Scripting The future

ANNUAL REPORT | 2008-09 (CONSOLIDATED)

DB Corp Ltd

Milestones

2008
- Dainik Bhaskar completes 50 glorious years as a Hindi Newspaper Publication
- Dainik Bhaskar was the first Publication in the country to sign a celebrity as a Brand Ambassador – Indian Cricket Team Captain M.S. Dhoni
- An integrated Brand Campaign tagged as "Zidd Karo, Duniya Badlo" was launched on a nationwide scale
- Business Bhaskar, a Financial Hindi Newspaper, was launched in Bhopal, Indore, Raipur, New Delhi, Panipat, Jalandhar and Ludhiana with separate editions for each of these cities
- Launch of Dainik Bhaskar editions in Pali, Nagaur, Bhilai, Ratlam and Shimla
- Launch of an edition of DNA in Jaipur as a franchise by DB Corp Ltd.
- Launch of DB Star editions in Bhopal & Indore

2007
- Launch of Dainik Bhaskar editions in New Delhi and Ludhiana.
- Launch of Divya Bhaskar Bhuj edition - making it the only leading newspaper with 7 editions in Gujarat. Divya Bhaskar acted as a Catalyst by being the exclusive partner with New7wonders in getting The TAJ Mahal its rightful place in the '7 Wonders of the World'
- Launch of the first compact newspaper in Gujarati named as DB Gold
- Launch of DNA in Ahmedabad and Surat as a franchise by DB Corp Ltd
- Launch of the 'Young Bhaskar Magazine' for Kids and 'Lakshya' as a Career Magazine
- MY FM completes its network with 17 radio stations across India

2005 –2006
- Dainik Bhaskar entered Punjab simultaneously with the launch of two editions in Amritsar & Jalandhar respectively
- Dainik Bhaskar launched its Ujjain and Sagar editions
- Divya Bhaskar launched its Rajkot & Jamnagar editions

- AHA! Zindagi' Magazine launched in Gujarati Language

- IMCL', a new Media Company was formed
- Launch of MYFM with its first radio station in Jaipur

2004
- Divya Bhaskar launched its Surat, Vadodara and Mumbai 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 its Mumbai edition
- DB Corp Ltd also launched its new Hindi Magazine, AHA! Zindagi, the first of its kind on lifestyle and positive thinking

2003- 2000
- DB Corp Ltd. entered Gujarat with the launch of its first Gujarati daily, 'Divya Bhaskar' in Ahmedabad
- DB Corp Ltd launched its first magazine called 'Bal Bhaskar' for Kids
- Dainik Bhaskar launched its Faridabad edition
- Dainik Bhaskar added two more States to its portfolio by launching its Chandigarh, Panipat and Hissar editions

1990's
- Dainik Bhaskar became the No.1 Newspaper in Madhya Pradesh and was declared the Fastest Growing Daily in India, estimated by the Indian Readership Survey (IRS)
- Dainik Bhaskar launched its Bilaspur edition.
- Dainik Bhaskar entered Rajasthan with its Jaipur, Ajmer, Jodhpur, Bikaner, Udaipur and Kota editions

1983
- Bhaskar Group began its ambitious journey with the launch of Dainik Bhaskar's Indore edition, followed by the Raipur edition in Chhattisgarh

1958
- Dainik Bhaskar launches its first edition in the hometown of the Agarwal family, Bhopal

DB Corp Ltd

CONTENTS

MYK

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	:	S. R. Batliboi & Associates, Chartered Accountants Mumbai, Maharashtra And Gupta Navin K. & Co Chartered Accountants, Gwalior, Madhya Pradesh
Registered Office	:	Plot No. 280, Sarkhej-Gandhi Nagar Highway, Near YMCA Club, Makarba, Ahmedabad – 380 051. Gujarat
Corporate Office	:	Dwarka Sadan, 6, Press Complex, M.P. Nagar, Bhopal – 462 011. Madhya Pradesh
Mumbai Office	:	G-3A/4-6, Kamanwala Chambers, New Udyog Mandir - 2, Mogul Lane, Mahim (W), Mumbai - 400 016. Maharashtra

MYK

ANNUAL REPORT 2008-09

DIRECTORS' REPORT

To
Dear Shareholders,
Your Directors are delighted to present the thirteenth Annual Report of your Company for the year ended March 31, 2009.

Financial Highlights (Rs. in Lacs)

Particulars	**2008-09**	2007-08
Sales & Other Income	**93243.35**	85058.88
EBITDA	**16180.12**	20310.46
Financial Expenses	**3268.71**	2427.37
Depreciation/ Amortisation	**1779.49**	1468.65
Profit Before Tax	**11131.92**	16414.44
Provisions for Current Tax , Deferred tax & other Tax Expenses	**4284.31**	6274.59
Profit for the Year After Tax	**6847.60**	10139.85
Proposed Dividend	**843.95**	843.95

REVIEW OF PERFORMANCE:

Your Directors would like to inform that despite tough market conditions, your company could achieve satisfactory results for the financial year ended on March 31, 2009. The brief highlights of the performance during the said period are as under:-

- The Sales & Other income have witnessed a growth of over 9.62% at Rs. 932.43 Crores, compared to Rs. 850.58 Crores in the previous year.
- The EBIDTA saw a decline of Rs. 41.30 crores. It stood at Rs. 161.80 Crores, compared to Rs. 203.10 Crores in the previous year.
- The profit after tax declined by 32.47% to Rs. 68.48 Crores, compared to Rs. 101.40 Crores in the previous year.
- Further, for the year ended on March 31, 2009, the consolidated revenue of your company increased to Rs 960.99 Crores from Rs. 862.70 Crores in the previous year, registering a growth of over 11.39%.

MANAGEMENT DISCUSSION

The newspaper industry has extremely high costs of entry into new markets. New editions of newspapers usually make losses for the first two to four years of operation due to heavily subsidized cover prices and high marketing costs coupled with initial low advertisement revenues. Over time, new editions mature and eventually achieve the profitability levels which they are expected to achieve in the longer term.

Therefore for analyzing performance of the company we divide our editions into emerging & mature. The following table provides information about the emerging editions, to show business potential of the company:

(Rs. in Lacs)

SUMMARY FINANCIALS			
PARTICULARS	**Emerging Editions FY 09**	**Matured Editions & Others FY 09**	**Total FY 09**
TURNOVER			
PUBLISHING			
- Advt Revenues	502.84	6476.29	6979.13
- Sales	237.95	1912.98	2150.94
- Other Income	2.34	191.93	194.27
TOTAL INCOME	**743.13**	**8581.20**	**9324.34**
News Print Cost	664.40	3409.99	4074.40
Opex	608.88	3023.04	3631.92
Total Cost	**1273.29**	**6433.03**	**7706.32**
EBITDA	**(530.15)**	**2148.17**	**1618.01**
EBIDTA %	**-71.3%**	**25.0%**	**17.4%**
Interest	27.83	299.04	326.87
Depreciation	31.04	146.91	177.95
PBT	**(589.02)**	**1702.21**	**1113.19**
PBT %	-79.26%	19.84%	11.94%

FUTURE OUTLOOK

"With a readership base of over 250 mn, India is the second largest print market in the world. However, this market is still under penetrated for a country with a population in excess of 1,200 mn and highly fragmented with over 60,000 newspapers printed in 22 languages."… (Source: FICCI-KPMG Media & Entertainment Industry Report – FICCI Frames 2009)

The above statement only evidences our stand that the future growth potential is enormous especially for company like ours which has a wide network clubbed with deeper penetration into regional & local markets.

NEW EDITIONS & TITLES LAUNCHED

As part of the company's plans to provide new offerings to it's' readers, following new editions were launched during the year under review:

Sl. No.	Title	Edition / Location	Month of Launch
1	Dainik Bhaskar	Jagdalpur, Bhilai, Nagour, Pali	April 2008
2	Dainik Bhaskar	Ratlam, Shimla,	October 2008
3	Dainik Bhaskar	Dehradun	December 2008
4	Business Bhaskar	New Delhi	September 2008

CAPITALISATION AND RESERVES

Transfer to Reserve:

As on March 31, 2009 an amount of Rs. 30,00,00,000/- was transferred to General Reserve as against Rs. 70,00,00,000/ -in. the previous year.

Dividend:

The Directors are pleased to recommend a dividend @ 5.00 % i.e. Re. 0.50ps per equity share for the financial year 2008-09. The total amount of dividend outgo will be Rs. 8,43,94,803/- being the same amount paid for the previous financial year.

EMPLOYEES' STOCK OPTION SCHEME

As part of company's plans for the welfare of its employees, the Company had instituted an ESOP Scheme on November 30, 2007. Accordingly, the shareholders approved to grant 700,000 stock options to its employees pursuant to the ESOP Scheme on December 1, 2007. However in order to provide better terms and liquidity to the employees, this scheme was further modified during the year vide resolutions passed in the Extra ordinary General meeting dated December 11, 2008 and December 31, 2008. Details in respect of the ESOP Scheme of the company are provided in an annexure hereto.

INITIAL PUBLIC OFFERING

As the members are aware, the company is proposing to come out with a public issue of its Equity Shares of Rs. 10 each, including an offer for sale from one of the existing shareholders, at a price to be determined by Book-building process and a Draft Red Herring Prospectus is proposed to be filed with the Securities and Exchange Board of India (SEBI).

Change in Directorate:

In accordance with the provisions of the Companies Act 1956, and the Articles of Association of the Company, Shri Pawan Agarwal and Shri Kailash Chandra Chowdhary, directors of the company, retire by rotation at the ensuing Annual general Meeting of the company and being eligible, offer themselves for re-appointment.

CORPORATE GOVERNANCE

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, your company has implemented the requirements of Corporate Governance and accordingly the following committees have been constituted:

1. Audit Committee
2. Shareholders'/Investors' Grievance Committee
3. Remuneration Committee
4. Compensation Committee

Further, in order facilitate smooth handling of matters pertaining to day-to-day activities and functions relating to IPO, the following committees have been formed:

1. Executive Committee (EC)
2. IPO Committee(IC)

Shri K.Venkataraman, Company Secretary shall act as 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 (SMEL)

Our subsidiary, SMEL, has a significant presence in the radio business under the brand name MY FM and presently we operate FM radio at 17 locations, across the country. The programs of MY FM are been appreciated by the listeners and advertisers across all the locations, giving it the motivation to grow further.

I Media Corp Limited

Our another subsidiary, I Media Corp Limited ("IMCL"), currently operates many internet portals and short messaging service ("SMS") portals and it intends to commence its digital out-of-home business, which includes the running of interactive kiosks and display screens at public places which provide tremendous growth opportunities. IMCL re-designed www.bhaskar.com & www.divyabhaskar.co.in keeping in mind the usability, deeper content and changing customer needs.

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 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:

During the year under review, the company earned Foreign Exchange of Rs. 4.92 Lacs. Foreign exchange Expenses on account of imported Raw Material during the year was Rs. 9,159.82/- lacs and on account of traveling and other expenses was Rs. 2517.57/- 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 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 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 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 Companies Act, 1956 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, 2009 on a "going concern" basis;

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:Mumbai	**(Sudhir Agarwal)**	**(Girish Agarwal)**
Date:June 18, 2009	**Managing Director**	**Director**

(Annexure pursuant to the ESOP Scheme)

<table>
<tr><th>Particulars</th><th colspan="3">Details</th></tr>
<tr><td>Options approved by the Shareholders</td><td colspan="3">700,000</td></tr>
<tr><td>Exercise price of options</td><td>Fiscal

FY 2010
FY 2011
FY 2012
FY 2013
FY 2014</td><td>No. of options granted

140,000
140,000
140,000
140,000
140,000</td><td>Exercise Price (Rs.)

An amount equal to 50% discount to the average of closing market price of the Equity Shares over the first 30 trading days following the initial pubic offering of our Company. The market price on the stock exchange showing the highest volume of trading would be considered.</td></tr>
<tr><td>Total options vested (including options exercised)</td><td colspan="3">Nil</td></tr>
<tr><td>Options exercised</td><td colspan="3">Nil</td></tr>
<tr><td>Total number of Equity Shares arising as a result of full exercise of options already granted and vested</td><td colspan="3">Nil</td></tr>
<tr><td>Options forfeited/lapsed/cancelled</td><td colspan="3">Nil</td></tr>
<tr><td>Variations in terms of options</td><td colspan="3"><u>Original ESOP scheme approved at shareholders meeting dated November 30, 2007</u>
a. The exercise price shall be Rs. 275 per option.
b. The options shall vest over a period not earlier than 16 months and not later than 64 months from the date of grant and exercisable for a period of three years from vesting.
<u>First amendment by shareholder's resolution dated December 11, 2008:</u>
The exercise price will be:
a. As per fair market value at the time of the grant of the options, if the shares are not listed.
b. If the shares are listed then at a 50% discount to the average of the closing market price of the first 30 trading days following the initial public offer of our Company. The market price on the stock exchange showing the highest volume of trading would be considered.
c. The ESOP granted shall be exercised within a maximum period of three years from the date of vesting of the ESOP.
<u>Second amendment by shareholder's resolution dated December 31, 2008:</u>
The exercise price will be:
a. An amount equal to 50% discount to the average of closing market price of the Equity Shares over the first 30 trading days following the initial pubic offering of our Company. The market price on the stock exchange showing the highest volume of trading would be considered.
b. The ESOP granted can be exercised only after the initial public offering of our Company. The exercise period would not be more than three years from the date of vesting or listing, whichever is later.</td></tr>
<tr><td>Money realized by exercise of options (Rs.)</td><td colspan="3">Nil</td></tr>
<tr><td>Options outstanding (in force), as per Shareholders' approval</td><td colspan="3">413,427</td></tr>
</table>

Particulars	Details
Person-wise details of options granted to:	
(a) Directors	Nil
(b) Key managerial personnel	
Dr. Bharat Agarwal	20,000
Shri P G. Mishra	15,869
Shri Shravan Garg	7,823
Shri R D Bhatnagar	10,201
(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 2009	Rs. 4.06
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
Vesting schedule (Fiscal wise)	
FY 2010	140,000
FY 2011	140,000
FY 2012	140,000
FY 2013	140,000
FY 2014	140,000
Lock-in	Nil
Impact on profits and EPS of the last three years	Not applicable

AUDITORS' REPORT

To,

The Members of D B Corp Limited

1. We have audited the attached Balance Sheet of D B Corp Limited ('the Company') as at March 31, 2009 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) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), 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 Act.

   (v) On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 the Act.

   (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 Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      (a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009;

      (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

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin K. Gupta
Partner
Membership No. 75030

Place : Mumbai
Date : June 18, 2009

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 five companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs 8,647.38 lacs and the year- end balance of loans granted was Rs 5,681 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 Act.

(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 Act.

(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 Act for the products of the Company.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess have generally been regularly deposited with the appropriate authorities except in case of payment of tax deducted at source where there have been slight delays in few number of cases and in case of service tax where there has been a delay in one case.

(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 and 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 Order 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 Order 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 18, 2009

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin K. Gupta
Partner
Membership No. 75030

BALANCE SHEET AS AT MARCH 31, 2009

	Schedules	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	**1,687,906,050**	1,687,994,250
Reserves and Surplus	2	**1,543,971,684**	957,860,653
		3,231,877,734	2,645,854,903
Loan Funds			
Secured Loans	3	**5,095,523,507**	2,820,492,286
Unsecured Loans	4	**218,945,919**	208,131,407
		5,314,469,426	3,028,623,693
Deferred Tax Liability (Net)	5	**392,819,669**	338,010,825
		8,939,166,829	6,012,489,421
APPLICATION OF FUNDS			
Fixed Assets	6		
Gross Block		**3,589,445,271**	2,971,640,482
Less : Accumulated Depreciation / Amortisation		**736,132,152**	566,445,382
Net Block		**2,853,313,119**	2,405,195,100
Capital Work-in-progress (including Capital Advances)		**2,708,271,376**	229,582,086
		5,561,584,495	2,634,777,186
Investments	7	**943,286,000**	773,441,000
Current Assets, Loans and Advances			
Inventories	8	**710,818,926**	671,317,878
Sundry Debtors	9	**1,701,271,947**	1,680,795,764
Cash and Bank Balances	10	**402,894,946**	587,296,302
Loans and Advances	11	**1,475,022,639**	1,254,924,661
		4,290,008,458	4,194,334,605
Less : Current Liabilities and Provisions			
Current Liabilities	12	**1,689,152,164**	1,274,447,703
Provisions	13	**383,430,753**	348,752,028
		2,072,582,917	1,623,199,731
Net Current Assets		**2,217,425,541**	2,571,134,874
Miscellaneous Expenditure	14	**216,870,793**	33,136,361
(to the extent not written off or adjusted)		**8,939,166,829**	6,012,489,421
NOTES TO ACCOUNTS	22		

The Schedules referred to above and Notes to Accounts 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

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**

Mumbai
June 18, 2009

Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedules	For the Year Ended March 31, 2009 Rs.	For the Year Ended March 31, 2008 Rs.
INCOME			
Sales	15	**2,150,936,538**	1,945,126,150
Income from Event Management		**75,595,409**	55,898,809
Advertisement Income		**6,979,131,193**	6,389,087,691
Other Income	16	**118,672,152**	115,775,402
		9,324,335,292	8,505,888,052
EXPENDITURE			
Raw Material Consumed	17	**4,074,398,722**	3,365,323,590
Printed Magazines Purchase		**-**	493,424
(Increase) / Decrease in Stock of Finished Goods		**584,555**	(913,374)
Event Expenses		**58,130,263**	41,845,657
Operating Expenses	18	**1,283,506,183**	1,087,382,062
Personnel Expenses	19	**1,160,680,568**	817,032,922
Administration, Selling and Other Expenses	20	**1,129,022,912**	1,163,678,292
Financial Expenses	21	**326,871,040**	242,736,675
Depreciation / Amortisation	6	**177,949,203**	146,865,083
		8,211,143,446	6,864,444,331
Profit Before Taxation		**1,113,191,846**	1,641,443,721
Tax Expenses			
Provision for Current Tax (including Interest on Advance Tax Rs. 17,744,751 (Previous year Rs. 25,800,000))		**345,000,000**	530,000,000
Deferred Tax Charge		**54,808,844**	69,958,963
Provision for Wealth Tax		**40,000**	-
Provision for Fringe Benefit Tax		**27,777,646**	27,500,000
Provision for tax of earlier years		**804,825**	-
		428,431,315	627,458,963
Profit for the Year		**684,760,531**	1,013,984,758
Balance Brought forward from previous year		**478,262,765**	263,015,707
Profit available for Appropriation		**1,163,023,296**	1,277,000,465
Appropriations:			
Proposed Dividend		**84,394,803**	84,394,803
Corporate Dividend Tax		**14,342,897**	14,342,897
Transfer to General Reserve		**300,000,000**	700,000,000
		398,737,700	798,737,700
Balance carried to Balance Sheet		**764,285,596**	478,262,765
Earnings Per Share (Refer Note 14 of Schedule 22)			
Basic Earning Per Share		**4.06**	6.01
Weighted Average No. of Shares		**168,789,605**	168,787,766
Diluted Earning Per Share		**4.06**	6.01
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

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

Mumbai
June 18, 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

		As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Schedule 1			
SHARE CAPITAL :			
Authorised :			
249,000,000	(Previous Year 249,000,000) Equity Shares of Rs. 10/- each	**2,490,000,000**	2,490,000,000
1,000	(Previous Year 1,000), 0%, Redeemable Preference Shares of Rs. 10,000/- each	**10,000,000**	10,000,000
		2,500,000,000	2,500,000,000
Issued, Subscribed & Paid up :			
168,789,605	(Previous Year 168,787,766) Equity Shares of Rs. 10/- each fully paid up	**1,687,896,050**	1,687,877,660
1	(Previous Year 1), 0%, Redeemable Preference Share of Rs. 10,000/- each	**10,000**	10,000
	(Of the above, 166,652,850 (Previous Year 166,651,212) 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)		
Share Suspense Account (Refer Note 4 and 13 of Schedule 22)			
Nil	(Previous Year 1,839) Equity Shares of Rs. 10/- each	-	106,590
	(Of the above Nil (Previous Year 1,638) shares are to be issued as bonus shares		
Nil	(Previous Year 180) shares are to be issued at premium of Rs. 490/- each)		
Note :			
a)	Of the above shares, 2,136,755 (Previous Year 2,136,554) Equity shares are issued for a consideration other than cash.		
b)	1 Preference share of Rs. 10,000/- (Previous Year 1) has been issued for consideration other than cash.		
c)	Preference shares are redeemable at par after five years from the date of allotment i.e. July 31, 2007		
d)	For Employee Stock Option Scheme, Refer Note 16 of Schedule 22		
		1,687,906,050	1,687,994,250

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Schedule 2		
RESERVES AND SURPLUS:		
General Reserve		
As per last Balance Sheet	**479,597,888**	1,448,177,004
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	**300,000,000**	700,000,000
Less: Bonus Shares Issued	**-**	1,666,528,500
	779,597,888	479,597,888
Securities Premium Account	**88,200**	-
Profit and Loss Account	**764,285,596**	478,262,765
	1,543,971,684	957,860,653
Schedule 3		
SECURED LOANS :		
Term Loans		
- Rupee Loans from Banks	**2,163,559,681**	1,460,851,645
- Rupee Loans from Financial Institution	**388,888,874**	699,999,990
- Foreign Currency Loans from Financial Institution	**1,725,632,881**	-
Working Capital Loan		
- Cash Credit Facility from Banks	**341,692,719**	659,640,651
- Buyers' Credit from Bank	**475,749,352**	-
(For Security Refer Note 5 and 10(b) of Schedule 22)	**5,095,523,507**	2,820,492,286
Schedule 4		
UNSECURED LOANS :		
Security Deposits from Agents	**218,945,919**	208,131,407
	218,945,919	208,131,407
Schedule 5		
DEFERRED TAX LIABILITY (NET) :		
Deferred Tax Liability		
Depreciation	**405,623,938**	358,786,455
Term Loan Processing Fees	**11,247,291**	-
	416,871,229	358,786,455
Deferred Tax Asset		
Provision for Doubtful Debts / Advances	**9,500,702**	10,964,545
Provision for Gratuity and Leave Encashment	**12,001,608**	9,811,085
Provision for Diminution in value of Investment	**2,549,250**	-
	24,051,560	20,775,630
Deferred Tax Liability (Net)	**392,819,669**	338,010,825

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

Schedule 6

FIXED ASSETS :

	Gross Block				Accumulated Depreciation				Net Block	
	As At 01.04.2008	Additions During The Year*	Deductions During The Year	As At 31.03.2009	Up To 01.04.2008	For The Year	On Deductions	Up To 31.03.2009	As At 31.03.2009	As At 31.03.2008
Tangible Assets										
Land - Freehold	37,737,900	-	-	**37,737,900**	-	-	-	**-**	**37,737,900**	37,737,900
Land - Leasehold	-	8,959,490	-	**8,959,490**	-	-	-	**-**	**8,959,490**	-
Building	201,649,542	112,130,873	-	**313,780,415**	5,921,570	7,478,313	-	**13,399,883**	**300,380,532**	195,727,972
Leasehold Improvements	4,865,550	37,439,919	-	**42,305,469**	7,315	1,329,465	-	**1,336,780**	**40,968,689**	4,858,235
Plant and Machinery	2,007,506,258	355,583,244	17,764,777	**2,345,324,725**	325,037,980	102,074,363	7,985,714	**419,126,629**	**1,926,198,096**	1,682,468,278
Office Equipments	108,628,990	19,722,881	50,031	**128,301,840**	20,604,103	5,794,817	-	**26,398,920**	**101,902,920**	88,024,887
Vehicles	19,800,382	335,670	30,000	**20,106,052**	12,707,781	1,823,299	-	**14,531,080**	**5,574,972**	7,092,601
Furniture & Fixtures	130,205,874	21,151,068	44,500	**151,312,442**	28,171,819	9,724,181	-	**37,896,000**	**113,416,442**	102,034,055
Electric Fitting,										
Fans & Coolers	111,472,251	29,423,489	-	**140,895,740**	13,165,664	5,969,694	-	**19,135,358**	**121,760,382**	98,306,587
Computers	253,884,006	33,393,025	1,503,230	**285,773,801**	145,666,010	30,664,052	276,719	**176,053,343**	**109,720,458**	108,217,996
D.G. Set	44,300,562	16,353,668	-	**60,654,230**	3,814,571	2,176,817	-	**5,991,388**	**54,662,842**	40,485,991
Intangible Assets										
Computer Software	25,979,650	2,704,000	-	**28,683,650**	3,428,155	5,715,987	-	**9,144,142**	**19,539,508**	22,551,495
Goodwill	25,609,517	-	-	**25,609,517**	7,920,414	5,198,215	-	**13,118,629**	**12,490,888**	17,689,103
Total	**2,971,640,482**	**637,197,327**	**19,392,538**	**3,589,445,271**	**566,445,382**	**177,949,203**	**8,262,433**	**736,132,152**	**2,853,313,119**	**2,405,195,100**
Capital Work-in-progress ** (including Capital Advances)	229,582,086	2,609,586,756	130,897,466	**2,708,271,376**	-	-	-	**-**	**2,708,271,376**	229,582,086
	3,201,222,568	3,246,784,083	150,290,004	**6,297,716,647**	566,445,382	177,949,203	8,262,433	**736,132,152**	**5,561,584,495**	2,634,777,186
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**	

* For details of Pre operative expenses capitalised refer Note 20 of Schedule 22

** Includes exchange differences capitalized during the year Rs. 32,356,651 (Previous year Rs. Nil).

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

		As At March 31, 2009 Rs.	As At March 31, 2008 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
Nil	(Previous Year 5,500) Equity Shares of Rs. 10/- each fully paid up of All Season Event (P) Ltd.	**-**	55,000
Nil	(Previous Year 10,000) Equity Shares of Rs. 10/- each fully paid up of DB Partners Enterprises Private Ltd.	**-**	100,000
In Others :	(Refer Note 19(c) of Schedule 22)		
100,000	(Previous Year 100,000) Equity Shares of Rs. 10/- each fully paid up at a premium of Rs. 140/- per share of Dwarkas Gems Ltd.	**15,000,000**	15,000,000
14,286	(Previous Year Nil) Equity Shares of Rs. 10/- each at a premium of Rs. 340/- per share of Aayam Herbal Pvt. Ltd. (Refer Note 1 below)	**5,000,000**	-
375,000	(Previous Year Nil) Equity Shares of Rs. 10/- each at a premium of Rs. 30/- per share of Arvind Coirfoam Pvt. Ltd. (Refer Note 1 below)	**15,000,000**	-
100,000	(Previous Year Nil) Equity Shares of Rs. 10/- each at a premium of Rs. 390/- per share of Micro Secure Solution Ltd. (Refer Note 1 and 2 below)	**40,000,000**	-
81,085	(Previous Year Nil) Equity Shares of Rs. 10/- each at a premium of Rs. 359.95 per share of Naaptol Online Shopping Pvt. Ltd. (Refer Note 1 & 2 below)	**30,000,000**	-
230,415	(Previous Year Nil) Equity Shares of Rs. 10/- each at a premium of Rs. 207/- per share of Neesa Leisure Ltd (Refer Note 1 below)	**50,000,000**	-
27,778	(Previous Year Nil) Equity Shares of Rs. 10/- each at a premium of Rs. 350/- per share of Professionals Coaching Company Pvt. Ltd. (Refer Note 1 below)	**10,000,000**	-
1	(Previous Year Nil) 0%, Fully Convertible Debenture of Rs. 3 Crores of Abbee Consumables and Peripherals Sshope Ltd. (Refer Note 1 below)	**30,000,000**	-
200,000	(Previous Year Nil) 0%, Fully Convertible Debentures of Rs. 100/- each of Cubit Computers Pvt. Ltd.(Refer Note 1 & 2 below)	**20,000,000**	-
31,250	(Previous Year Nil) 0%, Fully Convertible Debentures of Rs. 10/- each at a premium of Rs. 230/- per debenture of Jini Data Services Pvt Ltd. (Refer Note 1 below)	**7,500,000**	-
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
	Aggregate amount of Unquoted investments	**928,286,000**	720,941,000
B. Long Term Investments (At cost) - Quoted and Non Trade (Refer Note 19(c) of Schedule 22)			
300,000	(Previous Year 300,000) 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, 2009 is Rs. 1,713,000/-) (on March 31, 2008 Rs. 5,490,000/-)	**22,500,000**	22,500,000

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

		As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Nil	(Previous Year 750,000) Equity Shares of Rs. 2/- each fully paid up at a premium of Rs. 38/- per share of CHD Developers Ltd.	-	30,000,000
	(Market Value as on March 31, 2008 is Rs. 10,912,500/-)		
	Aggregate amount of Quoted investments	**22,500,000**	52,500,000
Aggregate Market value as on March 31, 2009 is Rs. 1,713,000			
(on March 31, 2008 Rs.16,402,500)		**950,786,000**	773,441,000
Less: Provision for Diminution in Value of Investments		**7,500,000**	-
		943,286,000	773,441,000

Notes :

1) These investments are yet to be transferred in the name of the Company
2) These investments contain Lock-in-Period of twelve months from the date of subscription/allotment

Schedule 8

INVENTORIES :

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Raw Material - News Prints (Including Stock in Transit Rs. Nil) (Previous Year Rs. 120,399,947/-)	**631,818,955**	607,012,215
Stores and Spares	**58,628,101**	49,421,527
Magazines	**401,132**	985,687
Gift / Promotional Products	**19,970,738**	13,898,449
	710,818,926	671,317,878

Schedule 9

SUNDRY DEBTORS : (Refer Note 10(b) and 12(a) of Schedule 22)
(Unsecured)

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Debts outstanding for a period exceeding six months :		
- Considered Good	**168,679,632**	119,515,640
- Considered Doubtful	**21,503,244**	21,503,244
	190,182,876	141,018,884
Others Debts:		
- Considered Good	**1,532,592,315**	1,561,280,124
	1,722,775,191	1,702,299,008
Less : Provision for Doubtful Debts	**21,503,244**	21,503,244
	1,701,271,947	1,680,795,764

Schedule 10

CASH & BANK BALANCES :

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Cash on Hand	**8,950,691**	8,659,382
Cheques on Hand/Transit	**18,843,219**	106,836,068
Balances with Scheduled Banks:		
On Current Accounts	**302,119,908**	199,839,931
On Fixed Deposit Account	**72,981,128**	271,960,921
	402,894,946	587,296,302

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Schedule 11		
LOANS & ADVANCES :		
(Unsecured, considered good unless otherwise stated)		
Loans and Advances to Subsidiaries (Refer Note 12(b) and 19(a) of Schedule 22)	**613,619,398**	465,709,489
Loans and Advances to Employees	**13,705,330**	25,360,026
Advances recoverable in cash or kind or for value to be received (Refer Note 12(b) of Schedule 22)		
- Considered Good	**215,582,068**	139,157,730
- Considered Doubtful	**6,448,216**	11,065,688
Inter Corporate Deposits	**448,308,336**	582,393,005
Deposit with Government Authorities	**23,092,659**	24,810,652
Security Deposit against Lease of Properties	**132,950,000**	-
Deposit with Others	**27,764,848**	17,493,759
	1,481,470,855	1,265,990,349
Less : Provision for Doubtful Loans and Advances	**6,448,216**	11,065,688
	1,475,022,639	1,254,924,661
Schedule 12		
CURRENT LIABILITIES :		
Sundry Creditors (Refer Note 10(b) and 22 of Schedule 22) (Includes Rs. 150,046,109/- against Capital Goods)(Previous Year Rs. Nil)	**1,189,728,335**	1,066,865,878
Advances from Customers	**431,994,450**	185,802,284
Interest Accrued but not due on loans	**41,664,072**	392,819
Other Liabilities	**25,765,307**	21,386,722
	1,689,152,164	1,274,447,703
Schedule 13		
PROVISIONS :		
Provision for Tax (Net of Advance tax of Rs.711,111,246/-) (Previous year Rs. 456,190,500/-)	**243,888,756**	291,403,492
MAT Credit Set - Off	**-**	(73,000,000)
	243,888,756	218,403,492
Provision for Fringe Benefit Tax (Net of Advance FBT of Rs. 74,853,489/-) (Previous Year Rs. 58,472,096/-)	**5,455,065**	2,746,213
Provision for Wealth Tax	**40,000**	-
Provision for Gratuity (Refer Note 15 of Schedule 22)	**12,402,514**	11,794,812
Provision for Leave Encashment (Refer Note 15 of Schedule 22)	**22,906,718**	17,069,811
Proposed Dividend	**84,394,803**	84,394,803
Tax on Proposed Dividend	**14,342,897**	14,342,897
	383,430,753	348,752,028
Schedule 14		
MISCELLANEOUS EXPENDITURE :		
(to the extent not written off or adjusted)		
Preliminary Expenses		
Opening Balance	**-**	10,634,739
Less : Written Off during the Year	**-**	10,634,739
	-	-
Share Issue Expenses (Refer Note 17 of Schedule 22)		
Opening Balance	**33,136,361**	-
Additions during the Year	**8,627,781**	33,136,361
	41,764,142	33,136,361
Term Loan Processing Fees	**181,569,343**	-
Less: Amortized during the Year (Transferred to Capital Work in Progress)	**6,462,692**	-
	175,106,651	-
	216,870,793	33,136,361

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	For the Year Ended March 31, 2009 Rs.	For the Year Ended March 31, 2008 Rs.
Schedule 15		
SALES :		
Sale of Newspaper	**1,942,172,349**	1,782,007,809
Wastage Sale	**121,283,805**	104,987,677
Sale of Power	**20,240,195**	15,887,502
Sale of Magazine	**67,240,189**	42,243,162
	2,150,936,538	1,945,126,150
Schedule 16		
OTHER INCOME :		
Printing Job Charges	**91,191,617**	70,397,134
Rent received	**81,600**	718,275
Excess Liability / Provision written back	**17,112,860**	2,715,261
Foreign Exchange Gain (Net)	**-**	26,195,614
Miscellaneous Income	**10,286,075**	15,749,118
	118,672,152	115,775,402
Schedule 17		
RAW MATERIAL CONSUMED:		
News Print Paper		
Opening Inventories	**607,012,215**	583,505,375
Add: Purchase during the Year	**4,099,205,462**	3,388,830,430
	4,706,217,677	3,972,335,805
Less: Closing Inventories	**631,818,955**	607,012,215
	4,074,398,722	3,365,323,590
Schedule 18		
OPERATING EXPENSES :		
Consumption of Stores and Spares	**572,611,835**	463,696,076
Printing Job Work Expenses	**214,336,213**	168,179,784
News Collection Expenses	**256,444,939**	241,941,519
Binding Expenses	**25,664,273**	24,092,513
Other Operating Expenses	**15,837,269**	14,534,634
Electricity, Power & Water Charges	**118,133,410**	104,031,279
Repair and Maintenance - Machinery	**80,478,244**	70,906,257
	1,283,506,183	1,087,382,062
Schedule 19		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	**1,060,268,906**	737,314,740
Contribution to Provident Fund and Other Funds	**54,763,080**	34,887,971
Workmen and Staff Welfare Expenses	**45,648,582**	44,830,211
	1,160,680,568	817,032,922

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	For the Year Ended March 31, 2009 Rs.	For the Year Ended March 31, 2008 Rs.
Schedule 20		
ADMINISTRATION, SELLING AND OTHER EXPENSES :		
Electricity Expenses	**25,806,850**	19,329,339
Rent	**72,870,993**	55,792,481
Rates and Taxes	**2,025,661**	15,141,670
Insurance	**9,711,694**	5,459,740
Repair & Maintenance		
- Building	**4,918,103**	11,986,028
- Others	**13,857,595**	17,480,828
Legal and Professional Charges	**70,603,606**	59,291,474
Advertisement and Publicity	**191,276,730**	206,406,432
Distribution Expenses	**261,912,876**	188,886,881
Business Promotion	**142,532,741**	169,500,843
Survey Expenses	**69,773,193**	123,919,590
Postage and Telegram	**6,743,746**	6,904,037
Telephone Expenses	**33,674,121**	28,743,933
Printing and Stationery	**19,315,517**	18,874,695
Traveling Expenses	**72,011,139**	84,294,470
Conveyance Expenses	**3,974,549**	6,337,923
Vehicle Running and Maintenance	**10,435,792**	10,323,852
Auditors Remuneration (Refer Note 11(i) of Schedule 22)	**7,721,000**	3,623,600
Loss on Sale of Assets (Net)	**718,334**	9,166
Foreign Exchange Loss (Net)	**35,418,970**	-
Bad Debts Written Off (Net of earlier year provision of Rs. Nil) (Previous year - Rs. 68,479,558)	**-**	51,198,004
Sundry Balances Written off	**-**	644,870
Provision for Diminution in Value of Investments	**7,500,000**	-
Provision for Doubtful Debts	**-**	21,503,244
Provision for Doubtful Advances	**262,775**	8,792,885
Miscellaneous Expenditure written off	**-**	10,634,739
Royalty	**3,750,000**	1,025,000
Sundry Office Expenses	**62,206,927**	37,572,568
	1,129,022,912	1,163,678,292
Schedule 21		
FINANCIAL EXPENSES :		
Interest Expenses	**359,263,407**	354,731,519
Less: Interest Income from		
Bank Deposits (TDS - Rs. 4,236,948) (Previous Year - Rs. 1,206,194)	**17,697,733**	8,182,166
Loans to Subsidiaries (TDS - Rs. 10,070,626) (Previous year - Rs. 6,073,684)	**44,442,303**	26,803,547
Intercorporate Deposits (TDS - Rs. 17,015,474) (Previous year - Rs. 20,343,128)	**75,540,433**	89,985,980
	221,582,938	229,759,826
Exchange Loss on Buyers' Credit from Banks (Net)	**71,830,066**	-
Bank Charges	**33,458,036**	12,976,849
	326,871,040	242,736,675

CASH FLOW FOR THE YEAR ENDED MARCH 31, 2009

		March 31, 2009 Rs.	March 31, 2008 Rs.
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before Taxation	**1,113,191,846**	1,641,443,721
	Adjustment for :		
	Loss on Sale of Fixed Assets (net)	**718,334**	9,166
	Interest Expense (net)	**221,582,938**	229,759,826
	Depreciation / Amortisation	**177,949,203**	146,865,083
	Miscellaneous Expenditure Written off	**-**	10,634,739
	Provision for Doubtful Loans and Advances	**262,775**	8,792,885
	Provision for Diminution in Value of Investments	**7,500,000**	-
	Bad Debts Written Off(Net of Provision written back)	**-**	51,198,004
	Previous Provision written back	**(4,569,465)**	-
	Provision for Doubtful Debts	**-**	21,503,244
	Unrealised Exchange Rate Fluctuation	**9,960,102**	1,685,962
	Operating profit before working capital changes	1,526,595,733	**2,111,892,630**
	Increase / Decrease in Working Capital		
	Decrease/(Increase) in Inventories	**(39,501,048)**	(37,909,929)
	Decrease/(Increase) in Sundry Debtors	**(20,476,183)**	(292,075,493)
	Decrease/(Increase) in Loans and Advances	**(215,791,287)**	258,763,421
	(Decrease)/Increase in Current Liabilities	**395,455,531**	303,445,625
	(Decrease)/Increase in Provisions	**6,444,609**	4,159,900
	Cash generated from operations	**1,652,727,355**	2,348,276,154
	Taxes Paid (Including Fringe Benefit Tax and Wealth Tax)	**(345,388,355)**	(334,419,113)
	NET CASH FROM OPERATING ACTIVITIES	1,307,339,000	**2,013,857,041**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Additions to Fixed Assets	**(3,115,886,617)**	(845,025,853)
	Proceeds from Sale of Fixed Assets	**10,411,771**	1,873,469
	Purchase of Investments	**(177,345,000)**	(67,600,000)
	Interest Received	**17,697,733**	124,971,693
	Fixed Deposit with maturity period of more than three months	**187,170,506**	(226,532,304)
	NET CASH FROM / (USED IN) INVESTING ACTIVITIES	(3,077,951,607)	**(1,012,312,995)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Loan taken- Secured	**2,931,539,998**	430,000,000
	Repayment of Loan - Secured	**(656,508,777)**	(850,582,471)
	Loan taken/(Repayment)- Unsecured	**10,814,511**	(6,651,750)
	Share Issue Expenses	**(8,627,781)**	(33,136,361)
	Term Loan Processing Fees	**(175,106,651)**	-
	Dividend Paid	**(84,394,803)**	(2,136,554)
	Dividend Distribution Tax	**(14,342,897)**	(363,108)
	Interest Paid	**(229,991,843)**	(354,625,708)
	NET CASH FROM / (USED IN) FINANCING ACTIVITIES	1,773,381,757	**(817,495,952)**
	Net Increase/ (Decrease) in Cash and Cash Equivalents	2,769,150	**184,048,094**
	Cash and Cash Equivalents at the beginning of the Year	**337,835,381**	153,787,287
	Cash and Cash Equivalents at the end of the Year	**340,604,531**	337,835,381
	Net Increase/ (Decrease) in Cash and Cash Equivalents	2,769,150	**184,048,094**
	For Details of Cash and Cash Equivalents - Refer Schedule - 10		
	Closing Balance	**402,894,946**	587,296,302
	Less: Fixed Deposit with maturity period of more than three months	**62,290,415**	249,460,921
	Net Cash and Cash Equivalents at the end of the Year (As per AS- 3)	340,604,531	**337,835,381**

As per our Report of even date

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner
Membership No. 36656

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

Mumbai
June 18, 2009

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, 'Business Bhaskar', 'DB Star' 'DNA English' 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, (as amended) 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 accountings 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 year. 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 Improvements are amortised over the shorter of the estimated useful life of the asset or the lease term.

Assets individually 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.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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.

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 Newspaper, Magazine, 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, in respect of accounting periods commencing on or after December 7, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company 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 expenses 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 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. The actuarial valuation is done as per Projected Unit Credit 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 1961. 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.

At each Balance Sheet date, 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**

Term Loan Processing fees incurred for raising loan funds are amortised equally over the period of the loan.

q) **Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year 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 year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) **Cash and Cash equivalents**

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

s) **Segment Information**

The Company is exclusively engaged in the business of publishing newspapers and magazines which is considered to constitute one single primary segment in the context of Accounting Standard 17 on Segmental Reporting issued by the Institute of Chartered Accountants of India. There are no geographical reportable segments since the Company caters to the Indian market only and does not distinguish any reportable regions within India.

t) **Employee Stock Compensation Cost**

Measurement and disclosure of the employee share-based payment plans is done in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 and 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**

Exchange Differences on Long Term Foreign Currency Monetary Items

Upto March 31, 2008 the Company was charging off exchange differences arising on long term foreign currency monetary assets and liabilities to profit and loss account. Pursuant to Companies (Accounting Standards) Amendments Rules, 2009, the Company has exercised the option of deferring the charge to the profit and loss account arising on exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, on long-term foreign currency monetary items (i.e. monetary assets or liabilities expressed in foreign currency and having a term of 12 months or more at the date of origination). As a result, such exchange differences so far as they relate to the acquisition of a depreciable capital asset have been adjusted with the cost of such asset and would be depreciated over the balance life of the asset.

Accordingly, in the current year, exchange differences pertaining to long term foreign currency monetary items amounting to Rs 32,356,651 have been capitalised. There were no such exchange differences pertaining to the accounting period from April 1, 2007 to March 31, 2008.

Had the Company continued to use the earlier basis of accounting for exchange differences arising on long-term foreign currency monetary items, the charge to the profit and loss account before tax for the current year would have been higher by Rs 32,356,651 and the Capital work in progress as at March 31, 2009 would have been lower by the same amount.

4. **Scheme of Arrangement:**

a) As per the Scheme of Arrangement relating to take over of the Internet Division of Indiainfo.Com Ltd, 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 were allotted 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 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 was 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 declared bonus shares during the year ended, March 31, 2008. The shares to be issued (including bonus shares) amounting to Rs. 106,590/- were shown under Share Suspense Account for the year ended March 31, 2008. Subsequently, the Company has issued all the balance 1,839 equity shares on June 7, 2008 and the Security Premium amounting to Rs.88,200 on 180 equity shares issued in lieu of 9 preference shares is shown under Securities Premium Account.

b) 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. Term Loans and Cash Credit facilities consist of:

Particulars	March 31, 2009	March 31, 2008
Rupee Term Loans		
IDBI Bank	587,871,410	180,000,000
Standard Chartered Bank	468,750,000	250,000,000
State Bank of Hyderabad	114,038,158	184,940,593
State Bank of Indore	205,174,335	291,744,387
Yes Bank	437,499,999	554,166,665
Rabo India Finance Private Limited	388,888,874	699,999,990
HDFC Bank	225,779	-
ICICI Bank	350,000,000	-
Cash Credit Facilities		
State Bank of Hyderabad	90,294,921	139,976,680
State Bank of Indore	92,913,280	362,697,556
Bank of Maharashtra	158,484,518	156,966,415
Foreign Currency Loan		
AGCO Finance GmbH	USD 34,022,730 equivalent to Rs. 1,725,632,881	-
Buyers Credit Facilities		
Standard Chartered Bank	USD 1,894,660 equivalent to Rs. 96,097,159	-
HSBC Bank	USD 7,485,256 equivalent to Rs. 379,652,193	-

a) The Term Loans are secured by:

i) First Exclusive charge on the Fixed Assets in NICT Project;

ii) First Charge on existing / future Plant & Machinery of Ahmedabad, Surat and Baroda Project;

iii) First Charge on Plant & Machinery situated at all locations (other than Gujarat) of the Company;

iv) Term Loan also includes car loan of Rs. 1,556,853 (closing balance) which is secured against hypothecation of vehicle and all its components;

v) Second Charge on all current assets;

vi) Personal Guarantee of Directors aggregating to Rs. 4,578.81 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.

x) AGCO Finance GmbH: First pari passu Charge with other lenders on up gradation Project Assets.

xi) IDBI Bank: First pari passu Charge with other lenders on up gradation Project Assets. Second Charge on Immovable hosing property of Writers and Publishers Pvt. Ltd. at various units.

xii) ICICI Bank: Second pari passu charge on all the Movable and Immovable assets and all current assets (both present and future).

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. 3,416.92 lacs (RCA, SA, GA and PA);
   iv) Corporate Guarantees of Writers & Publishers Limited and Bhaskar Publication & Allied Industries Pvt. Ltd.

c) Buyers Credit Facilities are secured by:
   i) Standard chartered bank: First Charge on the current assets of the Company
   ii) HSBC Bank: First Pari passu Charge over current assets of the Company Second Charge over Plant and Machinery of the Company and Corporate Guarantee of Writers & Publishers Private Limited

6. Related Parties Disclosure

Related party disclosures, as required by Notified Accounting Standard 18 - "Related Party Disclosures" issued by the Central Govt. of India, are given below:

Particulars	Related Party
Subsidiaries	- Synergy Media Entertainment Ltd. - I Media Corp Ltd.
Key Management Personnel	- Shri Sudhir Agarwal, Managing Director (SA) - Shri Girish Agarwal, Director (GA)
Relatives of key management personnel	- Shri Ramesh Chandra Agarwal (RCA) - Smt. Kasturi Devi Agarwal (KDA) - Shri Pawan Agarwal (PA) - Smt. Jyoti Sudhir Agarwal (JSA) - Smt. Namita Girish Agarwal (NGA) - Smt. Nikita Pawan Agarwal (NPA)
Enterprises owned or significantly influenced by key management personnel or their relatives	- All Season Events (P) Ltd. - D B Partners Enterprises Private Ltd. - Writers & Publishers Private Limited - Bhaskar Phototyope Setter - Bhaskar Phototyope 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 - Divya Prabhat Publications Private Limited - Bhaskar Venktesh 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 - Bhaskar Process House - India Interactive Technology Pvt. Ltd. - DB Publication Pvt. Ltd. - Abhivyakti Kala Kendra

SCHEDULE – 22 NOTES TO ACCOUNTS (Continued)

6. Related Parties Disclosure (Continued)

Transactions with Related Parties are given below :

Amount in Rs.

Related Party Name	Loan/Advance Given (Repaid)		Loan/Advance Taken (Repaid)		Interest Received (Paid)		Revenue		Receiving of Services/Purchases	
	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08
Synergy Media Entertainment Ltd.	265,264,159	871,817,739	-	-	32,180,597	20,771,860	16,107,791	35,405,273	7,976,156	9,293,914
	(189,004,776)	(478,365,730)	-	-	-	-	-	-	-	-
I Media Corp Ltd.	54,609,309	68,747,798	-	-	12,212,100	5,911,246	751,901	6,085,018	4,064,996	3,335,522
	(1,692,843)	(12,761,501)	-	-	-	-	-	-	-	-
All Season Events (P) Ltd	-	474,084	-	-	49,606	120,441	-	95,000	-	-
	(1,383,717)	-	-	-	-	-	-	-	-	-
D B Partners Pvt. Ltd	-	455,640	-	-	-	-	-	-	-	-
	(435,640)	(20,000)	-	-	-	-	-	-	-	-
Writers & Publishers Ltd (WPL)	384,626,575	24,015,387	247,500,000	-	72,625,799	88,032,192	-	-	23,356,163	20,135,771
	(324,278,792)	(774,024,726)	(10,916,612)	-	-	-	-	-	-	-
M P Printer (Unit of WPL)	-	-	1,130,386	1,717,517	-	-	-	-	46,495,651	36,888,327
	-	-	(2,306,818)	(1,455,736)	-	-	-	-	-	-
Bhaskar Phototype Setter, Bhopal (Prop. Sudhir Agarwal)	-	-	-	-	-	-	-	-	4,608,997	2,832,783
Bhaskar Printring Press, Bhopal (Prop. Jyoti Agarwal)	-	-	-	-	-	-	-	-	6,519,776	4,440,119
Bhaskar Printing Press, Ahmedabad, Surat, Baroda (Prop. Pawan Agarwal)	-	-	-	-	-	-	-	-	17,418,078	19,974,874
R.C.Phototype Setter, Raipur (Prop. R.C. Agarwal)	-	-	-	-	-	-	-	-	4,781,876	4,157,988
R.C. Printer, Raipur (Prop. R.C.Agarwal)	-	-	-	-	-	-	-	-	7,079,020	6,677,926
Bhaskar Publication & Allied Industries Ltd.	-	180,377,984	-	-	-	4,310,859	16,622,900	11,541,841	79,615,975	100,000
	(37,829,014)	(158,158,281)	-	-	-	-	-	-	-	-
Bhaskar Infrastructure Ltd.	2,334,065	1,282,589	-	-	-	-	-	-	4,004,154	3,967,418
	(3,566,792)	(1,067,150)	-	-	-	-	-	-	-	-
Bhaskar Industries Ltd.	-	-	-	-	-	-	200,838	52,737	460,000	460,215
Bhaskar Multinet Ltd.	5,603,033	18,167,334	-	-	1,743,280	1,578,923	2,836,972	1,125,448	-	-
	(5,685,238)	(17,861,563)	-	-	-	-	-	-	-	-
Bhaskar Exxoil Ltd.	46,579	118,971	-	-	-	-	36,640	3,390	-	-
	(82,198)	(117,783)	-	-	-	-	-	-	-	-
Diligent Media Corp Ltd.	-	-	-	2,437,612	-	-	657,653	-	280,948,409	167,586,000
	-	-	-	(1,709,185)	-	-	-	-	-	-
Sudhir Agarwal, Managing Director	-	-	-	-	-	-	-	-	-	-
Girish Agarwal, Director	-	-	-	-	-	-	-	-	100,000	100,000
Pawan Agrawal, Director	-	595,307	-	-	-	-	-	-	-	-
Jyoti Agrawal, W/o Sudhir Agrawal	-	-	-	-	-	-	-	-	-	-
Direct (OOH) Media Pvt Ltd	733,347	1,457,994	-	-	-	-	-	-	-	-
	(22,860)	-	-	-	-	-	-	-	-	-
Stitex Global Ltd.	(15,046)	-	-	-	-	-	-	-	-	-
Divya Prabhat Publications P Ltd.	-	5,946,984	-	-	-	-	-	-	-	-
	(1,102,961)	(6,560,386)	-	-	-	-	-	-	-	-
Bhaskar Venktesh Products P Ltd.	-	-	-	-	-	-	4,071	7,600,855	-	-
D B Malls Pvt. Ltd	526,357	-	-	-	-	-	557,155	91,340	-	-
	(385,194)	-	-	-	-	-	-	-	-	-
Sharda Solvent Limited	-	-	-	-	-	-	121,167	99,176	-	-
Bhaskar Samachar Seva (Prop. D.K.Tiwari)	-	-	-	-	-	-	-	-	88,920,535	87,092,569
Bhaskar Printing Press, Chandigarh, Panipat, Hissar (Prop. Vinod Jain)	-	-	-	-	-	-	-	-	6,948,532	8,628,542
Jaipur Printing Press (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	11,359,911	9,780,000
Bikaner Printing Press (Prop. Manish Tiwari)	-	-	-	-	-	-	-	-	860,583	795,000
Jaipur Phototype Setter (Prop. Shri Surendra Mishra)	-	-	-	-	-	-	-	-	12,034,658	10,890,000
Ajmer Printing House (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	4,686,991	4,446,000
Udaipur Printing Pres (Prop. Shri Dharmendra Atri)	-	-	-	-	-	-	-	-	5,817,189	6,000,000
New Jodhpur Printer (Prop. Shri Jagdish Sharma)	-	-	-	-	-	-	-	-	5,608,736	5,760,000
New Kota Printer (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	3,034,307	2,640,000
Bhaskar Process House	-	-	-	-	-	-	-	-	2,661,849	4,200,000
India Interactive Technology Pvt. Ltd	-	-	4,702,746	-	-	-	-	-	-	-
	-	-	(66,907)	-	-	-	-	-	-	-
DB Publication Pvt. Ltd	122,433	-	-	-	-	-	-	-	-	-
Abhivyakti Kala Kendra	4,732,291	64,993	-	-	-	-	12,135,440	3,809,583	-	-
	(4,504,528)	-	-	-	-	-	-	-	-	-

Note: For the Personal Guarantees given by the directors for the Secured Loans taken by the Company, refer Note 9 of Schedule 22.

SCHEDULE – 22 NOTES TO ACCOUNTS (Continued)

6. Related Parties Disclosure (Continued)

Transactions with Related Parties are given below :

Amount in Rs.

Related Party Name	Rendering of Services/Sales		Remuneration Pad		Sale/Purchase of Investment		Factoring of Receivables/Advance		Amount Outstanding Debit/(Credit)	
	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08
Synergy Media Entertainment Ltd.	-	-	-	-	-	-	-	-	495,424,515	385,136,798
I Media Corp Ltd.	-	239,625	-	-	-	-	-	-	145,433,824	82,706,950
All Season Events (P) Ltd	-	-	-	-	-	-	-	-	-	1,476,866
D B Partners Pvt. Ltd	-	-	-	-	-	-	-	-	-	435,640
Writers & Publishers Ltd (WPL)	-	-	-	-	75,000,000 (15,000,000)	-	62,196,280	-	456,280,407	588,409,879
M P Printer (Unit of WPL)	-	-	-	-	-	-	-	-	(4,220,514)	(7,573,575)
Bhaskar Phototype Setter, Bhopal (Prop. Sudhir Agarwal)	-	-	-	-	-	-	-	-	(2,251,816)	(1,776,830)
Bhaskar Printring Press, Bhopal (Prop. Jyoti Agarwal)	-	-	-	-	-	-	-	-	(1,682,949)	(1,355,338)
Bhaskar Printing Press, Ahmedabad, Surat, Baroda (Prop. Pawan Agarwal)	-	-	-	-	-	-	-	-	(3,295,800)	(4,164,125)
R.C.Phototype Setter, Raipur (Prop. R.C. Agarwal)	-	-	-	-	-	-	-	-	(5,044,037)	(4,589,654)
R.C. Printer, Raipur (Prop. R.C.Agarwal)	-	-	-	-	-	-	-	-	(1,530,821)	(990,006)
Bhaskar Publication & Allied Industries Ltd.	79,261,583	4,182,443							9,911,109	37,828,755
Bhaskar Infrastructure Ltd.	-	-	-	-	-	-	-	-	(939,057)	(3,127,814)
Bhaskar Industries Ltd.	-	-	-	-	-	-	-	-	33,519	(341,500)
Bhaskar Multinet Ltd.	-	-	-	-	-	-	-	-	19,328,246	17,444,454
Bhaskar Exxoil Ltd.	-	-	-	-	-	-	-	-	-	39,009
Diligent Media Corp Ltd.	284,456,532	250,000	-	-	-	-	-	-	3,193,343	(12,175,465)
Sudhir Agarwal, Managing Director	-	-	3,600,000	3,600,000	77,500	-	-	-	(4,779,643)	(2,431,643)
Girish Agarwal, Director	-	-	-	-	50,000	-	-	-	(34,563)	(84,573)
Pawan Agrawal, Director	-	-	-	-	-	-	-	-	595,307	595,307
Jyoti Agrawal, W/o Sudhir Agrawal	-	-	-	-	27,500	-	-	-	27,500	-
Direct (OOH) Media Pvt Ltd	-	-	-	-	-	-	-	-	2,168,481	1,457,994
Stitex Global Ltd.	-	-	-	-	-	-	-	-	-	15,046
Divya Prabhat Publications P Ltd.	6,538,107	7,998,446	-	-	-	-	-	-	8,797,392	9,796,684
Bhaskar Venktesh Products P Ltd.	-	-	-	-	-	-	-	-	-	2,290,143
D B Malls Pvt. Ltd	-	-	-	-	-	-	-	-	698,318	88,902
Sharda Solvent Limited	-	-	-	-	-	-	-	-	-	-
Bhaskar Samachar Seva (Prop. D.K.Tiwari)	-	-	-	-	-	-	-	-	(10,777,403)	(11,046,804)
Bhaskar Printing Press, Chandigarh, Panipat, Hissar (Prop. Vinod Jain)	-	-	-	-	-	-	-	-	(475,295)	(530,566)
Jaipur Printing Press (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	(1,530,600)	(1,168,091)
Bikaner Printing Press (Prop. Manish Tiwari)	-	-	-	-	-	-	-	-	(249,175)	(228,915)
Jaipur Phototype Setter (Prop. Shri Surendra Mishra)	-	-	-	-	-	-	-	-	(1,390,733)	(1,050,008)
Ajmer Printing House (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	(952,229)	(984,326)
Udaipur Printing Pres (Prop. Shri Dharmendra Atri)	-	-	-	-	-	-	-	-	(994,209)	(669,467)
New Jodhpur Printer (Prop. Shri Jagdish Sharma)	-	-	-	-	-	-	-	-	(1,332,182)	(960,297)
New Kota Printer (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	(196,371)	(170,463)
Bhaskar Process House	-	-	-	-	-	-	-	-	(112,490)	(130,045)
India Interactive Technology Pvt. Ltd	-	-	-	-	-	-	-	-	(4,635,839)	-
DB Publication Pvt. Ltd	-	-	-	-	-	-	-	-	122,433	-
Abhivyakti Kala Kendra	-	-	-	-	-	-	-	-	12,952,288	589,085

Note: For the Personal Guarantees given by the directors for the Secured Loans taken by the Company, refer Note 9 of Schedule 22.

SCHEDULE – 22 NOTES TO ACCOUNTS (Continued)

7. Leases

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

Operating Lease (for assets taken on Lease)

a) The Company has taken various residential, office and godown premises under operating lease agreements. These are generally renewable by mutual consent;

b) Lease payments for the year are Rs. 72,870,993 (Previous year Rs. 55,792,481);

c) The future minimum lease payments under non-cancellable operating leases;

- not later than one year is Rs. 73,841,598 (Previous year Rs. 45,632,748);
- later than one year but not later than five years is Rs. 314,441,723 (Previous year Rs. 185,075,534);
- later than five years Rs. 16,602,207 (Previous year 5,912,469).

d) There are no restrictions imposed in these lease agreements. There are escalation clauses in agreement with some parties. There are no sub leases.

8. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 360,759,654 (Previous year Rs. 1,254,794,523).

9. Contingent Liabilities not provided for

a) Letter of Credit against purchase of capital goods: Rs. Nil (Previous year Rs. 1,453,371,461).

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. 42,666,433 (Previous year 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.

10. Derivative Instruments

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

Particulars	Currency	Amount in respective currency	
		March 31, 2009	**March 31, 2008**
Forward Contract to Hedge payments to Suppliers	USD	**5,00,000**	—

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

Particulars	Currency	Amount in respective currency	
		March 31, 2009	**March 31, 2008**
Sundry Creditors	USD	**4,465,438**	5,170,151
Sundry Creditors	EURO	**46,158**	—
Standard Chartered Bank Buyers Credit	USD	**1,894,660**	—
HSBC Bank Buyers Credit	USD	**7,485,256**	—
AGCO Finance GmbH	USD	**34,022,730**	—
Sundry Debtors	USD	**3,593**	3,342

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

a) Licensed and installed capacity:-

Licensed capacity is not applicable.

Installed Capacity (As certified by the management):

Type of Machine	**March 31, 2009**		March 31, 2008	
	No. of Machines	**Total Capacity (Impressions per hour)**	No. of Machines	Total Capacity (Impressions per hour)
Cold Set Machines	**54**	**1,821,000**	52	1,686,000
Heat Set Machines	**5**	**120,000**	4	96,000

SCHEDULE – 22 NOTES TO ACCOUNTS (Continued)

b) i) Actual Production and Sales

News paper	**March 31, 2009 In No. of Copies**	March 31, 2008 In No. of Copies
- Production	**1,387,288,541**	1,345,063,760
- Sales	**1,366,085,698**	1,312,794,657
Power	**Units**	**Units**
- Production	**5,545,800**	3,712,230
- Sales	**5,545,800**	3,712,230
Magazines	**In No. of Copies**	**In No. of Copies**
- Production	**19,722,488**	15,731,054
- Sales*	**19,415,936**	15,295,455

* Includes magazines distributed as free samples 278,849 Copies (Previous year – 236,185 Copies)

ii) Opening and Closing stock of finished goods:

Magazines	**March 31, 2009 In No. of Copies**	**March 31, 2008 In No. of Copies**
Closing Stock	**80,000**	122,000
Opening stock	**122,000**	9,504

c) Value of Import on CIF Basis

Particulars	**March 31, 2009 Rs.**	March 31, 2008 Rs.
Raw Material	**998,631,137**	959,578,953
Stores and Spares	**16,834,193**	11,207,723
Capital Goods	**2,008,308,595**	19,151,488

d) Consumption of Raw Material

	March 31, 2009		March 31, 2008	
	Quantity In KG	**Value Rs.**	Quantity In KG	Value Rs.
Newsprint	**137,255,154**	**4,074,398,722**	130,677,965	3,365,323,590

e) Imported and indigenous raw materials, stores and spares consumed

		March 31, 2009		March 31, 2008	
		ValueRs.	**% of total Consumption**	ValueRs.	% of total Consumption.
i)	Raw Materials				
	Imported	**915,982,094**	22.48%	1,479,739,745	43.97%
	Indigenous	**3,158,416,628**	77.52%	1,885,583,845	56.03%
	Total	**4,074,398,722**	**100.00%**	**3,365,323,590**	**100.00%**
ii)	Stores and Spares				
	Imported	**19,203,284**	3.35%	5,789,165	1.25%
	Indigenous	**553,408,551**	96.65%	457,906,911	98.75%
	Total	**572,611,835**	**100.00%**	**4,63,696,076**	**100.00%**

f) Earnings in foreign currency (on accrual basis)

Particulars	**March 31, 2009 Rs.**	March 31, 2008 Rs.
Advertisement Income	**491,539**	1,083,677

SCHEDULE – 22 NOTES TO ACCOUNTS (Continued)

g) Expenditure in foreign currency (on accrual basis)

Particulars	**March 31, 2009 Rs.**	March 31, 2008 Rs.
Traveling	**676,197**	557,376
Financial Expenses	**241,870,701**	—
Advertisement & Publicity	**146,871**	189,273
Others	**9,739,701**	837,913

Out of above Financial Expenditure, Rs. 55,997,780 (Previous year – NIL) is disclosed under Capital Work-in-Progress and Rs. 151,486,816 (Previous year – NIL) is included in Term Loan Processing fees and disclosed under the head 'Miscellaneous Expenditure' in the Balance Sheet.

h) Managerial Remuneration

Particulars	**March 31, 2009 Rs.**	March 31, 2008 Rs.
Salaries and Allowances	**3,600,000**	3,600,000
Total	**3,600,000**	**3,600,000**

i) Auditors Remuneration

Particulars	**March 31, 2009 Rs.**	March 31, 2008 Rs.
As Auditor		
Statutory Audit Fees	**7,169,500**	3,400,000
Tax Audit Fees	**551,500**	223,600
In other manner		
Certification relating to IPO	**561,800**	8,174,200
Total	**8,282,800**	**11,797,800**

Out of above expenditure, Rs. 561,800 (Previous Year – Rs. 8,174,200) is included in Share Issue Expenses and disclosed under the head 'Miscellaneous Expenditure' in the Balance Sheet.

12. Receivables from Companies under the same management

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

(Rs.)

Name of the Company	Closing Balance		Maximum Amount Outstanding during the year	
	March 31, 2009	March 31, 2008	**March 31, 2009**	March 31, 2008
Synergy Media Entertainment Ltd.	**26,526,502**	4,366,238	**26,542,737**	22,626,286
I Media Corp Ltd.	**712,440**	—	**1,584,827**	17,042,091
All Season Events Pvt. Ltd	**—**	95,000	95,000	95,000
Bhaskar Industries Ltd.	**122,626**	14,430	**122,626**	99,695
Bhaskar Multinet Ltd.	**699,437**	81,693	**2,455,557**	4,720,878
Bhaskar Exxoil Ltd.	**—**	3,390	**37,000**	1,99,403
Bhaskar Venktesh Products P Ltd.	**—**	2,290,143	**2,293,000**	7,898,706
Divya Prabhat Publication P Ltd.	**1,758,158**	—	**2,996,805**	430,610
Sharda Solvent Ltd.	**—**	—	**104,017**	179,181
DB Malls Pvt. Ltd.	**557,155**	88,902	**593,496**	88,902
Abhivyakti Kala Kendra	**12,659,532**	524,092	**12,659,532**	3,267,491

SCHEDULE – 22 NOTES TO ACCOUNTS (Continued)

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

(Rs.)

Name of the Company	Closing Balance		Maximum Amount Outstanding during the year	
	March 31, 2009	March 31, 2008	**March 31, 2009**	March 31, 2008
Synergy Media Entertainment Ltd.	**468,898,013**	380,770,560	**468,898,013**	6,698.40
I Media Corp Ltd.	**144,721,384**	83,026,423	**144,721,384**	88,587,783
All Season Events Pvt. Ltd.	**—**	1,381,866	**1,476,866**	1,381,866
D B Partners Enter Pvt. Ltd.	**—**	435,640	**435,640**	455,640
Writers & Publishers Pvt. Ltd.	**692,863,795**	588,409,879	**918,127,462**	1,364,314,043
Bhaskar Multinet Ltd.	**18,628,809**	17,362,761	**19,825,196**	19,778,243
Bhaskar Exxoil Ltd.	**—**	35,619	**82,198**	119,839
Diligent Media Corp Ltd.	**3,193,343**	—	**56,918,275**	—
Stitex Global Ltd.	**—**	15,046	**15,046**	15,046
Divya Prabhat Publications P Ltd.	**7,039,234**	9,796,684	**8,447,106**	7,431,335
Bhaskar Infrastructure Ltd.	**—**	290,215	**508,252**	421,715
Bhaskar Publication & Allied Industries Pvt. Ltd.	**—**	37,828,755	**37,675,002**	92,750,413
Direct(OOH) Media Pvt. Ltd.	**2,168,481**	1,457,994	**2,168,481**	1,457,994
DB Publications Pvt. Ltd.	**122,433**	—	**122,433**	—
DB Malls Pvt. Ltd.	**141,163**	—	**141,163**	—
Abhivyakti Kala Kendra	**292,756**	64,993	**2,689,776**	64,993

13. The Company has issued 1,638 (Previous year 166,651,212) equity shares of Rs. 10 each fully paid up as bonus shares in the ratio of 78 bonus shares for every 1 share on 21 shares held in Share Suspense Account. 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.

14. Earning Per Share

Particulars		**March 31, 2009**	March 31, 2008
i)	Profit for the period (Rs.)	**684,760,531**	1,013,984,758
ii)	Weighted average number of Equity Shares outstanding for Basic EPS	**168,789,605**	168,787,766
iii)	Basic Earnings per share (Rs.)	**4.06**	6.01
iv)	Weighted average number of Equity Shares outstanding for Basic EPS	**168,789,605**	168,787,766
v)	On account of issue of shares held in suspense	**-**	1,839
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.)	**4.06**	6.01
ix)	Nominal value of shares (Rs.)	**10.00**	10.00

15. 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.

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, 2009 Gratuity Rs.	March 31, 2008 Grauity Rs.
Current service cost	**9,429,310**	11,128,711
Interest cost on benefit obligation	**3,229,112**	1,942,409
Expected return on plan assets	**(2,285,527)**	(452,782)
Net actuarial (gain) / loss recognized in the year	**13,344,916**	4,556,133
Past service cost	**—**	—
Net benefit expense	**23,717,812**	17,174,472
Actual return on plan assets	**858,041**	761,469

Balance Sheet

Details of Provision and fair value of plan assets

Particulars	March 31, 2009 Gratuity Rs.	March 31, 2008 Gratuity Rs.
Benefit obligation	**60,469,425**	40,363,900
Fair value of plan assets	**48,066,911**	28,569,088
	12,402,514	11,794,812
Less: Unrecognised past service cost	**—**	—
Plan asset / (liability)	**(12,402,514)**	(11,794,812)

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

Particulars	March 31, 2009 Gratuity Rs.	March 31, 2008 Gratuity Rs.
Opening benefit obligation/net liability	**40,363,900**	24,280,112
Interest cost	**3,229,112**	1,942,409
Current service cost	**9,429,310**	11,128,711
Benefits paid	**(4,470,327)**	(1,852,153)
Actuarial (gains) / losses on obligation	**11,917,430**	4,864,820
Closing benefit obligation	**60,469,425**	40,363,900

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

Particulars	March 31, 2009 Gratuity Rs.	March 31, 2008 Gratuity Rs.
Opening fair value of plan assets	**28,569,088**	5,659,772
Expected return	**2,285,527**	452,789
Contributions by employer	**23,110,110**	24,000,000
Benefits paid	**(4,470,327)**	(1,852,153)
Actuarial gains / (losses) on plan assets	**(1,427,487)**	308,687
Closing fair value of plan assets	**48,066,911**	28,569,088
Actuarial gains / (losses) recognized in the year	**(13,344,916)**	(4,556,133)

SCHEDULE – 22 NOTES TO ACCOUNTS (Continued)

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

Particulars	March 31, 2009 Gratuity %	March 31, 2008 Gratuity %
Investments with insurer	**100**	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, 2009 Gratuity	March 31, 2008 Gratuity
Discount rate	**7.50%**	8.00%
Expected rate of return on assets	**7.50%**	8.00%
Employee turnover	**1% at each age**	1% at each age

Since the Company has adopted AS 15 (Revised) from April 1, 2007 and thereby has not given disclosure for the following for previous three annual financial years:

(a) The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan; and

(b) The experience adjustments arising on plan liabilities and plan assets.

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.

16. Employee Stock Option Scheme 2007

The Company had instituted an ESOP Scheme during the period which was approved by the shareholders vide their resolution dated November 30, 2007. The shareholders of the Company have approved grant of 700,000 stock options to its employees pursuant to the ESOP Scheme on December 1, 2007. This scheme has been further modified during the year vide resolution passed in the Extra ordinary General meeting dated December 11, 2008 and December 31, 2008. The Compensation Committee has accorded presently to create and grant options exercisable into 413,427 equity shares of the Company under D B Corp Limited – Employee Stock Option Scheme 2008 ("DBCL – ESOS 2008").

The Company has granted Stock Options to its employees as per its scheme referred to as "DBCL– ESOS 2008". During the year ended March 31, 2009, the following scheme was in operation:

	DBCL - ESOS 2008
Date of grant	January 5, 2009
Date of Board Approval	December 23, 2008
Date of Shareholder's Approval	December 31, 2008
Number of options granted	700,000 option have been approved the Board and the shareholders, however 413,427 have been granted during the year
Method of Settlement	Equity
Vesting Period	Options will vest equally over five years from the date of January 5, 2010
Exercise Period	Three years from the date of vesting or listing, whichever is later
Vesting Conditions	Option vest on continued association with the company and achievement of certains performance parameters

SCHEDULE – 22 NOTES TO ACCOUNTS (Continued)

The details of activity under DBCL ESOS 2008 are as summarized below:

	2009		2008	
	Number of options	Estimated Weighted Average Exercise Price(Rs.)	Number of options	Exercise Price(Rs.)
Outstanding at the beginning of the year (Approved to be granted by the Shareholder's)	700,000	-	700,000	275
Granted during the year	413,427	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	413,427	200	-	275
Exercisable at the end of the year	-	-	-	-
Weighted average fair value of options granted on the date of grant	53.49	-	76.16	-

The details of exercise price for stock options outstanding at the end of the year as at March 31, 2009 is as under:

Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Estimated Weighted average exercise price
200	413,427	4.5	200

The details of exercise price for stock options approved by shareholders for grant to employees as at March 31, 2008 is as under:

Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Fixed Exercise price
275	700,000	N/A	275

During the year there have been modifications to the Employee Stock Option Scheme 2007 with respect to the vesting period, exercise period and the exercise price which are as summarized under:

Particulars	March 31, 2009	March 31, 2008
Vesting Exercise Period	The options can be exercised and only after an IPO and Exercise period would not be more than 3 years from the date of vesting or 3 years from the date of listing, whichever is later.	The options vest over a period not earlier than 16 months and not later than 64 months from the date of grant and exercisable for a period of three years from vesting.
Exercise Price	50% discount to the average of the closing market price of the first 30 trading days post IPO	Rs. 275

SCHEDULE – 22 NOTES TO ACCOUNTS (Continued)

The following table summarises the year wise vesting % and the fair value in respect of options outstanding:

Year	Vesting %	Fair Value Rs.
January 5, 2010	20%	30.36
January 5, 2011	20%	42.06
January 5, 2012	20%	53.78
January 5, 2013	20%	65.21
January 5, 2014	20%	76.04

Stock Options granted

The weighted average fair value of stock options granted during the year was Rs. 53.49. The Black Scholes Options Pricing model has been used for computing the weighted average fair value considering the following inputs:

	2009	2008
Weighted average share price	53.49 Exercise Price50% discount to the average of first 30 days market price post IPO	76.16 275
Expected Volatility	0%	0%
Historical Volatility	0%	0%
Life of the options granted (Vesting and exercise period) in years	4.5 years	1.33 to 5.6 years
Expected dividends	Nil	Nil
Average risk-free interest rate	6.96%	7.52% to 7.75%
Expected dividend rate	0%	0%

The Company being an unlisted company, the intrinsic value is determined on the basis of an independent valuer. The fair value of the equity share as determined by the independent valuer is estimated as Rs.200 per share (Previous year Rs.270 per share). The Company expects the exercise price of the share to be equal to the fair value and hence the intrinsic value is nil.

Had Compensation cost been determined in accordance with the fair value approach described in the Guidance Note, the Company's net profit as reported would have changed to amounts indicated below:

	2009 Rs.000	2008 Rs.000
Profit as reported	684,760,531	1,013,984,758
Add: Employee stock compensation under intrinsic value method	Nil	Nil
Less: Employee stock compensation under fair value method	3,618,489	13,328,000
Proforma profit	681,142,042	1,000,656,758
Earnings Per Share		
Basic		
- As reported	4.06	6.01
- As adjusted	4.08	5.93
Diluted		
- As reported	4.06	6.01
- As adjusted	4.08	5.93

17. Share Issue Expenses

Up to March 31, 2009, the Company has incurred Rs. 41,764,142 in connection with the proposed public issue of its equity shares. This amount shall be adjusted against securities 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.

18. Fixed Deposits

Cash and Bank includes Fixed Deposits having maturity period of more than three months amounting Rs. 62,290,415 (Previous year Rs. 249,460,921).

SCHEDULE – 22 NOTES TO ACCOUNTS (Continued)

19. 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. 468,898,014/- to SMEL and Rs. 144,721,384/- to IMCL. The said investments are of a long term strategic nature. Both these companies are in the initial years of commercial operations and have accumulated losses (as per their latest audited financial statements) aggregating to Rs. 586,335,702 and Rs. 123,237,445 respectively. Further, in case of radio industry, the Company, however, is of the view that the nature of business is such that every player in the radio industry incurred losses in the initial years but with the increasing market share of radio in media advertising, the resultant revenue generation will result in profits in near future. 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'] had 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, 2009.

c) Investment in Private Treaties

The Company has strategically entered into arrangements with various parties by investing in the securities of these parties. By these arrangements, the said parties would also offer their advertisements in the Company's print and non print media periodically, for a specified term. During the year the Company has made provision of Rs. 7,500,000 in respect of diminution, which is other than temporary, in the value of these investments. The management will evaluate the value of these investments periodically and required provision would be made in respect of any diminution which is other than temporary.

20. Preoperative expenses included under Fixed Assets and Capital Work-in-Progress are as under:

Particulars	31-Mar-09 Rs.	31-Mar-08 Rs.
Opening Balance of Pre - Operative Expenses	—	—
Expenditure during the year :		
Raw Material Consumed	—	1,180,244
Operating Expenditure	**1,518,257**	2,371,218
Employee Cost	**3,965,743**	10,023,455
Other Indirect Expenditure	**6,882,615**	7,227,675
Loan Management Fees	**6,462,692**	
Bank Charges	**45,490**	67,519
Interest and Financial Charges	**65,465,621**	4,477,319
Total	**84,340,418**	25,347,430
Less:- Capitalized during the year	**5,404,596**	25,347,430
Closing Balance of Pre- Operative Expenses	**78,935,822**	—

21. Salaries, Wages and Bonus include sitting fees paid to Directors Rs. 305,000 (Previous year Rs. 160,000)

22. Dues to Micro, Small and Medium Enterprises.

As informed, the Company does not have any dues outstanding to the micro and small enterprises as defined in Micro Small and Medium Enterprise Development Act, 2006. The identification of micro and small enterprises is based on information available with the management regarding the status of these parties which is being relied upon by the auditors.

23. Previous Year comparatives

Previous years figures have been regrouped 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

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**

Mumbai
June 18, 2009

Company Secretary

MYK

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. **Registration Details :**

Registration No.	47208	State Code	4
Balance Sheet Date	31.03.2009	Date of Incorporation	27.10.1995
Corporate Identification No.:U22210GJ1995 PLC041208			

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	11,011,749.75	Total Assets	11,011,749.75

Sources of Funds :

Paid up Capital	1,687,906.05	Reserves & Surplus	1,543,971.68
Secured Loans	5,095,523.51	Unsecured Loans	218,945.92
Deferred Tax Liability	392,819.67		

Application of Funds :

Net Fixed Assets	5,561,584.50	Investments	943,286.00
Net Current Assets	2,217,425.54	Misc. Expenses	216,870.79
Accumulated Losses	Nil		

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

Turnover (include other income)	9,324,335.29	Total Expenditure	8,211,143.45
Profit / (Loss) Before Tax	1,113,191.85	Profit / (Loss) After Tax	684,760.53
Earning per Share in Rs.	4.06	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 18, 2009

Managing Director **Director**

MYK

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, 2009	31st March, 2009	31st March, 2009	31st March, 2009
(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%* (Up to July 31,2008)	100%* (Up to July 31,2008)
(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, 2009				
(i) For the Subsidiaries' fianancial year as in (A) Above	Rs. (15.53) Crores (NOTE A)	Rs.(5.31) Crores (NOTE B)	Rs.(0.006) Crores (NOTE C)	Rs. Nil (NOTE D)
(ii) For the Previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries	Rs. (16.01) Crores	Rs. (5.24) Crores	Rs. (0.03) Crores	Rs. (0.03) Crores
(b) dealt with in the accounts of DB Corp Limited for the year ended 31st March, 2009 amounted to-				
(i) For the Subsidiaries' fianancial 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)**

* Percentage of ownership interest as at July 31, 2008

The Group disposed two subsidiaries i.e. All Seasons Private Limited and D B Partner Enterprise Private Limited on July 31, 2008.

NOTES		
A: Synergy Media Entertainment Limited		
NOTE A: Synergy Media Entertainment Limited		
Net Profit/(Loss) for the year ended on 31/03/2009		Rs. (273246836)
DB Corp Limited extent of holding	56.82%	
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		Rs. (273246836)*56.82% Rs. (155265492) Rs. (15.53) Crores
B: I Media Corp Limited		
Net Profit/(Loss) for the year ended on 31/03/2009		Rs.(53052965)
DB Corp Limited extent of holding	55.00%	
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		Rs.(53052965) Rs.(5.31) Crores
C: All Season Events Private Limited		
Net Profit/(Loss) for the period ended on 31/07/2008*		Rs.(59914)
DB Corp Limited extent of holding	55.00%	
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		Rs.(59914) Rs.(0.006) Crores
D: DB Partners Enterprises Pvt. Ltd.		
Net Profit/(Loss) for the period ended on 31/07/2008*		Rs. Nil
DB Corp Limited extent of holding	100.00%	
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		Rs. Nil Rs. Nil Rs. Nil

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, 2009, 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 compo-nents. 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 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 dis-closures 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. Gupta Navin K. & Co. did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 12,692.58 lacs as at March 31, 2009, the total revenue of Rs. 3,122.52 lacs and cash flows amounting to Rs. 138.43 lacs for the year then ended. These financial statements and other financial information have been audited solely by one of the joint auditors S. R. Batliboi & Associates, whose reports have been furnished to Gupta Navin K & Co. 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" as per Companies Accounting Standard Rules, 2006 (as amended).

5. In our opinion 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 con-formity 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, 2009;

   (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. 36656

For Gupta Navin K. & Co.
Chartered Accountants

Per Navin Gupta
Partner
Membership No. 75030

Mumbai
JUNE 18, 2009

MYK

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	Schedules	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	**1,687,906,050**	1,687,994,250
Reserves and Surplus	2	**888,819,296**	509,703,545
		2,576,725,346	2,197,697,795
Loan Funds			
Secured Loans	3	**5,412,047,995**	3,228,045,659
Unsecured Loans	4	**218,945,919**	208,131,407
		5,630,993,914	3,436,177,066
Deferred Tax Liability (Net)	5	**392,819,669**	346,265,295
Minority Interest (Refer Note 24 in Schedule 22)		**123,882,622**	241,863,966
		8,724,421,551	6,222,004,122
APPLICATION OF FUNDS			
Fixed Assets	6		
Gross Block		**4,694,684,043**	4,035,191,544
Less : Accumulated Depreciation / Amortisation		**931,887,966**	650,524,696
Net Block		**3,762,796,077**	3,384,666,848
Capital Work-in-progress (including Capital Advances)		**2,708,271,376**	238,429,107
		6,471,067,453	3,623,095,955
Investments	7	**237,511,000**	67,511,000
Current Assets, Loans and Advances			
Inventories	8	**710,818,926**	671,317,878
Sundry Debtors	9	**1,773,783,983**	1,754,914,806
Cash and Bank Balances	10	**452,023,486**	808,223,971
Loans and Advances	11	**1,051,757,388**	977,674,547
		3,988,383,783	4,212,131,202
Less : Current Liabilities and Provisions			
Current Liabilities	12	**1,816,965,958**	1,372,362,202
Provisions	13	**372,445,520**	341,508,194
		2,189,411,478	1,713,870,396
Net Current Assets		**1,798,972,305**	2,498,260,806
Miscellaneous Expenditure (to the extent not written off or adjusted)	14	**216,870,793**	33,136,361
		8,724,421,551	6,222,004,122
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 18, 2009

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, 2009

	Schedules	For the Year Ended March 31, 2009 Rs.	For the Year Ended March 31, 2008 Rs.
INCOME			
Sales	15	**2,158,649,644**	1,958,957,455
Income from Event Management		**75,595,409**	57,096,471
Advertisement Income		**7,255,648,621**	6,490,135,915
Other Income	16	**119,969,570**	120,760,296
		9,609,863,244	**8,626,950,137**
EXPENDITURE			
Raw Material Consumed	17	**4,074,398,722**	3,365,323,590
Printed Magazines Purchase		**-**	493,424
(Increse) / Decrese in Stock of Finished Goods		**584,555**	(913,374)
Event Expenses		**58,130,263**	42,313,202
Operating Expenses	18	**1,456,003,581**	1,205,638,182
Personnel Expenses	19	**1,330,966,235**	935,951,244
Administration, Selling and Other Expenses	20	**1,216,630,277**	1,248,805,414
Financial Expenses	21	**401,731,780**	280,866,234
Depreciation /Amortisation	6	**289,714,785**	220,416,859
		8,828,160,198	**7,298,894,775**
Profit Before Taxation and Prior Period Items		**781,703,046**	**1,328,055,362**
Tax Expenses			
Provision for Current Tax (Including Interest on Advance Tax Rs. 17,744,751 (Previous year Rs. 25,800,000))		**345,000,000**	530,000,000
Deferred Tax Charge		**46,554,374**	69,958,963
Provision for Wealth Tax		**40,000**	
Provision for Fringe Benefit Tax		**31,067,223**	30,314,202
Provision for tax of earlier years		**804,825**	-
		423,466,422	630,273,165
Profit After Tax Before Prior Period Items		**358,236,624**	**697,782,197**
Prior Period Expenditure (Refer Note 16 of Schedule 22)		**-**	8,369,368
Profit for the Year Before Minority Interest		**358,236,624**	**689,412,829**
Minority Interest in the losses of Subsidiaries		**117,981,344**	61,140,585
Profit for the Year		**476,217,968**	**750,553,414**
Balance brought forward from previous year		**30,105,657**	206,728,603
		506,323,625	**957,282,017**
Less : Loss on deemed disposal of share in subsidiary (Refer Note 24 of Schedule 22)		**-**	**128,438,660**
Add: Profit on disposal of share in subsidiary		**1,547,283**	**-**
Profit available for Appropriation		**507,870,908**	**828,843,357**
Appropriation:			
Proposed Dividend		**84,394,803**	84,394,803
Corporate Dividend Tax		**14,342,897**	14,342,897
Transfer to General Reserve		**300,000,000**	700,000,000
		398,737,700	798,737,700
Balance carried to Balance Sheet		**109,133,208**	**30,105,657**
Earning Per Share (Refer Note 20 of schedule 22)			
Basic Earning Per Share		**2.82**	4.45
Weighted Average No.of Shares		**168,789,605**	168,787,766
Diluted Earning Per Share		**2.82**	4.45
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 Balance Sheet

As per our Report of even date

For S. R. Batliboi & Associates	**For Gupta Navin K. & Co.**	**For and on behalf of the Board**	
Chartered Accountants	**Chartered Accountants**		
Per Amit Majmudar	**Per Navin Gupta**		
Partner	**Partner**	**Managing Director**	**Director**
Membership No. 36656	Membership No. 75030		
Mumbai		**Company Secretary**	
June 18, 2009			

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Schedule 1		
SHARE CAPITAL :		
Authorised :		
249,000,000 (Previous Year 9,000,000) Equity Shares of Rs. 10/- each	**2,490,000,000**	2,490,000,000
1,000 (Previous Year 1000), 0%, Redeemable Preference Share of Rs. 10,000/- each	**10,000,000**	10,000,000
	2,500,000,000	**2,500,000,000**
Issued, Subscribed & Paid up :		
168,789,605 (Previous Year 168,787,766) Equity Shares of Rs.10/-each fully paid up	**1,687,896,050**	1,687,877,660
1 (Previous Year 1), 0%, Redeemable Preference Share of Rs. 10,000/- each (Of the above, 166,652,850 (Previous Year 166,651,212) 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**	10,000
Share Suspense Account (Refere Note 7 and 19 of Schedule 22)		
Nil (Previous Year 1,839) Equity Shares of Rs. 10/- each (Out of which Nil (Previous Year 1,638) shares are to be issued as bonus shares and Nil (Previous Year 180) shares are to be issued at premium of Rs. 490/ each)	**-**	106,590
Notes:		
a) Of the above shares, 2,136,755 (Previous Year 2,136,554) Equity shares are issued for a consideration other than cash.		
b) 1(Previous Year 1) Preference shares of Rs. 10,000/- has been issued for consideration other than cash.		
c) Preference Shares are redeemable at par after five years from the date of allotment i.e. July 31, 2007		
d) For Employee Stock Option Scheme, (Refer Note 22 of Schedule 22)		
	1,687,906,050	**1,687,994,250**
Schedule 2		
RESERVES AND SURPLUS:		
General Reserve		
As per last Balance Sheet	**479,597,888**	1,448,177,004
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	**300,000,000**	700,000,000
Less: Bonus Shares Issued	**-**	1,666,528,500
	779,597,888	479,597,888
Security Premium Account		
As per last Balance Sheet	**-**	-
Add : Additions during the year (Refer Note 7(a) of Schedule 22)	**88,200**	-
	88,200	-
Profit and Loss Account	**109,133,208**	30,105,657
	888,819,296	**509,703,545**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Schedule 3		
SECURED LOANS :		
Term Loans		
- Rupee Loans from Banks	**2,480,084,169**	1,868,405,018
- Rupee Loans from Financial Institution	**388,888,874**	699,999,990
- Foreign Currency Loan from Financial Institution	**1,725,632,881**	-
Working Capital Loan		
- Cash Credit Facility from Banks	**341,692,719**	659,640,651
- Buyers' Credit from Bank	**475,749,352**	-
(For Security Refer Note 9 & 13(b) of Schedule 22)	**5,412,047,995**	**3,228,045,659**
Schedule 4		
UNSECURED LOANS :		
Security Deposits from Agents	**218,945,919**	208,131,407
	218,945,919	**208,131,407**
Schedule 5		
DEFERRED TAX LIABILITY (NET) :		
Deferred Tax Liability		
Depreciation	**474,512,159**	368,194,876
Term Loan Processing fees	**11,247,291**	-
	485,759,450	**368,194,876**
Deferred Tax Asset		
Provision for Doubtful Debts / Advances	**10,283,088**	10,964,545
Provision for Gratuity and Leave Encashment	**13,407,043**	9,811,085
Provision for Diminution in value of Investment	**2,549,250**	1,153,951
Unabsorbed Depreciation and Carry Forward Losses	**66,700,400**	-
	92,939,781	**21,929,581**
Deferred Tax Liability (Net)	**392,819,669**	**346,265,295**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

Schedule 6

FIXED ASSETS :

Assets	Gross Block				Accumulated Depreciation				Net Block	
	As At 01.04.2008	Additions During The Year**	Deductions During The Year	As At 31.03.2009	Up To 01.04.2008	For The Year	On Deductions	Up To 31.03.2009	As At 31-03-2009	As At 31.03.2008
Tangible Assets										
Land - Freehold	37,737,900	-	-	37,737,900	-	-	-	-	37,737,900	37,737,900
Land - Leashold	-	8,959,490	-	8,959,490	-	-	-	-	8,959,490	-
Building	201,649,542	112,130,873	-	313,780,415	5,921,570	7,478,313	-	13,399,883	300,380,532	195,727,972
Leasehold Improvements	4,865,550	42,947,498	-	47,813,048	7,315	2,123,865	-	2,131,180	45,681,868	4,858,235
Plant and Machinery **	2,438,531,531	367,674,200	19,247,956	2,786,957,775	354,562,707	147,305,968	8,017,978	493,850,697	2,293,107,078	2,083,968,824
Office Equipments	111,646,702	28,339,550	90,671	139,895,581	20,891,822	6,589,414	3,494	27,477,742	112,417,839	90,754,880
Vehicles	22,708,524	1,118,376	30,000	23,796,900	12,829,156	2,150,717	-	14,979,873	8,817,027	9,879,368
Furniture and Fixtures	186,984,038	32,025,560	166,733	218,842,865	31,217,831	14,799,894	13,691	46,004,034	172,838,831	155,766,207
Electric Fitting										
Fans and Coolers	137,809,627	31,830,095	15,500	169,624,222	15,186,542	8,935,587	1,341	24,120,788	145,503,434	122,623,085
Computers	283,722,609	36,590,929	1,630,880	318,682,658	149,932,429	35,855,717	315,011	185,473,135	133,209,523	133,790,180
D.G.Set	44,300,562	16,353,668	-	60,654,230	3,814,571	2,176,817	-	5,991,388	54,662,842	40,485,991
Intangible Assets										
Computer Software	25,979,650	2,704,000	-	28,683,650	3,428,155	5,715,987	-	9,144,142	19,539,508	22,551,495
Goodwill	25,609,517	-	-	25,609,517	7,920,414	5,198,215	-	13,118,629	12,490,888	17,689,103
Goodwill on Consolidation ***	1,444,792	-	-	1,444,792	952,219	164,191	-	1,116,410	328,382	492,573
One Time License Fees	512,201,000	-	-	512,201,000	43,859,965	51,220,100	-	95,080,065	417,120,935	468,341,035
Total	**4,035,191,544**	**680,674,239**	**21,181,740**	**4,694,684,043**	**650,524,696**	**289,714,785**	**8,351,515**	**931,887,966**	**3,762,796,077**	**3,384,666,848**
Capital Work-in-progress **** (including Capital Advances)	238,429,107	2,609,586,756	139,744,487	2,708,271,376	-	-	-	-	2,708,271,376	238,429,107
	4,273,620,651	**3,290,260,995**	**160,926,227**	**7,402,955,419**	**650,524,696**	**289,714,785**	**8,351,515**	**931,887,966**	**6,471,067,453**	**3,623,095,955**
Previous year	**3,194,667,146**	**1,635,550,969**	**556,597,464**	**4,273,620,651**	**430,537,390**	**220,416,859**	**429,553**	**650,524,696**	**3,623,095,955**	

* For details of Pre operative expenses capitalised refer Note 25 of Schedule 22

** Plant and Machinery above represents Jointly held assets as Common Transmitters Infrastructure amounting to :

Gross Block - Rs. 127,300,000 (Previous Year - 127,300,000)

Net Block - Rs. 114,496,722 (Previous Year - 120,541,344)

% of Ownership - 30.26% (Previous year 30.26%)

*** Refer Note 5 of Schedule 22

**** Includes exchange differences capitalized during the year Rs. 32,356,651 (Previous year Rs. NIL) (Refer Note 4 of Schedule 22)

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Schedule 7		
INVESTMENTS :		
A. Long Term Investments (At cost) - Unquoted and Non Trade (Refer Note 18 of Schedule 22)		
100,000 (Previous Year 100,000) Equity Shares of Rs. 10/- each fully paid up at a premium of Rs. 140/- per share of Dwarkas Gems Ltd.	15,000,000	15,000,000
14,286 (Previous Year Nil) Equity Shares of Rs. 10/- each fully paid up at a premium of Rs. 340/- per share of Aayam Herbal Pvt. Ltd. (Refer Note 1 below)	5,000,000	-
375,000 (Previous Year Nil) Equity Shares of Rs. 10/- each full paid up at a premium of Rs. 30/- per share of Arvind Coirfoam Pvt. Ltd. (Refer Note 1 below)	15,000,000	-
100,000 (Previous Year Nil) Equity Shares of Rs. 10/- each fully paid up at a premium of Rs. 390/- per share of Micro Secure Solution Ltd. (Refer Note 1 & 2 below)	40,000,000	-
81,085 (Previous Year Nil) Equity Shares of Rs. 10/- each fully paid up at a premium of Rs. 359.95 per share of Naaptol Online Shopping Pvt. Ltd. (Refer Note 1 & 2 below)	30,000,000	-
230,415 (Previous Year Nil) Equity Shares of Rs. 10/- each fully paid up at a premium of Rs. 207/- per share of Neesa Leisure Ltd (Refer Note 1 below)	50,000,000	-
27,778 (Previous Year Nil) Equity Shares of Rs. 10/- each fully paid up at a premium	10,000,000	-
of Rs. 350/- per share of Professionals Coaching Company Pvt. Ltd. (Refer Note 1 below) 1 (Previous Year Nil) 0%, Fully Convertible Debenture of Rs. 3 Crores	30,000,000	-
of Abbee Consumables and Peripherals Sshope Ltd. (Refer Note 1 below)		
200,000 (Previous Year Nil) 0%, Fully Convertible Debentures of Rs. 100/- each	20,000,000	-
of Cubit Computers Pvt. Ltd. (Refer Note 1 & 2 below) 31,250 (Previous Year Nil) 0%, Fully Debentures of Rs. 10/- each at a premium of Rs. 230/- per debenture of Jini Data Services Pvt Ltd. (Refer Note 1 below)	7,500,000	-
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 100/- each Fully paid up of Press Trust of India	1,000	1,000
Aggregate amount of Unquoted investments	**222,511,000**	**15,011,000**
B. Long Term Investments (At cost) - Quoted and non-trade (Refer Note 18 of Schedule 22)		
Nil (Previous Year 750,000) 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
300,000 (Previous Year 300,000) 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, 2009 is Rs. 1,713,000/-) (as on March 31, 2008 Rs. 5,490,000/-)	22,500,000	22,500,000
Aggregate amount of Quoted investments	**22,500,000**	**52,500,000**
Aggregate Market value as on March 31, 2009 is Rs. 1,713,000 (as on March 31, 2008 Rs.16,402,500)		
	245,011,000	**67,511,000**
Less: Provision for Diminution in Value of Investments	7,500,000	-
	237,511,000	**67,511,000**

Notes :

1) These investments are yet to be transferred in the name of the Company
2) These investments contain Lock-in-Period of twelve months from the date of subscription/allotment

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Schedule 8		
INVENTORIES :		
Raw Material - News Prints (Including Stock in Transit Rs. Nil) (Previous Year Rs. 120,399,947/-)	631,818,955	607,012,215
Stores and Spares	58,628,101	49,421,527
Magazines	401,132	985,687
Gifts / Promotional Products	19,970,738	13,898,449
	710,818,926	**671,317,878**
Schedule 9		
SUNDRY DEBTORS : (Refer Note 13(b) &15(a) of Schedul 22) (Unsecured)		
Debts outstanding for a period exceeding six months :		
- Considered Good	186,449,166	125,954,569
- Considered Doubtful	24,135,025	22,321,594
	210,584,191	148,276,163
Others Debts :		
- Considered Good	1,587,334,817	1,628,960,237
	1,797,919,008	1,777,236,400
Less : Provision for Doubtful Debts	24,135,025	22,321,594
	1,773,783,983	**1,754,914,806**
Schedule 10		
CASH AND BANK BALANCES :		
Cash on Hand	10,002,730	9,767,021
Cheques on Hand/Transit	18,843,219	106,836,068
Balances with Scheduled Banks:		
On Current Accounts	323,593,816	235,100,909
On Fixed Deposit Account	99,583,721	456,519,973
	452,023,486	**808,223,971**
Schedule 11		
LOANS AND ADVANCES :		
(Unsecured, Considered good unless otherwise stated) Interest accrued	7,030,614	7,930,313
Loans and Advances to Employees	16,031,760	25,360,026
Advances recoverable in cash or kind or for value to be received (Refer Note 15(b) of Schedule 22)		
- Considered Good	232,793,532	274,916,949
- Considered Doubtful	6,448,216	11,065,688
Inter Corporate Deposits	574,395,258	582,393,005
Deposit with Government Authorities	43,482,160	44,444,426
Security Deposit against Lease of Properties	138,648,862	-
Deposit with Others	38,951,076	33,486,367
Balance with Excise Authorities	424,127	9,143,461
	1,058,205,605	988,740,235
Less : Provision for Doubtful Loans and Advances	6,448,217	11,065,688
	1,051,757,388	**977,674,547**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Schedule 12		
CURRENT LIABILITIES :		
Sundry Creditors (Refer Note 13(b) & 27 of Schdule 22) (Includes Rs. 152,559,669/- against Capital Goods) (Previous Year Rs. Nil)	1,291,933,136	1,144,106,684
Advances from Customers	434,795,690	185,802,284
Interest Accrued but not due on loans	41,664,072	392,819
Book Overdraft	1,986,620	-
Other Liabilities	46,586,440	42,060,415
	1,816,965,958	**1,372,362,202**
Schedule 13		
PROVISIONS :		
Provision for Tax (Net of Advance tax of Rs.727,118,387/-) (Previous Year Rs. 464,179,042/-)	227,881,615	282,014,950
MAT Credit Set-Off	-	73,000,000
	227,881,615	209,014,950
Provision for Fringe Benefit Tax (Net of Advance FBT of Rs. 80,851,414/-) (Previous Year Rs.61,301,307/-)	6,105,039	4,890,921
Provision for Wealth Tax	40,000	-
Provision for Gratuity (Refer Note 21 of Schedule 22)	14,451,242	11,794,812
Provision for Leave Encashment (Refer Note 21 of Schedule 22)	25,229,923	17,069,811
Proposed Dividend	84,394,804	84,394,803
Tax on Proposed Dividend	14,342,897	14,342,897
	372,445,520	**341,508,194**
Schedule 14		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenses		
Opening Balance	-	10,634,739
Less : Written Off during the year	-	10,634,739
	-	-
Share Issue Expenses (Refer Note 23 in Schedule 22)		
Opening Balance	33,136,361	-
Additions during the Year	8,627,781	33,136,361
	41,764,142	33,136,361
Term Loan Processing Fees	181,569,343	-
Less: Amortized during the Year (Transferred to Capital Work in Progress)	6,462,692	-
	175,106,651	-
	216,870,793	**33,136,361**

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	For the Year Ended March 31, 2009 Rs.	For the Year Ended March 31, 2008 Rs.
Schedule 15		
SALES :		
Sale of Newspaper	1,942,172,349	1,782,007,809
Wastage Sale	121,283,805	104,987,677
Sale of Power	20,240,195	15,887,502
Sale of Magazine	67,240,189	42,243,162
Sales Portal and SMS	7,713,106	13,831,305
	2,158,649,644	**1,958,957,455**
Schedule 16		
OTHER INCOME :		
Printing Job Charges	91,191,617	70,397,134
Rent received	81,600	718,275
Excess Liability / Provision written back	17,112,860	2,715,261
Foreign Exchange Gain (Net)	-	26,195,614
Miscellaneous Income	11,583,493	20,734,012
	119,969,570	**120,760,296**
Schedule 17		
RAW MATERIAL CONSUMED:		
News Print Paper		
Opening Inventories	607,012,215	583,505,375
Add: Purchase during the year	4,099,205,462	3,388,830,430
	4,706,217,677	3,972,335,805
Less: Closing Inventories	631,818,955	607,012,215
	4,074,398,722	**3,365,323,590**
Schedule 18		
OPERATING EXPENSES :		
Consumption of Stores and Spares	572,611,834	463,696,076
Printing Job Work Expenses	214,336,213	168,179,784
News Collection Expenses	256,444,939	241,941,519
Binding Expenses	25,664,273	24,092,513
Electricity, Power & Water Charges	133,148,534	115,148,280
Repairs and Maintenance - Machinery	80,478,244	70,906,257
License Fees	30,524,438	21,549,248
Tower Rent and Other Operating Rental	22,579,093	13,643,107
Royalty	90,704,157	57,171,460
Portal Expenses	7,204,069	8,577,267
Other Operating Expenses	22,307,787	20,732,671
	1,456,003,581	**1,205,638,182**
Schedule 19		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	1,216,614,562	849,367,654
Contribution to Provident Fund and Other Funds	62,911,215	39,675,695
Workmen and Staff Welfare Expenses	51,440,458	46,907,895
	1,330,966,235	**935,951,244**

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	For the Year Ended March 31, 2009 Rs.	For the Year Ended March 31, 2008 Rs.
Schedule 20		
ADMINISTRATION, SELLING AND OTHER EXPENSES :		
Electricity Expenses	39,743,435	27,123,961
Rent	84,646,637	56,648,201
Rates and Taxes	2,049,271	15,371,011
Insurance	10,402,447	5,816,943
Repairs and Maintenance		
- Buildings	4,941,776	11,986,028
- Others	15,831,860	18,836,382
Legal and Professional Charges	73,224,510	60,813,287
Advertisement and Publicity	218,635,546	194,978,773
Distribution Expenses	261,912,876	207,773,530
Business Promotion	146,926,226	209,580,957
Survey Expenses	69,773,193	123,919,590
Postage and Telegram	7,246,142	7,177,872
Telephone Expenses	34,685,302	28,950,190
Printing and Stationery	20,690,106	19,872,347
Traveling Expenses	82,547,439	90,197,625
Conveyance Expenses	4,489,288	7,269,866
Vehicle Running and Maintenance	11,303,287	10,829,148
Auditors Remuneration (Refer Note 14 (i) of Schedule 22)	8,221,000	4,333,810
Bad Debts Written Off (Net of earlier year provision of Rs. Nil) (Previous year - Rs. 68,479,558)	350,254	51,198,004
Foreign Exchange Loss (Net)	35,418,970	-
Loss on Sale of Assets (Net)	718,334	9,166
Provision for Diminution in Value of Investments	7,500,000	-
Provision for Doubtful Debts	1,974,079	22,321,594
Provision for Doubtful Advances	262,775	8,792,885
Miscellaneous Expenditure written off	-	10,634,739
Royalty	3,750,000	1,025,000
Sundry Office Expenses	69,385,524	53,344,505
	1,216,630,277	**1,248,805,414**
Schedule 21		
FINANCIAL EXPENSES :		
Interest Expenses	404,715,928	384,167,249
Less : Interest Income from		
Bank Deposits	21,971,535	16,398,361
Others -		
Loans to Employees	48,669	9,126
Intercorporate Deposits	86,493,636	99,885,890
	296,202,088	267,873,872
Exchange Loss on Buyers' Credit from Banks (Net)	71,830,253	-
Bank Charges	33,699,439	12,992,362
	401,731,780	**280,866,234**

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CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2009

		March 31, 2009 Rs.	March 31, 2008 Rs.
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before Taxation after Prior Period Items	781,703,046	1,319,685,994
	Adjustment for :		
	Loss on sale of fixed assets (net)	718,334	9,166
	Interest expense (net)	296,202,088	267,873,872
	Depreciation / Amortization	289,714,785	220,416,859
	Miscellaneous Expenditure Written off	-	10,634,739
	Provision for Doubtful Loans & Advances	262,775	8,792,885
	Bad Debts Written Off (Net off Provision Written Back)	350,254	51,198,004
	Provision for Diminution in Value of Investments	7,500,000	
	Previous Provision Written Back	(4,569,465)	-
	Provision for Doubtful Debts	1,974,079	22,321,594
	Unrealised Exchange Rate Fluctuation	9,960,103	1,685,962
	Operating profit before working capital changes	**1,383,815,999**	**1,902,619,075**
	Increase / Decrease in Working Capital		
	(Increase) in Inventories	(39,501,048)	(37,008,938)
	(Increase) in Sundry Debtors	(21,193,511)	(360,396,112)
	Decrease/ (Increase) in Loans and Advances	(68,724,978)	693,325,444
	Increase in Current Liabilities	240,848,844	374,276,941
	Increase in Provisions	10,816,542	4,159,900
	Cash generated from operations	**1,506,061,848**	**2,576,976,310**
	Taxes paid (Including Fringe Benefit Tax and Wealth Tax)	(356,791,265)	(345,015,798)
	NET CASH FROM OPERATING ACTIVITIES	**1,149,270,583**	**2,231,960,512**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Additions to Fixed Assets	(2,965,974,414)	(1,081,231,352)
	Proceeds from Sale of Fixed Assets	11,862,687	1,839,128
	Purchase of Investments	(177,500,000)	(67,500,000)
	Interest received	109,413,539	112,619,655
	Cash used in disposal of investment in subsidiaries (Net)	(190,495)	-
	Fixed Deposit with maturity period more than three months	345,126,965	(404,457,304)
	NET CASH (USED IN) INVESTING ACTIVITIES	**(2,677,261,718)**	**(1,438,729,873)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Loan Taken - Secured	2,931,539,998	594,119,863
	Repayment of Loan - Secured	(747,537,663)	(957,067,179)
	Loan Taken/(Repayment) -Unsecured	10,814,512	21,930,590
	Dividend Paid	(84,394,803)	(2,136,554)
	Dividend Distribution tax	(14,342,897)	(363,108)
	Interest Paid	(395,427,100)	(384,273,060)
	Shares Issue Expenses	(8,627,781)	(33,136,361)
	Term Loan Processing Fees	(175,106,651)	-
	Proceeds from issuance of shares of subsidiaries	-	172,550,000
	NET CASH FROM / (USED IN) FINANCING ACTIVITIES	**1,516,917,615**	**(588,375,809)**
	Net Increase/ (Decrease) in Cash and Cash Equivalents	**(11,073,520)**	**204,854,830**
	Cash and Cash Equivalents at the beginning of the year	374,203,998	169,349,168
	Cash and Cash Equivalents at the end of the year	363,130,478	374,203,998
	Net Increase/ (Decrease) in Cash and Cash Equivalents	**(11,073,520)**	**204,854,830**
	For Details of Cash and Cash Equivalents - Refer Schedule - 10		
	Closing Balance	452,023,486	808,223,971
	Less: Fixed Deposit with maturity period of more than three months	88,893,008	434,019,973
	Net Cash and Cash Equivalents at the end of the Year (As per AS- 3)	**363,130,478**	**374,203,998**

For S. R. Batliboi & Associates
Chartered Accountants

Per Amit Majmudar
Partner
Membership No. 36656

Mumbai
June 18, 2009

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

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

AS AT MARCH 31, 2009

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, 'Business Bhaskar', 'DB star', 'DNA English' and monthly magazines, 'Aha Zindagi', 'Bal Bhaskar' and other magazines. The Group 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 (as amended).

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

Sr. No.	Name of Subsidiary Companies:	Country of Incorporation	Percentage of Ownership interest As at March 31, 2009
1.	Synergy Media Entertainment Limited	India	56.82%
2.	I Media Corp Limited	India	55%
3.	All Seasons Events Private Limited (up to July 31, 2008)	India	55% *
4.	D B Partners Enterprises Private Limited (up to July 31, 2008)	India	100% *

* Percentage of Ownership interest as at July 31, 2008.

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, (as amended) 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 year. 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 Improvements are amortized over the shorter of the estimated useful life of the asset or the lease term.

Assets individually 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.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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.
Gifts / Promotional Products	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 and service tax.

Sale of Newspaper, Magazine, 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.

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.

SCHEDULE – 22 CONSOLIDATED NOTES TO ACCOUNTS (Continued)

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 difference, in respect of accounting periods commencing on or after December 7, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they where initially recorded during the period, or reported in previous financial statements, in so far as they related to the acquisition of a depreciable capital assets, are added to or deducted from the cost of the assets and depreciated over the balance life of the assets.

Exchange differences arising on the settlement of monetary item not covered above, or on reporting such monetary item of company at rates different from those at which they were initially recovered during the year, or reported in previous financial statements, are recognized as income or as expenses 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 benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation done as per Projected Unit Credit Method, carried out by an independent actuary at the end of the year 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. The actuarial valuation is done as per projected Unit Credit 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, 1961. 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.

At each Balance Sheet date, 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 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) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year 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 year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q) 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.

r) 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".

s) Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 and 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.

t) Deferred Revenue Expenditure

Term Loan Processing fees incurred for raising loan funds are amortised equally over the period of the loan.

SCHEDULE – 22 CONSOLIDATED NOTES TO ACCOUNTS (Continued)

4. Change in Accounting Policy

Exchange Difference on Long Term Foreign Currency Monetary Items

Upto March 31, 2008 the Company was charging off exchange differences arising on long term foreign currency monetary assets and liabilities to profit and loss account. Pursuant to Companies (Accounting Standards) Amendments Rules, 2009, the Company has exercised the option of deferring the charge to the profit and loss account arising on exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, on long-term foreign currency monetary items (i.e. monetary assets or liabilities expressed in foreign currency and having a term of 12 months or more at the date of origination). As a result, such exchange differences so far as they relate to the acquisition of a depreciable capital asset have been adjusted with the cost of such asset and would be depreciated over the balance life of the asset.

Accordingly, in the current year, exchange differences pertaining to long term foreign currency monetary items amounting to Rs 32,356,651 have been capitalised. There were no such exchange differences pertaining to the accounting period from April 1, 2007 to March 31, 2008.

Had the Company continued to use the earlier basis of accounting for exchange differences arising on long-term foreign currency monetary items, the charge to the profit and loss account before tax for the current year would have been higher by Rs 32,356,651 and the Capital work in progress as at March 31, 2009 would have been lower by the same amount.

Adoption of notified Accounting Standard 15 – "Employee Benefits":

Up to March 31, 2008, Synergy Media Entertainment Limited (SMEL), one of the subsidiary company, was accounting the liability in respect of employee benefits, viz., Gratuity and Leave Encashment on estimation basis. During the Current year, SMEL has accounted the liability in respect of employee benefits, viz., Gratuity and Leave Encashment in accordance with the notified Accounting Standard 15 – "Employee Benefits". Had the Company continued to use the earlier basis of accounting for employee benefits, the charge to the profit and loss account before tax for the current year would have been higher by Rs. 1,111,195 and the provisions in respect of leave encashment would have been higher by Rs. 243,615 and the provision in respect of gratuity would have been higher by Rs. 867,580.

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. The Group disposed two subsidiaries i.e. All Seasons Private Limited (ASPL) and D B Partners Enterprise Private Limited (DBPEPL) on July 31, 2008. Results for the year include following loss of Rs. 59,914 (previous year Rs. 195,058) relating to ASPL while loss of Rs. Nil (previous year 335,640) relating to DBPEPL.

The Group has also recognized Rs. 1,547,283 as profit arising out of disposal of share in subsidiary in accordance with Para 22 of notified Accounting Standard 21 – Consolidated Financial Statements

7. Scheme of Arrangement

a) As per the Scheme of Arrangement relating to take over of the Internet Division of Indiainfo.com Ltd, 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 were allotted 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 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 was 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 declared bonus shares during the year ended, March 31, 2008. The shares to be issued (including bonus shares) amounting to Rs. 106,590/- were shown under Share Suspense Account for the year ended March 31, 2008. Subsequently, the Company has issued all the balance 1,839 equity shares on June 7, 2008 and the Security Premium amounting to Rs. 88,200 on 180 equity shares issued in lieu of 9 preference shares is shown under Security Premium Account.

SCHEDULE – 22 CONSOLIDATED NOTES TO ACCOUNTS (Continued)

b) 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. Related Parties Disclosure

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

Particulars	Related Party
Key Management Personnel	- Shri Sudhir Agarwal, Managing Director (SA) - Shri Girish Agarwal, Director (GA) - Shri Pawan Agarwal, Director (PA)
Relatives of key management personnel	- Shri Ramesh Chandra Agarwal (RCA) - Smt. Kasturi Devi Agarwal (KDA) - Smt. Jyoti Sudhir Agarwal (JSA) - Smt. Namita Girish Agarwal (NGA) - Smt. Nikita Pawan Agarwal (NPA)
Enterprises owned or significantly influenced by Key management personnel or their relatives	- All Season Events (P) Ltd. - D B Partners Enterprises Private Limited - Writers & Publishers Private Limited - Bhaskar Phototype Setter - Bhaskar Phototyope 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 - 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 - Bhaskar Process House - India Interactive Technology Pvt. Ltd. - DB Publication Pvt. Ltd. - Abhivyakti Kala Kendra

SCHEDULE – 22 CONSOLIDATED NOTES TO ACCOUNTS (Continued)

8. Related Parties Disclosure (Continued)

Transactions with Related Parties are given below :

Related Party Name	Loan/Advance Given (Repaid)		Loan/Advance Taken (Repaid)		Interest Received (Paid)		Revenue		Receiving of Services/Purchases	
	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08
All Season Events (P) Ltd	-	474,084	-	-	49,606	120,441	-	95,000	-	-
	(1,383,717)	-	-	-	-	-	-	-	-	-
D B Partners Pvt. Ltd	-	455,640	-	-	-	-	-	-	-	-
	(435,640)	(20,000)	-	-	-	-	-	-	-	-
Writers & Publishers Ltd (WPL)	385,684,865	24,015,387	247,500,000		72,625,799	88,032,192	-		23,356,163	20,135,771
	(325,337,082)	(774,024,726)	(10,916,612)	-	-	-	-	-	-	-
M P Printer (Unit of WPL)	-	-	1,130,386	1,717,517	-	-	-	-	46,495,651	36,888,327
	-	-	(2,306,818)	(1,455,736)	-	-	-	-	-	-
Bhaskar Phototype Setter, Bhopal (Prop. Sudhir Agarwal)	-	-	-	-	-	-	-	-	4,608,997	2,832,783
Bhaskar Printring Press, Bhopal (Prop. Jyoti Agarwal)	-	-	-	-	-	-	-	-	6,519,776	4,440,119
Bhaskar Printing Press, Ahmedabad, Surat, Baroda (Prop. Pawan Agarwal)	-	-	-	-	-	-	-	-	17,418,078	19,974,874
R.C.Phototype Setter, Raipur (Prop. R.C. Agarwal)	-	-	-	-	-	-	-	-	4,781,876	4,157,988
R.C. Printer, Raipur (Prop. R.C.Agarwal)	-	-	-	-	-	-	-	-	7,079,020	6,677,926
Bhaskar Publication & Allied Industries Ltd.	-	180,377,984	-	-	-	4,310,859	16,622,900	11,541,841	79,615,975	100,000
	(37,829,014)	(158,158,281)	-	-	-	-	-	-	-	-
Bhaskar Infrastructure Ltd.	2,334,065	1,282,589	-	-	-	-	-	-	4,004,154	3,967,418
	(3,566,792)	(1,067,150)								
Bhaskar Industries Ltd.	-	-	-	-	-	-	200,838	52,737	460,000	460,215
Bhaskar Multinet Ltd.	5,603,033	18,167,334	-	-	12,644,277	11,478,133	3,006,817	1,242,371	-	-
	(5,685,238)	(17,861,563)	-	-	-	-			-	-
Bhaskar Exxoil Ltd.	46,579	118,971	-	-	-	-	36,640	3,390	-	-
	(82,198)	(117,783)	-	-	-	-	-	-	-	-
Diligent Media Corp Ltd.	-	-	-	2,437,612	-	-	657,653	-	280,948,409	171,667,006
	-	-	-	(1,709,185)	-	-	-	-	-	-
Sudhir Agarwal, Managing Director	-	-	-	-	-	-	-	-	-	-
Girish Agarwal, Director	-	-	-	-	-	-	-	-	100,000	100,000
Pawan Agrawal, Director	-	595,307	-	-	-	-	-	-	-	-
Jyoti Agrawal, W/o Sudhir Agrawal	-	-	-	-	-	-	-	-	-	-
Direct (OOH) Media Pvt Ltd	733,347	1,457,994	-	-	-	-	-	-	-	-
	(22,860)	-	-	-	-	-	-	-	-	-
Stitex Global Ltd.	(15,046)	-	-	-	-	-	-	-	-	-
Divya Prabhat Publications P Ltd.		5,946,984	-	-	-	-	-	-	-	-
	(1,102,961)	(6,560,386)	-	-	-	-	-	-	-	-
Bhaskar Venktesh Products P Ltd.	-	-	-	-	-	-	4,071	7,600,855	-	-
D B Malls Pvt. Ltd	526,357	-	-	-	-	-	557,155	91,340	-	-
	(385,194)									
Sharda Solvent Limited	-	-	-	-	-	-	121,167	99,176	-	-
Bhaskar Samachar Seva (Prop. D.K.Tiwari)	-	-	-	-	-	-	-	-	88,920,535	87,092,569
Bhaskar Printing Press, Chandigarh, Panipat, Hissar (Prop. Vinod Jain)	-	-	-	-	-	-	-	-	6,948,532	8,628,542
Jaipur Printing Press (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	11,359,911	9,780,000
Bikaner Printing Press (Prop. Manish Tiwari)	-	-	-	-	-	-	-	-	860,583	795,000
Jaipur Phototype Setter (Prop. Shri Surendra Mishra)	-	-	-	-	-	-	-	-	12,034,658	10,890,000
Ajmer Printing House (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	4,686,991	4,446,000
Udaipur Printing Pres (Prop. Shri Dharmendra Atri)	-	-	-	-	-	-	-	-	5,817,189	6,000,000
New Jodhpur Printer (Prop. Shri Jagdish Sharma)	-	-	-	-	-	-	-	-	5,608,736	5,760,000
New Kota Printer (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	3,034,307	2,640,000
Bhaskar Process House	-	-	-	-	-	-	-	-	2,661,849	4,200,000
India Interactive Technology Pvt. Ltd	-	-	4,702,746	-	-	-	-	-	1,754,289	2,601,043
	-		(66,907)							
DB Publication Pvt. Ltd	122,433	-	-	-	-	-	-	-	-	-
Abhivyakti Kala Kendra	4,732,291	64,993	-	-	-	-	12,135,440	3,809,583	-	-
	(4,504,528)	-	-	-	-	-	-	-	-	-

Note: For the Personal Guarantees given by the directors for the Secured Loans taken by the Company, refer Note 9 of Schedule 22.

SCHEDULE – 22 CONSOLIDATED NOTES TO ACCOUNTS (Continued)

8. Related Parties Disclosure (Continued)

Transactions with Related Parties are given below :

	Rendering of Services/Sales		Remuneration Paid		Sale/Purchase of Investment		Factoring of Receivables/Advances		Amount Outstanding Debit/(Credit)	
	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08
All Season Events (P) Ltd	-	-	-	-	-	-	-	-	-	1,476,866
D B Partners Pvt. Ltd	-	-	-	-	-	-	-	-	-	435,640
Writers & Publishers Ltd (WPL)					75,000,000	-	62,196,280	-	456,280,407	588,409,879
	-	-	-	-	(15,000,000)	-	-	-	-	-
M P Printer (Unit of WPL)	-	-	-	-	-	-	-	-	(4,220,514)	(7,573,575)
Bhaskar Phototype Setter, Bhopal (Prop. Sudhir Agarwal)	-	-	-	-	-	-	-	-	(2,251,816)	(1,776,830)
Bhaskar Printring Press, Bhopal (Prop. Jyoti Agarwal)	-	-	-	-					(1,682,949)	(1,355,338)
Bhaskar Printing Press, Ahmedabad, Surat, Baroda (Prop. Pawan Agarwal)	-	-	-	-	-	-	-	-	(3,295,800)	(4,164,125)
R.C.Phototype Setter, Raipur (Prop. R.C. Agarwal)	-	-	-	-	-	-	-	-	(5,044,037)	(4,589,654)
R.C. Printer, Raipur (Prop. R.C.Agarwal)	-	-	-	-	-	-	-	-	(1,530,821)	(990,006)
Bhaskar Publication & Allied Industries Ltd.	79,261,583	4,182,443							9,911,109	37,828,755
Bhaskar Infrastructure Ltd.	-	-	-	-	-	-	-	-	(939,057)	(3,127,814)
Bhaskar Industries Ltd.	-	-	-	-	-	-	-	-	33,519	(341,500)
Bhaskar Multinet Ltd.	-	-	-	-	-	-	-	-	145,732,440	135,231,920
Bhaskar Exxoil Ltd.	-	-	-	-	-	-	-	-	-	39,009
Diligent Media Corp Ltd.	288,556,008	2,996,764	-	-	-	-	-	-	6,261,756	(11,280,666)
Sudhir Agarwal, Managing Director	-	-	3,600,000	3,600,000	77,500	-	-	-	(4,779,643)	(2,431,643)
Girish Agarwal, Director	-	-	-	-	50,000	-	-	-	(34,563)	(84,573)
Pawan Agrawal, Director	-	-	-	-	-	-	-	-	595,307	595,307
Jyoti Agrawal, W/o Sudhir Agrawal	-	-	-	-	27,500	-	-	-	27,500	-
Direct (OOH) Media Pvt Ltd	-	-	-	-	-	-	-	-	2,168,481	1,457,994
Stitex Global Ltd.	-	-	-	-	-	-	-	-	-	15,046
Divya Prabhat Publications P Ltd.	6,538,107	7,998,446	-	-	-	-	-	-	8,797,392	9,796,684
Bhaskar Venktesh Products P Ltd.	-	-	-	-	-	-	-	-	-	2,290,143
D B Malls Pvt. Ltd	-	-	-	-	-	-	-	-	698,318	88,902
Sharda Solvent Limited	-	-	-	-	-	-	-	-	-	-
Bhaskar Samachar Seva (Prop. D.K.Tiwari)	-	-	-	-	-	-	-	-	(10,777,403)	(11,046,804)
Bhaskar Printing Press, Chandigarh, Panipat, Hissar (Prop. Vinod Jain)	-	-	-	-	-	-	-	-	(475,295)	(530,566)
Jaipur Printing Press (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	(1,530,600)	(1,168,091)
Bikaner Printing Press (Prop. Manish Tiwari)	-	-	-	-	-	-	-	-	(249,175)	(228,915)
Jaipur Phototype Setter (Prop. Shri Surendra Mishra)	-	-	-	-	-	-	-	-	(1,390,733)	(1,050,008)
Ajmer Printing House (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	(952,229)	(984,326)
Udaipur Printing Pres (Prop. Shri Dharmendra Atri)	-	-	-	-	-	-	-	-	(994,209)	(669,467)
New Jodhpur Printer (Prop. Shri Jagdish Sharma)	-	-	-	-	-	-	-	-	(1,332,182)	(960,297)
New Kota Printer (Prop. Shri Kamalkant Sharma)	-	-	-	-	-	-	-	-	(196,371)	(170,463)
Bhaskar Process House	-	-	-	-	-	-	-	-	(112,490)	(130,045)
India Interactive Technology Pvt. Ltd	21,263	-	-	-	-	-	-	-	(6,126,845)	(242,440)
DB Publication Pvt. Ltd	-	-	-	-	-	-	-	-	122,433	-
Abhivyakti Kala Kendra	-	-	-	-	-	-	-	-	12,952,288	589,085

Note: For the Personal Guarantees given by the directors for the Secured Loans taken by the Company, refer Note 9 of Schedule 22.

SCHEDULE – 22

CONSOLIDATED NOTES TO ACCOUNTS (Continued)

9. Term Loans, Cash Credit and Buyers Credit facilities consist of:

Particulars	March 31, 2009	March 31, 2008
Rupee Term Loans		
IDBI Bank	587,871,410	180,000,000
Standard Chartered Bank	468,750,000	250,000,000
State Bank of Hyderabad	114,038,158	184,940,593
State Bank of Indore	205,174,335	291,744,387
Yes Bank	437,499,999	554,166,665
Rabo India Finance Private Limited	388,888,874	699,999,990
HDFC Bank	225,779	-
ICICI Bank	350,000,000	-
The J&K Bank Limited	191,515,360	256,448,041
Corporation Bank	125,009,128	151,105,332
Cash Credit Facilities		
State Bank of Hyderabad	90,294,921	139,976,680
State Bank of Indore	92,913,280	362,697,556
Bank of Maharashtra	158,484,518	156,966,415
Foreign Currency Loan		
AGCO Finance GmbH	USD 34,022,730 equivalent toRs. 1,725,632,881	-
Buyers Credit Facilities		
Standard Chartered Bank	USD 1,894,660 equivalent to Rs. 96,097,159	-
HSBC Bank	USD 7,485,256 equivalent to Rs. 379,652,193	-

a) The Term Loans are secured by:

i) First Exclusive charge on the Fixed Assets in NICT Project;

ii) First Charge on existing / future Plant & Machinery of Ahmedabad, Surat and Baroda Project;

iii) First Charge on Plant & Machinery situated at all locations (other than Gujarat) of the Company;

iv) The J&K Bank and Corporation Bank – Hypothecation of all present and future fixed and current assets of the Company (Synergy Media Entertainment Limited)

v) Term Loan also includes car loan of Rs 1,556,853 (closing balance) which is secured against hypothecation of vehicle and all its components;

vi) Second Charge on all current assets;

vii) Personal Guarantee of Directors aggregating to Rs 582,890,547 (RCA, SA, GA and PA)

viii) Corporate Guarantees of Writers & Publishers Limited and Bhaskar Publication & Allied Industries Pvt. Ltd.

ix) 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 (D B Corp Limited).

x) Standard Chartered Bank Ltd : Exclusive charge on Fixed Assets on facility at Ludhiana.

xi) AGCO Finance GmbH: First pari passu Charge with other lenders on up gradation Project Assets.

SCHEDULE – 22 CONSOLIDATED NOTES TO ACCOUNTS (Continued)

xii) IDBI Bank: First pari passu Charge with other lenders on up gradation Project Assets. Second Charge on Immovable hosing property of Writers and Publishers pvt. Ltd. at various units.

xiii) ICICI Bank: Second pari passu charge on all the Movable and Immovable assets and all current assets (both present and future).

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 341,692,719 (RCA, SA, GA and PA)

iv) Corporate Guarantees of Writers & Publishers Limited and Bhaskar Publication & Allied Industries Pvt. Ltd.

C) Buyers Credit Facilities are secured by:

i) Standard chartered bank: First Charge on the current assets of the Company

ii) HSBC Bank: First Pari passu Charge over current assets of the Company Second Charge over Plant and Machinery of the Company and Corporate guarantee of Writers & Publishers Private Limited.

10. Leases

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

Operating Lease (for assets taken on Lease)

a) The Group has taken various residential, office and godown premises under operating lease agreements. These are generally renewable by mutual consent;

b) Lease payments for the year are Rs. 107,225,730 (Previous year Rs. 68,657,027).

c) The future minimum lease payments under non-cancellable operating leases;

- not later than one year is Rs. 105,499,244 (Previous year Rs. 70,999,751)
- later than one year but not later than five years is Rs. 421,641,433 (Previous year Rs. 287,524,970).
- later than five years Rs. 120,506,483 (Previous year 138,639,059).

d) There are no restrictions imposed in these lease agreements. There are escalation clauses in agreement with some parties. There are no sub leases.

11. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 360,759,654 (Previous year Rs. 1,254,794,523).

12. Contingent Liabilities not provided for:

a) Letter of Credit against purchase of capital goods: Rs. Nil (Previous year Rs. 1,453,371,461).

b) Guarantees issued by bank on behalf of the Company Rs. 16,392,375 (Previous year Rs. 16,392,375).

c) A Legal Suit has been filed against SMEL by the Indian Performing Rights Society Limited ('IPRS') before Delhi High Court on account of refusal to obtain a license with regards to broadcasting / performing its copyrighted works. The IPRS has prayed for a permanent injunction restraining SMEL from infringing any of the copyrights owned by the IPRS as well as for damages amounting to Rs. 2,001,000/- in favour of the IPRS. Consequently, SMEL has provided, on best judgement basis in respect of royalty payable to IPRS amounting to Rs. 13,813,305 for the current year and also Rs. 3,597,418 up to March 31, 2008. 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. 42,666,433 (Previous year 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

SCHEDULE – 22 CONSOLIDATED NOTES TO ACCOUNTS (Continued)

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.

13. Derivative Instruments

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

Amount in respective currency

Particulars	**Currency**	**March 31, 2009**	**March 31, 2008**
Forward Contract to Hedge			
Payments to Suppliers	USD	500,000	—

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

Amount in respective currency

Particulars	**Currency**	**March 31, 2009**	**March 31, 2008**
Sundry Creditors	USD	4,465,438	5,170,451
Sundry Creditors	EURO	46,158	—
Standard Chartered Bank Buyers Credit	USD	1,894,660	—
HSBC Bank Buyers Credit	USD	7,485,256	—
AGCO Finance GmbH	USD	34,022,730	—
Sundry Debtors	USD	3,593	3,342

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

a) Licensed and installed capacity:-

Licensed capacity is not applicable.

Installed Capacity (As certified by the management and relied upon by auditors, it being a technical matter).

Type of Machine	March 31, 2009		March 31, 2008	
	No. of Machines	Total Capacity (Impressions per hour)	No. of Machines	Total Capacity (Impressions per hour)
Cold Set Machines	54	1,821,000	52	1,686,000
Heat Set Machines	5	120,000	4	96,000

b) Actual Production and Sales

News paper	March 31, 2009 In No. of Copies	March 31, 2008 In No. of Copies
- Production	1,387,288,541	1,345,063,760
- Sales	1,366,085,698	1,312,794,657
Power	Units	Units
- Production	5,545,800	3,712,230
- Sales	5,545,800	3,712,230
Magazines	In No. of Copies	In No. of Copies
- Production	19,722,488	15,731,054
- Sales*	19,415,936	15,295,455

* Includes magazines distributed as free samples 278,849 Copies (Previous year – 236,185 Copies)

SCHEDULE – 22 CONSOLIDATED NOTES TO ACCOUNTS (Continued)

ii) Opening and Closing stock of finished goods:

Magazines	March 31, 2009 In No. of Copies	March 31, 2008 In No. of Copies
Closing Stock	80,000	122,000
Opening stock	122,000	9,504

c) Value of Import on CIF Basis

Particulars	March 31, 2009 Rs.	March 31, 2008 Rs.
Raw Material	998,631,137	959,578,953
Stores and Spares	16,834,193	11,207,723
Capital Goods	2,008,749,595	19,151,488

d) Consumption of Raw Material

	March 31, 2009		March 31, 2008	
	QuantityIn KG	Value In Rs.	QuantityIn KG	ValueIn Rs.
Newsprint	137,255,154	4,074,398,722	130,677,965	3,365,323,590

e) Imported and indigenous raw materials, stores and spares consumed

	March 31, 2009		March 31, 2008	
	Value In Rs.	% of total Consumption	Value In Rs.	% of tota l Consumption.
i) Raw Materials				
Imported	915,982,094	22.48%	1,479,739,745	43.97%
Indigenous	3,158,416,628	77.52%	1,885,583,845	56.03%
TOTAL	**4,074,398,722**	**100.00%**	**3,365,323,590**	**100.00%**
ii) Stores and Spares				
Imported	19,203,284	3.35%	5,789,165	1.25%
Indigenous	553,408,551	96.65%	457,906,911	98.75%
TOTAL	**572,611,835**	**100.00%**	**4,63,696,076**	**100.00%**

f) Earnings in foreign currency (on accrual basis)

Particulars	March 31, 2009 Rs.	March 31, 2008 Rs.
Advertisement Income	491,539	1,083,677

g) Expenditure in foreign currency (on accrual basis)

Particulars	March 31, 2009 Rs.	March 31, 2008 Rs.
Traveling	676,197	557,376
Financial Expenses	241,870,701	—
Advertisement & Publicity	196,871	189,273
Others	9,739,701	837,913

SCHEDULE – 22 CONSOLIDATED NOTES TO ACCOUNTS (Continued)

Out of above Financial Expenditure, Rs. 55,997,780 (Previous year – NIL) is disclosed under Capital Work-in-Progress and Rs. 151,486,816 (Previous year – NIL) is included in Term Loan Processing fees and disclosed under the head 'Miscellaneous Expenditure' in the Balance Sheet.

h) Managerial Remuneration

Particulars	March 31, 2009 Rs.	March 31, 2008 Rs.
Salaries and Allowances	3,600,000	3,600,000
Total	**3,600,000**	**3,600,000**

i) Auditor Expenditure

Particulars	March 31, 2009 Rs.	March 31, 2008 Rs.
As Auditor		
Statutory Audit	7,669,500	4,110,210
Tax Audit	551,500	223,600
In Other manner Certification relating to IPO	561,800	8,174,200
Total	**8,782,800**	**12,508,010**

Out of above expenditure, Rs. 561,800 (Previous year Rs. 8,174,200) is included in Share Issue Expenses and disclosed under the head 'Miscellaneous Expenditure' in the Balance Sheet

15. Receivables from Companies under the same management

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

(Rs.)

Name of the Company	Closing Balance		Maximum Amount Outstanding during the year	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Bhaskar Industries Ltd.	122,626	14,430	122,626	99,695
Bhaskar Multinet Ltd.	1,016,437	218,686	2,772,829	4,857,871
Bhaskar Exxoil Ltd.	—	3,390	37,000	199,403
Bhaskar Venktesh Products P Ltd.	—	2,290,143	2,293,000	7,898,706
Divya Prabhat Publication P Ltd.	1,758,158	—	2,996,805	430,610
Sharda Solvent Ltd.	—	—	104,017	179,181
DB Malls Pvt. Ltd.	557,155	88,902	593,496	88,902
Abhivyakti Kal Kendra	12,659,532	524,092	12,659,532	3,267,491
Diligent Media Corp Ltd.	2,804,541	894,799	2,804,541	894,799

SCHEDULE – 22 CONSOLIDATED NOTES TO ACCOUNTS (Continued)

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

(Rs.)

Name of the Company	Closing Balance		Maximum Amount Outstanding during the year	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Writers & Publishers Pvt. Ltd.	692,863,795	588,409,879	918,127,462	1,364,314,043
Bhaskar Multinet Ltd.	144715731	135018852	145912118	137434334
Bhaskar Exxoil Ltd.	—	35,619	82,198	119,839
Diligent Media Corp Ltd.	3,193,343	—	56,918,275	—
Stitex Global Ltd.	—	15,046	15,046	15,046
Divya Prabhat Publications P Ltd.	7,039,234	9,796,684	8,447,106	7,431,335
Bhaskar Infrastructure Ltd.	—	290,215	508,252	421,715
Bhaskar Publication & Allied Industries Pvt. Ltd.	—	37,828,755	37,675,002	92,750,413
Direct(OOH) Media P Ltd.	2,168,481	1,457,994	2,168,481	1,457,994
DB Publications Pvt. Ltd.	122,433	—	122,433	—
DB Mall Pvt. Ltd.	141,163	—	141,163	—
Abhivyakti Kala Kendra	292,756	64,993	2,689,776	64,993

16. Prior Period Expenditure

Prior Period Expenditure comprises of:

Particulars	**March 31, 2009 Rs.**	**March 31, 2008 Rs.**
Depreciation	-	(269,344)
Advertising Expenditure	-	8,638,712
Total	-	**8,369,368**

17. Fixed Deposits

Cash and Bank includes Fixed Deposits having maturity period of more than three months amounting Rs. 88,893,008 (Previous year Rs 434,019,973).

18. Investment in Private Treaties

As a part of the growth plan for enhancing the advertisement revenue of the Group, in the long term and in order to encourage potential customers, the Group had strategically entered into arrangement with various Parties by investing in the securities of these parties. By these arrangements, the said parties would also offer their advertisements in the the Group's print and non print media periodically, for a specified term. During the year the Group has made provision of Rs. 7,500,000 in respect of diminution, which is other than temporary, in the value of these investments. The management will evaluate the value of these investment periodically and required provision would be made in respect of any diminution which is other than temporary.

19. The Company has issued 1,638 (Previous year 166,651,212) equity shares of Rs. 10 each fully paid up as bonus shares in the ratio of 78 bonus shares for every 1 share on 21 shares held in Share Suspense Account. 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.

20. Earning Per Share

Particulars	March 31, 2009	March 31, 2008
i) Profit after taxation (Rs.)	476,217,968	750,553,414
ii) Weighted average number of Equity Shares outstanding for Basic EPS	168,789,605	168,787,766
iii) Basic Earnings per share (Rs.)	2.82	4.45
iv) Weighted average number of Equity Shares outstanding for Basic EPS	168,789,605	168,787,766
v) On account of issue of shares held in suspense	-	1,839
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.)	2.82	4.45
ix) Nominal value of shares (Rs.)	10	10

21. 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.

The following tables summaries 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, 2009 Gratuity Rs.	March 31, 2008 Gratuity Rs.
Current service cost	10,895,820	11,128,711
Interest cost on benefit obligation	3,312,429	1,942,409
Expected return on plan assets	(2,285,527)	(452,782)
Net actuarial (gain) / loss recognized in the year	12,802,352	4,556,133
Past service cost	—	—
Net benefit expense	24,725,075	17,174,472
Actual return on plan assets	858,041	761,469

Balance Sheet

Details of Provision and fair value of plan assets

Particulars	March 31, 2009 Gratuity Rs.	March 31, 2008 Gratuity Rs.
Benefit obligation	62,518,153	40,363,900
Fair value of plan assets	48,066,911	28,569,088
	14,451,242	11,794,812
Less: Unrecognized past service cost	—	—
Plan asset / (liability)	(14,451,242)	(11,794,812)

SCHEDULE – 22 CONSOLIDATED NOTES TO ACCOUNTS (Continued)

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

Particulars	March 31, 2009 Gratuity Rs.	March 31,2008 Gratuity Rs.
Opening benefit obligation/net liability	41,405,365	24,280,112
Interest cost	3,312,429	1,942,409
Current service cost	10,895,820	11,128,711
Benefits paid	(4,470,327)	(1,852,153)
Actuarial (gains) / losses on obligation	11,374,866	4,864,820
Closing benefit obligation	62,518,153	40,363,900

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

Particulars	March 31, 2009 Gratuity Rs.	March 31,2008 Gratuity Rs.
Opening fair value of plan assets	28,569,088	5,659,772
Expected return	2,285,527	452,789
Contributions by employer	23,110,110	24,000,000
Benefits paid	(4,470,327)	(1,852,153)
Actuarial gains / (losses) on plan assets	(1,427,487)	308,687
Closing fair value of plan assets	48,066,911	28,569,088
Actuarial gains / (losses) to be recognized	(12,802,352)	(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, 2009 Gratuity %	March 31,2008 Gratuity %
Investments with insurer	100	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, 2009 Gratuity	March 31,2008 Gratuity
Discount rate	7.50%	8.00%
Expected rate of return on assets	7.50%	8.00%
Employee turnover	1% at each age	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.

22. Employee Stock Option Scheme 2007

The Company had instituted an ESOP Scheme during the period which was approved by the shareholders vide their resolution dated November 30, 2007. The shareholders of the Company have approved grant of 700,000 stock options to its employees pursuant to the ESOP Scheme on December 1, 2007. This scheme has been further modified during the year vide resolution passed in the Extra ordinary General meeting dated December 11, 2008 and December 31, 2008. The Compensation Committee has accorded presently to create and grant options exercisable into 413,427 equity shares of the Company under D B Corp Limited – Employee Stock Option Scheme 2008 ("DBCL – ESOS 2008").

SCHEDULE – 22 CONSOLIDATED NOTES TO ACCOUNTS (Continued)

The Company has granted Stock Options to its employees as per its scheme referred to as “DBCL – ESOS 2008”. During the year ended March 31, 2009, the following scheme was in operation:

DBCL – ESOS 2008

Date of grant	January 5, 2009
Date of Board Approval	December 23, 2008
Date of Shareholder’s Approval	December 31, 2008
Number of options granted	700,000 options have been approved by the Board and the shareholders, however 413,427 have been granted during the year
Method of Settlement	Equity
Vesting Period	Options will vest equally over five years from the date of January 05, 2010
Exercise Period	Three years from the date of vesting or listing, whichever is later
Vesting Conditions	Option vest on continued association with the company and achievement of certain performance parameters

The details of activity under DBCL ESOS 2008 are as summarized below:

	March 31, 2009		March 31, 2008	
	Number of options	Estimated Weighted Average Exercise Price(Rs.)	Number of options	Exercise Price(Rs.)
Outstanding at the beginning of the year (Approved to be granted by the Shareholder’s)	700,000	-	700,000	275
Granted during the year	413,427	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	413,427	200	-	275
Exercisable at the end of the year	-	-	-	-
Weighted average fair value of options granted on the date of grant	53.49	-	76.16	-

The details of exercise price for stock options outstanding at the end of the year as at March 31, 2009 is as under:

Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Estimated Weighted average exercise price
200	413,427	4.5	200

The details of exercise price for stock options approved by shareholders for grant to employee as at March 31, 2008 is as under:

Range of exercise prices	Number of options approved by shareholders for grant to employees	Weighted average remaining contractual life of options (in years)	Fixed Exercise price
275	700,000	N/A	275

SCHEDULE – 22 CONSOLIDATED NOTES TO ACCOUNTS (Continued)

During the year there have been modifications to the Employee Stock Option Scheme 2007 with respect to the vesting period, exercise period and the exercise price which are as summarized under:

Particulars	**March 31, 2009**	**March 31, 2008**
Vesting and Exercise Period	The Options can be exercised only after an IPO and Exercise period would not be more than 3 years from date of vesting or 3 years from the the date of listing, whichever is later.	The options vest over a period not earlier than 16 months and not later than 64 months from the date of grant and exercisable for a period of three years from vesting.
Exercise Price	50% discount to the average of the closing market price of the first 30 trading days post IPO	Rs. 275

The following table summarises the year wise vesting % and the fair value in respect of options outstanding:

Year	Vesting %	Fair Value Rs.
January 5, 2010	20%	30.36
January 5, 2011	20%	42.06
January 5, 2012	20%	53.78
January 5, 2013	20%	65.21
January 5, 2014	20%	76.04

Stock Options granted

The weighted average fair value of stock options granted during the year was Rs. 53.49. The Black Scholes Options Pricing model has been used for computing the weighted average fair value considering the following inputs:

	March 31, 2009	March 31, 2008
Weighted average share price	53.49	76.16
Exercise Price	50% discount to the average of first 30 days market price post IPO	275
Expected Volatility	0%	0%
Historical Volatility	0%	0%
Life of the options granted (Vesting and exercise period) in years	4.5 years	1.33 to 5.6 years
Expected dividends	Nil	Nil
Average risk-free interest rate	6.96%	7.52% to 7.75%
Expected dividend rate	0%	0%

The Company being an unlisted company, the intrinsic value is determined on the basis of an independent valuer. The fair value of the equity share as determined by the independent valuer is estimated as Rs.200 per share (Previous year Rs.270 per share). The Company expects the exercise price of the share to be equal to the fair value and hence the intrinsic value is nil.

Had Compensation cost been determined in accordance with the fair value approach described in the Guidance Note, the Company's net profit as reported would have changed to amounts indicated below:

	March 31, 2009 Rs.	March 31, 2008 Rs.
Profit as reported	476,217,968	750,553,414
Add: Employee stock compensation under intrinsic value method	Nil	Nil
Less: Employee stock compensation under fair value method	3,618,489	13,328,000
Proforma profit	472,599,479	737,225,414
Earnings Per Share		
Basic		
- As reported	2.82	4.45
- As adjusted	2.80	4.37
Diluted		
- As reported	2.82	4.45
- As adjusted	2.80	4.37

23. Share issue expenses

Up to March 31, 2009, the Company has incurred Rs. 41,764,142 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.

24. 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. During 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 had been accounted during the year ended March 31, 2008. Consequently Rs. 128,438,660 had been adjusted against the balance in profit and loss account as at March 31, 2008. Further, the amount of Rs. 61,140,585 being share in the loss of SMEL for the year ended March 31, 2008 relating to Minority Interest had been reflected separately in the profit and loss account for the year ended March 31, 2008. The Minority Interest of Rs. 241,863,966 reflected in the balance sheet as at March 31, 2008 with reference to SMEL had been calculated by applying the revised share @ 43.18% in the net worth of SMEL as at March 31, 2008.

25. a) Preoperative expenses included under Fixed Assets and Capital Work-in-Progress are as under:

Particulars	**March 31, 2009 Rs.**	**March 31, 2008 Rs.**
Opening Balance of Pre – Operative Expenses	—	54,270,424
Expenditure during the year :		
Raw Material Consumed	—	1,180,244
Operating Expenditure	1,518,257	10,566,168
Employee Cost	3,965,743	31,114,761
Other Indirect Expenditures	6,882,615	27,159,507
Loan Management Fees	6,462,692	—
Bank Charges	45,490	132,901
Interest and Financial Charges	65,465,621	23,405,914
Total	**84,340,418**	**93,559,495**
Less:- Capitalized	**5,404,596**	**147,829,919**
Closing Balance of Pre- Operative Expenses (Disclosed as Capital Work-in-Progress)	**78,935,822**	—

SCHEDULE – 22 CONSOLIDATED NOTES TO ACCOUNTS (Continued)

26. Segment Information for the year ended March 31, 2009

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-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08
Revenue	9,211,058,396	8,391,352,078	293,377,120	142,633,515	105,346,128	92,246,269	9,609,781,644	8,626,231,862
Segment Results	1,418,062,866	1,845,852,470	(207,568,340)	(201,715,070)	(18,756,109)	(30,937,008)	1,191,738,417	1,613,200,392
Less : Unallocated Corporate Expenses net of Unallocated Income							8,303,591	4,278,796
Operating Profit							1,183,434,826	1,608,921,596
Less : Financial Expenses (Net of Interest Income)							401,731,780	280,866,234
Less : Prior Period Expenditure							–	8,369,368
Less : Tax Expenses							423,466,422	630,273,165
Profit for the year							358,236,624	689,412,829
Other Information								
Depreciation	170,761,920	137,312,309	106,912,374	70,665,617	12,040,491	12,438,933	289,714,785	220,416,859
Non - cash expenses other than depreciation	981,109	92,138,038	1,683,394	779,066	-	-	2,664,503	92,917,104
Segment Assets	8,577,033,925	5,582,748,873	1,072,127,555	1,437,424,515	228,535,502	224,237,878	9,877,696,982	7,244,411,266
Unallocated Corporate Assets							819,265,254	658,326,891
Segmental Liabilities	6,991,671,118	4,290,236,295	432,145,814	496,860,454	24,142,940	21,442,519	7,447,959,872	4,808,539,268
Unallocated Corporate Liabilities							765,265,188	687,773,489
Minority Interest							123,882,622	241,863,966
Capital Expenditure	637,197,327	699,052,040	24,995,291	457,189,686	18,481,621	5,301,376	680,674,239	1,161,543,102

27. Dues to Micro, Small and Medium Enterprises.

As informed, the Company does not have any dues outstanding to the micro small enterprises as defined in Micro Small and Medium Enterprises Development Act, 2006. The identification of micro and small enterprises is based on information available with the management regarding the status of these parties which is being relied upon the auditors.

28. Salaries, Wages and Bonus include sitting fees paid to Directors Rs 305,000 (Previous Year Rs. 160,000)

29. Previous Year comparatives

Previous years figures have been regrouped 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

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

Mumbai
June 18, 2009

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 Fourth Annual Report together with the accounts of the Company for the year ended 31st March 2009. The summarized financial results are as under–

FINANACIAL HIGHLIGHTS:-

The financial results of the Company for the year ended 31st March, 2009 are summarized below:

(In Rs.)

Particulars	**2008-09**	**2007-08**
Gross Revenue	**30,04,74,821**	15,19,33,002
Profit (Loss) Before Depreciation & Amortization	**(17,26,65,146)**	(18,99,18,778)
Less: Depreciation	**10,69,12,374**	7,06,65,617
Profit / (Loss) Before Tax	**(27,95,77,520)**	(26,05,84,395)
Less: Tax Expenses		
Deferred Tax Charge / (Credit)	**(91,30,684)**	-
Provision for Fringe Benefit Tax	**28,00,000**	21,24,708
Profit / (Loss) After Tax before prior period items	**(27,32,46,836)**	(26,27,09,103)
Less: Prior Period Expenditure	**-**	1,90,72,663
Net Profit / (Loss) for the Year	**(27,32,46,836)**	(28,17,81,766)

REVIEW OF OPERATIONS

The company has been successfully operating its programs in 17 locations. Your radio station My FM is available in the frequency 94.3 and it carries programs related to music, talk shows and other entertainment oriented programs which offer significant interaction with listeners. Most of the radio stations are present in markets offering various advantages to the advertisers and to customers.

FUTURE OUTLOOK

In view of the increasing business potential, your company proposes to strengthen its, operations, at all levels.

AUDITORS:

M/s S. R. Batliboi & Associates., Chartered Accountants, Mumbai, the Statutory Auditors of the company, will retire at the conclusion of the forthcoming 4th Annual General Meeting of your Company and being eligible, they offer themselves to hold office as auditors from the conclusion of the ensuing Annual General meeting until the conclusion of the next Annual General Meeting of the Company.

AUDITORS' REPORT:

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

DIVIDEND:

In view of the absence of profits for the year under review, your Directors refrain from recommending any dividend for the year ended 31st March, 2009.

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

During the year under review, Shri Pawan Agarwal, a Director of the Company, has been appointed as a Whole-time Director of the Company.

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.

Details of employees of the company covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended is Annexed.

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

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 217(2AA) of the Companies Act, the Directors hereby 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 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 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 Companies Act, 1956 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, 2009 on a "going concern" basis;

ACKNOLEDGEMENT:

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.

BY ORDER OF THE BOARD

Director **Director**

Place : Bhopal
Date : JUNE 18, 2009

Annexure to Director's Report

Particulars of employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employee) Rules, 1975 (as amended) and forming part of Directors Report for the year ended March 31, 2009

SL. No.	Name of Employee	Designation	Remuneration (Rs.)	Qualification	Experience (years)	Date Of Joining	Age	Last Employment	Share-holding
Employment for the part of the year									
1	HARRISH BHATIA	C.O.O.	4,515,000	Graduation in Maths & Economics. Diploma in Marketing Management from IMS, Indore University	25	26.04.2007	47 Yrs.	Dainik Bhaskar, Mumbai	

Notes :

1 Remuneration includes Salary, House Rent Allowance, Commission, Company's Contribution to Provident Fund and Perquisites. Value of Perquisites have been calculated

on the basis of Income-Tax Act, 1961.

2 Information about qualification and last employment are based on particulars furnished by the employees concerned.

BY ORDER OF THE BOARD

sd/-
Director

sd/-
Director

Place: Bhopal

Date : June 18, 2009

AUDITORS' REPORT

To,

THE MEMBERS OF SYNERGY MEDIA ENTERTAINMENT LIMITED

1. We have audited the attached Balance Sheet of Synergy Media Entertainment Limited ('the Company') as at March 31, 2009 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, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 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, 2009;

      b) in the case of the profit and loss account, of the loss 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

Mumbai
JUNE 18, 2009

ANNEXURE TO AUDITORS' REPORT

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

Re: Synergy Media Entertainment 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) Due to the nature of business, the provisions of clause 4(ii) of the Order are not applicable to the Company.

(iii) (a) As informed, the Company has granted unsecured loans to one company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs 1,260.87 lacs and the year- end balance of loans granted was Rs 1,260.87 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 the party, 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 party 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 Act.

(e) As informed, the Company has taken unsecured loans from one company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 4,778.90 lacs and the year end balance of loans taken from such party was Rs. 4,778.90 lacs.

(f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

(g) The loans taken are re-payable after a minimum period of three years. Thus, there has been no default on the part of the Company. The payment of interest has been regular.

(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) (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 Act for the services of the Company.

(ix) (a) The Company is generally 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 been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the 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 bank. The Company did not have any outstanding debentures and has no outstanding dues in respect of a financial institution 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 Order 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 Order 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

Mumbai
JUNE 18, 2009

SYNERGY MEDIA ENTERTAINMENT LIMITED

BALANCE SHEET AS AT MARCH 31, 2009

SOURCE OF FUNDS	Schedules	As At March 31, 2009 (Rs.)	As At March 31, 2008 (Rs.)
SHAREHOLDERS' FUND			
Share Capital	1	401,250,000	401,250,000
Reserves and Surplus	2	472,000,000	472,000,000
		873,250,000	873,250,000
Loan Funds			
Secured Loans	3	316,524,488	407,553,373
Unsecured Loans	4	477,890,197	376,834,247
		794,414,685	784,387,620
Deferred Tax Liability (Net)	5	-	9,130,684
		1,667,664,685	**1,666,768,304**
APPLICATION OF FUNDS			
Fixed Assets	6		
Gross Block		1,065,040,676	1,041,528,564
Less : Accumulated Depreciation / Amortisation		187,353,429	80,473,319
Net Block		877,687,247	961,055,245
Capital Work-in-progress (including Capital Advances)		-	8,847,021
		877,687,247	969,902,266
Current Assets, Loans and Advances			
Sundry Debtors	7	96,037,870	69,720,248
Cash and Bank Balances	8	47,473,145	219,371,654
Loans and Advances	9	202,241,066	193,974,242
		345,752,081	483,066,144
Less : Current Liabilities and Provisions			
Current Liabilities	10	137,405,037	96,624,422
Provisions	11	4,705,308	2,664,550
		142,110,345	99,288,972
Net Current Assets		203,641,736	383,777,172
Profit and Loss Account		586,335,702	313,088,866
		1,667,664,685	**1,666,768,304**
NOTES TO ACCOUNTS	17		

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 18, 2009

For and on behalf of the Board of Directors of
Synergy Media Entertainment Limited

Director **Director**

Company Secretary

SYNERGY MEDIA ENTERTAINMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedules	For the Year Ended March 31, 2009 Rs.	For the Year Ended March 31, 2008 Rs.
INCOME			
Advertisement Revenue		300,474,821	151,933,002
		300,474,821	**151,933,002**
EXPENDITURE			
Licence Fee (Revenue Sharing Fees with MIB)		20,402,399	12,008,826
Operating Expenses	12	146,292,466	95,040,524
Personnel Expenses	13	142,593,746	80,784,931
Administration Expenses	14	47,110,346	30,081,944
Marketing & Branding Expenses	15	54,141,921	91,800,330
Financial Expenses	16	62,599,089	32,135,225
Depreciation / Amortisation	6	106,912,374	70,665,617
		580,052,341	**412,517,397**
(Loss) Before Taxation and Prior Period Items		**(279,577,520)**	**(260,584,395)**
Tax Expenses			
Deferred Tax Charge / (Credit)		(9,130,684)	-
Provision for Fringe Benefit Tax		2,800,000	2,124,708
		(6,330,684)	2,124,708
(Loss) After Tax Before Prior Period Items		**(273,246,836)**	**(262,709,103)**
Prior Period Expenditure		-	19,072,663
(Loss) for the Year		**(273,246,836)**	**(281,781,766)**
(Loss) Brought forward from previous year		(313,088,866)	(31,307,100)
Balance carried to Balance Sheet		**(586,335,702)**	**(313,088,866)**
Earning Per Share (Refer Note 10 of Schedule 17)			
Basic Earning Per Share		(6.81)	(9.56)
Weighted Average No. of Shares		40,125,000	29,470,273
Diluted Earning Per Share		(6.81)	(9.56)
Weighted Average No. of Shares		40,125,000	29,470,273
Nominal Value Per Share		10	10
NOTES TO ACCOUNTS	17		

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

For and on behalf of the Board of Directors of
Synergy Media Entertainment Limited

per Amit Majmudar
Partner
Membership No. 36656

Director **Director**

Mumbai
June 18, 2009

Company Secretary

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Schedule 1		
SHARE CAPITAL :		
Authorised :		
50,000,000 (Previous Year 50,000,000) Equity Shares of Rs. 10/- each	500,000,000	500,000,000
	500,000,000	**500,000,000**
Issued, Subscribed & Paid up :		
40,125,000 (Previous Year 40,125,000) Equity Shares of Rs. 10/- each fully paid up	401,250,000	401,250,000
(Of the above, 22,800,000 (Previous year 22,800,000) Equity shares of Rs. 10 each are held by Holding Company)		
	401,250,000	**401,250,000**
Schedule 2		
RESERVES & SURPLUS :		
Securities Premium Account		
As per last Balance Sheet	472,000,000	472,000,000
Add : Additions	-	-
	472,000,000	472,000,000
Profit and Loss Account	-	-
	472,000,000	**472,000,000**
Schedule 3		
SECURED LOANS :		
Term Loans		
- Rupee Loans from Banks	315,143,772	405,120,692
- Interest Accrued and Due	1,380,716	2,432,681
(For Security Refer Note 4 of Schedule 17)		
	316,524,488	**407,553,373**
Schedule 4		
UNSECURED LOANS :		
From Holding Company	477,890,197	376,834,247
	477,890,197	**376,834,247**
Schedule 5		
DEFERRED TAX LIABILITY (NET):		
Deferred Tax Liability		
Depreciation	68,888,221	9,130,684
	68,888,221	**9,130,684**
Deferred Tax Asset		
Provision for Doubtful Debts	782,386	-
Provision for Gratuity and Leave Encashment	1,405,435	-
Unabsorbed Depreciation and Carry Forward Losses	66,700,400	-
	68,888,221	**-**
Deferred Tax Liability (Net)	**-**	**9,130,684**

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

SCHEDULE 6

FIXED ASSETS

	GROSS BLOCK				ACCUMULATED DEPRECIATION/AMORTISATION				NET BLOCK	
Assets	**As At 01.04.2008**	**Additions During The Year**	**Deductions During The Year**	**As At 31.03.2009**	**Up To 01.04.2008**	**For The Year**	**On Deductions**	**Up To 31.03.2009**	**As At 31.03.2009**	**As At 31.03.2008**
Tangible Assets										
Leasehold Improvements	-	2,941,561	-	2,941,561	-	220,819	-	220,819	2,720,742	-
Plant and Machinery (Refer Notes Below)	431,025,273	12,090,956	1,483,179	441,633,050	29,524,727	45,231,605	32,264	74,724,068	366,908,982	401,500,546
Office Equipments	2,528,197	1,599,122	-	4,127,319	254,205	529,780	-	783,985	3,343,334	2,273,992
Vehicles	2,908,142	782,706	-	3,690,848	121,375	327,418	-	448,793	3,242,055	2,786,767
Furniture and Fixtures	49,813,097	3,535,709	-	53,348,806	2,587,845	3,529,329	-	6,117,174	47,231,632	47,225,252
Electric Fitting, Fans and Coolers	11,540,667	1,081,437	-	12,622,104	927,297	1,283,148	-	2,210,445	10,411,659	10,613,370
Computers	16,730,979	1,638,631	-	18,369,610	2,105,421	2,887,674	-	4,993,095	13,376,515	14,625,558
Air Conditioners	14,781,209	1,325,169	-	16,106,378	1,092,484	1,682,501	-	2,774,985	13,331,393	13,688,725
Intangible Assets										
One Time Entry Fees	512,201,000	-	-	512,201,000	43,859,965	51,220,100	-	95,080,065	417,120,935	468,341,035
	1,041,528,564	**24,995,291**	**1,483,179**	**1,065,040,676**	**80,473,319**	**106,912,374**	**32,264**	**187,353,429**	**877,687,247**	**961,055,245**
Capital Work-in-progress (including Capital Advances)									-	8,847,021
Total	**1,041,528,564**	**24,995,291**	**1,483,179**	**1,065,040,676**	**80,473,319**	**106,912,374**	**32,264**	**187,353,429**	**877,687,247**	**969,902,266**
Previous year	**589,933,266**	**457,189,686**	**5,594,388**	**1,041,528,564**	**10,077,046**	**70,665,617**	**269,344**	**80,473,319**	**961,055,245**	**-**

Notes:

1) For details of Pre-operative expenses capitalised refer Note 13 of Schedule 17.

2) Plant and Machinery above represents Jointly held assets as Common Transmitters Infrastructure amounting to
Gross Block - Rs. 127,300,000 (Previous Year - 127,300,000)
Net Block - Rs. 114,496,722 (Previous Year - 120,541,344)
% of Ownership - 30.26% (Previous year 30.26%)

MYK

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Schedule 7		
SUNDRY DEBTORS : (Unsecured)		
Debts outstanding for a period exceeding six months :		
- Considered Good	15,675,802	83,656
- Considered Doubtful	2,301,811	779,066
	17,977,613	862,722
Others Debts:		
- Considered Good	80,362,068	69,636,592
	98,339,681	70,499,314
Less : Provision for Doubtful Debts	2,301,811	779,066
	96,037,870	**69,720,248**
Sundry Debtors include dues from Companies under same management :		
D B Corp Limited	4,566,527	-
(Maximum Balance outstanding during the year)	5,764,922	-
Bhaskar Multinet Limited	317,272	136,993
(Maximum Balance outstanding during the year)	317,272	136,993
Schedule 8		
CASH & BANK BALANCES		
Cash in Hand	1,050,475	1,071,045
Balances with Scheduled Banks:		
On Current Accounts	19,849,086	33,766,557
On Fixed Deposit Account (Refer Note 12 of Schedule 17)	26,573,584	184,534,052
	47,473,145	**219,371,654**

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SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Schedule 9		
LOANS & ADVANCES :		
(Unsecured, considered good unless otherwise stated)		
Loans and Advances to Employees	2,326,429	301,137
Advances recoverable in cash or kind or for value to be received		
- Considered Good	2,104,124	1,497,828
- Considered Doubtful		
Inter Corporate Deposits	126,086,922	117,656,091
Deposit with Government Authorities	20,389,501	19,633,774
Security Deposit against Lease of Properties	5,698,862	5,698,862
Deposit with Others	9,588,516	10,293,746
Service Tax Input / Cenvat Receivable	424,127	9,143,461
Tax Deducted at Source Receivable	13,627,710	6,509,143
Pre Paid Expenses	14,964,261	15,309,887
Accrued Interest	7,030,614	7,930,313
	202,241,066	**193,974,242**
Loans and Advances include dues from Companies under same management:		
Bhaskar Multinet Limited	126,086,922	117,656,091
(Maximum Balance outstanding during the year)	126,086,922	117,656,091
Schedule 10		
CURRENT LIABILITIES :		
Sundry Creditors & Payables (Refer Note 14 of schedule 17)	118,198,750	80,649,826
Advances from Customers	2,801,240	1,104,438
Book Overdraft	1,986,620	-
Other Liabilities- Stattutory Liability	14,418,427	14,870,158
	137,405,037	**96,624,422**
Schedule 11		
PROVISIONS :		
Provision for Fringe Benefit Tax (Net of Advance FBT of Rs. 4,814,253) (Previous Year - Rs.1,939,545)	650,000	724,708
Provision for Gratuity (Refer Note 11 of Schedule 17)	1,884,544	1,285,374
Provision for Leave Encashment (Refer Note 11 of Schedule 17)	2,170,764	654,468
	4,705,308	**2,664,550**

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	For the Year Ended March 31, 2009 Rs.	For the Year Ended March 31, 2008 Rs.
Schedule 12		
OPERATING EXPENSES :		
Fees to Prasar Bharti	22,579,093	14,712,044
Royalty paid to Music Companies	90,704,157	57,171,460
Electricity Charges	15,015,124	11,117,001
Software Licence Fees	10,122,039	6,158,631
Frequency allocation to DOT	1,241,930	876,006
Link Charges	1,440,556	1,383,450
Other Operating charges	5,189,567	3,621,932
	146,292,466	**95,040,524**
Schedule 13		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	131,731,018	76,235,631
Contribution to Provident Fund and Other Funds	7,269,052	3,078,666
Workmen and Staff Welfare Expenses	3,593,676	1,470,634
	142,593,746	**80,784,931**
Schedule 14		
ADMINISTRATION EXPENSES		
Electricity Expenses - Studio	13,249,230	7,010,822
Rent	8,102,885	1,944,776
Travelling Expenses	7,186,636	3,496,233
Telephone Expenses	2,960,808	1,677,450
Legal and Professional Charges	2,362,873	514,310
Provision for Doubtful Debts	1,683,394	779,066
Repair & Maintenance		
- Building	-	-
- Others	1,548,322	698,448
Printing and Stationery	1,226,953	759,425
Vehicle Running and Maintenance	867,495	505,296
Insurance	665,428	347,297
Conveyance Expenses	514,739	491,694
Postage and Telegram	419,002	180,769
Auditors Remuneration	400,000	400,000
Commission & Brokerage	333,589	380,453
Rates and Taxes	23,610	1,166
Sundry Office Expenses	5,565,382	10,894,739
	47,110,346	**30,081,944**
Schedule 15		
MARKETING AND BRANDING EXPENDITURE		
Advertisement and Publicity	51,316,209	71,686,749
Business Promotion	2,825,712	20,113,581
	54,141,921	**91,800,330**
Schedule 16		
FINANCIAL EXPENSES :		
Interest Expenses	77,581,156	50,192,244
Less : Interest Income (TDS Deducted Rs. 3,231,808)		
Bank Deposits (TDS - Rs. 761,762) (Previous Year - Rs. 1,232,274)	(4,273,802)	(8,216,195)
Intercorporate Deposits (TDS - Rs.2,470,166) (Previous year TDS Rs 2,243,319)	(10,900,997)	(9,899,910)
Loans to Employees (TDS - Nil) (Previous Year - Nil)	(48,670)	(9,125)
	62,357,687	32,067,014
Bank Charges	241,402	68,211
	62,599,089	**32,135,225**

SYNERGY MEDIA ENTERTAINMENT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	For the Year Ended March 31, 2009 Rs.	For the Year Ended March 31, 2008 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before Taxation after Prior Period Items	(279,577,520)	(279,657,058)
Adjustment for :		
Loss on Sale of Fixed Assets	377,859	-
Interest Expense (net)	62,357,687	32,067,014
Depreciation / Amortisation	106,912,374	70,396,273
Miscellaneous Expenditure Written off	-	103,314
Provision for Doubtful Debts	1,683,394	779,066
Operating Loss before working capital changes	**(108,246,206)**	**(176,311,391)**
Increase / Decrease in Working Capital		
(Increase) in Sundry Debtors	(28,001,016)	(61,209,403)
Decrease/(Increase) in Loans and Advances	(9,166,522)	9,201,695
Increase in Current Liabilities	40,780,615	74,563,682
Increase in Provisions	2,115,466	-
Cash generated from operations	**(102,517,663)**	**(153,755,417)**
Taxes Paid (Including Fringe Benefit Tax)	(2,874,708)	(1,604,015)
NET CASH (USED IN) OPERATING ACTIVITIES (A)	**(105,392,371)**	**(155,359,432)**
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets	(16,148,270)	(220,728,691)
Proceeds from Sale of Fixed Assets	1,073,056	-
Interest Received	16,123,168	18,125,230
Fixed Deposit with maturity period of more than three months	(19,939,532)	(6,634,052)
NET CASH (USED IN) INVESTING ACTIVITIES (B)	**(18,891,578)**	**(209,237,513)**
CASH FLOW FROM FINANCING ACTIVITIES		
Loan taken- Secured	-	57,635,155
Repayment of Loan - Secured	(89,976,921)	-
Loan taken- Unsecured	281,698,650	-
Repayment of Loan - Unsecured	(180,642,700)	376,834,247
Interest Paid	(78,633,121)	(50,192,244)
Proceeds from issuance of Share Capital.	-	172,550,000
NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)	**(67,554,092)**	**556,827,158**
Net Increase/(Decrease) in Cash and Cash Equivalents (A) + (B) +(C)	**(191,838,041)**	**192,230,213**
Cash and Cash Equivalents at the beginning of the year	212,737,602	20,507,389
Cash and Cash Equivalents at the end of the year	20,899,561	212,737,602
Net Increase/ (Decrease) in Cash and Cash Equivalents	**(191,838,041)**	**192,230,213**
Cash and Cash Equivalents as per Schedule 8	47,473,145	219,371,654
Less:- Fixed Deposit with maturity period for more than three months	26,573,584	6,634,052
Net Cash and Cash Equivalents End of the Year (As per AS- 3)	**20,899,561**	**212,737,602**

For S. R. Batliboi & Associates
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656

Mumbai
June 18, 2009

For and on behalf of the Board of Directors of
Synergy Media Entertainment Limited

Director **Director**

Company Secretary

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2009

SCHEDULE 17

NOTES TO ACCOUNTS:

1. **Nature of Operations:**

The Company is in the business of Radio Broadcasting. Currently the Company is on air at 17 cities. The frequency allotted to the Company is 94.3 under the brand name “MY FM”. The Company derives its revenue from the advertisement to be played on radio.

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, (as amended) 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 year 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 net of Cenvat (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 and Amortisation**

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 Improvements are amortized over the shorter of the estimated useful life of the asset or the lease term.

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

e) **Intangibles**

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.

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.

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2009

SCHEDULE 17

NOTES TO ACCOUNTS (Continued)

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.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

h) **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.

i) **Revenue Recognition**

Revenue is recognized as and when advertisement is aired and is disclosed net of discounts and service tax.

Interest

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

j) **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.

Exchange differences arising in respect of fixed assets acquired from outside India before accounting period commencing on December 7, 2006 are capitalized as a part of fixed asset.

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.

k) **Retirement and other Employee Benefits**

Retirement benefits in the form of Provident Fund are 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.

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. The actuarial valuation is done as per projected unit credit method.

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

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2009

SCHEDULE 17

NOTES TO ACCOUNTS (Continued)

l) 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.

At each Balance Sheet date, 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.

m) 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.

n) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is 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 year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o) 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.

p) Segment Information

The Company is exclusively engaged in the business of radio broadcasting which is considered to constitute one single primary segment in the context of Accounting Standard 17 on Segmental Reporting issued by the Institute of Chartered Accountants of India. There are no geographical reportable segments since the Company caters to the Indian market only and does not distinguish any reportable regions within India.

q) Licence fees

Licence fees are charged to revenue at the rate of 4% of gross revenue for the year or 10% of Reserve One Time Entry Fees (ROTEF) for the concerned city, whichever is higher (ROTEF means 2.5% of highest valid bid in the city). Gross Revenue is revenue on the basis of billing rates inclusive of any taxes and without deduction of any discount given to the advertiser and any commission paid to advertising agencies.

Barter advertising contracts are included in the gross revenue on the basis of relevant billing rates

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2009

SCHEDULE 17

NOTES TO ACCOUNTS (Continued)

3. Change in accounting policy

Adoption of notified Accounting Standard 15 "Employee Benefits":

Up to March 31, 2008, the Company was accounting the liability in respect of employee benefits, viz., Gratuity and Leave Encashment on estimation basis. During the Current year, the Company has accounted the liability in respect of employee benefits, viz., Gratuity and Leave Encashment in accordance with the notified Accounting Standard 15 on actuarial basis. Had the Company continued to use the earlier basis of accounting for employee benefits, the charge to the profit and loss account before tax for the current year would have been higher by Rs. 1,111,195 and the provisions in respect of leave encashment would have been higher by Rs. 243,615 and the provision in respect of gratuity would have been higher by Rs. 867,580.

4. Term Loans consist of:

Particulars	Rupee Term Loans	
	March 31, 2009	March 31, 2008
J& K Bank Ltd (Note 1)	191,515,360	256,448,041
Corporation Bank Ltd. (Note 2)	125,009,128	151,105,332
Total	**316,524,488**	**407,553,373**

Note 1:

The Term Loan is secured by:

Hypothecation of present and future Plant and Machinery including Equipments and Studio, Furniture and Fixtures and other movables of the Company at all its locations, being pari passu first charge with other bank in consortium part financing balance Rs. 25 Crore of Term Loan.

Note 2:

The Term Loan is secured by:

A Hypothecation of all types of receivables and others current assets of the company.

B First Pari-Passu Charge on all assets including Common Transmission Infrastructures, Transmitters, Furniture, Fixture and other equipments (both present and future) of the Company.

C Corporate Gurantee of M/s. Writers & Publishers Ltd.

D Personal Gurantee of all directors of the Company viz., Mr. Sudhir Agarwal, Mr. Girish Agarwal and Mr. Pawan Agarwal

5. Related Parties Disclosure

Related party disclosures, as required by Notified Accounting Standard 18 - "Related Party Disclosures" issued by the Central Government of India, are given below:

Particulars	Related Party
Holding Company	D B Corp Limited.
Fellow Subsidiary Company	I Media Corp Limited
Key Management Personnel	- Shri Sudhir Agarwal, Managing Director (SA) - Shri Girish Agarwal, Director (GA) - Shri Pawan Agarwal, Director (PA)
Relatives of key management personnel	- Shri Ramesh Chandra Agarwal (RCA) - Smt. Kasturi Devi Agarwal (KDA) - Smt. Jyoti Sudhir Agarwal (JSA) - Smt. Namita Girish Agarwal (NGA) - Smt. Nikita Pawan Agarwal (NPA)
Enterprises owned or significantly influenced by key management personnel or their relatives	- Writers & Publishers Limited - Bhasker Multinet Limited -India Interactive Technologies Limited (IITL)

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2009

SCHEDULE 17

NOTES TO ACCOUNTS (Continued)

5. Related Parties Disclosure (Cont'd)

Transactions with Related Parties are given below :

	Loan/Advance Given (Repaid)		Loan/Advance Taken (Repaid)		Interest Received (Paid)		Revenue		Receiving of Services/Purchases		Recovery of Expenses		Amount Outstanding (net) Debit / (Credit)	
Related Party Name	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08
D B Corp Limited	-	-	281,698,650	871,817,739	-	-	7,097,701	8,272,012	16,107,791	35,405,273	-	-	-	-
	-	-	(180,642,700)	(478,365,730)	(32,180,597)	(20,771,860)	-	-	-	-	-	-	(495,107,381)	(384,987,123)
I Media Corp Ltd.	1,088,044	6,144	-	-	-	-	-	-	-	-	3,059,874	-	1,869,582	6,144
	(1,088,044)	-	-	-	-	-	-	-	-	-	-	-	-	-
Writers & Publishers Ltd (WPL)	1,058,290	-	-	-	-	-	-	-	-	-	-	-	-	-
	(1,058,290)	-	-	-	-	-	-	-	-	-	-	-	-	-
Bhaskar Multinet Ltd.	-	-	-	-	10,900,997	9,899,910	169,845	116,923	-	-	-	-	126,404,194	117,787,466
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IITL	-	-	-	-	-	-	-	-	1,608,438	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	(1,366,418)	(242,440)

Note: For the personal Guarantees given by the directors for the Term Loans taken by the Company, refer note 4 of Schedule 17

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2009

SCHEDULE 17

NOTES TO ACCOUNTS (Continued)

6. 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 offices under operating lease agreements. These are generally renewable by mutual consent;

b) Lease payments for the year are Rs. 30, 681,978 (Previous year Rs.16, 656,820);

c) The future minimum lease payments under non-cancellable operating leases;

- not later than one year is Rs. 28,466,683 (Previous year Rs. 25,367,003)
- later than one year but not later than five years is Rs. 103,286,313 (Previous year Rs. 102,449,436).
- later than five years Rs. 103,904,276 (Previous year 132,726,590).

d) There are no restrictions imposed in these lease agreements.

7. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL (Previous year Rs NIL.).

8. Contingent Liabilities not provided for:

a) Guarantees issued by bank on behalf of the Company Rs. 16,392,375 (Previous year Rs. 16,392,375).

b) A Legal Suit has been filed against the Company by the Indian Performing Rights Society Limited ('IPRS') before Delhi High Court on account of refusal to obtain a license 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. 2,001,000/- in favour of the IPRS. Consequently, the Company has provided, on best judgement basis in respect of royalty payable to IPRS amounting to Rs. 13,813,305 for the current year and also Rs. 3,597,418 up to March 31, 2008. The Company may be liable to pay royalty at a higher rate, the impact of which cannot be presently ascertained.

9. 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) Value of Imports on CIF Basis

Particulars	**March 31, 2009 Rs.**	**March 31, 2008 Rs.**
Capital Goods	440,723	41,207,029

b) Expenditure in foreign currency (on accrual basis)

Particulars	**March 31, 2009 Rs.**	**March 31, 2008 Rs.**
Advertisement & Publicity	49,838	NIL

c) Auditors Remuneration

Particulars	**March 31, 2009 Rs.**	**March 31, 2008 Rs.**
As Auditors		
Statutory Audit	400,000	350,000
Tax Audit	NIL	50,000
Total	**400,000**	**400,000**

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2009

SCHEDULE 17

NOTES TO ACCOUNTS (Continued)

10. Earning Per Share

Particulars	March 31, 2009	March 31, 2008
i) Profit / (Loss) for the year (Rs.)	**(273,246,837)**	**(281,781,765)**
ii) Weighted average number of Equity Shares outstanding for Basic EPS	40,125,000	29,470,273
iii) Basic Earnings per share (Rs.)	(6.81)	(9.56)
iv) Weighted average number of Equity Shares outstanding for Diluted EPS	40,125,000	29,470,273
v) Diluted Earnings per share (Rs.)	(6.81)	(9.56)
vi) Nominal value of shares (Rs.)	10	10

11. Employee Benefits

Defined contribution plan

During the year ended March 31, 2009 and 2008, the Company contributed following amounts to defined contribution plans:

Particulars	March 31, 2009 Rs.	March 31, 2008 Rs.
Provident Fund	6,369,864	2,392,757
Employees' State Insurance Corporation	560,913	487,913
Total	**6,930,787**	**2,880,670**

Defined benefit plan

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.

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.

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, 2009 Rs.
Current service cost	1,302,326
Interest cost on benefit obligation	83,317
Expected return on plan assets	NIL
Net actuarial (gain) / loss recognized in the year	(542,564)
Past service cost	NIL
Net benefit expense	843,079
Actual return on plan assets	NIL

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2009

SCHEDULE 17

NOTES TO ACCOUNTS (Continued)

Balance Sheet

Details of Provision

Particulars	March 31, 2009 Gratuity Rs.
Benefit obligation	1,884,544
Fair value of plan assets	NIL
	1,884,544
Less: Unrecognized past service cost	NIL
Plan (asset) / liability	1,884,544

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

Particulars	March 31, 2009 Gratuity Rs.
Opening benefit obligation/net liability	1,041,465
Interest cost	83,317
Current service cost	1,302,326
Benefits paid	NIL
Actuarial (gains) / losses on obligation	(542,564)
Closing benefit obligation	1,884,544

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

Particulars	March 31, 2009 Gratuity
Discount rate	7.75%
Expected rate of return on assets	NIL
Employee turnover	1% at each age
Salary Escalation	6.00%

Since the Company has adopted AS 15 (Revised) from April 1, 2008, it has not given disclosure for the following for previous three annual financial years:

(a) The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan; and

(b) The experience adjustments arising on plan liabilities and plan assets.

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.

12. Fixed Deposits

Cash and Bank includes Fixed Deposits having maturity period of more than three months amounting Rs. 26,573,584 (Previous year Rs. 6,634,052).

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

Particulars	**March 31, 2009 Rs.**	**March 31, 2008 Rs.**
Opening Balance of Pre - Operative Expenses	-	**54,270,424**
Expenditure during the year :		
Raw Material Consumed	-	-
Operating Expenditure	-	8,194,950
Employee Cost	-	21,091,306
Other Indirect Expenditures	-	19,931,832
Bank Charges	-	65,382
Interest and Financial Charges	-	18,928,595
Total	-	**68,212,065**
Pre- Operative expenses (Net)	-	**122,482,489**
Less:- Capitalized	-	**122,482,489**
Closing Balance of Pre- Operative Expenses	-	-

14. Dues to Micro and Small Enterprises.

As informed, the Company does not have any dues outstanding to the micro and small enterprises as defined in Micro Small and Medium Enterprise Development Act, 2006. The identification of micro and small enterprises is based on information available with the management regarding the status of these parties which is being relied upon by the auditors.

15. The Company has incurred losses during the year and it also has the accumulated losses at the close of the year. This however is not an uncommon feature in Radio industry whereby the nature of business is such that every player in the radio industry incurred losses in their initial years of commercial operations due to high set up costs and high capital requirement for building the network. The Company presently has adequate support from its shareholders. Further, the parent Company has provided assurance that it intends to provide adequate financial support to the Company to enable it to continue its operations. The Company's business has been growing continuously and as at March 31, 2009 all 17 radio stations are in operations. With the increasing market share of radio in media advertising, the management is of the view that the resultant revenue generation will result in profits in near future. Therefore considering the support from the parent Company and projected profitable operations of this Company, the Company is being viewed as a going concern and accounts have been prepared under the going concern assumption.

16. The Financial statements for the previous year were audited by another firm of Chartered accountants other than S.R. Batliboi & Associates.

17. Previous year comparatives

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

As per our report of even date

For S.R. Batliboi & Associates
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656

Mumbai

June 18, 2009

For and on behalf of the
Board of Directors of Synergy Media
Entertainment Limited

Director **Director**

Company Secretary

SYNERGY MEDIA ENTERTAINMENT LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :

I Registration Detail :

Registration No.	18039	State Code	10
Balance Sheet Date	31.03.2009	Date of Incorporation	17.10.2005
Corporate Identification No.	U92132MP2005PLC018039		

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

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

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

Total Liabilities	1809775	Total Assets	1809775
Sources of Funds :			
Paid Up Capital	401250	Reserves & Surplus	472000
Secured Loans	316524	Unsecured Loans	477890
Deffered Tax Liability	NIL		
Application of Funds :			
Net Fixed Assets	877687	Investments	NIL
Net Current Assets	203642	Misc. Expencess	NIL
Accumulated Losses	586336	Deffered Tax Assets	NIL

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

Turnover	300475	Total Expenditure	580052
Profit /(Loss) Before Tax	(279578)	Profit /(Loss) After Tax	(273247)
Earning per Share in Rs.	(6.81)	Dividend Rate %	0

V Generic Name of Principal Product / Service of Company

On Behalf of the Board

Director **Director**

JUNE 18, 2009 **Company Secretary**

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 3rd Annual Report and the Audited Statement of Accounts of your company for the Year Ended 31st March 2009.

Financial Highlights:

The financial results of the Company for the year ended 31st March, 2009 are summarized below:

(In Rs.)

Particulars	2008-09	2007- 08
Profit/(Loss)for the year before tax	**(5,16,87,174)**	(5,17,43,080)
Less: Deferred tax Liability /(Assets)	**8,76,214**	-
Fringe Benefit Tax	**4,89,577**	6,74,013
Profit /(Loss) after tax	**(5,30,52,965)**	(5,24,17,093)
Balance Bought forward from previous year	**(7,01,84,480)**	(1,77,67,387)
Balance carried forward to Balance sheet	**(12,32,37,445)**	(7,01,84,480)

REVIEW OF PERFORMANCE

As the members may be aware, that your company has been operating internet services and the e-papers provided by our company combine the look of the printed versions with the interactivity of the web. The information technology network offers advertisers a variety of options when promoting their products and services on our websites, allowing them to target different types of audience and to track the success of their campaigns on a dynamic basis using the latest technology.

Our SMS services provide interactive activities and information such as news, entertainment, sports, cricket scores and weather reports on a subscription basis. These services are available in both English and Hindi. Our SMS service, 54567, was the sole official partner in India in connection with the recent poll which was conducted for the new 7 wonders of the world campaign.

FUTURE PROSPECTS

The company has local content, the customer relationships, the news and advertising sales force, and the promotional vehicle in place, which it proposes to strategically avail the advantages of by selling packaged advertising products that meet the demands of advertisers, operate efficiently, and leverage the combined synergy.

The company is poised for tremendous growth in its 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, 2009.

DIRECTORATE

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

STATUTORY AUDITORS

M/s S. R. Batliboi & Associates., Chartered Accountants, Mumbai, the Statutory Auditors of the company, will retire at the conclusion of the forthcoming 3rd Annual General Meeting of your Company and being eligible, they offer themselves to hold office as 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.

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 its 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

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.

Details of employees of the company covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended is Annexed.

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:

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 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 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 Companies Act, 1956 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, 2009 on a "going concern" basis;

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 **Director**

Place : Bhopal
Date : June 18, 2009

Annexure to Director's Report

Particulars of employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employee) Rules, 1975 (as amended) and forming part of Directors Report for the year ended March 31, 2009.

SL. No.	Name of Employee	Designation	Remuneration (Rs.)	Qualification	Experience (years)	Date Of Joining	Age	Last Employment	Shareholding
Employment for the part of the year									
1	Gyan Prakash Gupta	Busines Head	3,000,199	BE	13 Yrs	31/10/08	35	Genpact	Nil

Notes :

1 Remuneration includes Salary, House Rent Allowance, Commission, Company's Contribution to Provident Fund and Perquisites. Value of Perquisites have been calculated on the basis of Income-Tax Act, 1961.

2 Information about qualification and last employment are based on particulars furnished by the employees concerned.

For and on behalf of the Boar*d of Directors*

Place : Bhopal
Date : June 18, 2009

sd/-
Director

sd/-
Director

AUDITORS' REPORT

To

The Members of I Media Corp. Limited

1. We have audited the attached Balance Sheet of I Media Corp. Limited ('the Company') as at March 31, 2009 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, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;

   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, 2009;

      b) in the case of the profit and loss account, of the loss 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 18, 2009

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 3 of our report of even date
Re: I Media Corp. Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) There was no substantial disposal of fixed assets during the year.

(ii) The company does not have any inventory and therefore clauses 4(ii) (a), 4(ii) (b) and 4(ii) (c) of the Companies (Auditor's Report) Order, 2003 (as amended) relating to physical verification and maintenance of proper records of the inventory are not applicable to the Company.

(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses 4(iii) (a) to 4(iii) (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(b) The Company had taken loan from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 144.37 and the year-end balance of loans taken from such parties was Rs. 144.37 million.

(c) 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.

(d) The loans taken are re-payable after a minimum period of three years. Thus, there has been no default on the part of the company. The payment of interest has been regular.

(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) (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 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, income-tax, service tax, customs duty, cess and other material statutory dues applicable to it. The provisions relating to investor education and protection fund, employees' state insurance, wealth-tax, sales-tax, and excise duty are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, customs 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. The provisions relating to investor education and protection fund, employees' state insurance, wealth-tax, sales-tax, and excise duty are not applicable to the Company.

(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, and cess which have not been deposited on account of any dispute.

(x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the 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 S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Amit Majmudar
Partner
Membership No.:36656

Place: Mumbai
Date: June 18, 2009

I MEDIA CORP. LIMITED

BALANCE SHEET AS AT MARCH 31, 2009

	Schedules	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	10,500,000	10,500,000
Loan Funds			
Unsecured Loan from Holding Company		144,366,038	82,994,134
Due within one year Rs. Nil, (Previous year Rs. Nil)		**154,866,038**	**93,494,134**
APPLICATION OF FUNDS			
Fixed Assets	2		
Gross Block		38,753,304	20,271,683
Less: Accumulated Depreciation / Amortization		7,285,975	2,607,267
Net Block		**31,467,329**	**17,664,416**
Deferred Tax Asset (Refer Note No. 7 of Schedule 13)		-	876,214
Current Assets, Loans and Advances			
Sundry Debtors	3	8,576,070	9,905,417
Cash and Bank Balances	4	1,655,395	1,213,929
Loans and Advances	5	4,120,248	2,350,130
(A)		**14,351,713**	**13,469,476**
Less: Current Liabilties and Provisions			
Current Liabilities	6	13,873,824	8,173,053
Provisions	7	316,625	527,399
(B)		**14,190,449**	**8,700,452**
Net Current Assets (A-B)		161,264	4,769,024
Profit and Loss Account		123,237,445	70,184,480
		154,866,038	**93,494,134**
Notes to Account	13		

The Schedules referred to above and Notes to Accounts 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

Place: Mumbai
June 18, 2009

For and on behalf of the Board of Directors of
I Media Corp. Limited

Director **Director**

I MEDIA CORP. LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedules	For the Year Ended March 31, 2009 Rs.	For the Year Ended March 31, 2008 Rs.
INCOME			
Sales		11,778,102	21,866,705
Other Income	8	1,300,018	262,763
Total		**13,078,120**	**22,129,468**
EXPENDITURE			
Operating and Other Expenses	9	7,204,069	11,843,341
Personnel expenses	10	25,945,357	34,959,984
Administration and Selling expenses	11	14,717,972	18,954,850
Depreciation / Amortisation	2	4,678,708	2,191,803
Financial expenses	12	12,219,188	5,922,570
Total		**64,765,294**	**73,872,548**
Profit/(Loss) before Taxation		**(51,687,174)**	**(51,743,080)**
Provision for Taxation			
Current Tax		-	-
Deferred Tax		876,214	-
Fringe Benefit Tax		489,577	674,013
Total Tax Expense		**1,365,791**	**674,013**
Net Profit/(Loss) after Tax		**(53,052,965)**	**(52,417,093)**
Add: Brought forward Profit/(Loss)		(70,184,480)	(17,767,387)
Profit/(Loss) carried forward to Balance Sheet		**(123,237,445)**	**(70,184,480)**
Earnings Per Share			
Basic & Diluted (Rs.)		(50.53)	(49.92)
Number of share outstanding during the Year		1,050,000	1,050,000
Nominal Value of Shares (Rs.)		10	10
Notes to Account	**13**		

The Schedules referred to above and the Notes to Accounts 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 and on behalf of the Board of Directors of
I Media Corp. Limited

per Amit Majmudar
Partner
Membership No.: 36656

Director **Director**

Place: Mumbai
June 18, 2009

I MEDIA CORP LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Schedule 1		
Share capital		
Authorised capital		
5,000,000 (Previous year: 5,000,000) equity shares of Rs. 10/- each	50,000,000	50,000,000
Issued, Subscribed and Paid-up Capital		
1,050,000 (Previous year: 1,050,000) equity shares of Rs. 10/- each fully paid for cash at par	10,500,000	10,500,000
Of the above, 577,500 (Previous year: 577,500) shares are held by DB Corp. Limited, the Holding Company.		
	10,500,000	**10,500,000**

I MEDIA CORP LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

Schedule 2

Fixed Assets

DESCRIPTION	GROSS BLOCK (Rs.)				DEPRECIATION (Rs.)				NET BLOCK (Rs.)	
	As at 01.04.2008	Additions	Deletions/ Adjustments	As at 31.03.2009	As at 01.04.2008	For the year	Deletions/ Adjustments	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Leasehold Improvements	-	2,566,018	-	2,566,018	-	573,581	-	573,581	1,992,437	-
Computers	12,979,974	1,559,273	-	14,539,247	2,129,566	2,297,131	-	4,426,697	10,112,550	10,850,408
Furniture and fixtures	6,842,834	7,338,783	-	14,181,617	447,041	1,543,819	-	1,990,860	12,190,757	6,395,793
Office Equipments	448,875	7,017,547	-	7,466,422	30,660	264,177	-	294,837	7,171,585	418,215
Total	**20,271,683**	**18,481,621**	**-**	**38,753,304**	**2,607,267**	**4,678,708**	**-**	**7,285,975**	**31,467,329**	**17,664,416**
As at March, 31 2008	**15,733,174**	**4,538,509**		**20,271,683**	**415,464**	**2,191,803**		**2,607,267**		

I MEDIA CORP LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Schedule 3: Sundry Debtors (Unsecured)		
Debts outstanding for a period exceeding six months		
Considered good	2,093,733	3,645,686
Considered doubtful	329,969	39,284
Other debts		
Considered good	6,482,337	6,259,731
	8,906,039	**9,944,701**
Less: Provision for doubtful debts	329,969	39,284
	8,576,070	**9,905,417**

Sundry Debtors include Dues from companies under the same management:
DB Corp Limited - Rs.1,049,698 (Previous Year - Rs. 2,473,661)
Diligent Media Corp. Limited - Rs.3,202,583 (Previous Year - Rs. 864,663)
Synergy Media Entertainment Limited - Rs. 1,854 (Previous Year - Rs. 217)

	As At March 31, 2009 Rs.	As At March 31, 2008 Rs.
Schedule 4: Cash and Bank Balances		
Cash on Hand	1,565	36,144
Balances with Scheduled Banks:		
- on Current Accounts	1,624,821	1,149,376
- on Deposit Accounts	29,009	28,409
	1,655,395	**1,213,929**
Schedule 5: Loans and advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or value to be received	115,500	224,028
Security Deposits	1,597,712	-
Advance Fringe Benefit Tax (Net)	26	-
Tax Deducted at Source receivable	2,379,431	1,479,399
Service Tax Receivable	-	223,085
Prepaid Expenses	27,579	423,618
	4,120,248	**2,350,130**
Schedule 6: Current Liabilities		
Sundry Creditors	7,471,118	3,111,598
Accrued expenses	3,972,655	3,935,691
Provision for Fringe Benefit Tax (Net)	-	20,000
Miscellaneous Liabilities	1,138,959	-
Statutory Liabilities	1,291,092	1,105,764
	13,873,824	**8,173,053**
Schedule 7: Provisions		
Provision for Gratuity	164,184	-
Provision for Leave Encashment	152,441	527,399
	316,625	**527,399**

I MEDIA CORP LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	For the Year Ended March 31, 2009 Rs.	For the Year Ended March 31, 2008 Rs.
Schedule 8: Other Income		
Interest on Fixed Deposit (TDS Rs. Nil, Previous year: Rs. Nil)	2,600	1,409
Excess Provision written Back	1,229,155	-
Miscellaneous Income	68,263	261,354
	1,300,018	**262,763**
Schedule 9: Operating and Other Expenses		
Portal Direct Expenses	5,313,968	5,029,391
SMS Direct Expenses	1,890,101	3,394,100
Licence Fees, Data Bank Acquisition Cost	-	3,419,850
	7,204,069	**11,843,341**
Schedule 10: Personnel Expenses		
Salaries, Wages and Bonus	24,450,453	32,659,506
Gratuity Expenses	164,184	-
Contribution to Provident and Other Funds	879,084	1,709,056
Workmen and Staff Welfare Expenses	451,636	591,422
	25,945,357	**34,959,984**
Schedule 11: Administration and Selling Expenses		
Rent Expenses	3,672,759	923,561
Gas, Water and Electricity Expenses	687,355	779,335
Communication Expenses	713,834	1,205,199
Postage and Courier	83,394	87,620
Printing and Stationery	147,636	218,581
Repairs and Maintenance		
- Buildings	23,673	56,551
- Office Equipments	52,952	-
- Others	372,991	296,175
Office Maintenance Expenses	830,000	304,380
Insurance Charges	25,325	9,906
Brokerage	112,500	17,400
Recruitment Expenses	1,746,564	2,041,336
Travelling and Conveyance Expenses	3,349,665	3,389,343
Auditors' Remuneration:		
- Audit Fees	100,000	102,000
Legal and Professional Fees	258,031	887,194
System Audit Fee	29,000	-
Amortisation of Preliminary Exp.	-	29,760
Sales and Marketing Expenses	1,567,773	6,707,447
Security Charges	246,091	409,478
Exchange Difference (Net)	187	416
Provision for Doubtfult Debts	290,685	39,284
Bad Debt written off	350,254	-
Miscellaneous Expenses	57,303	1,449,885
	14,717,972	**18,954,850**
Schedule 12: Financial Expenses		
Interest on Loans	12,212,100	5,911,247
Interest on TDS	2,357	-
Bank Charges	4,731	11,323
	12,219,188	**5,922,570**

I MEDIA CORP. LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

		March 31, 2009 Rs.	March 31, 2008 Rs.
A.	**Cash Flow from Operating Activities**		
	Profit before Tax :	**(51,687,174)**	**(51,743,080)**
	Depreciation/Amortization	4,678,708	2,191,803
	Preliminary Expenses written off	-	29,760
	Interest Expenses & Other Financial Charges	12,212,100	5,911,247
	Provision for Doubtful Debt & Advances	290,685	39,284
	Operating Profit before working capital changes	**(34,505,681)**	**(43,570,986)**
	Movement in Working Capital		
	(Increase)/Decrease in Sundry Debtors	1,038,662	(8,186,567)
	(Increase)/Decrease in Loans & Advances	(1,770,118)	(743,714)
	(Increase)/Decrease in Current Liabilities & Provisions	5,489,998	2,929,331
	Cash generated from Operations	**(29,747,139)**	**(49,571,936)**
	Direct Tax paid / Refund (Net)	(489,578)	(674,013)
	Net Cash from Operating Activities (A)	**(30,236,717)**	**(50,245,949)**
B.	**Cash flow from Investing Activities**		
	Purchase of Fixed Assets (Including Capital Work in Progress)	(18,481,621)	(4,538,509)
	Net Cash from Investing Activities (B)	(18,481,621)	(4,538,509)
C.	**Net Cash from Financing Activities**		
	Proceeds From Long term Borrowings	61,371,904	60,525,766
	Interest Paid	(12,212,100)	(5,911,247)
	Net Cash from Financing Activities (C)	**49,159,804**	**54,614,519**
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**441,466**	**(169,939)**
	Cash & Cash Equivalents at the beginning of the Year	**1,213,929**	**1,383,868**
	Cash & Cash Equivalents at the end of the Year	**1,655,395**	**1,213,929**
	Notes		
1	The Cash flow statement has been prepared by using the indirect method as per AS-3 Cash Flow Statement issued by the Institute of Chartered Accountants of India.		
2	Components of Cash and Cash Equivalents at the end of the Year		
	Cash on Hand	1,565	36,144
	With Scheduled Bank	1,624,821	1,149,376
	On Fixed Deposits Accounts	29,009	28,409
	Total	**1,655,395**	**1,213,929**

As per our Report of even date

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors of
I Media Corp. Limited

per Amit Majmudar
Partner
Membership No.: 36656

Director **Director**

Place: Mumbai
June 18, 2009

I MEDIA CORP LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2009

Schedule 13: Notes to accounts

1. Background

I Media Corp Limited is a company registered under the Indian Companies Act, 1956 on the June 1, 2006, registered office at 6, Dwarka Sadan, Zone – I, Press Complex, M.P. Nagar, Bhopal, Madhya Pradesh – 462 001.

The Company is engaged in the business of brand marketing through interactive wireless medium like, Mobile, Internet. The company has in its gamut the Dainik Bhaskar and Divya Bhaskar websites as well as Indiainfo.com. The company also has under its umbrella the mobile shortcode ' 54567 '. The wireless business vertical of I Media Corp Ltd deals with a variety of solutions over Short Messaging Services (SMS) and Multimedia Messaging Services (MMS) standard and allied services. A comprehensive portal, it offers the latest in entertainment, lifestyle, interactive online community products (mail, message boards) and other information-based services.

2. Significant accounting policies

2.1. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Act. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

2.2. 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 year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.3. Change in Accounting Policy

Adoption of Accounting Standard AS15 (Revised) Employee Benefits

In Current year, the Company has adopted the Accounting Standard 15 (Revised) which is mandatory from accounting periods commencing on or after December 7, 2006. Accordingly, the company has provided for gratuity and leave encashment based on actuarial valuation done as per projected unit credit method. The change is not having material impact on the profit for the current year.

2.4. 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.

2.5. Depreciation / amortization:

Depreciation is provided based on estimated useful life of the assets using the Straight Line Method (SLM) at the rates which are prescribed in Schedule XIV of the Companies Act, 1956.

Fixed assets individually costing up to Rs 5,000 are fully depreciated in the year of acquisition. Depreciation on assets acquired or disposed off during the year is provided on a pro-rata basis from/up to the month of acquisition/ disposal.

Leasehold Improvement is amortized over the shorter of estimated useful life of the asset or the lease term.

2.6. 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.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.7. 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.

Sale of services:

Revenue from rendering of services is recognized as and when the services are rendered. Sales are accounted exclusive of service tax.

Interest:

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

2.8. Retirement benefits

a) Provident fund is a defined contribution scheme and the Company has no further obligation beyond the contributions made to the fund. Contributions are charged to profit and loss account in the year in which they accrue.

b) Gratuity liability, a defined benefit obligation, is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are taken to profit and loss account and are not deferred.

c) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

2.9. Foreign currency transaction

(i) Initial Recognition

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

(ii) 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.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

2.10. Leases

Operating leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, 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.

I MEDIA CORP LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2009

2.11. Income taxes

Tax expense comprises current, deferred tax and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income tax 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 using 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.

At each balance sheet date the company re-assesses unrecognized deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.12. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares), if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year 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.

Particulars	**March 31, 2009**	**March 31, 2008**
Net (loss) profit after tax for equity shareholders	(53,052,965)	(52,417,093)
Weighted average number of equity shares outstanding	1,050,000	1,050,000
Basic and diluted (loss) earnings per share (Rs.)	(50.53)	(49.12)
Face Value Per Share (Rs.)	10	10

2.13. Provisions

A provision is recognized when the Company has a present obligation resulting from past events and it is probable that an outflow of resources will be required to settle the obligation for which a reliable estimate can be made. Provisions are not discounted to its present value and are based on management's best estimate of the amount required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect revision in estimates.

2.14. Cash and cash equivalents

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

3. Related party disclosure

Disclosure as required by Accounting Standard 18 (AS-18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India is as follows:

Relationship	**Name of Related Party**
Holding Company	DB Corp Limited
Enterprise over which Director and/or his relatives has significant influence	As per Annexure "A"
Key Management Personnel ('KMP')	Mr. Sudhir Agarwal (Director)
	Mrs. Jyoti Agarwal (Director)
	Mr. Pawan Agarwal (Director)

I MEDIA CORP LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2009

I MEDIA CORP LIMITED

SCHEDULE – 13

NOTES ON ACCOUNTS (Cont'd)

3. Related Parties Disclosure (Cont'd)

Transactions with Related Parties are given below :

(Rs.)

Related Party Name	Loan/Advance Given (Repaid)		Loan/Advance Taken (Repaid)		Interest Received (Paid)		Revenue /(Cost)		Receiving of Services/Purchases		Rendering of Services		Remuneration Paid		Sale/Purchase of Investment		Facoring of Receivables /		Amount Outstanding Debit / (Credit)	
	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08	Mar-09	Mar-08
D. B. Corp Ltd			54,609,309	68,747,798	(12,212,100)	(5,911,246)	(751,901)	(6,085,018)	-	239,625	3,908,566	3,335,522	-	-	-	-	-	-	145,433,824	2,706,950
			(1,692,843)	(12,761,501)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Synergy Media Entertainment Limited	-	-	(1,088,044) 1,088,044	(6,144)	-	-	-	-	3,059,874	-	-	-	-	-	-	-	-	-	(1,869,582)	(6,144)
Diligent Media Limited	-	-	-	-	-	-	-	-	-	4,081,006	4,099,476	2,746,764	-	-	-	-	-	-	3,068,413	894,799
India Interactive Technologies Limited	-	-	-	-	-	-	-	-	145,851	2,601,043	21,263	-	-	-	-	-	-	-	(124,588)	-

I MEDIA CORP LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2009

NOTES ON ACCOUNTS (Cont'd)

4. **Leases**

In case of assets taken on lease

Operating lease:

The Company has taken certain office premises under operating lease agreements, which expire at various dates through year 2011. These agreements are generally renewable by mutual consent. Some of the lease agreements have a price escalation clause. There are no restrictions imposed in these lease agreements. Gross rental expenses for the year ended March 31, 2009 aggregated to Rs 3,672,759/- (March 31, 2008 - Rs 923,561/-)

The future minimum lease payments under non-cancellable operating leases:

Period	March 31, 2009
Not later than one year	3,190,963
Later than one year but not later than five years	3,913,397
Later than five years	-
	7,104,360

5. **Dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006**

As informed, the Company does not have any dues outstanding to the Micro Small and Medium Enterprise as defined in Micro, Small and Medium Enterprise Development Act, 2006. The identification of Micro, Small and Medium Enterprises is based on information available with the management's regarding the status of these parties which is being relied upon by the auditors.

6. **Employee Benefit Obligation**

Defined benefit plan – 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 following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

The amounts recognised in the profit and loss account for the year ended March 31, 2009 are as follows:

Particulars	Year ended March 31, 2009
Current service cost	164,184
Interest cost	-
Expected return on plan assets	-
Recognized net actuarial (gain) loss	-
Total included in 'employee benefit expense'	164,184

The amounts recognised in the balance sheet are as follows:

Particulars	March 31, 2009
Present value of funded obligations	164,184
Fair value of plan assets	-
Net liability	164,184

I MEDIA CORP LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2009

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Year ended March 31, 2009
Defined benefit obligation at beginning of the year	-
Current service cost	164,184
Interest cost	-
Benefits paid	-
Actuarial (gain) loss	-
Defined benefit obligation at end of the year	164,184

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

Particulars	Year ended March 31, 2009
Discount rate	7.75%
Expected returns on plan assets	-
Withdrawal Rate	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.

Current year being the first year of adoption of Accounting Standard 15 (revised) by the company, the previous year comparative information has not been furnished.

Since the Company has not funded its gratuity liability, there are no returns on the planned assets and hence the details related to changes in fair value of assets have not been given.

7. **Deferred Tax**

Particulars	March 31, 2009	March 31, 2008
Deferred Tax Liability arising from		
- Depreciation	2,834,480	2,200,827
Deferred Tax Asset arising from		
- Carried forward losses and unabsorbed depreciation	2,726,860	3,063,688
- Provision for Gratuity and Leave Encashment	107,620	-
- Provision for Doubtful Debts	-	13,353
Net Deferred Tax Liability/ (Asset)	**-**	**(876,214)**

The company has deferred tax assets in respect of unabsorbed depreciation and business loss. As there is no virtual certainty about the realization of the deferred tax assets against the future taxable profits, the deferred tax asset has been recognized only to the extent of deferred tax liability.

8. The Company is engaged in the business of brand marketing through interactive wireless medium which is considered to constitute on single primary segment in the context of Accounting Standard 17 on Segmental Reporting issued by the Institute of Chartered Accountants of India. There are no geographical reportable segments since the Company caters to the Indian market only and does not distinguish any reportable regions within India.

9. The Company has incurred losses during the year and the accumulated losses of the Company at the close of the year exceed its paid up capital and reserves. The Company is in the initial years of its operations. Further, the parent company has provided assurances that it intends to provide adequate financial support to the Company to enable it to continue its operations for the year ending March 31, 2010. With the internet market in India booming and internet penetration increasing every year, the management expects continuous growth in the business and

I MEDIA CORP LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2009

profitability in the future years. The Company is therefore being viewed as a going concern and accounts have been prepared under the going concern assumption.

10. Previous Year comparatives

Previous year's figures have been regrouped / reclassified wherever necessary. The figures of previous year were audited by a firm of Chartered accountants other than S.R. Batliboi & Associates.

As per our Report of even date

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors of
I Media Corp. Limited

per Amit Majmudar
Partner
Membership No.: 36656

Director **Director**

Place: Mumbai
June 18, 2009

I MEDIA CORP LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No.	10-018676	Date of Incorporation	01.06.2006
Balance Sheet Date	31.03.2009	State Code	10
Corporate Identification No.	U64202MP2006PLC018676		

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	169056	Total Assets	169056
Sources of Funds :			
Paid up Capital	10500	Reserves & Surplus	Nil
Secured Loans	Nil	Unsecured Loans	144366
Application of Funds :			
Net Fixed Assets	31467	Investments	Nil
Net Current Assets	161	Misc. Expenditure	Nil
Accumulated Losses	123237		

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

Turnover	13078	Total Expenditure	64765
Profit / Loss Before Tax	(51687)	Profit / Loss After Tax	(53053)
Earning per Share in Rs.	(50.53)	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**

June 18, 2009

DB Corp Ltd

Bhaskar Group
F o o t p r i n t

This map is just to show the presence of Bhaskar group in various states of India

Madhya Pradesh, Chhattisgarh, Rajasthan, Punjab, Chandigarh, Haryana, Gujarat, New Delhi, Maharashtra, Himachal Pradesh, Uttarakhand.

DB Corp Ltd

Head Office : 6, Dwarka Sadan, Press Complex, MP Nagar, Bhopal, (Madhya Pradesh) - 462 011.

Registered Office : 280, Near YMCA Club, Makarba,Gandhi Nagar, Sarkej Highway, Ahmedabad (Gujarat) - 380 051

Mumbai Office : G-3A, Kamanwala Chambers, New Udyog Mandir-2, Mogul Lane, Mahim (West), Mumbai (Maharashtra) - 400 016

Orient