarial (gain) / loss recognized in the year	4,556,133
Past service cost	—
Net benefit expense	17,174,472
Actual return on plan assets	761,469

DB Corp Ltd

Balance Sheet

Details of Provision

Particulars	March 31, 2008 Gratuity Rs.
Benefit obligation	40,363,900
Fair value of plan assets	28,569,088
	11,794,812
Less: Unrecognised past service cost	—
Plan asset / (liability)	(11,794,812)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2008 Gratuity Rs.
Opening benefit obligation/net liability	24,280,112
Interest cost	1,942,409
Current service cost	11,128,711
Benefits paid	(1,852,153)
Actuarial (gains) / losses on obligation	4,864,820
Closing benefit obligation	40,363,900

Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2008 Gratuity Rs.
Opening fair value of plan assets	5,659,772
Expected return	452,789
Contributions by employer	24,000,000
Benefits paid	(1,852,153)
Actuarial gains / (losses) on plan assets	308,687
Closing fair value of plan assets	28,569,088
Actuarial gains / (losses) to be recognized	(4,556,133)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2008 Gratuity %
Investments with insurer	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2008 Gratuity
Discount rate	8%
Expected rate of return on assets	8%
Employee turnover	1% at each age

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

17. Employee Stock Option Scheme 2007

The Company has instituted an ESOP Scheme during the period which was approved by the shareholders vide their resolution dated November 30, 2007. The Board of Directors of the Company has granted 700,000 stock options to its employees pursuant to the ESOP Scheme on December 1, 2007. Each option entitles an employee to subscribe to 1 equity share of the Company at an exercise price of Rs. 275 per share.

The options vest over a period not earlier than 16 months and not later than 64 months from the date of grant and are exercisable for a period of 3 years from vesting as described below:

Vesting Date (1)	No of Options that will vest (2)	Exercise Period (3)	Intrinsic Value (Rs) (4)	Fair Value (Rs) (5)
April 1, 2009	140,000	01.04.09 to 31.03.12	Nil	46.17
April 1, 2010	140,000	01.04.10 to 31.03.13	Nil	61.76
April 1, 2011	140,000	01.04.11 to 31.03.14	Nil	76.75
April 1, 2012	140,000	01.04.12 to 31.03.15	Nil	91.20
April 1, 2013	140,000	01.04.13 to 31.03.16	Nil	104.94
	700,000			

The Company being an unlisted company, the intrinsic value is determined on the basis of an independent valuer by following the Price to Price Earning Value method. The fair value of the equity share as determined by the independent valuer is Rs. 270 per share. As the fair value is less than the exercise price of the option, the intrinsic value is Rs. Nil.

Under the intrinsic value method of accounting, compensation expense is recorded over the vesting period of the option if the fair value of the underlying stock exceeds the exercise price at the measurement date, which typically is the grant date.

The fair value of options was determined using the Black-Scholes Option Pricing Model with the following assumptions:

a. Risk Free Interest Rate

April 1, 2009	7.53%
April 1, 2010	7.52%
April 1, 2011	7.57%
April 1, 2012	7.65%
April 1, 2013	7.75%

- b. Expected Dividend yield 0%
- c. Expected life of the option 1.33 to 5.66 years
- d. Expected Volatility of Share price..... 0%

Accordingly, as the intrinsic value being Rs. Nil, no accrual is made towards compensation cost in the current financial statements.

Particulars of options as at March 31, 2008 are given below

Particulars	Amount in Rs. 31-March-08	
	No. of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	-	-
Options granted	700,000	275
Exercised during the year	-	-
No. of Options Lapsed	-	-
Outstanding at the end of the year	700,000	275
Exercisable at the end of the year	-	-
Weighted average remaining contractual life (in years)	2.67	
Weighted average fair value of the options granted	76.16	

DB Corp Ltd

Details of exercise price for stock Options outstanding at the end of the year are:

As at	Range of Exercise Price (Rs.)	No. of Options Outstanding
31-March-08	275	700,000

There were no options which were forfeited or expired during the period. Further, none of the 700,000 options granted are exercisable at March 31, 2008.

Had compensation cost been determined in accordance with the fair value approach described in the Guidance Note, the Company's net profit for the year ended March 31, 2008 as reported would have changed to amounts indicated below:

Particulars	Rs.
Net Profit for the year as reported	1,013,984,758
Add: Stock based compensation expense under intrinsic value method	-
Less: Stock based compensation expenses determined using fair value of options	13,328,000
Net profit for the year (adjusted)	1,000,656,758
Basic earnings per share as reported	6.01
Basic earnings per share (adjusted)	5.93
Diluted earnings per share as reported	6.01
Diluted earnings per share (adjusted)	5.93
Weighted average number of shares considered for diluted earnings per share (adjusted)	168,789,605

18. Share Issue Expenses

During the year the Company has incurred Rs. 33,136,361 in connection with the proposed public issue of its equity shares. This amount shall be adjusted against security premium arising from the proposed issue of equity shares, as permitted under section 78 of the Companies Act, 1956. This amount has been carried forward and disclosed separately under the head 'Miscellaneous Expenditure' in the Balance Sheet.

19. Segment Information

As stated in paragraph 4 of Notified Accounting Standard 17 – Segment Reporting, the Company has disclosed segment information in its Consolidated Financial Statements and hence it is not disclosed in these financial statements.

20. Fixed Deposits

Cash and Bank includes Fixed Deposits having maturity period of more than three months amounting Rs. 249,460,921 (Previous year Rs. 22,928,617).

21. Investments

- a) The Company has invested Rs. 700,000,000 in Synergy Media Entertainment Limited ['SMEL'] and Rs. 5,775,000 in I Media Corp Limited ['IMCL'], which are subsidiary companies. The Company has also given loans / advances amounting to Rs. 380,770,560/- to SMEL and Rs. 83,026,423/- to IMCL. The said investments are of a long term strategic nature. Both these companies are in start up stage and have not fully commenced commercial operations and have accumulated losses (as per their latest audited financial statements) aggregating to Rs. 313,088,886 and Rs. 70,184,480 respectively. These being long term and strategic investments and also in view of the projected profitable operations of these companies, the management is of the view that there is no diminution other than temporary in the value of these investments and also that these loans are fully recoverable.
- b) Synergy Media Entertainment Limited ('SMEL') has issued 17,255,000 equity shares of Rs. 10/- each on November 13, 2007 to Bhaskar Infrastructure Limited. As a result, the Company's stake in SMEL has reduced from 99.69% to 56.82%. SMEL has also executed the Share Subscription and Shareholders' Agreement on December 5, 2007 with Cliffrose Investment Limited ['CIL'] pursuant to which SMEL shall issue and allot 1,326,500 equity shares at a minimum price of Rs.11.50 per share aggregating to minimum of Rs. 15,254,750. SMEL has not issued these shares as at March 31, 2008.
- c) **Dwarkas Gems Ltd., CHD Developers Ltd. and Ajcon Global Services Ltd.**

As a part of the growth plan for enhancing the advertisement revenue of the Company, in the long term and in order to encourage potential customers, the Company has strategically entered into an arrangements with

Dwarkas Gems Ltd., CHD Developers Ltd., and Ajcon Global Services Ltd., by investing in the securities of these parties. By these arrangements, the said parties would offer their advertisements the Company's newspapers periodically, for a term not exceeding three years, and the Company would also generate long term return on the investments made by the Company.

22. Minimum Alternate Tax (MAT)

The Company had recognized Rs. 73,000,000 as MAT Credit Asset during the year ended March 31, 2007, which represented that portion of MAT liability, which can be recovered, based on the provisions of Section 115JAA of the Income Tax Act, 1961. The Company has sufficient taxable income for the year ended March 31, 2008, which will enable the Company to utilize MAT Credit Asset. Accordingly the MAT Credit Asset has been availed during the year ended March 31, 2008.

During the previous year, the Company was liable to pay Income Tax under the provisions of Section 115JB of the Income-Tax Act, 1961. Deferred Tax as provided for in the books of account, pursuant to Accounting Standard 22 issued by the Institute of Chartered Accountants of India, had been considered as an admissible deduction from net profit for determining Book Profit under Section 115JB (2) of the Income-Tax Act, 1961. However, the same had no impact on the Profit and Loss Account for the year ended March 31, 2007.

23. Additions to fixed assets include preoperative expenses given below:

Particulars	31-Mar-08 Rs.	31-Mar-07 Rs.
Opening Balance of Pre - Operative Expenses	—	341,618
Expenditure during the year :		
Raw Material Consumed	1,180,244	—
Operating Expenditure	2,371,218	1,469,111
Employee Cost	10,023,455	7,108,965
Other Indirect Expenditures	7,227,675	31,112,094
Bank Charges	67,519	83,171
Interest and Financial Charges	4,477,319	—
Total	25,347,430	40,114,959
Total Pre – Operative expenses (Net)	25,347,430	40,456,577
Less:- Capitalized	25,347,430	40,456,577
Closing Balance of Pre- Operative Expenses	—	—

24. Salaries, Wages and Bonus include Sitting fees paid to Directors Rs. 160,000. (Previous Year Nil)

25. 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.

26. Previous Year comparatives

Previous years 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

Per Amit Majmudar
Partner
Membership No. 36656

Mumbai
June 27, 2008

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin Gupta
Partner
Membership No. 75030

For and on behalf of the Board of
Director of D B Corp Limited

Managing Director **Director**

Company Secretary

DB Corp Ltd

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No.	47208	State Code	4
Balance Sheet Date	31.03.2008	Date of Incorporation	27.10.1995

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

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	1666512	Private Placement	Nil

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

Total Liabilities	7,635,689	Total Assets	7,635,689
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Sources of Funds :

Paid up Capital	1,687,994	Reserves & Surplus	957,861
Secured Loans	2,820,492	Unsecured Loans	208,131
Deferred Tax Liability	338,011		

Application of Funds :

Net Fixed Assets	2,634,777	Investments	7,73,441
Net Current Assets	2,571,134	Misc. Expenses	33,136
Accumulated Losses	Nil		

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

Turnover (include other income)	8,505,888	Total Expenditure	6,864,444
Profit / (Loss) Before Tax	1,641,443	Profit / (Loss) After Tax	1,013,984
Earning per Share in Rs.	6.01	Dividend Rate %	5

V. Generic Name of Principal Product / Service of Company

Item Code No.(ITC Code)	NA
Product Description	NA

For and on behalf of the Board

Mumbai
June 27, 2008

Managing Director Director

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

Name(s) of the Subsidiary Companies	Synergy Media Entertainment Limited	I Media Corp Limited	All Season Events Private Limited	DB Partners Enterprises Pvt. Ltd.
(A) The "Financial Year" of the Subsidiary Companies	31st March, 2008	31st March, 2008	31st March, 2008	31st March, 2008
(B) Shares of the subsidiary held by DB Corp Limited on the above dates:				
i) Number and face value	22800000 Equity Shares of Rs. 10/- each	577500 Equity shares of Rs. 10/- each	5500 Equity Shares of Rs. 10/- each	10000 Equity Shares of Rs. 10/- each
ii) Extent of holding	56.82%	55%	55%	100%
(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 Financial year 31st March, 2008				
(i) For the Subsidiaries' financial year as in (A) Above	Rs. (16.01) Crores (NOTE A)	Rs. (5.24) Crores (NOTE B)	Rs. (0.03) Crores (NOTE C)	Rs. (0.03) Crores (NOTE D)
(ii) For the Previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries	Rs. (3.12) Crores	Rs. (0.586) Crores**	Rs. (0.0102) Crores***	N.A.*
(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	NIL
(ii) For the Previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries	NIL	NIL	NIL	NIL

For and on behalf of the Board

(Director) (Director)

* DB Partners Enterprises Pvt. Ltd. has become the subsidiary w.e.f. 25/09/2007

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

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

DB Corp Ltd

<p>NOTES</p>	<p>A: Synergy Media Entertainment Limited Net Profit/(Loss) for the year ended on 31/03/2008 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>Rs. (281781765) Rs. (281781765)*56.82% Rs. (160108399) Rs. (16.01) Crores</p>	<p>56.82%</p>
	<p>B: I Media Corp Limited Net Profit/(Loss) for the year ended on 31/03/2008 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>Rs. (52417093) Rs. (52417093) Rs. (5.24) Crores</p>	<p>55.00%</p>
	<p>C: All Season Events Private Limited Net Profit/(Loss) for the year ended on 31/03/2008 DB Corp Limited extent of holding All Season Events Private Limited has become the subsidiary w.e.f. 25/09/2007 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>Rs. (265739) Rs. (265739) Rs. (0.03) Crores</p>	<p>55.00%</p>
	<p>D: DB Partners Enterprises Pvt. Ltd. Net Profit/(Loss) from 23/07/2007 to 31/03/2008 i.e. for 8 months APPROX. 23/07/2007 is the date of incorporation of All Season Events Private Limited 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>Rs. (335640) Rs. (335640)*100% Rs. (0.03) Crores</p>	<p>100.00%</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, 2008, 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 statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standard 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. S.R. Batliboi & Associates did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 14,758.54 lacs as at March 31, 2008, the total revenue of Rs. 1,755.22 lacs and cash flows amounting to Rs. 208.07 lacs for the year then ended. These financial statements 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, 2008;
 - (b) in the case of the consolidated profit and loss account, of the profits 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 of the DBCL Group for the year ended on that date.

For S. R. Batliboi & Associates
Chartered Accountants**Per Amit Majmudar**
Partner
Membership No. 36656Mumbai
jUNE 27, 2008**For Gupta Navin K. & Co.**
Chartered Accountants**Per Navin Gupta**
Partner
Membership No. 75030

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

	Schedules	As At March 31, 2008 Rs.	As At March 31, 2007 Rs.
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	1,687,994,250	21,465,750
Reserves and Surplus	2	509,703,545	1,654,905,607
		<u>2,197,697,795</u>	<u>1,676,371,357</u>
Loan Funds			
Secured Loans	3	3,228,045,659	3,590,992,977
Unsecured Loans	4	208,131,407	186,200,817
		<u>3,436,177,066</u>	<u>3,777,193,794</u>
Deferred Tax Liability (Net)			
Minority Interest (Refer Note 25 in Schedule 22)	5	346,265,295	277,362,240
		<u>241,863,966</u>	<u>2,015,891</u>
		<u>6,222,004,122</u>	<u>5,732,943,282</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	4,035,191,544	2,875,926,289
Less : Accumulated Depreciation / Amortisation		650,524,696	430,537,390
Net Block		<u>3,384,666,848</u>	<u>2,445,388,899</u>
Capital Work-in-progress (including Capital Advances)		<u>238,429,107</u>	<u>318,740,857</u>
		<u>3,623,095,955</u>	<u>2,764,129,756</u>
Investments			
	7	67,511,000	11,000
Current Assets, Loans and Advances			
Inventories	8	671,317,878	634,308,940
Sundry Debtors	9	1,754,914,806	1,468,038,292
Cash and Bank Balances	10	808,223,971	198,911,837
Loans and Advances	11	977,674,547	1,749,119,154
		<u>4,212,131,202</u>	<u>4,050,378,223</u>
Less : Current Liabilities and Provisions			
Current Liabilities	12	1,372,362,202	996,505,110
Provisions	13	341,508,194	95,705,326
		<u>1,713,870,396</u>	<u>1,092,210,436</u>
Net Current Assets		<u>2,498,260,806</u>	<u>2,958,167,787</u>
Miscellaneous Expenditure	14	33,136,361	10,634,739
(to the extent not written off or adjusted)			
		<u>6,222,004,122</u>	<u>5,732,943,282</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
June 27, 2008

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin Gupta
Partner
Membership No. 75030

For and on behalf of the Board

Managing Director Director

Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	Schedules	For the Year Ended March 31, 2008 Rs.	For the Year Ended March 31, 2007 Rs.
INCOME			
Sales	15	1,958,957,455	1,741,455,088
Income from Event Management		57,096,471	40,836,076
Advertisement Income		6,490,135,915	4,882,000,015
Other Income	16	120,760,296	89,632,375
		<u>8,626,950,137</u>	<u>6,753,923,554</u>
EXPENDITURE			
Raw Material Consumed	17	3,365,323,590	3,271,304,225
Printed Magazines Purchase		493,424	17,652,484
(Increase) / Decrease in Stock of Finished Goods		(913,374)	-
Event Expenses		42,313,202	31,243,464
Operating Expenses	18	1,216,358,966	932,813,246
Personnel Expenses	19	910,692,400	538,772,952
Administration, Selling and Other Expenses	20	1,263,343,474	1,015,951,285
Financial Expenses	21	280,866,234	205,819,853
Depreciation /Amortisation		220,416,859	119,576,234
		<u>7,298,894,775</u>	<u>6,133,133,743</u>
Profit Before Taxation and Prior Period Items		1,328,055,362	620,789,811
Tax Expenses			
Provision for Current Tax		530,000,000	80,000,000
MAT Credit Entitlement		-	(73,000,000)
Deferred Tax Charge		69,958,963	29,892,058
Provision for Fringe Benefit Tax		30,314,202	25,741,131
Provision for tax of earlier years		-	17,651,371
		<u>630,273,165</u>	<u>80,284,560</u>
Profit After Tax Before Prior Period Items		697,782,197	540,505,251
Prior Period Expenditure (Refer Note 17 of Schedule 22)		8,369,368	3,798,169
Profit for the Year Before Minority Interest		689,412,829	536,707,082
Minority Interest in the losses of Subsidiaries		61,140,585	4,898,901
Profit for the Year		750,553,414	541,605,983
Balance brought forward from previous year		206,728,603	17,622,282
		<u>957,282,017</u>	<u>559,228,265</u>
Less: Loss on deemed disposal of share in subsidiary (Refer Note 25 of Schedule 22)		128,438,660	-
Profit available for appropriation		828,843,357	559,228,265
Appropriation:			
Proposed Dividend		84,394,803	2,136,554
Corporate Dividend Tax		14,342,897	363,108
Transfer to General Reserve		700,000,000	350,000,000
		<u>798,737,700</u>	<u>352,499,662</u>
Balance carried to Balance Sheet		30,105,657	206,728,603
Earning Per Share			
Basic Earning Per Share		4.45	3.20
Weighted Average No.of Shares (Refer Note 21 of schedule 22)		168,787,766.00	168,787,450.00
Diluted Earning Per Share		4.45	3.20
Weighted Average No.of Shares (Refer Note 21 of schedule 22)		168,789,605	168,789,605
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****For Gupta Navin K. & Co.
Chartered Accountants****For and on behalf of the Board****Per Amit Majmudar
Partner****Per Navin Gupta
Partner****Managing Director****Director**

Membership No. 36656

Membership No. 75030

Company SecretaaryMumbai
June 27, 2008

DB Corp Ltd

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

	As At March 31, 2008 Rs.	As At March 31, 2007 Rs.
Schedule 1		
SHARE CAPITAL :		
Authorised :		
249,000,000 (Previous Year 9,000,000) Equity Shares of Rs. 10/- each	2,490,000,000	90,000,000
1,000 (Previous Year 1000), 0%, Redeemable Preference Share of Rs. 10,000/- each	10,000,000	10,000,000
	<u>2,500,000,000</u>	<u>100,000,000</u>
Issued, Subscribed & Paid up :		
168,787,766 (Previous Year 2,136,550) Equity Shares of Rs.10/-each fully paid up	1,687,877,660	21,365,500
1 (Previous year Nil) 0 % Preference Share of Rs. 10,000/-each (Of the above.166,651,212 (Previous Year Nil) Equity shares of Rs. 10/- each fully paid up has been issued as bonus shares in the ratio of 78 :1 on September 29, 2007 by capitalisation of balance in General Reserve)	10,000	
Share Suspense Account (Refere Note 7 of Schedule 22)		
1,839 (Previous Year 25) Equity Shares of Rs. 10/- each (Out of which 1,638 (Previous Year Nil) shares are to be issued as bonus shares and 180 (Previous year Nil) shares are to be issued at premium of Rs. 490/ each	106,590	250
Nil (Previous Year 10) Preference Shares of Rs. 10,000/- each to be issued as per the Scheme of Arrangement.	-	100,000
Note:		
a) Of the above shares, 2,136,554 (previous year 2,136,550) Equity shares are issued for a consideration other than cash		
b) 1 Preference shares of Rs. 10,000/- (previous year Nil) has been issued for consideration other than cash		
c) Preference Shares are redeemable at par five years from the date of issue		
d) For Employee Stock Option Scheme, (Refer Note 23 of Schedule 22)		
	<u>1,687,994,250</u>	<u>21,465,750</u>
Schedule 2		
RESERVES AND SURPLUS:		
General Reserve		
As per last Balance Sheet	1,448,177,004	1,098,177,004
Less: Leave Encashment Liability prior to March 31 2007 (Net of Deferred Tax Rs.1,055,908) as per Revised AS 15	2,050,616	-
Add : Transferred from Profit and Loss Account	700,000,000	350,000,000
Less: Bonus Shares Issued	1,666,528,500	-
	<u>479,597,888</u>	<u>1,448,177,004</u>
Profit and Loss Account	<u>30,105,657</u>	<u>206,728,603</u>
	<u>509,703,545</u>	<u>1,654,905,607</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

	As At March 31, 2008 Rs.	As At March 31, 2007 Rs.
Schedule 3		
SECURED LOANS :		
Term Loans		
- Rupee Loans from Banks	1,868,405,018	1,643,375,430
- From Financial Institution	699,999,990	1,011,111,105
Cash Credit Facility from Banks (For Security Refer Note 10 of Schedule 22)	659,640,651	936,506,442
	<u>3,228,045,659</u>	<u>3,590,992,977</u>
Schedule 4		
UNSECURED LOANS :		
Short Term		
Security Deposits from Agents	208,131,407	186,200,817
	<u>208,131,407</u>	<u>186,200,817</u>
Schedule 5		
DEFERRED TAX LIABILITY (NET) :		
Deferred Tax Liability		
Depreciation	368,194,876	309,906,146
	<u>368,194,876</u>	<u>309,906,146</u>
Deferred Tax Asset		
Provision for Doubtful Debts / Advances	10,964,545	24,048,727
Provision for Gratuity and Leave Encashment	9,811,085	7,341,228
Others	1,153,951	1,153,951
	<u>21,929,581</u>	<u>32,543,906</u>
Deferred Tax Liability (Net)	<u>346,265,295</u>	<u>277,362,240</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008
Schedule 6
FIXED ASSETS :

Assets	Gross Block				Accumulated Depreciation				Net Block			
	As At 01.04.2007	Assets Acquired on Demerger*	Additions During The Year**	Deductions During The Year	As At 31.03.2008	Up To 01.04.2007	On Assets Acquired	For The Year	On Deductions	Up To 31.03.2008	As At 31-03-2008	As At 31.03.2007
Tangible Assets												
Land - Freehold	-	-	37,737,900	-	37,737,900	-	-	-	-	-	37,737,900	-
Building	113,058,234	-	88,718,708	127,400	201,649,542	1,387,582	-	4,537,089	3,101	5,921,570	195,727,972	111,670,652
Leasehold	-	-	4,865,550	-	4,865,550	-	-	7,315	-	7,315	4,858,235	-
Improvements	1,699,282,140	-	740,734,394	1,485,003	2,438,531,531	242,278,445	-	112,261,496	(22,766)	354,562,707	2,083,968,824	1,457,003,695
Machinery												
Office Equipments	87,167,565	-	24,564,739	85,602	111,646,702	15,613,848	-	5,280,362	2,388	20,891,822	90,754,880	71,553,717
Vehicles	20,334,147	-	2,400,169	25,792	22,708,524	10,882,063	-	1,962,403	15,310	12,829,156	9,879,368	9,452,084
Furniture and Fixtures	102,097,165	-	84,886,873	-	186,984,038	20,043,336	-	11,174,495	-	31,217,831	155,766,207	82,053,829
Fans and Coolers	76,018,658	-	61,790,969	-	137,809,627	9,296,861	-	5,889,681	-	15,186,542	122,623,085	66,721,797
Computers	213,316,124	-	70,960,535	554,050	283,722,609	119,270,604	-	30,751,235	89,410	149,932,429	133,790,180	94,045,520
D.G. Set	25,396,947	-	18,903,615	-	44,300,562	2,277,647	-	1,536,924	-	3,814,571	40,485,991	23,119,300
Intangible Assets												
Computer Software	-	-	25,979,650	-	25,979,650	-	-	3,428,155	-	3,428,155	22,551,495	-
Goodwill	25,609,517	-	-	-	25,609,517	2,696,618	-	5,223,796	-	7,920,414	17,689,103	22,912,899
Goodwill on Consolidation ***	1,444,792	-	-	-	1,444,792	288,958	-	663,261	-	952,219	492,573	1,155,834
One Time License Fees	512,201,000	-	-	-	512,201,000	6,501,428	-	37,700,647	342,110	43,859,965	468,341,035	505,699,572
Total	2,875,926,289	-	1,161,543,102	2,277,847	4,035,191,544	430,537,390	-	220,416,859	429,553	650,524,696	3,384,666,848	2,445,388,899
Capital Work-in- progress (including Capital Advances)	318,740,857	-	474,007,867	554,319,617	238,429,107	-	-	-	-	-	238,429,107	318,740,857
Previous year	2,353,315,701	1,204,637	1,113,012,045	272,865,237	3,194,667,146	311,277,313	-	119,576,234	316,157	430,537,390	2,764,129,756	2,764,129,756

* Refer Note 7 of Schedule 22

** Refer Note 8 & 26 of Schedule 22

*** Refer Note 5 of Schedule 22

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

	As At March 31, 2008 Rs.	As At March 31, 2007 Rs.
Schedule 7		
INVESTMENTS :		
Long Term Investments (As cost) - Unquoted and Non Trade		
100 (Previous year 100) Fully paid up Equity Shares of Rs 100/- each of United News of India	10,000	10,000
10 (Previous year 10) Fully paid up Equity Shares of 100/- each of Press Trust of India	1,000	1,000
100,000 (Previous Year Nil) Equity Share of Rs 10/-each fully paid up at a Premium of Rs 140/-per share of Dwarkas Gems Limited (Refer Note 19 of Schedule 22)	15,000,000	-
	<u>15,011,000</u>	<u>11,000</u>
B. Long Term Investments (At cost) - Quoted		
750,000 (Previous Year Nil) Equity Shares of Rs.2/- each fully paid up at a Premium of Rs 38/- per share of CHD Developers Ltd. (Market Value as on March 31, 2008 Rs.5,490,000/-) (Refer Note 19 of Schedule 22)	30,000,000	-
300,000 (Previous Year Nil) Equity Shares of Rs. 10/- each fully paid up at a premium of Rs. 65/- per share of Ajcon Global Services Ltd. (Market Value as on March 31, 2008 Rs.10,912,500/-) (Refer Note 19 of Schedule 22)	22,500,000	-
Aggregate Market Value as on March 31, 2008 Rs. 16,402,500	<u>52,500,000</u>	<u>-</u>
	<u>67,511,000</u>	<u>11,000</u>
Schedule 8		
INVENTORIES :		
Raw Material - News Prints (Including Stock in transit Rs. 120,399,947) (Previous Year Nil)	607,012,215	583,505,376
Non news print Wastage	-	628,037
Stores and Spares	49,421,527	36,019,620
Magazines	985,687	72,313
Gifts / Promotional Products	13,898,449	14,083,594
	<u>671,317,878</u>	<u>634,308,940</u>
Schedule 9		
SUNDRY DEBTORS : (Refer Note 16(a) of Schedule 22) (Unsecured)		
Debts outstanding for a period exceeding six months :		
- Considered Good	126,772,919	169,123,006
- Considered Doubtful	21,503,244	68,479,558
	<u>148,276,163</u>	<u>237,602,564</u>
Others Debts :		
- Considered Good	1,628,960,237	1,298,915,286
	<u>1,777,236,400</u>	<u>1,536,517,850</u>
Less : Provision for Doubtful Debts	22,321,594	68,479,558
	<u>1,754,914,806</u>	<u>1,468,038,292</u>

DB Corp Ltd

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

	As At March 31, 2008 Rs.	As At March 31, 2007 Rs.
Schedule 10		
CASH AND BANK BALANCES :		
Cash on Hand	9,767,021	10,331,505
Cheques on Hand	106,836,068	53,271,868
Balances with Scheduled Banks		
On Current Accounts	235,100,909	105,533,844
On Fixed Deposit Account	456,519,973	29,774,620
	808,223,971	198,911,837
Schedule 11		
LOANS AND ADVANCES:		
(Unsecured, Considered good unless otherwise stated)		
Interest accrued	7,930,313	4,256,591
Loans and Advances to Employees	25,360,026	14,694,334
Advances recoverable in cash or kind or for value to be received (Refer Note 16(b) of Schedule 22)		
- Considered Good	274,916,949	233,228,057
- Considered Doubtful	11,065,688	2,272,803
Inter Corporate Deposit	582,393,005	719,696,133
Deposit with Government Authorities	44,444,426	39,255,228
Security Deposit against Lease of Properties	-	639,359,545
Deposit with Others	33,486,367	20,352,940
Balance with Excise Authorities	9,143,461	5,276,326
MAT Credit Entitlement (Refer Note 22 of Schedule 22)	-	73,000,000
	988,740,235	1,751,391,957
Less : Provision for Doubtful Loans and Advances	11,065,688	2,272,803
	977,674,547	1,749,119,154
Schedule 12		
CURRENT LIABILITIES :		
Sundry Creditors (Refer Note 27 of Schedule 22)	1,144,106,684	956,621,428
Advances from Customers	185,802,284	16,192,461
Interest Accrued but not due on loans	392,819	498,630
Other Liabilities	42,060,415	23,192,591
	1,372,362,202	996,505,110
Schedule 13		
PROVISIONS :		
Provision for Tax (Net of advance tax and TDS Rs.465,579,042) (Previous Year Rs.162,381,425)	282,014,950	56,318,294
Less:- MAT Credit Entitlement availed (Refer Note 22 of Schedule 22)	73,000,000	-
	209,014,950	56,318,294
Provision for Fringe Benefit Tax (Net of Advance FBT of Rs. 61,301,307/-) (Previous Year Rs.19,524,383/-)	4,890,921	15,289,173
Provision for Gratuity	11,794,812	18,626,445
Provision for Leave Encashment	17,069,811	2,971,752
Proposed Dividend	84,394,803	2,136,554
Tax on Proposed Dividend	14,342,897	363,108
	341,508,194	95,705,326

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	For the Year Ended March 31, 2008 Rs.	For the Year Ended March 31, 2007 Rs.
Schedule 14		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenses		
Opening Balance	10,634,739	21,433,238
Less : Written Off during the year	10,634,739	10,798,499
	-	10,634,739
Share Issue Expenses (Refer Note 24 in Schedule 22)	33,136,361	-
	<u>33,136,361</u>	<u>10,634,739</u>
Schedule 15		
SALES :		
Sale of Newspaper	1,782,007,809	1,623,294,501
Wastage Sale	104,987,677	86,306,523
Sale of Power	15,887,502	5,402,693
Sale of Magazine	42,243,162	24,742,583
Sales Portal and SMS	13,831,305	1,708,788
	<u>1,958,957,455</u>	<u>1,741,455,088</u>
Schedule 16		
OTHER INCOME :		
Printing Job Charges	70,397,134	58,991,891
Rent received	718,275	1,665,450
Excess Liability / Provision written back	2,715,261	8,415,305
Exchange Gain (Net)	26,195,614	4,152,393
Miscellaneous Income	20,734,012	16,407,336
	<u>120,760,296</u>	<u>89,632,375</u>
Schedule 17		
RAW MATERIAL CONSUMED:		
News Print Paper		
Opening Inventories	583,505,375	537,125,867
Add: Purchase during the year	3,388,830,430	3,317,683,733
	3,972,335,805	3,854,809,600
Less: Closing Inventories	607,012,215	583,505,375
	<u>3,365,323,590</u>	<u>3,271,304,225</u>

DB Corp Ltd

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	For the Year Ended March 31, 2008 Rs.	For the Year Ended March 31, 2007 Rs.
Schedule 18		
OPERATING EXPENSES :		
Consumption of Stores and Spares	463,696,076	377,149,422
Printing Job Work Expenses	160,765,955	146,899,975
News Collection Expenses	241,941,519	212,310,243
Binding Expenses	31,506,342	21,972,046
Electricity, Power and Water Charges	125,869,064	101,811,252
Repairs and Maintenance - Machinery	70,906,257	45,855,008
License Fees	21,549,248	9,897,910
Tower Rent and Other Operating Rental	13,643,107	2,676,817
Portal Expenses	8,577,267	1,034,943
Other Operating Expenses	77,904,131	13,205,630
	1,216,358,966	932,813,246
Schedule 19		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	824,108,810	482,990,362
Contribution to Provident Fund and Other Funds	39,675,695	21,506,941
Workmen and Staff Welfare Expenses	46,907,895	34,275,649
	910,692,400	538,772,952
Schedule 20		
ADMINISTRATION, SELLING AND OTHER EXPENSES :		
Electricity Expenses	16,613,677	5,173,767
Rent	56,648,201	40,460,886
Rates and Taxes	15,371,011	3,749,120
Insurance	5,816,943	6,984,627
Repairs and Maintenance		
- Buildings	11,986,028	5,937,319
- Others	18,836,382	11,679,702
Legal and Professional Charges	60,813,287	43,730,751
Advertisement and Publicity	194,978,773	163,320,103
Distribution Expenses	207,773,530	114,934,384
Business Promotion	211,636,657	284,650,048
Survey Expenses	123,919,590	95,915,862
Postage and Telegram	7,177,872	6,476,748
Telephone Expenses	35,382,587	29,335,672
Printing and Stationery	19,872,347	13,552,055
Traveling Expenses	90,197,625	52,898,537
Conveyance Expenses	14,330,612	5,429,289
Vehicle Running and Maintenance	20,328,649	11,942,926

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	For the Year Ended March 31, 2008 Rs.	For the Year Ended March 31, 2007 Rs.
Schedule 20		
ADMINISTRATION, SELLING AND OTHER EXPENSES : (Cont..)		
Auditors Remuneration	4,333,810	3,579,980
Loss on Sale of Assets (Net)	9,166	224,720
Bad Debts Written Off	119,677,562	
Less: Out of the Provisions of earlier years	<u>68,479,558</u>	-
Sundry Balances Written off	644,870	173,890
Provision for Doubtful Debts	22,321,594	68,479,558
Provision for Doubtful Advances	8,792,885	2,272,803
Miscellaneous Expenditure written off	10,634,739	10,798,499
Royalty	1,025,000	525,000
Sundry Office Expenses	52,699,635	33,725,039
	<u>1,263,343,474</u>	<u>1,015,951,285</u>
Schedule 21		
FINANCIAL EXPENSES :		
FINANCIAL EXPENSES :		
Interest Expenses	384,167,249	262,016,381
Less : Interest Income (TDS Deducted Rs.31,695,585 /-)	116,293,377	75,999,529
(Previous Year Rs. 17,926,304 /-)	<u>267,873,872</u>	186,016,852
Exchange Loss / (Gain) on Foreign Currency Loan (Net)	-	8,329,334
Bank Charges	12,992,362	11,473,667
	<u>280,866,234</u>	<u>205,819,853</u>

DB Corp Ltd

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2008**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 daily, monthly magazines, 'Aha Zindagi', 'Bal Bhaskar', other magazines. It derives revenue from the sale of these publications, advertisements published therein and by undertaking printing jobs. The Group is also in the business of 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 notified Accounting Standard 21 (AS 21) – "Consolidated Financial Statements" as per Companies Accounting Standard Rules, 2006.

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

Name	Country of Incorporation	Percentage of Ownership interest as at March 31, 2008
Subsidiary Companies:		
1. Synergy Media Entertainment Limited	India	56.82%
2. I Media Corp Limited	India	55%
3. All Seasons Events Private Limited	India	55%
4. D B Partners Enterprises Private Limited	India	100%

b) Principles of consolidation:

The consolidated financial statements have been prepared using uniform accounting policies and 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 unless cost cannot be recovered.
 - 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 Notified Accounting Standards by Companies Accounting Standards Rules, 2006 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 Group and except for change 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. 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 and impairment losses, if any. 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.

Leasehold Improvement is amortized over period of 10 years.

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 commencing from the date on which the radio station becomes operational.

Computer Software

Computer Software, being the cost of ERP License and Installation, is amortised 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 in the profit and loss account.

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, if any, 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 weighted average 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
Magazine	Lower of cost and net realizable value.
Gift/Promotional Products	At net realizable value
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.

Revenue from Sales Portal and SMS

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

Sale of power

Revenue from generation of power in the Wind Energy Unit of the Company is accounted on the basis of billing to Madhya Pradesh Paschim Kshetra V.V. Co. Ltd.

Billing is done on the basis of supply of power to the Grid as recorded in the installed meters.

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 and non-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.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. 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 carried out by an independent actuary at the end of the year / period and is contributed to Gratuity Fund created by the Company.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided based on actuarial valuation carried out by an independent actuary at the end of the year / period. The actuarial valuation is done as per projected unit method.

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 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, if any) 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".

t) Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

4. Change in accounting policy

Hitherto the Company was computing cost of raw material inventory on FIFO basis. During the current year, the Company has changed the method of valuation from FIFO to Weighted Average Method. As a result of the change, the inventory of raw materials and the profit for the year is lower by Rs. 292,258.

5. Goodwill on Consolidation

The excess of the cost to the Company of its investment in Synergy Media Entertainment Limited over the Company's portion of equity of Synergy Media Entertainment Limited, at the date on which the investment was

made, was accounted as goodwill aggregating to Rs 1,444,792. The said goodwill was accounted during the year ended March 31, 2007.

6. D B Partners Enterprise Private Limited (DBPEPL) became a subsidiary of the Company during the current year. The figures for the current year include figures relating to DBPEPL as given below:

Particulars	Rs.
Liabilities:	
Profit and Loss Account	(335,640)
Current Liabilities	435,640
Assets:	
Current Assets	200,000

Results for the year include loss of Rs 335,640 for the period from July 23, 2007 to March 31, 2008 relating to DBPEPL.

7. 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 had taken over the Internet division of Indiatel.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 Indiatel.com as at September 1, 2006 have been transferred to the Company at their respective book values.
- The Scheme of Arrangement was 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) Indiatel.com Ltd carried on business and activities of its Internet Division 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 Indiatel.Com Ltd. was treated as profits or losses of the Company. The Scheme of Arrangement had accordingly been given effect to in the financial statements for the year ended March 31, 2007.
- As per the Scheme, the Company had 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 Indiatel.com on the effective date i.e. July 31, 2007. Out of these shares, 4 equity shares and 1 preference share have been allotted till date and the balance were to be allotted subsequent to obtaining the FIPB approval. However subsequent to the filing of the scheme with the High Courts, the Reserve Bank of India has issued a press release, which restricts issue of non-convertible securities to non-resident shareholders in par with External Commercial Borrowings (ECB). Accordingly, as a matter of abundant precaution and to avoid any ambiguity it is considered appropriate to modify the form and terms of consideration pursuant to clause 14 of the scheme of arrangement. Accordingly it has been decided by the Board of Directors in its meeting dated October 25, 2007, to issue 180 equity shares of Rs 10 each in lieu of 9 preference shares at a total value of Rs 90,000. Further the Company has declared bonus shares during the current period. The shares to be issued (including bonus shares) amounting to Rs. 106,590/- are shown under Share Suspense Account on the Balance Sheet date. Subsequently to the year end, the Company has issued all the balance shares on June 7, 2008.
- 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)

DB Corp Ltd

- f) In connection with the scheme, the Company has also paid an additional amount of Rs 200 lacs as consideration which has been accounted as Goodwill in the financial statements for the year ended March 31, 2007.
- 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. Accordingly, the Company has considered and adjusted the unabsorbed tax losses and unabsorbed depreciation of erstwhile Internet Division of Indiainfo.com Ltd. in its taxable income for the year ended March 31, 2007, as permissible under the relevant provisions of Income Tax Act, 1961. The management is confident that all the conditions stipulated under Section 72A of the Income Tax Act, 1961 shall be fulfilled within stipulated time period.

8. Purchase / Acquisition

The Company had entered into Business Transfer Agreements 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 had been acquired by the Company at their book values during the year ended March 31, 2007. The difference of Rs. 5,154,880 between the book value of net assets and the consideration paid by the Company was accounted as Goodwill in the financial statements for the year ended March 31, 2007.

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)
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. Nitika Pawan Agarwal (NPA)
Enterprises owned or significantly influenced by Key management personnel or their relatives	- Writers & Publishers Limited - Bhaskar Phototype Setter - Bhopal - Bhaskar Printing Press - Bhopal, Ahmedabad, Surat, Baroda, Chandigarh, Panipat and Hissar - RC Phototype Setter - Raipur - RC Printer - Raipur - 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 - Direct (OOH) Media Pvt. Ltd. - Stitex Global Limited - Saurashtra Samachar Private Limited - Divya Prabhat Publications Private Limited - Bhaskar Venkatesh Enterprises Private Limited - Sharda Solvent Limited - D B Malls Pvt. Ltd. - Bhaskar Samachar Seva - Jaipur Printing Press - Bikaner Printing Press - Jaipur Phototype Setter - Ajmer Printing House - Udaipur Printing Press - New Jodhpur Printer - New Kota Printers

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-08	Mar-07	Mar-08	Mar-07	Mar-08	Mar-07	Mar-08	Mar-07	Mar-08	Mar-07	Mar-08	Mar-07	Mar-08	Mar-07	Mar-08	Mar-07
	(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)	240.15	491.44	-	-	880.32	630.00	-	-	201.36	122.70	-	-	-	-	5,884.10	13,590.56
M P Printer (Unit of WPL)	(7,740.24)	(475.35)	17.18	-	-	-	-	-	368.88	34.45	-	-	-	-	(75.74)	(80.68)
Bhaskar Phototype Setter, Bhopal (Prop. Sudhir Agarwal)	-	-	(14.56)	-	-	-	-	-	28.33	26.98	-	-	-	-	(17.77)	(17.06)
Bhaskar Printing Press, Bhopal (Prop. Jyoti Agarwal)	-	-	-	-	-	-	-	-	44.40	36.14	-	-	-	-	(13.55)	(12.11)
Bhaskar Printing Press, Ahmedabad, Surat, Baroda (Prop. Pawan Agarwal)	-	-	-	-	-	-	-	-	199.75	187.12	-	-	-	-	(41.64)	(29.42)
R.C. Phototype Setter, Raipur (Prop. R.C. Agarwal)	-	-	-	-	-	-	-	-	41.58	52.17	-	-	-	-	(45.90)	(46.63)
R.C. Printer, Raipur (Prop. R.C. Agarwal)	-	-	-	-	-	-	-	-	66.78	56.18	-	-	-	-	(9.90)	7.53
Bhaskar Publication & Allied Industries Ltd	1,803.78	-	-	-	43.11	-	115.41	-	1.00	0.78	41.82	127.63	-	-	378.29	-
New Era Publication P Ltd	(1,581.56)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bhaskar Infrastructure Ltd.	12.83	-	-	-	-	-	-	-	39.67	163.43	-	-	-	-	(31.28)	0.41
Bhaskar Industries Ltd.	(10.67)	-	-	-	-	-	-	-	-	32.38	-	-	-	-	-	-
Bhaskar Multinet Ltd.	181.67	370.20	-	-	15.79	-	0.53	0.77	4.60	3.57	-	-	-	-	(3.42)	0.77
Bhaskar Exxoil Ltd.	(178.62)	(365.34)	-	-	-	-	11.25	42.39	-	-	-	-	-	-	174.44	200.75
Diligent Media Corp Ltd.	1.19	0.34	-	-	-	-	0.03	1.99	-	-	-	-	-	-	0.39	2.33
Sudhir Agarwal, Managing Director	1.18	-	24.38	-	-	-	-	-	-	-	2.50	847.15	-	-	(121.75)	-
Girish Agarwal, Director	-	-	(17.09)	-	-	-	-	-	-	-	-	-	-	-	-	-
Pawan Agrawal, Director	5.95	-	-	-	-	-	-	-	1.00	0.85	-	-	36.00	-	(24.32)	-
Direct (OOH) Media Pvt Ltd	14.58	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.85)	-
Sitex Global Ltd.	0.15	-	-	-	-	-	-	-	-	-	-	-	-	-	5.95	-
Saurashtra Samachar P Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14.58	-
Divya Prabhat Publications P Ltd.	59.47	73.49	-	-	-	-	0.03	1.99	-	266.45	79.98	-	-	-	0.15	0.15
Bhaskar Venkatesh Products P Ltd.	(65.60)	-	-	-	-	-	-	-	-	-	-	-	-	-	4.31	77.80
D B Mails Pvt. Ltd	-	-	-	-	-	-	76.01	42.82	-	-	-	-	-	-	-	22.90
Sharda Solvent Limited	-	-	-	-	-	-	0.91	-	-	-	-	-	-	-	0.89	42.82
Bhaskar Samachar Seva (Prop. D.K.Tiwari)	-	-	-	-	-	-	0.99	1.23	870.93	1,017.61	-	-	-	-	(110.47)	1.23
Bhaskar Printing Press, Chandigarh, Panipat, Hissar (Prop. Vinod Jain)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jaipur Printing Press (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	86.28	79.41	-	-	-	-	(5.31)	(4.82)
Bikaner Printing Press (Prop. Manish Tiwari)	-	-	-	-	-	-	-	-	97.80	72.45	-	-	-	-	(11.68)	(8.35)
Jaipur Phototype Setter (Prop. Shri Surendra Mishra)	-	-	-	-	-	-	-	-	7.95	7.20	-	-	-	-	(2.29)	(2.02)
Ajmer Printing House (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	108.90	99.50	-	-	-	-	(10.50)	(8.26)
Udaipur Printing Press (Prop. Shri Dharmendra Atri)	-	-	-	-	-	-	-	-	44.46	29.76	-	-	-	-	(9.84)	(4.61)
New Jodhpur Printer (Prop. Shri Jagdish Sharma)	-	-	-	-	-	-	-	-	60.00	49.80	-	-	-	-	(6.69)	(6.54)
New Kota Printer (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	57.60	47.45	-	-	-	-	(9.60)	(9.01)
Bhaskar Process House	-	-	-	-	-	-	-	-	26.40	21.00	-	-	-	-	(1.70)	(1.81)
									42.00	21.00					(1.30)	

Note: For the Personal Guarantees given by the directors for the Terms Loan taken by the Company, refer Note 10.

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10. Term Loans and Cash Credit facilities consist of:

(in Rs.)

Particulars	Rupee Term Loan		Cash Credit Facilities	
	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007
IDBI Bank	180,000,000	-	-	-
Standard Chartered Bank	250,000,000	-	-	-
State Bank of Hyderabad	184,940,593	255,186,474	139,976,680	149,924,401
State Bank of Indore	291,744,387	367,742,606	362,697,556	688,258,842
Yes Bank	554,166,665	670,528,132	-	-
Rabo India Finance Pvt. Ltd.	699,999,990	1,011,111,105	-	-
Bank of Maharashtra	-	-	156,966,415	98,323,198
The J&K Bank Limited	256,448,041	253,418,218	-	-
Corporation Bank	151,105,332	96,500,000	-	-

- a) The Term Loans are secured by:
- First Exclusive charge on the Fixed Assets in NICT Project;
 - First Charge on existing / future Plant & Machinery of Ahmedabad, Surat and Baroda Project;
 - First Charge on Plant & Machinery situated at all locations (other than Gujarat) of the Company;
 - The J&K Bank and Corporation Bank – Hypothecation of all present and future fixed and current assets of the Company (Synergy Media Entertainment Limited)
 - Term Loan also includes car loan of Rs 3,196,575 (closing balance) which is secured against hypothecation of vehicle and all its components;
 - Second Charge on all current assets;
 - Personal Guarantee of Directors aggregating to Rs 6,566.85 lacs (RCA, SA, GA and PA)
 - Corporate Guarantees of Writers & Publishers Limited and Bhaskar Publication & Allied Industries Pvt. Ltd.
 - IDBI Bank : Exclusive Charge on the Plant and Machinery being acquired out of the financial assistance. Second charge on all the fixed assets of the Company.
 - Standard Chartered Bank Ltd : Exclusive charge on Fixed Assets on facility at Ludhiana.
- b) Cash Credit Facilities are secured by:
- First charge on the entire current assets and;
 - Second charge on the other movable properties (other than current assets) of the Company.
 - Personal Guarantee of Directors aggregating to Rs 6,596.41 lacs (RCA, SA, GA and PA)
 - Corporate Guarantees of Writers & Publishers Limited and Bhaskar Publication & Allied Industries Pvt. Ltd.

11. 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)

- The Group has taken various residential, office and godown premises under operating lease agreements. These are generally renewable by mutual consent;
- Lease payments for the year are Rs. 56,648,201 (Previous year Rs.40,460,886).
- The future minimum lease payments under non-cancellable operating leases;
 - Not later than one year is Rs. 45,632,748 (Previous year Rs. 42,754,519)
 - Later than one year but not later than five years is Rs. 185,075,534 (Previous year Rs.183,959,920).
 - Later than five years Rs. 5,912,469 (Previous year Nil).

12. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1,254,794,523 (Previous year Rs. 231,146,483).

13. Contingent Liabilities not provided for :

- Letter of Credit against purchase of capital goods: Rs. 1,453,371,461(Previous year Rs. 2,100,000).
- Guarantees issued by bank on behalf of the Company Rs. 16,392,375.

- c) Legal Suit pending against Synergy Media Entertainment Limited with The Indian Performing Rights Society Limited before Delhi High Court on account of refusal to obtain a license with regards to broadcasting / performing its copyrighted works. The Indian Performing Rights Society Limited has prayed for a permanent injunction restraining Synergy Media Entertainment Limited from infringing any of the copyrights owned by The Indian Performing Rights Society Limited as well as for damages amounting to Rs. 2,001,000/- in favour of The Indian Performing Rights Society Limited. Further, SMEL has provided on best judgement basis @ Rs.100 per needle hour in respect of royalty payable to IPRS amounting to Rs. 3,597,418 up to March 31, 2008 (Previous year Rs. 2,712,000). The Company may be liable to pay royalty at a higher rate, the impact of which cannot be presently ascertained.
- d) There are several defamation and other legal cases pending against the Company and its directors. These include criminal and civil cases. In view of large number of cases, it is impracticable to disclose the details of each case. The estimated amount of claims against the Company in respect of civil claims is Rs. 29,815,577. The estimated contingency in respect of the other cases cannot be ascertained. Based on discussions with the solicitors and also the past trend in respect of such cases, the Company believes that there is fair chance of decisions in its favour in respect of above and hence no provision is considered necessary against the same. Further there are certain employee related cases pending against the Company. The estimated amount of claims against the Company is not ascertainable.

14. Derivative Instruments

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

Amount in respective currency

Particulars	Currency	March 31, 2008	March 31, 2007
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, 2008	March 31, 2007
Sundry Creditors	USD	5,170,451	1,896,989
Sundry Debtors	USD	3,342	7,046

15. 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, 2008		March 31, 2007	
	No. of Machines	Total Capacity (Impressions per hour)	No. of Machines	Total Capacity (Impressions per hour)
Cold Set Machines	52	1,686,000	49	1,584,000
Heat Set Machines	4	96,000	4	96,000

- b) **Actual Production and Sales**

News paper	March 31, 2008 In Lacs of Copies	March 31, 2007 In Lacs of Copies
Production	13,450.64	11,979.77
Sales	13,127.95	11,748.80

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

Particulars	March 31, 2008 Rs. In lacs	March 31, 2007 Rs. In lacs
Raw Material	9,595.79	11,503.42
Stores and Spares	112.08	-
Capital Goods	191.52	355.75

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

	March 31, 2008		March 31, 2007	
	Quantity (In MT)	Value (Rs. In Lacs)	Quantity (In MT)	Value (Rs. In Lacs)
Newsprint	130,667.96	33,653.24	114,691.88	32,713.04

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

	March 31, 2008		March 31, 2007	
	Value Rs. In Lacs	% of total Consumption	Value Rs. In Lacs	% of total Consumption
i) Raw Materials				
Imported	14,797.40	43.97%	12,870.03	39.34%
Indigenous	18,855.84	56.03%	19,843.01	60.66%
	33,653.24	100.00%	32,713.04	100.00%
ii) Stores and Spares				
Imported	57.89	1.25%	—	—
Indigenous	4,579.07	98.75%	3771.49	100.00%
	4,636.96	100.00%	3771.49	100.00%

f) **Earnings in foreign currency (on accrual basis)**

Particulars	March 31, 2008 Rs. In Lacs	March 31, 2007 Rs. In Lacs
Advertisement Income	10.83	5.04

g) **Expenditure in foreign currency (on accrual basis)**

Particulars	March 31, 2008 Rs. In Lacs	March 31, 2007 Rs. In Lacs
Traveling	5.57	7.63
Conference Expense	—	7.72
Advertisement & Publicity	1.89	—
Others	8.38	20.07

h) **Managerial Remuneration**

Particulars	March 31, 2008 Rs. In Lacs	March 31, 2007 Rs. In Lacs
Salaries and Allowances	36.00	15.50
Key Man Insurance	—	5.72
Total	36.00	21.22

i) **Auditor Expenditure**

Particulars	March 31, 2008 Rs. In Lacs	March 31, 2007 Rs. In Lacs
For Audit	41.10	34.26
For IPO Certification	81.74	—
For Tax Audit	2.24	2.24
Total	125.08	36.50

Of the above expenditure, Rs. 81.74 lacs is included in Share Issue Expenses and disclosed under the head 'Miscellaneous Expenditure' in the Balance Sheet.

16. 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, 2008	March 31, 2007	March 31, 2008	March 31, 2007
Bhaskar Industries Ltd.	0.14	0.77	1.00	0.77
Bhaskar Multinet Ltd.	0.82	42.39	47.21	42.39
Bhaskar Exxoil Ltd.	0.04	1.99	1.99	1.99
Bhaskar Venkatesh Products P Ltd.	22.90	42.82	78.99	42.82
Divya Prabhat Publication P Ltd.	—	4.31	4.31	4.31
Sharda Solvent Ltd.	—	1.23	1.79	1.23
DB Malls Pvt. Ltd.	0.89	—	0.89	—

(b) Loans, Advances and Deposits 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, 2008	March 31, 2007	March 31, 2008	March 31, 2007
Writers & Publishers Ltd.	5,884.10	13,590.56	13,643.14	13,828.23
R.C. Printer, Raipur	—	7.53	—	22.29
Bhaskar Multinet Ltd.	173.86	4.86	197.78	4.86
Bhaskar Exxoil Ltd.	0.36	0.34	1.19	2.27
Diligent Media Corp Ltd.	—	—	—	610.85
Stitex Global Ltd.	0.15	0.15	0.15	0.15
Divya Prabhat Publications P Ltd.	97.97	73.49	74.31	73.49
Bhaskar Infrastructure Ltd.	2.90	—	4.22	—
Bhaskar Publication & Allied Industries Pvt. Ltd.	378.29	—	927.50	—
Direct(OOH) Media P Ltd.	14.58	—	14.58	—

17. Prior Period Expenditure

Prior Period Expenditure comprises of:

Particulars	March 31, 2008 Rs.	March 31, 2007 Rs.
Depreciation	(269,344)	-
Advertising Expenditure	8,638,712	-
Discount to Customers		3,798,169
Total	8,369,368	3,798,169

18. Fixed Deposits

Cash and Bank includes Fixed Deposits having maturity period of more than three months amounting Rs. 434,019,973 (Previous year Rs. 29,562,669).

19. Investment

As a part of the growth plan for enhancing the advertisement revenue of the Company, in the long term and in order to encourage potential customers, the Company has strategically entered into an arrangement with Dwarkas Gems Ltd., CHD Developers Ltd., and Ajcon Global Services Ltd., by investing in the securities of these parties.

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By these arrangements, the said parties would offer their advertisements the Company's newspapers periodically, for a term not exceeding three years, and would also generate long term return on the investments made by the Company.

20. The Company has issued 166,651,212 (Previous year Nil) equity shares of Rs. 10 each fully paid up as bonus shares in the ratio of 78 bonus shares for every 1 share held on September 29, 2007 by capitalization of balance in General Reserve. As per Accounting Standard 20 on 'Earning per share', the weighted average number of equity shares outstanding during the period and for all the periods presented are adjusted for issue of these bonus shares.

21. Earning Per Share

Particulars	March 31, 2008 Rs.	March 31, 2007 Rs.
i) Profit after taxation	750,553,414	541,605,983
ii) Weighted average number of Equity Shares outstanding for Basic EPS	168,787,766	168,787,450
iii) Basic Earnings per share (Rs.)	4.45	3.20
iv) Weighted average number of Equity Shares outstanding for Basic EPS	168,787,766	168,787,450
v) On account of issue of shares held in suspense	1,839	2,155
vi) On account of conversion of Preference shares	-	-
vii) Weighted average number of Equity Shares outstanding for Diluted EPS	168,789,605	168,789,605
viii) Diluted Earnings per share (Rs.)	4.45	3.20
ix) Nominal value of shares (Rs.)	10	10

22. Minimum Alternate Tax (MAT)

The Company had recognized Rs.73,000,000 as MAT Credit Asset during the year ended March 31, 2007, which represented that portion of MAT liability, which can be recovered, based on the provisions of Section 115JAA of the Income Tax Act, 1961. The Company has sufficient taxable income for the year ended March 31, 2008, which will enable the Company to utilize MAT Credit Asset. Accordingly the MAT Credit Asset has been availed for the year ended March 31, 2008.

During, the previous year, the Company was liable to pay Income-Tax for under the provisions of Section 115JB of the Income-Tax Act, 1961. Deferred Tax as provided for in the books of account, pursuant to Accounting Standard 22 issued by the Institute of Chartered Accountants of India, had been considered as an admissible deduction from net profit for determining Book Profit under Section 115JB (2) of the Income-Tax Act,1961. However, the same had no impact on the Profit and Loss Account for the year ended March 31, 2007.

23. Employee Stock Option Scheme 2007

The Company has instituted an ESOP Scheme during the period which was approved by the shareholders vide their resolution dated November 30, 2007. The Board of Directors of the Company has granted 700,000 stock options to its employees pursuant to the ESOP Scheme on December 1, 2007. Each options entitles an employee to subscribe to 1 equity share of the Company at an exercise price of Rs. 275 per share.

The options vest over a period not earlier than 16 months and not later than 64 months from the date of grant and are exercisable for a period of 3 years from vesting as described below:

Vesting Date	No of Options that will vest	Exercise Period	Intrinsic Value (Rs)	Fair Value (Rs)
(1)	(2)	(3)	(5)	(4)
April 1,2009	140,000	01.04.09 to 31.03.12	Nil	46.17
April 1,2010	140,000	01.04.10 to 31.03.13	Nil	61.76
April 1,2011	140,000	01.04.11 to 31.03.14	Nil	76.75
April 1,2012	140,000	01.04.12 to 31.03.15	Nil	91.20
April 1,2013	140,000	01.04.13 to 31.03.16	Nil	104.94
	700,000			

The Company being an unlisted company, the intrinsic value is determined on the basis of an independent valuer by following the Price to Price Earning Value method. The fair value of the equity share as determined by the independent valuer is Rs. 270 per share. As the fair value is less than the exercise price of the option, the intrinsic value is Rs. Nil.

Under the intrinsic value method of accounting, compensation expense is recorded over the vesting period of the option if the fair value of the underlying stock exceeds the exercise price at the measurement date, which typically is the grant date.

The fair value of options was determined using the Black-Scholes Option Pricing Model with the following assumptions:

- a) Risk Free Interest Rate
- | | |
|---------------|-------|
| April 1, 2009 | 7.53% |
| April 1, 2010 | 7.52% |
| April 1, 2011 | 7.57% |
| April 1, 2012 | 7.65% |
| April 1, 2013 | 7.75% |
- b. Expected Dividend yield 0%
- c. Expected life of the option 1.33 to 5.66 years
- d. Expected Volatility of Share price..... 0%

Accordingly, as the intrinsic value being Rs. Nil, no accrual is made towards compensation cost in the current financial statements.

Particulars of options as at March 31, 2008 are given below

Particulars	31-March-08	
	No. of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	-	-
Options granted	700,000	275
Exercised during the year	-	-
No of Options Lapsed	-	-
Outstanding at the end of the year	700,000	275
Exercisable at the end of the year	-	-
Weighted average remaining contractual life (in years)	2.67	
Weighted average fair value of the options granted	76.16	

Details of exercise price for stock Options outstanding at the end of the year are:

As at	Range of Exercise Price (Rs.)	No. of Options Outstanding
31-March-08	275	700,000

There were no options which were forfeited or expired during the period. Further, none of the 700,000 options granted are exercisable at March 31, 2008.

Had compensation cost been determined in accordance with the fair value approach described in the Guidance Note, the Company's net profit for the year ended March 31, 2008 as reported would have changed to amounts indicated below:

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Particulars	Rs.
Net Profit as reported	750,553,414
Add: Stock based compensation expense included in the reported Net Profit	-
Less: Stock based compensation expenses determined using fair value of options	13,328,000
Net Profit (adjusted)	737,225,414
Basic earnings per share as reported	4.45
Basic earnings per share (adjusted)	4.37
Diluted earnings per share as reported	4.45
Diluted earnings per share (adjusted)	4.37
Weighted average number of shares considered for diluted earnings per share (adjusted)	168,789,605

24. Share issue expenses

During the year the Company has incurred Rs. 33,136,361 in connection with the proposed public issue of its equity shares. This amount shall be adjusted against security premium arising from the proposed issue of equity shares, as permitted under section 78 of the Companies Act, 1956. This amount has been carried forward and disclosed separately under the head 'Miscellaneous Expenditure' in the Balance Sheet.

25. Dilution of stake in Synergy Media Entertainment Limited

The Company has invested Rs. 700,000,000 in one of the subsidiary companies, viz. Synergy Media Entertainment Limited ['SMEL']; representing 99.69% of equity shareholding of SMEL. For the year ended March 31, 2008, on November 13, 2007, SMEL issued a further 17,255,000 equity shares of Rs.10 each to Bhaskar Infrastructure Limited, consequent to which the Company's stake in SMEL has reduced from 99.69% to 56.82%, and the Minority interest in SMEL has increased from 0.31% to 43.18%.

The resultant dilution of the Company's stake in SMEL has been accounted. Consequently Rs. 128,438,660 has been adjusted against the brought forward balance in profit and loss account. Further, the amount of Rs. 61,140,585 being share in the loss of SMEL for the current year relating to Minority Interest has been reflected separately in the profit and loss account. The Minority Interest of Rs. 241,863,966 reflected in the balance sheet with reference to SMEL has been calculated by applying the revised share @ 43.18% in the net worth of SMEL as at March 31, 2008.

26. Additions to fixed assets include preoperative expenses given below.

Particulars	31-Mar-08 Rs.	31-Mar-07 Rs.
Opening Balance of Pre - Operative Expenses	54,270,424	13,423,566
Expenditure during the year :		
Raw Material Consumed	1,180,244	—
Operating Expenditure	10,566,168	8,279,458
Employee Cost	31,114,761	24,789,197
Other Indirect Expenditures	27,159,507	44,588,907
Bank Charges	132,901	233,149
Interest and Financial Charges	23,,405,914	21,341,403
Total	93,559,495	99,232,114
Pre – Operative expenses (Net)	147,829,919	112,655,680
Less:- Capitalized	147,829,919	58,385,256
Closing Balance of Pre- Operative Expenses (Disclosed as Capital Work-in-Progress)	—	54,270,424

27. 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.

28. Segment Information for the year ended March 31, 2008

Printing / Publishing Segment includes newspaper, magazines, printing job work etc. Radio Segment includes broadcasting of Radio. Others include Power, Event Management and Internet business.

PARTICULARS	PRINTING / PUBLISHING		RADIO		OTHERS		CONSOLIDATION	
	Mar-08	Mar-07	Mar-08	Mar-07	Mar-08	Mar-07	Mar-08	Mar-07
Revenue	8,391,352,078	6,683,900,965	142,633,515	19,812,616	92,246,269	48,544,522	8,626,231,862	6,752,258,103
Segment Results	1,845,852,470	873,149,728	(201,715,070)	(29,002,634)	(30,937,008)	(15,109,221)	1,613,200,392	829,037,873
Less : Unallocated Corporate Expenses net of Unallocated Income							4,278,796	2,428,208
Operating Profit							1,608,921,596	826,609,665
Less : Financial Expenses (Net of Interest Income)							280,866,234	205,819,853
Less : Prior Period Expenditure							8,369,368	3,798,169
Less : Tax Expenses							630,273,165	80,284,560
Profit for the year							689,412,829	536,707,083
Other Information								
Depreciation	137,312,309	99,280,802	70,665,617	10,077,046	12,438,933	10,218,356	220,416,859	119,576,204
Non - cash expenses other than depreciation	92,138,038	81,595,607	779,066	129,143	-	-	92,917,104	81,724,750
Particulars								
Segment Assets	5,582,748,873	4,787,282,250	1,437,424,515	1,009,296,420	224,237,878	219,820,752	7,244,411,266	6,016,399,422
Unallocated Corporate Assets							658,326,891	798,119,557
Segmental Liabilities	4,290,236,295	4,389,071,620	496,860,454	373,878,832	21,442,519	10,748,452	4,808,539,268	4,773,698,904
Unallocated Corporate Liabilities							687,773,489	373,067,566
Minority Interest							241,863,966	2,015,891
Capital Expenditure	699,052,040	605,662,943	457,189,686	72,372,881	5,301,376	16,207,046	1,161,543,102	694,242,870

29. Previous Year comparatives

Previous years 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 Gupta
Partner
Membership No. 75030

Managing Director

Director

Mumbai
June 27, 2008

Company Secretary

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2008

	March 31, 2008 Rs.	March 31, 2007 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before Taxation after Prior Period Items	1,319,685,994	616,991,642
Adjustment for :		
Loss on sale of fixed assets (net)	9,166	173,890
Interest expense (net)	267,873,872	186,016,852
Depreciation / Amortization	220,416,859	119,576,234
Miscellaneous Expenditure Written off	10,634,739	10,798,499
Provision for Doubtful Loans & Advances	8,792,885	2,272,803
Bad Debts Written Off (Net off Provision Written Back)	51,198,004	
Provision for Doubtful Debts	22,321,594	68,479,558
Unrealised Exchange Gain	1,685,962	(3,369,706)
Operating profit before working capital changes	1,902,619,075	1,000,939,772
Increase / Decrease in Working Capital		
Decrease/(Increase) in Inventories	(37,008,938)	(74,410,986)
Decrease / (Increase) in Sundry Debtors	(360,396,112)	(389,807,669)
Decrease/ (Increase) in Loans and Advances	693,325,444	(89,699,987)
(Decrease)/Increase in Current Liabilities	374,276,941	638,236,906
(Decrease)/Increase in Provisions	4,159,900	(7,036,529)
Cash generated from operations	2,576,976,310	1,078,221,507
Taxes paid (Including Fringe Benefit Tax)	(345,015,798)	(171,879,393)
NET CASH FROM OPERATING ACTIVITIES	2,231,960,512	906,342,114
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets	(1,081,231,352)	(841,011,494)
Proceeds from Sale of Fixed Assets	1,839,128	614,794
Purchase of investments	(67,500,000)	857,200
Interest received	112,619,655	71,742,938
Fixed Deposit with maturity period more than three months	(404,457,304)	5,038,976
NET CASH (USED IN) INVESTING ACTIVITIES	(1,438,729,873)	(762,757,586)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan Taken - Secured	594,119,863	604,704,794
Repayment of Loan - Secured	(957,067,179)	(671,389,583)
Loan Taken -Unsecured	21,930,590	4,138,610
Dividend Paid	(2,136,554)	(2,136,550)
Dividend Distribution tax	(363,108)	(299,651)
Interest Paid	(384,273,060)	(261,517,751)
Shares Issue Expenses	(33,136,361)	
Proceeds from issuance of shares	-	100,250
Proceeds from issuance of shares of subsidiaries	172,550,000	4,770,000
NET CASH (USED IN) FINANCING ACTIVITIES	(588,375,809)	(321,629,881)
Net Increase/ (Decrease) in Cash and Cash Equivalents	204,854,830	(178,045,353)
Cash and Cash Equivalents at the beginning of the year	169,349,168	347,394,521
Cash and Cash Equivalents at the end of the year	374,203,998	169,349,168
Net Increase/ (Decrease) in Cash and Cash Equivalents	204,854,830	(178,045,353)
Cash and Cash Equivalents as per Schedule 10	808,223,971	198,911,837
Less:- Fixed Deposit with maturity period for more than three months	434,019,973	29,562,669
Net Cash and Cash Equivalents End of the Year (As per AS- 3)	374,203,998	169,349,168

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

DIRECTORS' REPORT**Dear Shareholders,**

Your directors have pleasure in presenting to you their Third Annual Report together with the accounts of the Company for the year ended 31st March 2008. The summarized financial results are as under—

FINANCIAL HIGHLIGHTS:-**(In Rs.)**

Particulars	2007-08	2006-07
Gross Revenue	170058232	25440240
Profit (Loss) Before Depreciation & Amortization	(189918777)	(11559826)
Less: Depreciation	70665617	10077046
Profit Before Tax	(260584394)	(21636872)
Less :		
1. Deferred Tax Liability	—	9130684
2. Fringe Benefit Tax	2124708	539545
3. Prior Period Adjustments	19072663	—
Net Profit / (Loss) for the Year	(281781765)	(31307101)

REVIEW OF OPERATIONS

Your Director's are happy to inform you that the operations of your company have commenced in full swing and programs are on AIR at 17 locations.

The company's radio stations concentrate on music, talk shows and other entertainment oriented programs which offer significant interaction with our listeners. Most of the radio stations are present in markets offering various advantages to the advertisers.

FUTURE OUTLOOK

In view of the increasing business potential, your company proposes to expand its operations commensurate with the growing demand.

AUDITORS:

Subject to approval from the members in the forthcoming Annual General Meeting, it is proposed to appoint M/s. S. R. Batliboi & Associates, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of forthcoming Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company in the place of M/s. Gupta Navin K. & Co, Chartered Accountants, the retiring Auditors of the Company, who have expressed their unwillingness to be re- appointed as Statutory Auditors of the Company.

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, 2008.

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.

DIRECTORATE :-

Shri Pawan Agarwal, Director of the company is liable to retire by rotation and being eligible offers himself for re-appointment.

DB Corp Ltd

AUDIT COMMITTEE

The Company has an Audit committee pursuant to Section 292A of the Companies Act, 1956 and the following Directors of the company are the members of the Audit Committee:-

1. Shri Sudhir Agarwal - Chairman
2. Shri Girish Agarwal - Member
3. Shri Pawan Agarwal - Member

HUMAN RESOURCES

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 have been very cordial.

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

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.412.07 Lacs during the current year as compared to Rs 355.75 Lacs during the previous year.

DIRECTOR 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.
- (ii) The Directors have selected such accounting policies and applied them Consistently and made judgment 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 the preventing and defetecting 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.

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 of the devoted services rendered by the employees of the Company.

For and on behalf of the board of Directors

Director

Place : Bhopal
Date : June 25, 2008

AUDITORS' REPORT

To,
The Members,

Synergy Media Entertainment Limited

1. We have audited the attached Balance Sheet of **SYNERGY MEDIA ENTERTAINMENT LIMITED** as at March 31, 2008 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, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 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, 2008;
 - (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 GUPTA NAVIN K. & CO.
CHARTERED ACCOUNTANTS

S. Gupta
Partner
Membership No. 403763
Bhopal
June 25, 2008

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 3 of our report of even date

- (i) 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) There was no substantial disposal of fixed assets during the year.
- (ii) In respect of its inventories the Company does not have any Inventories.
- (iii) In respect of loans:
 - (a) As informed the Company has granted unsecured loans to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 1176.56 lacs and the year- end balance of loans granted was Rs 1100.00lacs.
 - (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, 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.
 - (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) The Company has taken unsecured loan from the parties covered under section 301 of the Act to the extent of Rs. 3768.34 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 and 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.
- (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 fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - (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 respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lacs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at 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) In respect of statutory dues:
 - (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.
- (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 accumulated losses at the end of the financial year and it has incurred cash losses in the current and also in 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) 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-judicial to the interest of the Company.
 - (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 GUPTA NAVIN K. & CO.
CHARTERED ACCOUNTANTS**

S. Gupta
Partner
Membership No. 403763
Bhopal
June 25, 2008

SYNERGY MEDIA ENTERTAINMENT LIMITED

BALANCE SHEET AS AT MARCH 31, 2008

SOURCE OF FUNDS	Schedules	As At March 31, 2008		As At March 31, 2007	
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
SHAREHOLDERS FUNDS					
Share Capital	1	401250000		228700000	
Reserve & Surplus	2	<u>472000000</u>	873250000	<u>472000000</u>	700700000
LOAN FUNDS					
Secured Loan	3		407553373		349918218
Unsecured Loans from Bodies Corporate			<u>376834247</u>		<u>0</u>
TOTAL RUPEES :			<u><u>1657637620</u></u>		<u><u>1050618218</u></u>
APPLICATION OF FUNDS:					
FIXED ASSETS	4				
Gross Block		1041528564		589933266	
Less:-Accumulated Depreciation		<u>80473319</u>		<u>10077046</u>	
Net Block		961055245		579856220	
Capital Work- in- Progress		<u>8847021</u>	969902266	<u>185443203</u>	765299423
CURRENT ASSETS,LOANS & ADVANCES					
Sundry Debtors	5	68615810		8185473	
Loans & Advances	6	127351280		168247922	
Cash & Bank Balances	7	219371654		20507389	
Other Current Assets	8	<u>68022961</u>		<u>36328015</u>	
		483361705		233268799	
Less: CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	9	97459825		23960614	
Provision	10	<u>11255392</u>		<u>9670229</u>	
		108715217		33630843	
NET CURRENT ASSETS			374646488		199637956
Profit and Loss Account					
Upto Last Year		31307101		0	
For Current Period		<u>281781765</u>	313088866	<u>31307101</u>	31307101
Misc. Expenditure (Preliminary and Pre-operative Expenses)	11				54373738
(To the extent not written off or adjusted)					
TOTAL RUPEES :			<u><u>1657637620</u></u>		<u><u>1050618218</u></u>
Significant Accounting Policies & Notes on Accounts	18				
Balance Sheet abstract and General Business Profile	19				

For GUPTA NAVIN K & CO.,
Chartered Accountants

S. GUPTA
Partner
M.No:403763
Bhopal
June 25, 2008

For and on behalf of the Board

Director

Director

SYNERGY MEDIA ENTERTAINMENT LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

PARTICULARS	Schedules	For the Year ended March 31, 2008		For the Year ended March 31, 2007	
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
INCOME					
Sales			151933002		19812616
Other Income	12		18125230		5627624
TOTAL			<u>170058232</u>		<u>25440240</u>
EXPENDITURE					
Operating Expenses	13		95039827		12348403
License Fee			12008826		1731319
Employee Costs	14		80784931		8280238
Administrative & Other Expenses	15		30150851		5792880
Marketing & Business Promotion Expenses	16		91800330		5247665
TOTAL			<u>309784765</u>		<u>33400505</u>
PROFIT/(LOSS) BEFORE INTERST, DEPRECIATION & TAXES			<u>(139726533)</u>		<u>(7960265)</u>
Interest			50192244		3599561
Depreciation & Amortisation			70665617		10077046
TOTAL			<u>120857861</u>		<u>13676607</u>
PROFIT BEFORE TAX			<u>(260584394)</u>		<u>(21636872)</u>
PROVISION FOR TAXES					
Deffered Tax Liability			0		9130684
Fringe Benefit Tax			<u>2124708</u>		<u>539545</u>
TOTAL			<u>2124708</u>		<u>9670229</u>
NET PROFIT/(LOSS) FOR THE YEAR			<u>(262709102)</u>		<u>(31307101)</u>
PRIOR PERIOD ADJUSTMENTS	17		<u>(19072663)</u>		<u>0</u>
NET PROFIT/(LOSS) FOR THE YEAR			<u>(281781765)</u>		<u>(31307101)</u>
Significant Accounting Policies & Notes on Accounts	18				
Balance Sheet abstract and General Business Profile	19				

For GUPTA NAVIN K & CO.,
Chartered Accountants

S. GUPTA
Partner
M.No:403763
Bhopal
June 25, 2008

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, 2008**

	As At March 31, 2008 Rs.	As At March 31, 2007 Rs.
Schedule 1		
SHARE CAPITAL :		
Authorised :		
5,00,00,000 Equity Shares of Rs.10/- Each	<u>500000000</u>	<u>300000000</u>
Issued,Subscribed & Paid Up :		
4,01,25,000 Equity Shares of Rs.10/- Each Fully Paid (Previous year 2,28,70,000 Equity Share of Rs.10/- each)	<u>401250000</u>	<u>228700000</u>
TOTAL RUPEES :	<u><u>401250000</u></u>	<u><u>228700000</u></u>
Schedule 2		
RESERVE & SURPLUS:		
Security Premium Account	<u>472000000</u>	<u>472000000</u>
TOTAL RUPEES :	<u><u>472000000</u></u>	<u><u>472000000</u></u>
Schedule 3		
SECURED LOAN:		
(Secured against hypothecation of all present and future fixed and current assets of the company and personal gurantee of directors)		
J&K Bank Term loan	<u>256448041</u>	<u>253418218</u>
Corporation Bank Term Loan	<u>151105332</u>	<u>96500000</u>
TOTAL RUPEES :	<u><u>407553373</u></u>	<u><u>349918218</u></u>

SYNERGY MEDIA ENTERTAINMENT LIMITED

**SCHEDULE 5
FIXED ASSETS**

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Gross Block as at April 1,2007	Additions/ Adjustment	Deletions/ adjustment	Gross Block as at March 31,2008	Accumulated Depreciation as at April 1,2007	Depreciation for the Period	Deletions/ adjustment	Accumulated Depreciation as at March 31,2008	Net Block as at March 31,2008	Net Block as at March 31,2007
PLANT & MACHINERY	51268252	379992024	235003	431025273	2570173	26881788	72766	29524727	401500546	48698079
COMPUTER & ACCESSORIES	3582359	13148620	0	16730979	232668	1872753	0	2105421	14625558	3349691
FURNITURE & FIXTURE	10982511	38830586	0	49813097	413449	2174396	0	2587845	47225252	10569062
OFFICE EQUIPMENT	582455	1945742	0	2528197	29068	225137	0	254205	2273992	553387
OFFICE VEHICLE	507973	2400169	0	2908142	44322	77053	0	121375	2786767	463651
ELECTIC FITTING & INSTLLATION	2780270	8760397	0	11540667	170246	757051	0	927297	10613370	2610024
AIR CONDITION & INSTALLATION	2669061	12112148	0	14781209	115692	976792	0	1092484	13688725	2553369
INTANGIBLE ASSETS	517560385	0	5359385	512201000	6501428	37700647	-342110	43859965	468341035	511058957
Total	5899933266	457189686	5594388	1041528564	10077046	70665617	-269344	80473319	961055245	579856220
Capital Work-in-progress									8847021	185443203
Grand Total									969902266	765299423
Previous Year	512201000	77732266	0	589933266	0	10077046	0	10077046	579856220	512201000
Capital Work-in-progress									185443203	153861680
Previous Year Grand Total									765299423	66062680

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008

	As At March 31, 2008 Rs.	As At March 31, 2007 Rs.
Schedule 5		
SUNDRY DEBTORS :		
(a) Over Six Month	862722	175592
(b) Others	68532154	8009881
Less: Provision for Bad & Doubtful debts	<u>779066</u>	<u>0</u>
TOTAL RUPEES :	<u>68615810</u>	<u>8185473</u>
Schedule 6		
LOANS & ADVANCES :		
Advances (Recoverable or adjustable)	119442137	166861790
Advance Income Tax & Tds	<u>7909143</u>	<u>1386132</u>
TOTAL RUPEES :	<u>127351280</u>	<u>168247922</u>
Schedule 7		
CASH & BANK BALANCES:		
(a) Cash In Hand	1071045	903342
(b) Bank Balances :		
WITH SCHEDULED BANKS :		
On Current Accounts (Including Cheques in Hand)	33766557	12969995
On Fixed Deposit Account (Margin Money)	6634052	6634052
On Fixed Deposit with Bank (ICICI)	<u>177900000</u>	<u>0</u>
TOTAL RUPEES :	<u>219371654</u>	<u>20507389</u>
Schedule 8		
OTHER CURRENT ASSETS		
Security Deposites With Govt. Department	19633774	19162800
Security Deposites With Others	15992608	5656200
Service Tax on Input Services	1084484	388484
Cenvat Credit on Capital Goods	8058977	4887842
Prepaid Expenses	15309887	1075107
Accrued Interest on Margin Money With Bank	1748027	111854
Accrued Interest on LC Deposit with BECIL-Net	6182286	4144737
Other Current Assets	<u>12918</u>	<u>900991</u>
TOTAL RUPEES :	<u>68022961</u>	<u>36328015</u>
Schedule 9		
CURRENT LIABILITIES		
Sundry Creditors for capital Goods	3878812	9235612
Sundry Creditors for Expenses	24466101	4506218
Statutory Liabilities	14870158	2358408
Expenses payable	54244754	7860376
Other Current Liabilities		
TOTAL RUPEES :	<u>97459825</u>	<u>23960614</u>

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2008

	As At March 31, 2007 Rs.	As At March 31, 2006 Rs.
Schedule 10		
PROVISIONS		
Deffered Tax	9130684	9130684
Fringe Benefit Tax	2124708	539545
TOTAL RUPEES :	11255392	9670229
Schedule 11		
Pre-Operative Expenses	0	54270424
Preliminary Expenses	0	103314
TOTAL RUPEES :	0	54373738
Schedule 12		
OTHER INCOME		
Interest from Bank	8216195	283239
Interest from Others	9909035	5344385
TOTAL RUPEES :	18125230	5627624
Schedule 13		
OPERATING EXP.		
Common Facility_Prasar Bharti	984036	50411
Open Space Lease for Building_Prasar Bharti	5980418	463680
Tower Rent_Prasar Bharti / Railtel	6678653	2162726
Other Operating Expenses Including Royalty	61862329	7436814
Frequency Allocation- Fee to DOT	876006	67500
Software Licence Fee	6158631	816176
Link Charges	1382753	257327
Electricity / DG Running Exp.- CTI	11117001	1093769
TOTAL RUPEES :	95039827	12348403
Schedule 14		
EMPLOYEE COSTS		
Personal Cost	76235631	7614860
Employer Contribution to PF & Other Fund	3078666	449255
Employees Welfare Expenses	1470634	216123
TOTAL RUPEES :	80784931	8280238

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31, MARCH 2008

	As At March 31, 2008 Rs.	As At March 31, 2007 Rs.
Schedule 15		
ADMINISTRATION & OTHER EXP.		
Communication Expenses.	1678147	182435
Convayance Expenses 491694	33421	
Electricity Cost	7010822	1012680
House Keeping Expenses	1124699	165767
Insurance Charges	347297	51604
Legal & Professional Fee	322265	2570485
General Expenses	10169049	587288
Postage & Courier Expenses	180769	11549
Printing & Stationery	759425	156636
Repair & Maintence Expenses	698448	60465
Security Expenses	1661117	270586
Tour & Travelling Expenses	3496233	192014
Vehicle Running & Maintenance Expenses	505296	202121
Provision for Bad & Doubt full Debts	779066	0
Membership Fee and Seminar	230000	145000
Preliminary Expenses W/O	103314	25829
Auditors Remuneration	593210	125000
TOTAL RUPEES :	30150851	5792880
Schedule 16		
MARKETING AND BUSINESS PROMOTION EXP.		
Branding Expenses	19344104	2439184
Business Promotion Expenses	20113581	689164
Selling & Dist. & Events Expenses	18886649	2119317
Advertisement Expenses	33455996	0
TOTAL RUPEES :	91800330	5247665
Schedule 17		
PRIOR PERIOD ADJUSTMENTS		
Excess /Additional Depriication	269344	0
Brand Building Expenses W/off	(5359385)	0
Advertisement Expenses	(8638712)	0
Interest from BECIL	(5343910)	0
TOTAL RUPEES :	(19072663)	0

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 Capiital Work-in-progres.

d Depreciation/ Amortisation

- 1 Depreciation on tangible fixed assets is provide on straight –line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- 2 Intangible Assets (OTEF) are amortized over a period of ten years.

e Revenue Recognition

Revenue from Advertisement and Events are recognised when services are initiated 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 asset 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 cost is calculated as per A S-16 on Borrowing Cost Issued by ICAI in this regard.

i Retirement benefits

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

2 Provisions,Contingent Liabilities, Contingent Assets

- (a) Guarantees issued by bank on behalf of the Company Rupees : Rs. 163.92 Lacs
- (b) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is proable that there will be an outflow of resources. Contingent

DB Corp Ltd

liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements

- (c) The Indian Performing Rights Society Limited (IPRS) has filed a suit on May 27, 2006 before the High Court of Delhi on account of refusal by Synergy Media Entertainment Limited ("Company" or "the company") to obtain a license from the IPRS with regards to broadcasting / performing its copyrighted works. The IPRS has prayed for a permanent injunction restraining the Company from infringing any of the copyrights owned by the IPRS as well as for damages amounting to Rs. 20,01,000/- in favour of the IPRS. The matter is pending before the H'ble court. Company is providing on best judgment basis @ Rs.100 per needle hour in respect of royalty payable to IPRS amounting to Rs.35.97 Lacs upto 31.03.2008. The Company may be liable to pay royalty to IPRS at a higher amount, the impact of which can not be presently ascertained.

3 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account : Rs. NIL

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 Advance/Work in Progress includes advance in foreign currency Rs.412.07 Lacs

6 Related Party Disclosures:**a Parties where control exists**

DB Corp Ltd.-Holding Company Holding **56.82** % equity shares of the company

b Transaction with related parties

Advertisement Expenses transaction by holding company Rs. 354.05 Lacs

Advertisement Revenue transaction for Holding company Rs. 92.94 Lacs

7 Segment Information

The Company is engaged in 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 all seventeen licensed stations**9 Advance amount paid to BECIL towards Common Transmission Infrastructure (CTI) for all operating stations is capitalised shown and depreciation is calculated accordingly, though the final figure is yet to be crystallised. For the stations which are not operationalised during the period under review on CTI, the amount is shown under CWIP.****10 Preliminary Expenses are written off in the current year.****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.**

As per our separate Report attached

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

**S. Gupta
Partner**
M. No. 403763
Bhopal
June 25, 2008

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	31.03.2008	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	172550

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

Total Liabilities	1766353	Total Assets	1766353
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Sources of Funds :

Paid Up Capital	401250	Reserves & Surplus	472000
Secured Loans	407553	Unsecured Loans	376834
Deffered Tax Liability	9131		

Application of Funds :

Net Fixed Assets	969902	Investments	NIL
Net Current Assets	374646	Misc. Expencess	NIL
Accumulated Losses	313089	Deffered Tax Assets	NIL

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

Turnover	170058	Total Expenditure	430643
Profit /(Loss) Before Tax	(260584)	Profit /(Loss) After Tax	(262709)
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**

**S. Gupta
Partner**
M. No. 403763
Bhopal
June 25, 2008

For and on behalf of the Board

Director Director

I MEDIA CORP LIMITED

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

DIRECTOR'S REPORT**Dear Shareholders**

Your Directors have pleasure in presenting the 2nd Annual Report and the Audited statement of Accounts of your company for the Year Ended 31st March 2008.

FINANCIAL HIGHLIGHTS:

(In Rs.)

Particulars	2007- 08	2006 - 07
Profit/(Loss)for the year	(5,17,43,080)	(1,84,60,601)
<u>Less:</u> Deferred tax Liability /(Assets)	—	(8,76,214)
Fringe Benefit Tax	6,74,013	1,83,000
Profit /(Loss) after tax	(5,24,17,093)	(1,77,67,387)
Balance Bought forward from previous year	(1,77,67,387)	—
Balance carried forward to Balance sheet	(7,01,84,480)	(1,77,67,387)

REVIEW OF PERFORMANCE

After commencing the operations from November 2006 in the IT Enabled Services category with an intention to capitalize on the content and marketing synergies of its parent company DB Corp Limited, the potential for the growth for your company is increasing. With the identification of Internet, Mobile Services, IT Enabled Services and Software Development, as the main four verticals to carry on business, your company continues to focus on achieving a synergy with the Group.

In addition to its websites, the company has provided a variety of solutions over Short Messaging Services (SMS) and Multimedia Messaging Services (MMS) standard and allied services. The SMS shortcode '54567' is available across India and it allows sending messages including multimedia objects (images, audio, video, rich text).

FUTURE PROSPECTS

This company is engaged in providing integrated internet and mobile interactive services and is operating internet portals and SMS portals (www.bhaskarnet.com; www.divyabhaskar.co.in; www.indiainfo.com), including editorial content from the daily editions of select newspapers in the form of e-papers and SMS portals. Further to scale it's corporate objective, the company proposes it's online business development by maximizing the natural synergies between the local newspaper and local Web site. The company has local content, the customer relationships, the news and advertising sales force, and the promotional vehicle in place and therefore it proposes to strategically avail the advantages of selling packaged advertising products that meet the demands of advertisers, operate efficiently, and leverage the known and trusted brand of the newspaper.

The company is poised for tremendous growth in it's chosen areas of business.

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, 2008.

DIRECTORATE

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

STATUTORY AUDITORS

Subject to approval from the members in the forthcoming Annual General Meeting, it is proposed to appoint M/s. S. R. Batliboi & Associates, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of forthcoming Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company in the place of M/s. Gupta Navin K. & Co, Chartered Accountants, the retiring Auditors of the Company, who have expressed their unwillingness to be re- appointed as Statutory Auditors of the Company.

AUDITORS REPORT

There are no significant comments of Auditors, which require explanation in the 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 for 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 as Item no 5 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.

HUMAN RESOURCE & INDUSTRIAL RELATIONS:-

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 have been very cordial.

None of the employees of the company are 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

Pursuant to the requirement 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 year ended March 31st. 2008 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 judgments and estimates that are reasonable and prudent so as to give a fair view of the state of affairs of the Company at the year ended March 31st, 2008 and of the profit and loss of the Company for that year.
- 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 year ended March 31st, 2008 on a going concern basis.

DB Corp Ltd

ACKNOWLEDGEMENT

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.

By Order of the Board

Director

Place : Bhopal

Date : June 25, 2008

AUDITORS' REPORT

To,
The Members,

I MEDIA CORP LIMITED

1. We have audited the attached Balance Sheet of **I MEDIA CORP LIMITED** as at March 31, 2008 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, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 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, 2008;
 - (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 GUPTA NAVIN K. & CO.
CHARTERED ACCOUNTANTS

Navin K. Gupta
Partner

Bhopal
June 25, 2007

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 3 of our report of even date

- (i) 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) There was no substantial disposal of fixed assets during the year.
- (ii) In respect of its inventories the Company does not have any Inventories.
- (iii) 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. 829.94 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 and 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.
- (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 fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - (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 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.
- (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) In respect of statutory dues:
 - (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.
 - (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 accumulated losses at the end of the financial year and it has incurred cash losses in the current and also in 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) During the year, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (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 GUPTA NAVIN K. & CO.
CHARTERED ACCOUNTANTS**

**Navin K. Gupta
Partner**

Bhopal
June 25, 2008

I MEDIA CORP LIMITED

BALANCE SHEET AS AT MARCH 31, 2008

SOURCE OF FUNDS	Schedules	As At March 31, 2008		As At March 31, 2007	
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
SHAREHOLDERS FUNDS					
Share Capital	1	10500000		10500000	
LOAN FUNDS					
Unsecured Loans from Bodies Corporate		82994134		22468368	
TOTAL RUPEES :		93494134		32968368	
APPLICATION OF FUNDS					
Gross Block		20271683		15733174	
Less : Depreciation		2607267		415464	
NET BLOCK	2	17664416		15317710	
CURRENT ASSETS , LOANS & ADVANCES					
Sundry Debtors	3	10025225		1877942	
Cash & Bank Balances	4	1210520		1383868	
Loans & Advances	5	2473676		1726553	
		13709421		4988363	
Less : CURRENT LIABILITIES					
Current Liabilities	6	8920397		6011066	
Provision for Tax (Net of payment)		20000		0	
		8940397		6011066	
NET CURRENT ASSETS			4769024		(1022703)
Miscellaneous Expenditure (to the extent not written off or adjusted)			0		29760
Deferred Tax Assets			876214		876214
Profit & Loss Account			70184480		17767387
TOTAL RUPEES :			93494134		32968368
Accounting Policies and Notes on Accounts	11				
Balance Sheet abstract and General Business profile	12				

As per our separate Report attached

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

On behalf of the Board

**Navin K. Gupta
Partner**

Bhopal
June 25, 2008

Director

Director

I MEDIA CORP LIMITED

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

	Schedules	2007-2008	2006-2007
INCOME			
Sales	7	17166827	1708788
Other Income		4962641	0
TOTAL RUPEES :		22129468	1708788
EXPENDITURE			
Operating Expenses	8	12004117	3003168
Payments to and Provisions for Employees	9	37749535	8339950
Selling, Administration & Other Expenses	10	16015846	7548291
Interest		5911247	862516
TOTAL RUPEES :		71680745	19753925
Profit / (Loss) Before Depreciation		(49551277)	(18045137)
Less : Depreciation		2191803	415464
Profit / (Loss) Before Tax		(51743080)	(18460601)
Less :			
Provision for Fringe Benefit Tax		674013	183000
Deffered Tax Liabilities / (Assets)		0	(876214)
		674013	(693214)
Profit / (Loss) After Tax		(52417093)	(17767387)
Balance brought forward from previous year		(17767387)	0
Balance carried to Balance Sheet		(70184480)	(17767387)
Accounting Policies and Notes on Accounts	11		
Balance Sheet abstract and			
General Business profile	12		

As per our separate Report attached

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

On behalf of the Board

**Navin K. Gupta
Partner**

Bhopal
June 25, 2008

Director

Director

I MEDIA CORP LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2008 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

Amount (In Rs.)

Schedule 1

SHARE CAPITAL :

50,00,000 Equity Shares of Rs. 10/- each	50000000	50000000
Issued, Subscribed & Paid up :		
10,50,000 Equity Shares of Rs.10/- each fully paid up for Cash at par	10500000	10500000
TOTAL RUPEES :	10500000	10500000

Schedule 2

FIXED ASSETS

S. No.	PARTICULARS	COST			DEPRECIATION			WRITTEN DOWN VALUE	
		AS AT 01.04.2007 THE YEAR	ADDITIONS DURING YEAR	TOTAL	UPTO LAST YEAR	FOR THE YEAR	TOTAL	AS AT 31.03.08	AS AT 31.03.07
1	FURNITURE & FIXTURE	6117231	725603	6842834	48929	398112	447041	6395793	6068302
2	COMPUTERS	9324427	3655547	12979974	351830	1777736	2129566	10850408	8972597
3	OFFICE EQUIPMENT	291516	157359	448875	14705	15955	30660	418215	276811
TOTAL RUPPES		15733174	4538509	20271683	415464	2191803	2607267	17664416	15317710
PREVIOUS YEAR		0	15733174	15733174	0	415464	415464	15317710	-

Schedule 3

SUNDRY DEBTORS

(Unsecured, considered Good)

Upto Six Months	6394557	1877942
More than Six Months	3669952	0
	10064509	1877942
Less :Provision for Doubtful Debtors	39284	0
TOTAL RUPEES :	10025225	1877942

Schedule 4

CASH & BANK BALANCES :

Cash in Hand	36144	11372
BANK BALANCES WITH SCHEDULED BANKS :		
On Current Accounts	1149376	1372496
On Fixed Deposit Account	25000	0
TOTAL RUPEES :	1210520	1383868

Schedule 5

LOANS & ADVANCES

(Unsecured , considered good)

Advances (Recoverable or adjustable)	992277	1725657
Deposit with Others	2000	0
Advance Income Tax & Tds	1479399	896
TOTAL RUPEES :	2473676	1726553

I MEDIA CORP LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2008
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.**

	Amount (In Rs.)	
Schedule 6		
CURRENT LIABILITIES:		
Sundry Creditors	3141734	5265335
Other Liabilities	5778663	745731
TOTAL RUPEES :	8920397	6011066
Schedule 7		
SALES		
Sales - Portal	1612893	306390
Sales - SMS	15553934	1402398
TOTAL RUPEES :	17166827	1708788
Schedule 8		
OPERATING EXPENSES		
Portal Expenses	5029390	1034943
SMS Expenses	3387100	47332
Licence & Other Fees	3388791	1669763
Data Acquisition Expenses	38059	178900
Internet Expenses	160777	72230
TOTAL RUPEES :	12004117	3003168
Schedule 9		
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salary , Wages , Bonus & Gratuity	35449953	7796473
Employer's Contribution to P.F. & Other Funds	1709058	425976
Employees Welfare Expenses	590524	117501
TOTAL RUPEES :	37749535	8339950
Schedule 10		
SELLING , ADMINISTRATION AND OTHER EXPENSES :		
Communication Expenses	1044422	222765
Conveyance Expenses	439229	52259
General Expenses	1165524	193928
Rent, Rates & Taxes	923561	522080
Repairs & Maintenance	657106	413334
Travelling Expenses	2219301	1079721
Business Promotion	622429	48100
Legal & Professional Charges	887194	688898
Advertisement Expenses	6085018	3663379
Bank Charges	11738	4786
Insurance	9906	3197
Courier, Cargo & Postage Expenses	87620	1557
Electricity Expenses	779335	251775
Preliminary Expenses W/Off	29760	7440
Audit Remueration (As Auditors)	102000	18000
Security Expenses	409478	161049
Printing & Stationary	218580	106123
Provision for Doubtful Debts	39284	0
Subscription & Membership Fees	284361	109900
TOTAL RUPEES :	16015846	7548291

I MEDIA CORP LIMITED

SCHEDULE 11

SCHEDULE 11

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENT AS AT MARCH 31, 2008.

General Information

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

9 Miscellaneous Expenditure

Till previous year, preliminary expenses were amortized over a period of five years but in the current year, the same has been amortized fully.

NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENT AS AT MARCH 31, 2008

- 1 The estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous year 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 (Current year US \$ 83915 : Rs. 33,80,666/- (Previous year Previous Year 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 (Rs. In Lacs) 31.03.08	Amount (Rs. in Lacs) 31.03.07
A	Outstanding	D.B.Corp Limited	826.89	224.68
B	Sales Revenue	D.B.Corp Limited	33.35	0.69
C	Advertisement & Publicity Expenses	D.B.Corp Limited	60.85	36.62
D	Interest Paid	D.B.Corp Limited	59.11	8.63
E	Sales Promotion	D.B.Corp Limited	2.40	-

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

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

For I MEDIA CORP LIMITED

**Navin K. Gupta
Partner**

Bhopal
June 25, 2008

**Sudhir Agarwal
(Director)**

**Jyoti Agarwal
(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	31.03.2008	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	102435	Total Assets	102435
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Sources of Funds :

Paid up Capital	10500	Reserves & Surplus	Nil
Secured Loans	Nil	Unsecured Loans	82994

Application of Funds :

Net Fixed Assets	17664	Investments	Nil
Net Current Assets	4769	Misc. Expenditure	0
Accumulated Losses	70184		

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

Turnover	22129	Total Expenditure	71681
Profit / Loss Before Tax	(51743)	Profit / Loss After Tax	(52417)
Earning per Share in Rs.	(49.92)	Dividend Rate %	Nil

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

Code : 899.9 - Information Technology (IT) Enabled Services

On behalf of the Board

Director

Director

Bhopal
June 25, 2008

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

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, 2008.

Financial Results :-

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

	2007-08	2006-07
Profit / (Loss) Before Tax	(250258)	(912404)
Less :		
Provision for Fringe Benefit Tax	15481	18586
Profit / (Loss) After Tax	(265739)	(930990)
Balance bought forward from previous year	(930990)	
Balance carried to Balance Sheet	(1196729)	(930990)

This is the second year of operations of the company since incorporation. The company continues to incur losses in the current year as the company has recently ventured into the Event Management Business.

Dividend:-

In view of the accumulated losses of the company, the Directors of your company does not recommend any dividend.

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 2009 on remuneration to be decided by the Board of Directors of your company.

Auditors Report:-

The Auditors' Report for the year under report and observations made therein as tabled before the Board are self explanatory

DB Corp Ltd

and do not call for any comments as required under section 217 of the Companies Act, 1956.

Particulars of Employees etc.

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 : May 24, 2008

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 SEASON EVENTS PRIVATE LIMITED** as at 31st March, 2008 and Profit & Loss Account for the 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, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
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 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 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, 2008 and
 - ii. in so far as it relates to Profit & Loss Account of the Loss for the year ended on that date.

For GUPTA NAVIN & CO.
CHARTERED ACCOUNTANTS

S. Gupta
Partner

Place : Bhopal

Date : May 24, 2008

ALL SEASON EVENTS PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2008

SOURCE OF FUNDS	Schedules	As At March 31, 2008		As At March 31, 2007	
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
SHAREHOLDERS FUNDS					
Share Capital	1		100000		100000
LOAN FUNDS					
Unsecured Loans from Bodies Corporate			1476866		815200
TOTAL RUPEES :			<u>1576866</u>		<u>915200</u>
APPLICATION OF FUNDS					
Gross Block		306023		306023	
Less : Depreciation		<u>46509</u>		<u>15414</u>	
NET BLOCK	2		259514		290609
CURRENT ASSETS , LOANS & ADVANCES					
Sundry Debtors	3	0		215612	
Cash & Bank Balances	4	145495		304676	
Loans & Advances	5	<u>0</u>		<u>103492</u>	
		145495		623780	
Less : CURRENT LIABILITIES	6				
Current Liabilities		<u>24872</u>		<u>985379</u>	
		24872		985379	
NET CURRENT ASSETS			120623		(361599)
Miscellaneous Expenditure (to the extent not written off or adjusted)			0		55200
Profit & Loss Account			1196729		930990
TOTAL RUPEES :			<u>1576866</u>		<u>915200</u>
Accounting Policies and Notes on Accounts	9				
Balance Sheet abstract and					
General Business profile	10				

As per our separate Report attached

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

On behalf of the Board

S. Gupta
Partner

Director

Director

Bhopal
May 24, 2008

ALL SEASON EVENTS PRIVATE LIMITED

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

	Schedules	2007-2008	2006-2007
INCOME			
Events Income		1437287	1683585
Miscellaneous Income		22253	135
TOTAL RUPEES :		<u>1459540</u>	<u>1683720</u>
EXPENDITURE			
Events Expenses		467545	1004373
Payments to and Provisions for Employees	7	383856	632412
Selling, Administration & Other Expenses	8	691517	943925
Interest		135785	0
Depreccation		31095	15414
TOTAL RUPEES :		<u>1709798</u>	<u>2596124</u>
Profit / (Loss) Before Tax		<u>(250258)</u>	<u>(912404)</u>
Less :			
Provision for Fringe Benefit Tax		15481	18586
Profit / (Loss) After Tax		<u>(265739)</u>	<u>(930990)</u>
Balance brought forward from previous year		(930990)	0
Balance carried to Balance Sheet		<u>(1196729)</u>	<u>(930990)</u>
Accounting Policies and Notes on Accounts	9		
Balance Sheet abstract and General Business profile	10		

As per our separate Report attached

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

S. Gupta
Partner

Bhopal
May 24, 2008

On behalf of the Board

Director

Director

ALL SEASON EVENTS PRIVATE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2008
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

Amount (In Rs.)

Schedule 1

SHARE CAPITAL :

Authorised :

250000 Equity Shares of Rs. 10/- each 2500000 2500000

Issued, Subscribed & Paid up :

10000 Equity Shares of Rs.10/- each fully paid up for Cash at par 100000 100000

TOTAL RUPEES : 100000 100000

Schedule 2

FIXED ASSETS

PARTICULARS	C O S T			D E P R E C I A T I O N			W R I T T E N D O W N V A L U E	
	AS AT 01.04.2007 THE YEAR	ADDITIONS DURING YEAR	TOTAL	UPTO LAST YEAR	FOR THE YEAR	TOTAL	AS AT 31.03.08	AS AT 31.03.07
FANS & COOLERS	15500	0	15500	361	736	1097	14403	15139
FURNITUR& FIXTURES	122233	0	122233	3389	7737	11126	111107	118844
COMPUTERS	127650	0	127650	10740	20692	31432	96218	116910
OFFICE EQUIPMENTS	40640	0	40640	924	1930	2854	37786	39716
TOTAL RUPPES	306023	0	306023	15414	31095	46509	259514	290609
PREVIOUS YEAR	0	306023	306023	0	15414	15414	290609	0

Schedule 3

SUNDRY DEBTORS

(Unsecured , considered Good)

Others 0 215612

TOTAL RUPEES : 0 215612

Schedule 4

CASH & BANK BALANCES :

Cash in Hand 450 1406

BANK BALANCES WITH SCHEDULED BANKES :

On Current Accounts 145045 303270

TOTAL RUPEES : 145495 304676

ALL SEASON EVENTS PRIVATE LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2008
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

	Amount (In Rs.)	
Schedule 5		
LOANS & ADVANCES		
(Unsecured, considered Good)		
Deposit with others	0	20000
Advances (Recoverable or adjustable)	0	83492
TOTAL RUPEES :	0	103492
Schedule 6		
CURRENT LIABILITIES:		
Sundry Creditors	0	681784
Other Liabilities	24872	303595
TOTAL RUPEES :	24872	985379
Schedule 7		
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salary	367330	614841
Staff Welfare	16526	17571
TOTAL RUPEES :	383856	632412
Schedule 8		
SELLING , ADMINISTRATION AND OTHER EXPENSES :		
General Expenses	43198	75640
Legal & Professional Charges	12354	49077
Rent, Rates & Taxes	161500	151000
Auditor Remuneration	15000	10000
Advertisement Expenses	155730	218939
Bank Charges	3775	7242
Conveyance	1020	14998
Courier, Cargo & Postage Expenses	5446	13042
Electricity Expenses	4465	3867
Preliminary Expenses W/Off	55200	13800
Security Expenses	4000	55427
Printing & Stationary	19648	75298
Telephone Expenses	22560	66339
Travelling Expenses	187621	189256
TOTAL RUPEES :	691517	943925

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, 2008 and Profit and Loss Account for the year ended on that date.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENT AS AT 31TH MARCH, 2008.

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) Investments :

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.

NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENT AS AT 31ST MARCH, 2008

- 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.
- 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.

3. Related Party Disclosures

Associates- Holding company : D.B.Corp Limited.

Key Management Personnel : NIL

Transactions with Related Parties :

Sr. No.	Particulars	Associates	Amount (Rs.)
A	Outstanding as on 31.03.2008	D.B.Corp Limited	14,76,866
B	Advertisement & Publicity Expenses	D.B.Corp Limited	95,000
C	Interest Expenses	D.B.Corp Limited	1,35,785

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

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

**Navin K. Gupta
Partner**

Bhopal
May 24, 2008

For and on behalf of the Board

Director

Director

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	31.03.2008	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	1602	Total Assets	1602
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Sources of Funds :

Paid up Capital	100	Reserves & Surplus	Nil
Secured Loans	Nil	Unsecured Loans	1477

Application of Funds :

Net Fixed Assets	260	Investments	Nil
Net Current Assets	121	Misc. Expenditure	0
Accumulated Losses	1197		

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

Turnover	1460	Total Expenditure	1710
Profit / Loss Before Tax	-250	Profit / Loss After Tax	-266
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

On behalf of the Board

Navin K. Gupta
Partner

Director

Director

Bhopal
May 24, 2008



DB PARTNERS ENTERPRISES PRIVATE LIMITED

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

DIRECTORS' REPORT

The Members,

Your Directors present the 1st Annual Report of the Company together with Audited Balance Sheet and Profit & Loss for the year ended 31st March, 2008.

FINANCIAL RESULTS

During the year under report financial results are under :

Profit / (Loss) Before Tax	(335640)
Less : Provision for Fringe Benefit Tax	—
Profit / (Loss) After Tax	(335640)
Balance bought forward from previous year	—
Balance carried to Balance Sheet	(335640)

The is the first year of operation of the company, since incorporation the company is not commenced any business yet.

Your company has became the wholly owned subsidiary of DB Corp limited with effect from 25.9.2007.

DIVIDEND

As there was no earning, the payment of dividend has not being considered.

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 2009 on remuneration to be decided by the Board of Directors of your company.

AUDITORS REPORT

The Auditors' Report for the year under report and observation 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 EMPOLYEES

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.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 – the Directors confirm that:

- (i) in the preparation of the annual accounts for the year ended 31st March, 2008, the applicable accounting standards have been followed and there have been no material departure;

- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates 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 Loss of the Company for that period.
- (iii) 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 and detecting fraud and other irregularities;
- (iv) the Directors had prepared annual accounts on a going concern basis.

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 : May 24, 2008

AUDITORS' REPORT

To,

The Members,

We have audited the attached Balance Sheet of **DB PARTNERS ENTERPRISES PRIVATE LIMITED**, as at 31st March 2008 and the Profit & Loss Account for the year ended on that date annexed thereto for the year ended on that 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, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
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 explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of 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) As per information and explanations given to us by the Directors of the Company, we report that 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 explanation given to us, the said account read together with notes on accounts as per schedule 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,2008 ; and
 - (ii) In so far as it relates to profit & Loss Account of the Loss for the year ended on that date .

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

**S. Gupta
Partner**

Bhopal
May 24, 2008

DB PARTNERS ENTERPRISES PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2008

SOURCE OF FUNDS	Schedules	As At March 31, 2008 Amount (Rs.)	
SHAREHOLDERS FUNDS			
Share Capital	1		100000
UNSECURED LOAN			
Loan from Body Corporate			435640
TOTAL RUPEES :			<u><u>535640</u></u>
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances	2	200000	
		<u>200000</u>	
Less : CURRENT LIABILITIES			
Current Liabilities	3	0	
		<u>0</u>	
NET CURRENT ASSETS			200000
PROFIT & LOSS ACCOUNT			335640
TOTAL RUPEES :			<u><u>535640</u></u>
Accounting Policies and Notes on Accounts	4		
Balance Sheet abstract and General Business profile	5		

As per our separate Report attached

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

S. Gupta
Partner

Bhopal
May 24, 2008

On behalf of the Board

Director

Director

DB PARTNERS ENTERPRISES PRIVATE LIMITED

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2008

	SCHEDULES	AS AT 31ST MARCH 2008
INCOME		
Income		0
TOTAL RUPEES :		0
EXPENDITURE		
Incorporation Expenses		35640
Professional Fees		300000
TOTAL RUPEES :		335640
Net Profit / (Loss) before Tax		(335640)
Balance carried to Balance Sheet		<u>(335640)</u>
Accounting Policies and Notes on Accounts	4	
Balance Sheet abstract and General Business profile	5	

As per our separate Report attached

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

S. Gupta
Partner

Bhopal
May 24, 2008

On behalf of the Board

Director

Director

DB PARTNERS ENTERPRISES PRIVATE LIMITED

Amount (In Rs.)

Schedule 1

SHARE CAPITAL :

Authorised :

100000 Equity Shares of Rs. 10/- each	1000000
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Issued, Subscribed & Paid up :

10000 Equity Shares of Rs.10/- each fully paid up for Cash at par	100000
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TOTAL RUPEES :	100000
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Schedule 2

CASH & BANK BALANCES :

Cash in Hand	0
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BANK BALANCES WITH SCHEDULED BANKES :

On Current Accounts	200000
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TOTAL RUPEES :	200000
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Schedule 3

CURRENT LIABILITIES:

TOTAL RUPEES :	0
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DB PARTNERS ENTERPRISES PRIVATE LIMITED

Schedule 4 of Notes on accounts and Significant Accounting Policies annexed to and forming part of the Balance sheet as at 31st March, 2008 and Profit and Loss Account for the year ended on that date.

1. Background

DB Partners Enterprises private Limited has been incorporated on July 23, 2007 with an object to generate To acquire, buy, purchase, sell, or otherwise deal in shares, stocks, units, bonds, debentures, debenture stock bonds and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature weather incorporated or otherwise and where so ever constituted and such other methods as may be used in future. The Company has not yet commenced its operations.

2. Statement of 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.

(b) Pre-operative Expenditure pending Allocation

Indirect expenditure related to Business is carried forward as preoperative Expenditure and shall be allocated as per the generally accepted accounting principle.

(c) 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.

NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENT AS AT 31ST MARCH, 2008

1. Related Party Disclosures

Associates- Holding company : D.B.Corp Limited.

Key Management Personnel : NIL

Transactions with Related Parties :

Sr. No.	Particulars	Associates	Amount (Rs.)
A	Outstanding as on 31.03.2008	D.B.Corp Limited	4,35,640

2. The Company has been incorporated during the year and hence there are no previous year comparatives.

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

As per our separate Report attached

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

S. Gupta
Partner

Bhopal
May 24, 2008

On behalf of the Board

Director

Director

DB PARTNERS ENTERPRISES PRIVATE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Schedule - 5

I Registration Details :

Registration No.	10-019683	Date of Incorporation	23.07.2007
Balance Sheet Date	31.03.2008	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	536	Total Assets	536
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Sources of Funds :

Paid up Capital	100	Reserves & Surplus	Nil
Secured Loans	Nil	Unsecured Loans	436

Application of Funds :

Net Fixed Assets	Nil	Investments	Nil
Net Current Assets	200	Profit & Loss	336
Accumulated Losses	Nil		

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

Turnover	Nil	Total Expenditure	336
Profit / Loss Before Tax	-336	Profit / Loss After Tax	-336
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

On behalf of the Board

Navin K. Gupta
Partner

Director

Director

Bhopal
May 24, 2008

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Don't insist. Don't be stubborn. That's what we've been taught since childhood.

And that becomes the story of our lives. If the roads are bad, we drive slower. If eve-teasers trouble us, we take another road. If there's no electricity all day, we'll buy a generator.

Don't be stubborn. Don't insist.

We say, be stubborn. Be so stubborn that the world sits up and takes notice. Be so stubborn that closed doors don't remain closed anymore. Be so stubborn that every day, every moment is filled with happiness.

And tell your children, don't be stubborn now. Wait till you grow up.

Zidd Karo.
Duniya Badlo.



DB Corp Ltd

We're happy our zidd has
earned a smile from you



Head Office : 6, Dwarka Sadan, Press Complex, MP Nagar, Bhopal, MP - 462011. (MP)

Registered Office: 280, Near YMCA Club, Makarba, Gandhi Nagar, Sarkej Highway, Ahmedabad (Gujarat)

Mumbai Office : G-3A, Kamanwala Chambers, New Udyog Mandir-2, Mogul Lane, Mahim (West), Mumbai (Maharashtra)