



DB Corp Ltd

5th September, 2013

Listing Operations Dept.
BSE Limited
P J Tower, Dalal Street, Fort
Mumbai - 400 001

Dear Sir,

Ref: Approval under Clause 24 (f) of the Listing Agreement – our application submitted on 6th June, 2013 - your email dt. 8th August, 2013 and Reminder email dt. 27th August, 2013

K. A.: Ms. Bhuvana Sriram, Dy. Manager, Listing Operations

We refer to our abovesaid application and subsequent queries raised by you as per your e-mail dt. 8th August, 2013 and Reminder email dt. 27th August, 2013. In response to the same, our point-wise reply is as under:

Sr. No.	Query	Our reply
1.	<p>As required by SEBI, you are requested to submit compliance with the following provisions of the SEBI circular dt. 4 Feb., 2013 in terms of Part A (1) of Annexure I of the said Circular:</p> <p>Requirements complied or not and How</p> <p>1) The equity shares sought to be listed are proposed to be allotted by the unlisted Issuer (transferee entity) to the holders of securities of a listed entity (transferor entity) pursuant to a scheme of reconstruction or amalgamation (Scheme) sanctioned by a High Court under Section 391-394 of the Companies Act, 1956.</p> <p>2) At least 25% of the post-scheme paid up share capital of the transferee entity shall comprise of shares allotted to the public shareholders in the transferor entity.</p> <p>3) The transferee entity will not issue/reissue any shares, not covered under the Draft scheme.</p>	<p>Complied. As per the proposed Scheme of Demerger, there is no issue of any fresh shares since the Transferor Company (I Media Corp Ltd.) is a wholly-owned subsidiary of the Transferee Company (D. B. Corp Ltd.). Consequently, there is no question of listing of any fresh shares.</p> <p>Complied. The Transferee Company (D. B. Corp Ltd.) is a Listed Company on BSE Ltd. and the National Stock Exchange of India Ltd. and complies with all the provisions of the Listing Agreement, especially Clause 40A mandating minimum level of public shareholding. As on today, the public shareholding in D. B. Corp Ltd. is 25.02 %.</p> <p>Complied. The Transferee Company (D. B. Corp Ltd.) has not issued any shares after submission of the draft Scheme of Demerger to the Stock Exchanges / SEBI except allotment of shares against exercise of options under various Employee Stock Options Schemes of the Company that are presently running.</p>

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

Regd. Office: D. B. Corp Ltd., Plot No. 280, Sarkhej-Gandhinagar Highway, Near YMCA Club, Makarba, Ahmedabad (Gujarat) - 380 051
Corporate Office: D. B. Corp Ltd., 501, 5th Floor, Naman Corporate Link, Opp. Dena Bank, C-31, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Tel: +91 22 3988 8840 • Fax: +91 22 3980 4793 / 2659 7217



DB Corp Ltd

	<p>4) As on date of application there are no outstanding warrants / instruments / agreements which give right to any person to take the equity shares in the transferee entity at any future date. If there are such instruments stipulated in the Draft scheme, the percentage referred to in point (b) above, shall be computed after giving effect to the consequent increase of capital on account of compulsory conversions outstanding as well as on the assumption that the options outstanding, if any, to subscribe for additional capital will be exercised.</p> <p>5) The shares of the transferee entity issued in lieu of the locked-in shares of the transferor entity are subjected to the lock-in for the remaining period.</p>	<p>Complied. As explained above, there are various ESOP Schemes running under which options are granted which will get converted into equity shares of the Company at the entire option of the Option Grantees over a period of time at pre-determined terms and conditions of allotment. This has been disclosed in the Scheme of Demerger under Clause 3.2 of Part A. This will result into marginal increase over a period of time in the public shareholding of D. B. Corp Ltd. which presently is 25.02%.</p> <p>Not Applicable since the Transferor Company (I Media Corp Ltd.) is a wholly-owned subsidiary of the Transferee Company (D. B. Corp Ltd.) and there is no issue of any fresh shares.</p>
2	Further to above, in terms of Part B, Para 4.3 of the Scheme, kindly provide details regarding the amount of loans, advances etc. given by the resulting company i.e. D. B. Corp limited (DBCL) to I Media Corp Limited (IMCL) for the purpose of Internet Business (as defined in Part B, Para 1.8 of the Scheme).	Kindly refer Annexure 1 attached to Auditors' Certificate (attached herewith as Annexure A) giving details of loans given by D. B. Corp Ltd. to I Media Corp Ltd. for the purpose of Internet Business.
3	Further, also provide auditor's certificate giving complete details of the deployment of the funds by IMCL, received as loans, advances etc. from DBCL for the purpose of aforesaid Internet Business.	Attached herewith as <u>Annexure A</u>

We hope, we have clarified the matter fully. In case you need further information / explanation, please write to us.

We request you now to process our application further at your earliest.

Thank you.

Yours faithfully,
For D. B. Corp Limited

Anita Gokhale
Company Secretary



Encl.: as above

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S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
Fax : +91 22 6192 1000

Certificate

To,

The Board of Directors
I Media Corp Limited
6, Dwarka Sadan
Press Complex
M. P. Nagar, Zone - 1
Bhopal - 462 011

1. At the request of I Media Corp Limited ('IMCL' or the 'Company'), we have verified the attached Fund Flow Statement of Internet Division and Mobile Interactive Service Business ('Internet Division') of the Company as set out in Annexure 1 and read with notes thereon, prepared by the Company and signed by us for identification (the 'Statement'). We understand that this Statement and certificate is required by the Company in connection with the filing with Securities & Exchange Board of India ('SEBI'), in respect of proposed scheme of arrangement whereby the Internet Division of the Company will be demerged from the Company and merge with D. B. Corp Limited, with effect from appointed date i.e. April 01, 2013. In reference to the same, SEBI has requested the Company to provide the auditors' certificate stating the utilization of the loans given by D. B. Corp Limited to the Company.
2. We performed the following procedures in relation to the Statements:
 - a. Traced the amounts included in Sources of funds, application of funds, working for operating losses and working for changes in working capital for the ten months period ended March 31, 2007 ('period') and years ended March 31, 2008, 2009, 2010, 2011 and 2012 to the audited financial statements of the Company for the respective period / years. The audited financial statements for the period ended March 31, 2007 and year ended March 31, 2008, were audited by another firm of chartered accountants, which have been relied upon and accordingly we have performed no other procedures in this regard;
 - b. Traced the amounts included in the Sources of funds, application of funds, working for operating losses and working for changes in working capital for the year ended March 31, 2013 to the trial balance maintained by the Company for the Internet division which was included in the audited financial statements of the Company for the year ended March 31, 2013 and
 - c. Checked the arithmetical accuracy of the Statement.
3. We have obtained all the information and explanations we considered necessary for performing this engagement. The management of the Company has prepared the Statement, we have relied solely on the data furnished by the Company and have not undertaken any procedures on the same except as mentioned in paragraph 2 above.

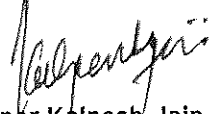


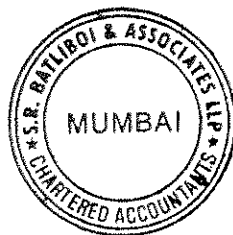
S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

4. The accompanying Statement is the responsibility of the Company's management. Our responsibility is to perform the procedures mentioned in paragraph 2 above, on the Statement, and state our findings. We performed the above mentioned procedures in accordance with the requirements of the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountant of India. In addition to the foregoing, our scope of work did not include verification of compliance with requirements of the Guidelines, other circulars, notifications, etc, as issued by relevant regulatory authorities from time to time and any other laws and regulations applicable to the Company. Further, our scope of work did not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company, taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.
5. Based on the procedures performed by us and to the best of our information and according to the explanations given to us, we confirm that the details as mentioned in the Statement are in accordance with the information made available for our verification as stated in para 2 above .
6. Our certificate is solely for the purpose set forth in paragraph 1 above and for your information and is not to be used for any other purpose or to be distributed to any other parties. This certificate relates only to the Statement specified above and does not extend to any financial statements of the Company, taken as a whole.
7. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W
Chartered Accountants


per Kalpesh Jain
Partner
Membership No: 106406
Mumbai
September 04, 2013



I Media Corp Limited
Annexure 1
Fund Flow Statement of Internet Division

(Amount In Indian rupees)

Particulars (Refer Note 1)	From June 1, 2006 to March 31, 2007	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2013 (Refer Note 5)
Sources of funds:							
Issue of Share capital	10,500,000	-	-	-	-	-	-
Issue of zero % compulsorily convertible debentures of Rs. 1,000 each (to the Holding Company)	-	-	-	-	350,000,000	-	-
Unsecured Loan from D. B. Corp Limited (Holding Company)	22,488,368	60,525,766	61,371,904	56,361,969	-	-	137,198,720
Changes in Working Capital (Refer Note 2 and 4)	1,022,703	-	4,607,761	-	1,149,638	-	-
Total	33,991,071	60,525,766	65,979,665	56,361,969	351,149,638	-	137,198,720
Application of Funds:							
Purchase of Fixed assets (net)	15,733,174	4,538,509	18,481,621	2,411,884	1,532,539	(51,140)	8,757,697
Operating Losses (Refer Note 3 and 4)	18,037,697	49,521,517	47,008,466	51,825,670	86,295,747	60,888,653	90,983,789
Repayment of Unsecured Loan (D. B. Corp Limited) (Refer Note 6)	-	-	-	-	200,728,007	-	-
Taxes paid	183,000	674,013	469,578	485,852	593,345	-	-
Preliminary Expenses	37,200	-	-	-	-	-	-
Fixed Deposits placed / (matured)	-	-	-	-	82,000,000	(61,996,501)	-
Changes in Working Capital (Refer Note 2 and 4)	-	5,791,727	-	1,638,583	-	1,158,988	37,457,234
Total	33,991,071	60,525,766	65,979,665	56,361,969	351,149,638	-	137,198,720

Note 1

The amounts disclosed in the Sources and application of funds included in the Fund flow statement above for the period ended March 31, 2007 and years ended March 31, 2008, 2009, 2010, 2011 and 2012 are compiled from the audited financial statements of the respective period / years.

Note 2

Working for Changes in Working Capital

Particulars	From June 1, 2006 to March 31, 2007	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2013
(Increase) / Decrease in Trade Receivables	(1,877,942)	(8,147,283)	1,329,347	(4,786,950)	2,135,260	(7,667,158)	(8,317,628)
(Increase) / Decrease in Loans & Advances	(1,726,553)	(747,123)	(1,770,118)	46,068	(757,798)	3,014,875	(8,448,981)
Increase / (Decrease) in Trade Payables	6,011,068	2,929,331	5,488,998	4,879,583	(395,025)	8,552,224	(7,236,624)
(Increase) / Decrease in Cash & Cash Equivalents	(1,383,868)	173,348	(441,468)	(1,777,242)	167,201	(3,058,928)	(13,454,001)
(Increase) / Decrease in Working Capital	1,022,703	(5,791,727)	4,607,761	(1,638,583)	1,149,638	(1,158,988)	(37,457,234)

Note 3

Working for Operating Losses

Particulars	From June 1, 2006 to March 31, 2007	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2013
Income							
Revenue from Operations	1,708,788	17,166,827	11,778,102	21,200,135	28,626,294	60,211,533	105,101,543
Other Income	-	4,962,641	1,300,018	615,932	1,739,966	9,777,921	1,407,354
Total Income	1,708,788	22,129,468	13,078,120	21,816,067	30,366,260	69,989,454	106,508,897
Expenses							
Employee Benefit expenses	8,339,950	37,749,535	27,820,789	28,462,495	45,964,758	64,575,183	87,310,191
Operating expenses	10,551,459	28,019,963	20,046,809	26,048,696	47,447,269	66,778,596	103,354,695
Finance Expenses	882,616	5,913,247	12,219,188	20,426,550	23,758,435	-	8,827,800
Add: Depreciation / Amortisation	415,464	2,191,803	4,678,708	4,560,959	4,708,543	4,179,934	4,262,321
Total Expenses	20,169,389	73,872,548	64,765,294	79,498,700	121,879,004	135,533,713	201,755,007
Net Loss for the period / year	(18,460,601)	(51,743,080)	(51,687,174)	(57,680,633)	(91,512,744)	(65,544,259)	(95,246,110)
Add: Preliminary Expenses written off	7,440	29,760	-	-	-	-	-
Add: Depreciation / Amortisation	415,464	2,191,803	4,678,708	4,560,959	4,708,543	4,179,934	4,262,321
Add: Fixed Assets written off	-	-	-	728,332	475,672	-	-
Add: Bad Debts written off	-	-	-	565,672	508,454	-	-
Operating Losses	(18,037,697)	(49,521,517)	(47,008,466)	(51,825,670)	(86,295,747)	(60,888,653)	(90,983,789)

Note 4

The amounts disclosed in the Working for changes in working capital in Note 2 for the period ended March 31, 2007 and year ended March 31, 2008, 2009, 2010, 2011 and 2012 are computed from the cash flow statement of the respective period / years included in the audited financial statements of the Company for the respective period years. The amounts disclosed in the Income and expenses heads in Note 3 for the period ended March 31, 2007 and years ended March 31, 2008, 2009, 2010, 2011 and 2012 are based on the statement of profit and loss included in the audited financial statements of the respective period / years.

Note 5

During the year ended March 31, 2013, Synergy Media Entertainment Limited (SMEL) i.e. fellow subsidiary of the Company which was engaged in the business of organizing events was amalgamated with the Company. As per the scheme of amalgamation (the 'scheme') SMEL was merged in to the Company with effect from April 01, 2012. Accordingly, the Company had two operating divisions namely Internet and Event during the year ended March 31, 2013. The amounts for the year ended March 31, 2013 disclosed in the Fund flow statement, Note 2 and Note 3 above are from the trial balance maintained by the Company for the Internet division which was included in the audited financial statements of the Company for the year ended March 31, 2013.

Note 6

During the year ended March 31, 2011, the Company repaid the unsecured loan outstanding from D. B. Corp Limited from the proceeds of the issue of zero % compulsorily convertible debentures of Rs. 1,000 each of the Company.

For I Media Corp Limited

Name

Designation

Mumbai
September 4, 2013

