

NOTICE

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting of the Company will be held on Tuesday, the 20th day of July 2010, at 4.00 P.M, at Plot No. 280, Sarkhej - Gandhi Nagar, Highway, Near YMCA Club, Makarba, Ahmedabad (Gujarat) – 380 051, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance-Sheet as at March 31, 2010 and the Profit and Loss Account for the financial year ended on that date together with the Report of the Directors and the Auditors thereon.
2. To declare a final dividend for the financial year ended on March 31, 2010.
3. To appoint a Director in place of Shri. Ajay Piramal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. Piyush Pandey, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint S.R. Batliboi & Associates, Chartered Accountants and Gupta Naving K. & Co., Chartered Accountants, as Joint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Place: Mumbai

For and on behalf of the Board of Directors

Dated: May 27, 2010

Registered Office:-

Plot No. 280, Sarkhej Gandhi Nagar Highway,
Makarba, Ahmedabad (Gujarat) – 380 051

K. Venkataraman
Company Secretary

NOTES:

1. (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, ON HIS / HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

(b) The instrument appointing the proxy, in order to be effective, must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Members / Proxies should bring duly-filled Attendance Slips, sent herewith, to attend the Meeting.
3. The Register of Members and Share Transfer Books will remain closed from July 13, 2010 to July 20, 2010 (both days inclusive)
4. Dividend on equity shares, if declared at the meeting, shall be paid on or after July 20,2010, to those shareholders, whose name appears on the Register of Members as on the July 13, 2010 being the Record Date.

5. Registrar & Share Transfer Agent (RTA):

For any assistance regarding Share Transfers, Transmissions, change of address, non-receipt of dividends, duplicate / missing share certificates and other relevant matters, the Registrar and Transfer Agents of the Company at the following address may be contacted:

M/s Karvy Computershare Pvt Ltd.

(Unit : D.B. Corp Limited)

Address : Plot no. 17 to 24, Vittalrao Nagar
Madhapur, Hyderabad - 500 081. (A.P.)

Tel No. : 040-23420818 to 828

Fax : 040-23421971

Contact person: Mr. U. S. Singh

5. For effecting changes in address / bank details/ ECS (Electronic Clearing Service) mandate etc., shareholders are requested to contact the RTA / their respective Depository Participant (DP).
6. Please also note that :
- (a) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
 - (b) Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote at the meeting.
7. Pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the relevant details of Mr. Ajay PIRAMAL and Mr. Piyush Pandey, Directors of the company, retiring by rotation and seeking re-appointment under Item No. 3 and Item No.4 of the Notice respectively, are attached hereto.

Annexure to the Notice convening the Fourteenth Annual General Meeting to be held on July 20, 2010.

Details of the Directors seeking appointment/re-appointment at the forthcoming AGM :

Item No. 3

Name of the Director	Mr. Ajay Piramal
Date of Birth	3rd August 1955
Date of Appointment	28th November 2007
Areas of Experience	Mr. Ajay Piramal heads the Piramal Enterprises Group engaged in pharmaceuticals, glass containers for pharma, cosmetics and perfumery industry and financial services. He was a member of Prime Minister's task force on Pharmaceuticals and Knowledge based industries in 2002, member of Prime Minister's Council for Trade and Commerce in 2003 and member of the Board of Trade constituted by the Ministry of Commerce in the year 2002. He has also won numerous awards for his contribution to the pharma sector and his entrepreneurship, such as "India Innovator of the Year 2008" awarded by CNBC TV 18, "Entrepreneur of the Year 2006" awarded by UK Trade and Investment Council, etc.
Educational Qualifications	B.Sc (Hons) from Bombay University (1975); Masters in Management Studies from Jamnalal Bajaj Institute of Management Studies (Class of 1977); and Advanced Management Programme, Harvard (1992).
Companies in which he holds directorship	Piramal Healthcare Limited; Allergan India Private Limited; Piramal Glass Limited; PHL Fininvest Private Limited; Piramal Enterprises Limited; Alpex International Limited; Piramal Life Science Limited; Piramal Texturing Private Limited; Glass Engineers Private Limited; Nicholas Piramal Pharma Private Limited; Vulcan Investments Private Limited; PEL Management Services Private Limited; PGL Holdings Private Limited; PHL Holdings Private Limited; Akshar Fincom Private Limited; Adelwise Investments Private Limited; Gopikishan Piramal Private Limited; Piramal Management Services Private Limited; Indiareit Fund Advisors Private Limited; Piramal Capital Private Limited; Alpex Holdings Private Limited; Cavall Fininvest Private Limited; Propiedades Realities Private Limited; Piramal Sunteck Realty Private Limited.
Membership/Chairmanship of Board Committees	Piramal Healthcare Limited; Piramal Glass Limited; Piramal Life Sciences Ltd.; Alpex International Limited; D.B.Corp Limited
Shareholding	NIL

Item No. 4

Name of the Director	Mr. Piyush Pandey
Date of Birth	16th September 1955
Date of Appointment	28th November 2007
Areas of Experience	Spending initial three years of his career as Tea – taster, in a company in the plantation industry, he joined the Ogilvy & Mather Pvt. Limited, an organization of international repute in advertising, as a Trainee Account Executive , and has now moved to the level of Executive Chairman. Mr. Piyush Pandey has received many awards, both in India and abroad and is also the only Indian to have won a double Gold at Cannes and a triple Grand Prize (best in the world) at London International Awards. Mr Pandey is also actively interested in social work and is presently on the Board of four companies, engaged in advertising and media business.
Educational Qualifications	Post Graduate in History
Companies in which he holds directorship	Ogilvy and Mather Private Limited; Brand David Communications Private Limited; Meridian Communications Private Limited; and Group M Media India Private Limited.
Membership/Chairmanship of Board Committees	D.B. Corp Limited
Shareholding	NIL

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GENERAL INFORMATION

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, Gujrat.
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



ANNUAL REPORT 2009-2010

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are delighted to present the 14th Annual Report of your Company for the year ended March 31, 2010.

FINANCIAL HIGHLIGHTS

Particulars	(Rs. in Lacs)	
	2009-10	2008-09
Sales & Other Income	102613.77	93243.35
EBITDA	34608.39	16180.12
Financial expenses	3233.88	4645.52
Depreciation/ Amortization	2664.12	1779.49
Profit Before Tax	30475.84	11131.92
Provisions for Current Tax , Deferred tax & other Tax Expenses	10571.62	4284.31
Profit After Tax	19904.23	6847.60
Transfer to General Reserves	1500.00	3000.00
Dividend Proposed (Including Interim dividend and Tax on Dividend)	4238.67	987.38

REVIEW OF PERFORMANCE:

Your Directors are pleased to inform the improved results of your Company for the financial year ended on March 31, 2010 and the following highlights evidence the performance during the said period:-

- **The Sales & Other income reached Rs.1026.13Crores witnessing a magnificent growth of 10.05% , as compared to Rs.932.43 Crores in the previous year.**
- **The EBITDA rose by 113.89% to Rs.346.08 Crores as against Rs.161.80 Crores in the previous year.**
- **The profit after tax for the year under review also registered an impressive growth of 190.67% with Rs.199.04 Crores, as compared to Rs.68.48 Crores in the previous year.**
- Also, for the year ended on March 31, 2010, the consolidated revenue of your Company increased to Rs1062.96 Crores from Rs.960.99 Crores in the previous year, registering a growth of 10.61% and the consolidated PAT stood at Rs.182.80 Crores as against Rs.47.62 Crores of the previous year.

MANAGEMENT DISCUSSION & ANALYSIS :

The Management Discussion and Analysis Report on the operations of the Company is provided in a separate section and forms a part of this Report.

REVIEW OF PERFORMANCE OF EMERGING EDITIONS :

The past experience in the industry indicates that any new edition launched by the Company takes about 3-4 years for stabilization

and for earnings. Hence for analyzing the performance of the company, we furnish the following information about the emerging and other editions, in the light of business potential of the Company:

SUMMARY FINANCIALS			
PARTICULARS	Emerging Editions	Others	Total
	FY 10	FY 10	FY 10
TURNOVER			
PUBLISHING			
- Advt Revenues	724.02	7051.83	7775.85
- Sales	246.10	2004.61	2250.71
- Other Income	10.62	224.20	234.82
TOTAL INCOME	980.75	9280.63	10261.38
News Print Cost	508.76	2769.91	3278.68
Opex	586.91	2934.95	3521.86
Total Cost	1095.67	5704.86	6800.54
EBITDA	(114.93)	3575.77	3460.84
EBIDTA %	-11.72	38.53	33.73
Interest	12.10	134.74	146.84
Depreciation	34.40	232.02	266.41
PBT	(161.43)	3209.01	3047.58
PBT %	-16.46	34.58	29.70

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

OPERATING RESULTS AND FUTURE OUTLOOK:

With the aim of availing the huge potential opportunity, your Directors are consistently moving towards value enhancement. The year under review, after the end of gloom in global economy, has signaled the future potential of the company and your directors continue their un-tiring efforts in steering the company to unprecedented levels of growth.

Further, the expansion of many industries, improving consumer awareness and the entry and onset of MNCs etc. provide tremendous business avenues for your Company. Value added service to clients being the motto, your Company continues to tread in this path, with growth on it's stride.

UPCOMING PROJECT IN JHARKHAND REGION:

As part of its continuous growth and in line with our strategy to extend and build our leadership footprint, the company has already begun it's pre-launch activities in the Jharkhand region, with great vigor since your directors believe that the company is well placed to capture the hugely under-penetrated regional market, having huge scope for readership and ad revenue expansion, clubbed with high economic growth potential of the region. With high regards for its ability to identify new market opportunities and

to expand its readership through innovative market penetration strategies, as demonstrated in the past, your company has in place meticulous planning, stringent controls, team creation and training, at every stage of this project. Your directors are confident that these efforts would bring in fruits in future.

CAPITALISATION AND RESERVES :

(a) Transfer to Reserve:

As on March 31, 2010, an amount of Rs.150.00 Millions was transferred to General Reserve as against Rs.300.00Millions in the previous year.

(b) Dividend:

The Board of Directors are pleased to inform that for the year under review, an interim dividend @7.50% (i.e.Rs.0.75ps per equity share) was declared and paid by them and they further recommend a final dividend @ 12.50% (i.e. Rs. 1.25 per equity share) for the financial year 2009-10. The total amount of dividend outgo, including Interim Dividend, for the year 2009-10, will be Rs. 36,30,44,210/- as against Rs. 8,43,94,803/- for the previous financial year.

DIRECTORATE:

In accordance with the provisions of the Companies Act 1956, and the Articles of Association of the Company, Shri Ajay Piramal and Shri. Piyush Pandey, Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment and your directors recommend the same.

REPORT ON CORPORATE GOVERNANCE :

A separate report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report along with the Certificate from the Auditors of the Company, confirming compliance with the provisions of Corporate Governance.

DEMATERIALIZATION OF SHARES :

The Company has continued its tie up with National Securities Depository Limited (NSDL) and Central Depository Services of India Limited (CDSL) for dematerialization of the shares of the Company. Accordingly, the shares of the Company are available for dematerialization and can be traded in demat form.

ESOPs :

The Company has granted Stock Options to the employees under the DBCL-ESOS-2008. The particulars required to be disclosed as per clause 12 of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are set out in the Annexure to this Report.

Further, with a view to reward, motivate and retain the talented brain and to share the growth of the organisation with its tenacious manpower resources, pursuant to the resolution passed at shareholders' meeting held on April 24, 2010, the Company has embarked on another Employee Stock Option

Plan (ESOP) called as "DBCL – ESOS 2010" under which the employees of your Company and its subsidiaries in India and abroad as determined by the Compensation Committee in its own discretion will be entitled to receive 6,00,000 stock options. As the options under this scheme are in the process of being granted to the employees, applicable details regarding the same are also furnished in an Annexure to this Report.

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.

(1) Synergy Media Entertainment Limited (SMEL)

The Company is presently engaged mainly in FM Radio business and Company has license for 17 stations, under the name "My fm", across the northern part of the country. All these stations are now operative with added strong point of being present almost in all the areas wherein, we are already established as the strongest Print Media players and this provides your company the synergy in operations as both businesses complement each other and also for cost savings, as common infrastructure is being used. Therefore, this brings in the benefit of Radio business also into our fold. SMEL has achieved EBITDA breakeven this year, driven by a top line growth of around 30% in the shortest period of time of launch of its all Stations and in an aggressive media foray, reflects our growing position and strong value proposition to customers. "MY FM" is able to offer corporate customers integrated media solutions for pan-India promotional campaigns. Its presence across these cities allows customers an extensive reach to Tier 2 and 3 cities, enabling the company to value added advertisement solutions.

With a view to enhance the benefit of the synergy, it was decided by the Board of Directors of your company and that of SMEL at their meeting held on May 05, 2010, to de merge the Radio business of SMEL into your company (DBCL), and the company has initiated the process in this direction, vide a Scheme of Arrangement, prepared in accordance with Sections 391 through 394, and other applicable provisions, of the Companies Act, 1956, subject to and conditional upon the requisite approvals of the shareholders, sanction of the Hon'ble High Court of Gujarat at Ahmedabad, stock exchanges, all statutory and regulatory authorities, as applicable, for implementation of the Scheme. The appointed date for the proposed Scheme is 1st of April, 2010. The Boards of both companies approved the share issue ratio of 10:1 for the demerger of the Radio Business of SMEL i.e. for every 10 (Ten Only) Equity shares of face value of Rs.10/= each, held by the existing shareholders of SMEL, excluding DBCL, as on record date, 1(one) Equity share of face value of Rs.10/= each, of DBCL shall be offered. DBCL currently holds 56.82% stake in SMEL and hence shares cannot be issued to itself.

(2) I Media Corp Limited :

This Company is engaged in providing integrated internet and

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

Company generates revenue from Web Advertisements, SMS and portal management fees from Parent Company and other companies for managing various group portals including Dainikbhaskar.com, Divyabhaskar.com etc.

All the editions of Dainik Bhaskar and Divya Bhaskar are available online and going forward, considering fast penetration of internet services across the country, the group has kept itself ready to expand in this area whenever market so demands.

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

PERSONNEL :

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules 1975, names and other particulars of the employees are required to be set out in the annexure to this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Annual Accounts of the Company sent to the shareholders do not contain the said Annexure. Any shareholder desirous of obtaining a copy of the said annexure may write to the

Company Secretary at the Registered Office of the Company.

TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE MANAGEMENT :

(a) 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.

(b) Foreign Exchange Earning & Outgo

The Company earned Foreign Exchange of Rs. 666,981/-. Foreign exchange Expenses on account of financial expenses and Advertising & Publicity during the year was Rs. 2,13,74,912/- and on account of traveling and other expenses was Rs. 2,57,27,501/-.

HUMAN RESOURCES & INDUSTRIAL RELATIONS:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that have been reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities
4. the directors had prepared the annual accounts for the financial year ended 31st March, 2010 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.

PLACE: Mumbai
DATE: May 27, 2010

For and on behalf of the Board of Directors
(Ramesh Chandra Agarwal)
Chairman

(Annexure pursuant to the DBCL-ESOS-2008)
Information required to be disclosed under SEBI (ESOS and ESPS) Guidelines, 1999
(For the Financial Year ended on March 31, 2010)

Particulars	Details		
Options granted (net)	700,000		
Vesting schedule (FY wise)	FY -	No. of Options	Exercise Price Rs.124/= per equity share of Rs.10/- each (being at 50% discount to the average of closing market price of the first 30 trading days post IPO. (The market price on the stock exchange showing the highest volume of trading would be considered)
	FY 2010-	140,000	
	FY 2011-	140,000	
	FY 2012-	140,000	
	FY 2013-	140,000	
	FY 2014-	140,000	
Pricing Formula	Fair Market Value		
Total number of options granted	413,427		
Options Vested	66,077		
Options Exercised	NIL		
The total number of shares arising as a result of exercise of options	NIL		
Options lapsed	83,040		
Variation of terms of options	NIL		
Money realised by exercise of options	NIL		
Total number of options in force	3,30,387		
Details of options granted to	NIL		
(a) Directors	NIL		
(b) Key Managerial Personnel	NIL		
Dr. Bharat Agarwal	20,000		
Mr. P.G. Mishra	15,869		
Mr. R.D. Bhatnagar	10,201		
Mr. Shravan Garg	7,823		
(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 2010	Rs.11.55		
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)	(*)See Note below		
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		

Particulars	Details
Assumptions	
Exercise Price	Rs.124/=
Risk free Rate	5.24%
Time to Maturity	4.5years
Expected Volatility	0%
Expected Dividend Rate	0%
Closing Market Price of Share on the date of option grant	Market Price- Nil(since the shares were unlisted as on the date of grant) Fair Market Value –Rs.200/-
Impact on the profits and EPS if the Issuer had followed the accounting policies specified in Clause 13 of the ESOP Guidelines.	Not applicable
Lock-in	Nil
Impact on profits and EPS of the last three years	Not applicable

(*) 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 the amounts, as indicated below:

	March 31, 2010
Profit as reported	1,990,422,694
Add : Employee stock compensation under intrinsic value method	12,965,726
Less: Employee stock compensation under fair value method	17,283,654
Performa profit	1,986,104,766
Earnings Per Share	
Basic	
- As reported	11.56
- As adjusted	11.53
Diluted	
- As reported	11.55
- As adjusted	11.52

(Annexure pursuant to the DBCL-ESOS-2010)
Information required to be disclosed under SEBI (ESOS and ESPS) Guidelines, 1999
(For the Financial Year ended on March 31, 2010)

Particulars	Details		
Options available for grant to employees as per ESOP Scheme	6,00,000		
Vesting schedule	FY -	No. of Options	Exercise Price at a discount up to a maximum of 30% to the Market price, where the Market price shall be the closing market price one day prior to the date of a any Grant, on the stock exchange where highest trading volume is registered and where the quantum of Discount shall be decided by the Compensation Committee for each of the Grant of options
	FY 2011-	120,000	
	FY 2012-	120,000	
	FY 2013-	120,000	
	FY 2014-	120,000	
	FY 2015-	120,000	
Pricing Formula	Fair Market Value		
Options Vested	NIL		
Options Exercised	NIL		
The total number of shares arising as a result of exercise of options	NIL		
Options lapsed	NIL		
Variation of terms of options	NIL		
Money realised by exercise of options	NIL		
Total number of options in force	NIL		
Details of options granted to			
(a) Directors	NIL		
(b) Key Managerial Personnel	Options not granted as on March 31, 2010.		
(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 2010	Not Applicable		
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		

Particulars	Details
Assumptions	
Exercise Price Risk free Rate Time to Maturity Expected Volatility Expected Dividend Rate Closing Market Price of Share on the date of option grant	Not Applicable since no options were granted as on March 31, 2010
Impact on the profits and EPS if the Issuer had followed the accounting policies specified in Clause 13 of the ESOP Guidelines.	Not Applicable since no options were granted as on March 31, 2010
Lock-in	Nil
Impact on profits and EPS of the last three years	Not Applicable since no options were granted as on March 31, 2010

Annexure to the Directors' Report for the Financial Year ending on March 31, 2010.

Persons constituting Group coming within the definition of the 'group' as defined in the Monopolies and Restrictive Trade Practice Act, 1969, include the following:

Our Promoters and Promoter Group (Individuals and Entities)

Sr. No. Name	Sr. No. Name
1 Mr. Ramesh Chandra Agarwal	69 DB Power (Madhya Pradesh) Limited
2 Mr. Sudhir Agarwal	70 Ample Power Limited (Formerly known as DB Power (Orissa) Limited)
3 Mr. Girish Agarwal	71 DB Publications Private Limited
4 Mr. Pawan Agarwal	72 Delight Investments Pte. Limited
5 Ms. Kasturi Devi Agarwal	73 Delta Coal and Mining Private Limited
6 Ms. Meena Garg	74 Deluxe Travel Service Private Limited
7 Ms. Neelam Goyal	75 Demeurer Developers Private Limited
8 Ms. Bhawna Agarwal	76 Design Solutions Limited
9 Mr. Vishnu Prasad Garg	77 Dev Enterprises Private Limited
10 Dr. O. P. Garg	78 Dev Fiscal Services Private Limited
11 Mr. Govind Prasad Garg	79 Dilligent Media Corporation Limited
12 Ms. Vineeta Khetawat	80 Dimension Media Private Limited
13 Ms. Jyoti Agarwal	81 Direct (OOH) Media Private Limited
14 Ms. Nitika Agarwal	82 Divya Dev Developers Private Limited
15 Ms. Namita Agarwal	83 Deva Oil and Gas Limited
16 Mr. Arjun Agarwal	84 Divya Prabhat Publications Private Limited
17 Ms. Shubh Agarwal	85 Divya Trading Private Limited
18 Mr. D. D. Berry	86 Dolby Mining and Power Private Limited
19 Ms. Sushma Berry	87 Dynamic Concepts Pte. Limited
20 Mr. Sumeet Berry	88 Exxoils Enterprises Private Limited
21 Ms. Annu Rakheja	89 Gwalior Buildcon Private Limited
22 Ms. Nitu Singh	90 Hathway Bhaskar Multinet Private Limited
23 Ms. Renu Dua	91 India Interactive Technologies Limited
24 Aarkey Aditya Developers Private Limited	92 India United Textile Mills Limited
25 Aarkey Investments Private Limited	93 Jay Vision Care and Ophthalmics Private Limited
26 All Season Events Private Limited	94 Khandadhar Minerals Limited
27 Avadh Exim Private Limited	95 Manjul Publishing House Private Limited
28 BEL Traders Private Limited	96 Mary Developers Private Limited
29 BFP Enterprises Private Limited	97 Multi-Tech Education and Securities Serices Private Limited
30 BFP Traders Private Limited	98 New Era Publications Private Limited
31 Berry Developers and Infrastructure Private Limited	99 Peacock Trading and Investments Private Limited
32 Bhaskar Airlines (India) Private Limited	100 Rainbow Resources Pte Limited
33 Bhaskar Broadcasting Corporation Limited	101 Regency Agro Products Private Limited
34 Bhaskar Denim Limited	102 Regency Hotels and Investments (India) Private Limited
35 Bhaskar Entertainment & Media Private Limited	103 S. A. Trading and Investments Private Limited
36 Bhaskar Exim Limited	104 Saurashtra Samachar Private Limited
37 Bhaskar Exxoils Private Limited	105 S. B. Hotels Private Limited
38 Bhaskar Infrastructure Limited	106 Sharda Real Estate Private Limited
39 Bhaskar Foods Private Limited	107 Sharda Solvent Limited
40 Bhaskar Global Private Limited	108 Shashwat Homes Private Limited
41 Bhaskar Green Power Private Limited	109 Shourya Diamonds Limited
42 Bhaskar Housing Development Company Private Limited	110 Solvent Traders Private Limited
43 Bhaskar Industries Limited	111 Stitex Global Limited
44 Bhaskar Infraventure Limited	112 Sunshine Solvent Private Limited
45 Bhaskar Multi Media Private Limited	113 Surge Developers Private Limited
46 Bhaskar Multinet Limited	114 Surya Eye Institute and Research Centre Private Limited
47 Bhaskar News Media Limited	115 Vastu Mines Private Limited
48 Bhaskar Publications and Allied Industries Private Limited	116 Venture Drive Pte. Limited
49 Bhaskar Bio-Fuels Private Limited	117 Vindhya Solvent Private Limited
50 Bhaskar Venkatesh Products Private Limited	118 Vista Natural Resources Private Limited
51 Bhopal Financial Services Private Limited	119 Writers and Publishers Private Limited
52 Brick Joint Pte. Limited	120 Yoman Infrastructure Private Limited
53 Bright Drug Industries Limited	121 Bhaskar Photo Type Setter, Bhopal
54 Brightrade Pte. Limited	122 Bhaskar Printing Press, Ahemedabad, Surat, Vadodra
55 Chambal Tradings Private Limited	123 Bhaskar Printing Press, Bhopal
56 DB Buildcon Private Limited	124 M/s. Dwarka Prasad Agarwal and Brothers
57 DB Energy and Foods Private Limited	125 Dwarka Prasad Agarwal Charitable Trust
58 D B Energy Private Limited	126 Girish Agarwal HUF
59 D B Infrastructures Limited	127 M/s. Matolia Motels
60 DB Infratech Private Limited	128 Om Prakash Garg HUF
61 D B Malls Private Limited	129 Pawan Agarwal HUF
62 DB Metals Private Limited	130 Ramesh Chandra Agarwal HUF
63 DB Mining Corp Limited	131 R.C.Agarwal Charitable Trust
64 DB Minings Private Limited	132 R C Phototype Setter, Raipur
65 DB Partners Enterprises Private Limited	133 M/s. R.C. Printers
66 D B Power Limited	134 Sharda Devi Charitable Trust
67 DB Power (Chhatisgarh) Limited	135 Shivpuri Trading Corporation
68 DB Power (Jharkhand) Private	136 Sudhir Agarwal HUF
	137 Vishnu Prasad Garg HUF

REPORT ON CORPORATE GOVERNANCE

1) COMPANY PHILOSOPHY ON CODE OF GOVERNANCE

The Company operates on valued principles evolving highest standards of ethics of business and attributing top most priority to corporate governance and compliance with the regulatory framework since the Company believes that exemplary adherence to corporate governance standards adds value in every activity, besides providing for control, accountability and proactive measures wherever required, ultimately resulting in enhancement in stakeholders' value.

Subsequent to an Initial Public Offer (IPO) during the year 2009-10, the company's equity shares have been listed on BSE and NSE, w.e.f January 06, 2010. Accordingly, compliance with the provisions of the relevant clauses of the Listing Agreement related to Corporate Governance have become applicable to the company on and from the date mentioned above.

2) NUMBER OF BOARD MEETINGS

The Board of Directors duly met 5 times during the year on June 18, 2009, September 30, 2009, December 20, 2009, January 25 2010 and March 02 2010 .At least one meeting of the Board Of Directors was held in every quarter and the maximum gap between two meetings was less than 4 months.

3) DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIP HELD

The composition of Board of Directors, their attendance at the Board Meetings during the financial year and at the last AGM, as also number of other directorships held by them are as follows:-

Name of the director / Designation	Attendance of meetings during 2009-10			No. of other Directorship(s) (*)	Category of Directors	No. of memberships/ chairmanship(s) of Board committees of other companies(**)
	No. of Board Meetings held	Attended	Last AGM attended			
Mr. R.C. Agarwal, Chairman	5	5	No	8	Promoter	0/1
Mr. Sudhir Agarwal, Managing Director	5	4	No	12	Promoter	2/1
Mr. Girish Agarwal, Director	5	4	No	14	Promoter	1/0
Mr. Pawan Agarwal, Director	5	3	No	11	Promoter	1/1
Mr. Niten Malhan, Nominee Director	5	1	No	4	Nominee	3/3
Mr. Ajay Piramal, Independent Director	5	0	No	5	Non-Executive	1/0
Mr. K.C. Chowdhary, Independent Director	5	2	No	1	Non-Executive - Independent	1/1
Mr. Piyush Pandey, Independent Director	5	0	No	0	Non-Executive - Independent	0/0
Mr. Harish Bijoor, Independent Director	5	1	No	1	Non-Executive - Independent	1/0
Mr. Ashwani Singhal, Independent Director	5	3	No	1	Non-Executive - Independent	0/0

(*) For the purpose of the above, directorships in other public limited companies only are considered.

(**)For the purpose of the above, membership/chairmanship in the Audit Committee and Shareholders' Grievance Committees only are considered.

4) COMMITTEES OF THE BOARD

4.1. Mandatory Committees

The Board of Directors has constituted board-level committees to delegate matters requiring greater and more focused attention and also for smoother and better administrative convenience and on specific matters, these committees prepare the ground-work for decision making and report to the Board.

Details on the role and composition of these committees, including the number of meetings held during the financial year 2009-10 and the related attendance, are provided below :

A) Audit committee

The Audit Committee of the Board of Directors of the Company comprises of five members and Mr. Kailash Chandra Chowdhary, Independent Director heads the same as Chairman of the Audit Committee.

The composition of Audit Committee meets the requirements of Sec 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement.

The following table provides the composition of the Audit Committee of the company.

Name of the Director	Executive/Non-executive/Independent
Mr. Kailash Chandra Chowdhary-Chairman	Independent Director
Mr. Ashwani Singhal	Independent Director
Mr. Piyush Pandey	Independent Director
Mr. Niten Malhan	Non-executive Director
Mr. Girish Agarwal	Non-executive Director

The Audit Committee acts as per the terms of reference made to it by the Board of Directors, from time to time, *inter alia*, assists the board in its responsibility for overseeing the quality and integrity of the accounting, auditing, and reporting practices of the Company and its compliance with the legal and regulatory requirements. The committee oversees the accounting and financial reporting process of the Company, the audit of the Company's financial statements, reviewing accounting policies and accounting standards applicable to the Company, appointment, independence and performance of the statutory Auditors and Internal Auditors, reviewing the Company's financial and risk management policies, reviewing the scope of the internal audit plan, procedures, adequacy of the internal audit functions and internal control systems, review of statement of significant related party transactions submitted by the management.

During the year the committee met two times on June 18, 2009 and January 25, 2010.

Attendance of each member at the Audit Committee meetings held during the year

Name of the member of the Audit Committee	Nature of Directorship in the Company	No. of meetings held	No of meetings attended
Mr. Kailash Chandra Chowdhary-Chairman	Independent	2	2
Mr. Ashwani Singhal – Member	Independent	2	2
Mr. Piyush Pandey – Member	Independent	2	0
Mr. Niten Malhan – Member	Non- Executive	2	1
Mr. Girish Agarwal - Member	Non-Executive	2	1

Mr. K. Venkataraman, Company Secretary of the company is acting Secretary of the Audit Committee.

B) Shareholders' and Investors' Grievance Committee

The Board has constituted a Shareholders' and Investors' Grievance Committee under the chairmanship of Shri Girish Agarwal and the composition of the same is as under:

Name of the Director	Executive/Non-executive/Independent
Mr. Girish Agarwal-Chairman	Non-executive Director
Mr. Pawan Agarwal	Non-executive Director
Mr. Sudhir Agarwal	Executive Director
Mr. Niten Malhan	Non-executive Director

The Shareholders'/Investors' Grievance Committee is responsible for the redressal of shareholders and investors' grievances such as non-receipt of share certificates, annual reports and dividend, issuance of duplicate share certificates, consolidation and splitting, transfer and transmission, dematerialization / rematerialization of shares etc.. The committee oversees the performance of the Registrars and Transfer Agents of the Company (RTA) and recommends measures for overall improvement in the quality of investor services.

At the close of the year under review on March 31, 2010, 180 complaints in the nature of non- receipt of refund, non-receipt of credit to Demat Accounts etc. were received from the shareholders and all of them have been resolved and disposed accordingly, as reported by the RTA of the company.

Mr. K. Venkataraman, Company Secretary of the company is acting as the Secretary of Shareholders' and Investors' Grievance Committee

Meetings:-

During the year the committee met two times on January 25, 2010 and March 02, 2010.

Attendance of each member at the Shareholders' and Investors' Grievance Committee held during the year 2009-10, is as under:

Name of the member of Shareholders' and Investors' Grievance Committee	Nature of Directorship in the Company	No. of meetings held	No of meetings attended
Mr. Girish Agarwal-Chairman	Non-executive	2	2
Mr. Sudhir Agarwal-Member	Executive	2	2
Mr. Pawan Agarwal-Member	Non-Executive	2	2
Mr. Niten Malhan-Member	Non-executive	2	0

In the meetings of the Shareholders'/Investors' Grievance Committee held during the year ended 31st March, 2010, subsequent to the listing of the equity shares of the company, the periodical reports received from the RTA of the company were placed and noted.

4.2. Non - Mandatory Committees

C) Remuneration Committee:

The composition of Remuneration Committee is as follows:

Name of the Director	Executive/Non-executive/Independent
Mr. Ajay Piramal	Independent Director
Mr. Kailash Chandra Chowdhary	Independent Director
Mr. Niten Malhan	Non-executive Director
Mr. Girish Agarwal	Non-executive Director

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

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

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

There was no meeting of the Remuneration Committee during the year. None of the directors have been granted any stock option. The tenure of office of Mr. Sudhir Agarwal, Managing Director of the company, is for a period of 5 years with effect from January 1, 2007. Pursuant to the Managing Director's agreement dated August 29, 2007, the Managing Director is entitled to an annual salary of Rs. 3,600,000. As per the agreement he is not paid any sitting fees for attending the meetings of the Board or any committees.

During the financial year 2009-10 the Company paid remuneration to its Executive Directors as per the details given below:

Name of Director	Salaries & perquisites (in Rs.)
Mr. Sudhir Agarwal Managing Director	36,00,000/=

D) Compensation Committee:

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

Name of the Director	Executive/Non-executive/Independent
Mr. Kailash Chandra Chowdhary	Independent Director
Mr. Ashwani Singhal	Independent Director
Mr. Piyush Pandey	Independent Director
Mr. Pawan Agarwal	Non-executive Director
Mr. Niten Malhan	Non-executive Director

During the year 2009-2010, no meeting of the Compensation Committee was held.

Mr. K Venkataraman, Company Secretary and Compliance Officer, acts as the Secretary of all the committees of our Board.

5) GENERAL BODY MEETINGS :

The date, time and venue of the previous Annual General meetings held during the last three years are given below:

AGM for the Financial Year	Location of holding AGM	Date and Time of AGM	No. of Special Resolutions passed
2006-2007	Registered Office of the Company	September 29,2007 – 11.00 A.M.	2
2007-2008	Registered Office of the Company	August 29,2008 – 11.00 A.M.	-
2008-2009	Registered Office of the Company	July 25,2009 – 4.00.PM.	1

6. DISCLOSURES :

- There are no materially significant transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have a potential conflict with the interest of the Company at large.
- During last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non – compliance of any matter.
- The Company has a Code of Conduct for its Directors and Senior Management Personnel. The Board members and Senior Management personnel of the Company affirm compliance with this code.



The details of the shares held by the Directors of the Company are as under:

Name of the Director	No. of Equity Shares held
Mr. R.C. Agarwal	3,20,09,062
Mr. Sudhir Agarwal	1,80,05,206
Mr. Girish Agarwal	1,55,26,186
Mr. Pawan Agarwal	1,77,23,808
Mr. Niten Malhan	-- NIL--
Mr. Kailash Chandra Chowdhary	-- NIL--
Mr. Ajay Piramal	-- NIL--
Mr. Piyush Pandey	-- NIL--
Mr. Harish Bijoor	-- NIL--
Mr. Ashwani Singhal	-- NIL--

Sitting Fees, paid to the Non- Executive and Independent Directors of the company , during the year 2009-10, is as follows:

Name of the Director	Sitting fees paid
Mr. R.C. Agarwal	Rs. 100000
Mr. Girish Agarwal	Rs. 80000
Mr. Pawan Agarwal	Rs. 60000
Mr. Niten Malhan	Nil
Mr. Kailash Chandra Chowdhary	Rs. 50000
Mr. Ajay Piramal	Nil
Mr. Piyush Pandey	Nil
Mr. Harish Bijoor	Rs. 20000
Mr. Ashwani Singhal	Rs. 70000
Total	Rs.3,80,000/=

7. MEANS OF COMMUNICATION:

The unaudited quarterly results, audited financial results of the Company are published for the information of the shareholders in leading national newspapers and are also intimated to respective stock exchanges as required under the Listing Agreement.

8. GENERAL SHAREHOLDER INFORMATION:

AGM for 2009-10: Date: July 20, 2010, Time: 4.00 p.m. and Venue: Registered Office of the Company.

Financial Calendar for the year commencing from 01-April-2010 to 31-March- 2011.

First Quarter Results	Fourth week of July, 2010
Second Quarter Results	Fourth week of October, 2010
Third Quarter Results	Fourth week of January, 2011
Results for the year ending March, 2011	Fourth week of April, 2011
Date of Book closure	: 13 July to 20 July, 2010
Listing on Stock Exchanges	:

The shares of the company are listed on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The Annual Listing fees for the year 2010-2011 has been paid to these Stock Exchanges.

Stock Code :

Bombay Stock Exchange Limited : Scrip Code/Symbol – 533151/DBCORP

National Stock Exchange

of India Limited : Scrip Symbol: DBCORP

The company has also paid the Annual Custodial fees to both depositories (i.e . National Securities Depository Limited and Central Depository Services (India) Limited)

9. STOCK MARKET PRICE DATA FOR THE YEAR 2009-10:

Company's shares are listed on Bombay Stock Exchange and National Stock Exchange, with effect from January 06, 2010, during the financial year,

The Market quotation of company's shares on BSE and NSE is as follows:

MONTH	BSE Share Price		SENSEX		NSE Share Price		NIFTY	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
April 2009	NA	NA	NA	NA	NA	NA	NA	NA
May 2009	NA	NA	NA	NA	NA	NA	NA	NA
June 2009	NA	NA	NA	NA	NA	NA	NA	NA
July 2009	NA	NA	NA	NA	NA	NA	NA	NA
August 2009	NA	NA	NA	NA	NA	NA	NA	NA
September 2009	NA	NA	NA	NA	NA	NA	NA	NA
October 2009	NA	NA	NA	NA	NA	NA	NA	NA
November 2009	NA	NA	NA	NA	NA	NA	NA	NA
December 2009	NA	NA	NA	NA	NA	NA	NA	NA
January 2010(@)	274.60	207.40	17790.33	15982.08	260.89	248.50	3045.95	2986.77
February 2010	249.50	223.50	16669.25	15651.99	242.57	232.50	2564.21	2515.83
March 2010	271.55	230.00	17793.01	16438.45	252.52	240.31	2672.43	2642.62

(@). with effect from January 06, 2010

Registrar & Share Transfer Agent (RTA):

For any assistance regarding Share Transfers, Transmissions, change of address, non-receipt of dividends, duplicate/missing share certificates and other relevant matters, the Registrar and Transfer Agents of the Company at the following address may be contacted:

M/s Karvy Computershare Pvt Ltd.

(Unit : D.B. Corp Limited)

Address : Plot no. 17 to 24, Vittalrao Nagar
Madhapur, Hyderabad - 500081 (AP)

Tel No. : 040-23420818 to 828

Fax : 040-23421971

Contact person : Mr. U S Singh

10. SHARE TRANSFER SYSTEM:

The process of recording of share transfers, transmissions, etc. , for shares held electronic form is handled by M/s Karvy Computer Share Pvt. Ltd (RTA) and a report thereof is sent to the company periodically and the Shareholders'/Investors' Grievance Committee of the Company takes note of the same periodically. In respect of shares held in physical form the transfer documents are lodged with the RTA and after processing , the same is sent to the company, and the Shareholders'/



DB Corp Ltd

Investors' Grievance Committee conveys its approval to the Registrars, who dispatch the duly transferred share certificates to the shareholders concerned, after complying with the applicable provisions.. The average time taken for processing share transfers requests including dispatch of Share certificates is 30 days, while it takes minimum of 15 days for processing dematerialization requests by the Share Transfer Agents.

Dematerialization of shares and Liquidity:

As on 31-03-2010, the status of the dematerialized and physical form of shares of the company, is as under:

Shares held in	No. of Shares	%
Electronic Form with CDSL	903481	0.50
Electronic Form with NSDL	32836769	18.09
Physical Form	147774355	81.41
Total	181514605	100

Shares of the company are traded on BSE and NSE, w.e.f January 06, 2010 and hence ensure good liquidity for the investors.

11. SHAREHOLDING PATTERN (EQUITY) AS ON MARCH 31 2010 :

Sr. No.	Category	No. of Holders	Total Shares	Percentage
1	PROMOTERS	10	117461703	64.71%
2	PROMOTERS BODIES CORPORATE	6	39269557	21.63%
3	FOREIGN INSTITUTIONAL INVESTORS	38	9079741	5.00%
4	OVERSEAS CORPORATE BODIES	2	6607594	3.64%
5	MUTUAL FUNDS	24	4615416	2.54%
6	RESIDENT INDIVIDUALS	18329	2713968	1.50%
7	BODIES CORPORATES	437	1094113	0.60%
8	H U F	837	574978	0.32%
9	NON RESIDENT INDIANS	157	56175	0.03%
10	CLEARING MEMBERS	83	40603	0.02%
11	TRUSTS	3	757	0.00%
	Total	19926	181514605	100.00%

12. DISTRIBUTION SCHEDULE AS ON MARCH 31 2010 :

Share or holding of nominal value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
(1)	(2)	(3)	(4)	(5)	(6)
Upto - 5,000		19387	97.29%	13870970	0.78%
5,001 - 10,000		222	1.11%	1647910	0.09%
10,001 - 20,000		125	0.63%	1790110	0.09%
20,001 - 30,000		36	0.18%	925510	0.05%
30,001 - 40,000		20	0.10%	735510	0.04%
40,001 - 50,000		13	0.07%	625980	0.04%
50,001 - 1,00,000		22	0.11%	1675870	0.07%
1,00,001 and above		101	0.51%	1793874190	98.83%
TOTAL		19926	100%	1815146050	100%

Equity Shares held in Suspense Account :

As per Clause 5A of the Listing Agreement, the company reports that 1116 Shares are lying in the suspense account, as on March 31, 2010.

The GDR/ ADR/ Convertible instruments :

The Company has not issued any GDR/ADR Convertible instruments during the financial year 2009-10.

Address for Investor Correspondence:

K. Venkataraman
 Company Secretary & Compliance Officer
 D.B. Corp Limited
 G-3A/4-6, Kamanwala Chambers,
 New Udyog Mandir-2, Mogul Lane
 Mahim (West)
 Mumbai – 400 016
 Tel No. : 022-39804817/18
 Fax : 022-39804819
 e-mail : dbipo@imcl.co.in

DECLARATION REGARDING COMPLIANCE BY THE BOARD AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to certify that the Company has adopted a Code of Conduct for all Board Members and Senior Managerial Personnel of the Company and this Code has been posted on the website of the Company.

I confirm that in respect of the financial year March 31, 2010, the Company has received a declaration of compliance with the Code of Conduct as applicable to them, from the senior managerial personnel of the Company and the Members of the Board .

May 27, 2010
 Mumbai

(Sudhir Agarwal)
 Managing Director

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THE FORTHCOMING AGM :

Name of the Director	Mr. Ajay Piramal
Date of Birth	3rd August 1955
Date of Appointment	28th November 2007
Areas of Experience	Mr. Ajay Piramal heads the Piramal Enterprises Group engaged in pharmaceuticals, glass containers for pharma, cosmetics and perfumery industry and financial services. He was a member of Prime Minister's task force on Pharmaceuticals and Knowledge based industries in 2002, member of Prime Minister's Council for Trade and Commerce in 2003 and member of the Board of Trade constituted by the Ministry of Commerce in the year 2002. He has also won numerous awards for his contribution to the pharma sector and his entrepreneurship, such as "India Innovator of the Year 2008" awarded by CNBC TV 18, "Entrepreneur of the Year 2006" awarded by UK Trade and Investment Council, etc.
Educational Qualifications	B. Sc (Hons) from Bombay University (1975); Masters in Management Studies from Jamnalal Bajaj Institute of Management Studies (Class of 1977); and Advanced Management Programme, Harvard (1992).
Companies in which he holds directorship	Piramal Healthcare Limited; Allergan India Private Limited; Piramal Glass Limited; PHL Fininvest Private Limited; Piramal Enterprises Limited; Alpex International Limited; Piramal Life Science Limited; Piramal Texturing Private Limited; Glass Engineers Private Limited; Nicholas Piramal Pharma Private Limited; Vulcan Investments Private Limited; PEL Management Services Private Limited; PGL Holdings Private Limited; PHL Holdings Private Limited; Akshar Fincom Private Limited; Adelwise Investments Private Limited; Gopikishan Piramal Private Limited; Piramal Management Services Private Limited; Indiareit Fund Advisors Private Limited; Piramal Capital Private Limited; Alpex Holdings Private Limited; Cavall Fininvest Private Limited; Propiedades Realities Private Limited; Piramal Sunteck Realty Private Limited.
Membership/Chairmanship of Board Committees	Piramal Healthcare Limited; Piramal Glass Limited; Piramal Life Sciences Ltd.; Alpex International Limited; D.B.Corp Limited
Shareholding	NIL
Name of the Director	Mr. Piyush Pandey
Date of Birth	16th September 1955
Date of Appointment	28th November 2007
Areas of Experience	Spending initial three years of his career as Tea – taster, in a company in the plantation industry, he joined the Ogilvy & Mather Pvt Limited , an organization of international repute in advertising, as a Trainee Account Executive , and has now moved to the level of Executive Chairman. Mr. Piyush Pandey has received many awards, both in India and abroad and is also the only Indian to have won a double Gold at Cannes and a triple Grand Prize (best in the world) at London International Awards. Mr Pandey is also actively interested in social work and is presently on the Board of four companies, engaged in advertising and media business.
Educational Qualifications	Post Graduate in History
Companies in which he holds directorship	Ogilvy and Mather Private Limited; Brand David Communications Private Limited; Meridian Communications Private Limited; and Group M Media India Private Limited.
Membership/Chairmanship of Board Committees	D.B. Corp Limited
Shareholding	NIL

Management Discussion and Analysis report

INDUSTRY OVERVIEW:

Post the global slowdown in 2008-09, Industry has started looking up and the economy has begun its forward movement, slowly, on all fronts. Media industry too, has its share of contribution to this. The print media, generally classified into Metro and Non-Metro occupies significant position in this with the later having better and still un-tapped potential for penetration and growth.

A recent report of E&Y, indicates that with the significant uptake in the lifestyle of non-metro region, the growth avenues and potential in the non-metro segment is huge and is poised for higher levels. Thanks to the shift in the ad-spend mix and increase in rate of literacy, larger markets and population spread.

The non-metro sector continues to grow unlike the Metro, which suffered a decline in revenue during the recent gloom. Adding, the CAGR growth is much higher in non-metros and this penetration may reveal that Hindi dailies might be a relevant medium to reach the ever increasing consumption in the non-metro region and this has given a boost to the media in the segment. Besides, Metro region also has begun to show signs of improvement providing potential for the market players.

In 2010, the overall Print market size is estimated to grow at eight percent to INR190 billion on the back of advertisement led recovery supported by partial economic recovery and release of pent up demand and advertisement budgets. Over the next five years, the overall print market is expected to grow at a nine percent CAGR to INR269 billion. Key drivers of growth would be:

- Overall increase in ad spend on the back of economic revival and growth in ad spend to GDP ratio, which at 0.41 percent is lower than China (0.75 percent) and most developed nations.
- Increasing print penetration and reach especially in tier II and tier III cities supported by favorable demographics, increasing purchasing power and growth in literacy levels. (**)

Regional Print dominates the Print landscape in volume and readership. The Print landscape is dominated by regional newspapers which target a population of approximately 0.98 billion. Of the more than 62,000 newspapers printed, around 92 percent are published in Hindi and other vernacular languages. English newspapers focus primarily on the metro cities with a population of approximately 0.5 billion. As a result, regional language newspapers also dominate the readership statistics with only one English newspaper (The Times of India) in the top 20 newspapers and none in the top 10 newspapers. A comparison of the readership of top 5 publications in various major Indian languages indicates that Hindi newspapers (159 mn readers) have significantly high readership as compared to English newspapers (31 mn readers). Further, even some of the vernacular language papers with largely state specific readers such as Bengali, Telugu, Tamil and Marathi have a higher readership than English newspapers. (**)

(** Source : FICCI-KPMG Frames-2010)

OPERATIONS AT A GLANCE :

From a humble beginning with one Hindi edition from Bhopal in 1958, Dainik Bhaskar group has today emerged as the most widely read news paper group in the country. We are one of the leading print media companies in India, publishing newspapers with 48 editions and 128 sub-editions in three languages (Hindi, Gujarati and English) in 11 states in India. We have a presence in a substantial portion of North, Central and Western India, especially the remarkable presence and coverage in Non-metro region, which is a key strength and advantage over our competitors.

We always ensure to provide best quality of newspapers to our readers. In those efforts, Dainik Bhaskar group has always used latest technology of printing infrastructure, improved editorial content etc. During the year under review, the company has launched world class printing infrastructure at Jaipur, in June, 2009 and at Ahmedabad in Sept, 2009 through the introduction of high technology – Germany made - KBA printing unit. By setting up of this printing unit, at Jaipur and Ahmedabad, in addition to enhanced publishing capacity, improved printing quality is also achieved. In its endeavor to scale newer heights, the company has undertaken a series of initiatives which would help achieving long term objectives, some significant efforts have been initiated in the areas of corporate restructuring, Ad revenue planning and Editorial content. The company has also started attributing more focus on the event management. It continues to receive recognitions and improve its market position in the industry. Dainik Bhaskar introduced India Pride Awards for PSU segment in October 2009, as a part of its recognition of contribution made by these Corporates in the utilities sector and the effort will be continued in future also.

The fundamentals for rapid growth for print media continue to exist with the increasing rate of literacy across the country. With the growing readership of Hindi newspapers and increased reach to consumers the advertisement spend in the print is also marching ahead.

RISKS, CONCERNS AND THREATS :

Our company perceives the following aspects, during the course of the business:

❖ Competition :

The Indian newspaper industry in general and Hindi newspapers industry in particular have become competitive. In each of our market, we face competition from other newspapers in circulation, readership and advertising.

Management's perception: To overcome the competition, we armour ourselves with strong national brand, experienced and dedicated management team, better reader connect, strong network, liquidity and investment in product development, and consistent upgradation of technology to enhance our capabilities to meet the competition effectively. Further to combat competition, we are continuously exploring our entry into newer markets having potential for growth for our business avenues.

❖ **Dependence on advertisement revenue**

We rely substantially on advertising customers for our revenue. During the year ended on March, 31, 2010, we derived advertisement revenue 75.78% of total revenue and during the year ended on March, 31, '2009 the same was 74.85%.

Management's perception: We came out of the most economically difficult financial year 2008-09 and we have registered a growth of 11.42% in advertisement revenue by achieving turnover of Rs. 1026.13 Crores during the year 2009-10 as compared to the same of Rs. 932.43 Crores during the year 2008-09.

❖ **Newsprint price fluctuation**

Newsprint forms the major raw material component for our business and represents a significant portion of our expenses. For the year ended March 31, 2010 and March 31, 2009, newsprint cost represented 48.21% and 52.88% respectively of our total expenses.

Management's perception: The year 2008-09 had seen the peak of newsprint prices at unrealistically high levels. However, these prices have declined significantly during the year under review. Besides, the newsprint price movement is consistently monitored by the company and prompt decisions on procurement planning will continue to result in reduced consumption cost in future, as evidenced by the company in the financial year 2010.

❖ **Senior management team**

We have a team of professionals to oversee the operations and growth of our business. Our success is substantially dependent on the expertise and services of our management team. The loss of services of such management personnel or key personnel could have an adverse effect on our business. Further our ability to maintain our leadership position in the print media business depends on our ability to attract, train, motivate and retain highly skilled personnel.

Management's perception: The company has team of professional managers commensurate with its size of operations, with dependence on no single person. We have second line management in all our departments to take over from seniors. Further, as the company is enjoying leadership position, it does not have threat of losing key personnel, as evident from the fact that we have not had any significant turnover at senior management level.

FINANCIAL PERFORMANCE :

Sales and other operating Income :

It comprises newspaper sales, advertisement revenue, event management income, job work charges and scrap and wastage

paper sale. We registered a growth of 10.05. % by achieving turnover of Rs.1026.13 Crores during the year 2009-10 as compared to Rs. 932.43 Crores during the year 2008-09. The growth was noted in all revenue streams. Advertising revenue grew from Rs. 697.81 Crores to Rs. 777.59 Crores registering an increase of 11.42%.

Other Income :

It comprises of interest income. Other income increased by 28.23% by registering income of Rs. 17.65 Crores in the year 2009-10 as compared to Rs.13.76 Crores in 2008-09.

Raw Material consumed :

Newsprint consumption decreased from Rs. 407.44 Crores to Rs. 327.86 Crores during the year 2009-10 registering decline of nearly 20%. We could achieve it due to decline in newsprint prices, consumption quantity and control over wastage.

Operating cost :

It mainly comprises cost of stores and spares consumed, printing job expenses, electricity charges and plant repairs and maintenance etc. We achieved saving in operating expenses by 10.25% due to decrease in rates of main consumable stores and better management control over operations.

Employees cost :

Employees cost more or less remained same during the year under review.

Depreciation

Depreciation in 2009-10 increased by about 49.71% due to addition in fixed assets.

Financial cost

Financial cost decreased from Rs. 46.45 Crores in 2008-09 to Rs. 32.34 Crores, in 2009-10, registering a decline of 30.3% and this was achieved due to repayment of loans.

Earning on Exchange fluctuation

During the year 2009-10, we earned Rs. 89.45 lacs on account of Exchange fluctuation gain as compared to loss in previous year. This was due to decrease in exchange rate of foreign currency during the year 2009-10.

Profit before taxation

Profit before taxation increased from Rs. 111.31 Crores to Rs. 304.76 Crores registering a growth of 173.77% in the year 2009-10 due to both increase in revenue as well as reduction in operating costs.

Taxation

Tax provision was increased due to increased profits of the company.

UTILISATION OF IPO PROCEEDS :

The total IPO proceeds received by the Company are Rs. 2,690,065,000. Following are the details of utilization of IPO proceeds till March 31, 2010.

Particulars	Amount to be Utilization as per Prospectus	Actual utilized till March 31, 2010	Balance to be utilized as on March 31, 2010
Setting up new publishing units	600,000,000	26,174,950	573,825,050
Upgrading existing plant & machinery	305,000,000	11,850,000	293,150,000
Sales and marketing	501,000,000	-	501,000,000
Reducing working capital loans	41,460,000	41,460,000	-
Prepaying existing term loans	1,100,000,000	1,100,000,000	-
Issue Expenses paid out of IPO Proceeds	142,605,000	96,576,072	46,028,928
Total	2,690,065,000	1,276,061,022	1,414,003,978

INTERNAL CONTROLS :

The Company has a proper and adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. The Company's internal control systems are further supplemented by an extensive program of internal audit by various independent firms of Chartered Accountants at various locations and periodic review of the same by the Audit Committee. The internal control system is designed to ensure that all financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets and compliance with applicable statutory requirements. Cost savings and profit improvement ideas also form an important part of the responsibilities of the Internal Audit Department. The company has mapped a number of business processes onto SAP, thereby leading to significantly improved controls and transparency. The company also has a strong and exhaustive budgetary control and performance management system to monitor the progress on realization of business objectives on an ongoing basis.

FUTURE OUTLOOK :

Dainik Bhaskar group is committed to being at the front of the media business embracing everything new Media have to offer and the technology necessary for leadership.

We believe that media industry is growing. A growth in economy and media industry is evinced to be mainly in medium and small towns with increasing literacy and capacity of expending level of consumer than the metros. We have initiated new project to be set up at Ranchi in Jharkhand, Jammu and expansion and modernization project at other locations.

We believe that we have an innovative approach to exploring new market opportunities in local and regional areas, which has allowed us to expand the market and compete with established competitors to become one of the market leaders in local and regional publishing. We continually seek to identify new opportunities for geographic extension and brand expansion.

Disclaimer : It may please be noted that the statements in this Management Discussion and Analysis Report describing the Company's objectives and predictions may be forward looking within the meaning of the applicable regulations. Actual results may differ materially from those either expressed or implied in the statement depending on circumstances.

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, 2010 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, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 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 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, 2010;
 - (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
Firm registration number: 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656
Mumbai
May 27, 2010

For Gupta Navin K. & Co.
Firm registration number: 06263C
Chartered Accountants

per Navin K. Gupta
Partner
Membership No. 75030

Annexure referred to in paragraph 3 of our report of even date Re: D.B. Corp Limited ('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) (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 and no material discrepancies were noticed on physical verification.
- (iii) (a) As informed, the Company has granted unsecured loans to three companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 482,916,312 and the year-end balance of loans granted was Rs. 343,764,086.
 - (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 including interest thereon are re-payable on demand. As informed, the Company has not demanded repayment of any such loan and interest during the year, thus, there has been no default on the part of the parties to whom the money has been lent.
 - (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register

maintained under section 301 of the 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. Accordingly, clauses 4 (iii) (f) and (g) of the Order are not applicable.
- (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) 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, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.
- Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Act, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (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, 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 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. The provisions relating to excise duty are not applicable to the Company.

- (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) We have verified that the end use of money raised by public issues is as disclosed in the notes to the financial statements.
- (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
Firm registration number: 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656
Mumbai
May 27, 2010

For Gupta Navin K. & Co.
Firm registration number: 06263C
Chartered Accountants

per Navin K. Gupta
Partner
Membership No. 75030



BALANCE SHEET AS AT MARCH 31, 2010

(Amounts in Indian Rupees)

	Schedules	As At March 31, 2010	AsAt March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,815,156,050	1,687,906,050
Stock Options outstanding	2	12,965,726	-
Reserves and Surplus	3	5,476,371,476	1,543,971,684
		7,304,493,252	3,231,877,734
Loan Funds			
Secured Loans	4	2,728,630,982	5,095,523,507
Unsecured Loans	5	241,008,762	218,945,919
		2,969,639,744	5,314,469,426
Deferred Tax Liabilities (Net)	6	608,762,958	392,819,669
		10,882,895,954	8,939,166,829
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	7	6,059,323,218	3,589,445,271
Less : Accumulated depreciation / amortisation		998,234,795	736,132,152
Net Block		5,061,088,423	2,853,313,119
Capital Work-in-progress including Capital Advances		614,282,768	2,708,271,376
		5,675,371,191	5,561,584,495
Investments	8	910,786,000	943,286,000
Current Assets, Loans and Advances			
Inventories	9	721,615,361	710,818,926
Sundry Debtors	10	1,834,818,477	1,701,271,947
Cash and Bank Balances	11	1,893,492,684	402,894,946
Loans and Advances	12	1,644,701,857	1,475,022,639
		6,094,628,379	4,290,008,458
Less : Current Liabilities and Provisions			
Current Liabilities	13	1,538,634,024	1,689,152,164
Provisions	14	384,952,163	383,430,753
		1,923,586,187	2,072,582,917
Net Current Assets		4,171,042,192	2,217,425,541
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	125,696,571	216,870,793
		10,882,895,954	8,939,166,829
NOTES TO ACCOUNTS	24		

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
Firm registration number: 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656

Mumbai
May 27, 2010

For Gupta Navin K. & Co.
Firm registration number: 06263C
Chartered Accountants

per Navin Gupta
Partner
Membership No. 75030

**For and on behalf of the Board of Directors of
D.B. Corp Limited**

Managing Director
Company Secretary

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(Amounts in Indian Rupees)

	Schedules	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME			
Sales	16	2,250,708,317	2,150,936,538
Income from Event Management		111,096,269	75,595,409
Advertisement Income		7,775,851,234	6,979,131,193
Other Operating Income	17	123,720,771	118,672,152
		10,261,376,591	9,324,335,292
EXPENDITURE			
Raw Materials Consumed	18	3,278,675,591	4,074,398,722
(Increase)/Decrease in Stock of Finished Goods		(15,938)	584,555
Event Expenses		102,432,523	58,130,263
Operating Expenses	19	1,151,996,330	1,283,506,183
Personnel Expenses	20	1,153,577,933	1,160,680,568
Administration, Selling and Other Expenses	21	1,113,870,844	1,129,022,912
Operating Profit before interest and depreciation		3,460,839,308	1,618,012,089
Other Income (Interest Income)	22	(176,544,941)	(137,680,469)
Financial Expenses	23	323,387,926	464,551,509
Depreciation / amortisation	7	266,411,936	177,949,203
Profit Before Taxation		3,047,584,387	1,113,191,846
Tax Expense			
Current Tax		840,000,000	345,000,000
Deferred Tax Charge		215,943,289	54,808,844
Wealth Tax		10,000	40,000
Fringe Benefit Tax		-	27,777,646
Provision for tax of earlier years		1,208,404	804,825
		1,057,161,693	428,431,315
Profit for the Year		1,990,422,694	684,760,531
Balance Brought forward from previous year		764,285,596	478,262,765
Profit available for Appropriation		2,754,708,290	1,163,023,296
Appropriations:			
Interim Dividend		136,135,954	-
Proposed Final Dividend		226,908,256	84,394,803
Tax on Dividend		60,822,930	14,342,897
Transfer to General Reserve		150,000,000	300,000,000
		573,867,140	398,737,700
Balance carried to Balance Sheet		2,180,841,150	764,285,596
Earnings Per Share (Refer Note 13 of Schedule 24)			
Basic Earning Per Share		11.56	4.06
Diluted Earning Per Share		11.55	4.06
Nominal Value Per Share		10	10

NOTES TO ACCOUNTS 24

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
Firm registration number: 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656

Mumbai
May 27, 2010

For Gupta Navin K. & Co.
Firm registration number: 06263C
Chartered Accountants

per Navin Gupta
Partner
Membership No. 75030

**For and on behalf of the Board of Directors of
D.B. Corp Limited**

Managing Director Director
Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

(Amounts in Indian Rupees, except share data)

	As At March 31, 2010	As At March 31, 2009
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%, Non-Convertible Redeemable Preference Shares of Rs. 10,000 each	10,000,000	10,000,000
	2,500,000,000	2,500,000,000
Issued, Subscribed and Paid up		
181,514,605 (Previous Year 168,789,605) Equity Shares of Rs. 10 each fully paid up	1,815,146,050	1,687,896,050
1 (Previous Year 1), 0%, Non-Convertible Redeemable Preference Share of Rs. 10,000 each	10,000	10,000
Notes		
a) Of the above, 166,652,850 (Previous Year 166,652,850) Equity shares of Rs. 10 each, fully paid up have been issued as bonus shares by capitalisation of General Reserve		
b) Of the above shares, 2,136,755 (Previous Year 2,136,755) Equity shares are issued for a consideration other than cash.		
c) 1 Preference share of Rs. 10,000 (Previous Year 1) has been issued for consideration other than cash.		
d) Preference shares are redeemable at par after five years from the date of allotment i.e. July 31, 2007		
e) For Employee Stock Option Scheme (Refer Note 15 of Schedule 24)		
f) For Shares issued pursuant to an Initial Public Offer (Refer Note 3 of Schedule 24)		
	1,815,156,050	1,687,906,050
Schedule 2		
STOCK OPTIONS OUTSTANDING		
Employee Stock Options outstanding	25,109,412	-
Less: Deferred Employee Compensation outstanding (Refer Note 15 of Schedule 24)	12,143,686	-
Closing Balance	12,965,726	-

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	As At March 31, 2010	As At March 31, 2009
Schedule 3		
RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	779,597,888	479,597,888
Add: Transferred from Profit and Loss Account	150,000,000	300,000,000
	929,597,888	779,597,888
Securities Premium Account		
As per last Balance Sheet	88,200	88,200
Add: Received on account of Fresh Issue of Equity shares (Refer Note 3 of Schedule 24)	2,562,815,000	-
Less: Share Issue expenses (Refer Note 3 of Schedule 24)	196,970,762	-
	2,365,932,438	88,200
Profit and Loss Account	2,180,841,150	764,285,596
	5,476,371,476	1,543,971,684
Schedule 4		
SECURED LOANS		
Term Loans		
- Rupee Loans from Banks	660,000,000	2,163,559,681
- Rupee Loans from Financial Institution	77,777,758	388,888,874
- Foreign Currency Loans from Financial Institution	1,418,250,923	1,725,632,881
Working Capital Loans		
- Cash Credit Facilities from Banks	121,698,805	341,692,719
- Buyers' Credit from Bank	450,903,496	475,749,352
(For Security Refer Note 5 of Schedule 24)	2,728,630,982	5,095,523,507
Schedule 5		
UNSECURED LOANS		
Security Deposits Received	241,008,762	218,945,919
	241,008,762	218,945,919
Schedule 6		
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Depreciation	664,227,093	405,623,938
Term Loan Processing Fees	-	11,247,291
	664,227,093	416,871,229
Deferred Tax Assets		
Provision for Doubtful Debts and Advances	21,318,660	9,500,702
Provision for Gratuity and Leave Encashment	11,893,675	12,001,608
Provision for Diminution in value of Investment	17,844,750	2,549,250
Provision for Employee Stock Option Scheme	4,407,050	-
	55,464,135	24,051,560
Deferred Tax Liabilities (Net)	608,762,958	392,819,669

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010
(Amounts in Indian Rupees)

Schedule 7
FIXED ASSETS

Assets	Gross Block			Accumulated Depreciation / Amortisation				Net Block		
	As At April 1, 09	Additions during the year	Deductions during the year	As At March 31, 10	Up To April 1, 09	For The year	On deductions	Up To March 31, 10	As At March 31, 10	As At March 31, 09
Tangible Assets										
Land - Freehold	37,737,900	-	-	37,737,900	-	-	-	-	37,737,900	37,737,900
- Leasehold	8,959,490	2,233,112	-	11,192,602	-	411,916	-	411,916	10,780,686	8,959,490
Buildings	313,780,415	243,955,855	-	557,736,270	13,399,883	15,196,048	-	28,595,931	529,140,339	300,380,532
Leasehold Improvements	42,305,469	5,495,663	-	47,801,132	1,336,780	4,432,297	-	5,769,077	42,032,055	40,968,689
Plant and Machinery	2,345,324,725	2,075,923,529	3,771,850	4,417,476,404	419,126,629	172,600,819	1,843,815	589,883,633	3,827,592,771	1,926,198,096
Office Equipments	128,301,840	13,820,002	1,360,358	140,761,484	26,398,920	6,944,603	132,172	33,211,351	107,550,133	101,902,920
Vehicles	20,106,052	1,565,862	1,912,009	19,759,905	14,531,080	1,745,105	1,169,378	15,106,807	4,653,098	5,574,972
Furniture & Fixtures	151,312,442	10,502,644	961,100	160,853,986	37,896,000	10,257,383	105,297	48,048,086	112,805,900	113,416,442
Electric Fitting, Fans & Coolers	140,895,740	68,430,276	110,456	209,215,560	19,135,358	8,853,412	9,085	27,979,685	181,235,875	121,760,382
Computers	285,773,801	20,327,315	3,490,483	302,610,633	176,053,343	30,461,085	1,000,034	205,514,394	97,096,239	109,720,458
D.G. Sets	60,654,230	39,831,950	602,005	99,884,175	5,991,388	4,741,560	49,512	10,683,436	89,200,739	54,662,842
Intangible Assets										
Computer Software	28,683,650	-	-	28,683,650	9,144,142	5,736,729	-	14,880,871	13,802,779	19,539,508
Goodwill	25,609,517	-	-	25,609,517	13,118,629	5,030,979	-	18,149,608	7,459,909	12,490,888
Total	3,589,445,271	2,482,086,208	12,208,261	6,059,323,218	736,132,152	266,411,936	4,309,293	998,234,795	5,061,088,423	2,853,313,119
Capital Work-in-progress (including Capital Advances) (Refer Note 1, 2 and 3 below)	2,708,271,376	446,029,319	2,540,017,927	614,282,768	-	-	-	-	614,282,768	2,708,271,376
Previous year ended March 31, 2009	6,297,716,647	2,928,115,527	2,552,226,188	6,673,605,986	736,132,152	266,411,936	4,309,293	998,234,795	5,675,371,191	5,561,584,495
	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	

- 1) For details of Pre operative expenses and borrowing costs capitalised refer Note 18 of Schedule 24.
- 2) Additions during the year and Capital Work-in-progress as at March 31, 2010 includes exchange differences Rs.204,770,841 [foreign exchange gain (net)]
[Previous year Rs. 32,356,651 (foreign exchange loss (net))].
- 3) Additions during the year and Capital Work-in-progress as at March 31, 2010 includes Borrowing Cost capitalised Rs. 16,184,462 (Previous year Rs. 38,445,118).

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	As At March 31, 2010	As At March 31, 2009
Schedule 8		
INVESTMENTS		
Long Term Investments (At cost)		
Unquoted and Non Trade		
In Subsidiary Companies : (Refer Note 17(a) and (b) of Schedule 24)		
22,800,000 (Previous Year 22,800,000) Equity Shares of Rs. 10 each fully paid up of Synergy Media Entertainment Limited	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 Limited	5,775,000	5,775,000
In Others : (Refer Note 17(c) of Schedule 24)		
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 Limited	15,000,000	15,000,000
14,286 (Previous Year 14,286) Equity Shares of Rs. 10 each fully paid up at a premium of Rs. 340 per share of Aayam Herbal Private Limited	5,000,000	5,000,000
375,000 (Previous Year 375,000) Equity Shares of Rs. 10 each fully paid up at a premium of Rs. 30 per share of Arvind Coirfoam Private Limited	15,000,000	15,000,000
100,000 (Previous Year 100,000) Equity Shares of Rs. 10 each fully paid up at a premium of Rs. 390 per share of Micro Secure Solution Limited (Refer Note 2 below)	40,000,000	40,000,000
81,085 (Previous Year 81,085) Equity Shares of Rs. 10 each fully paid up at a premium of Rs. 359.95 per share of Naaptol Online Shopping Private Limited (Refer Note 2 below)	30,000,000	30,000,000
230,415 (Previous Year 230,415) Equity Shares of Rs. 10 each fully paid up at a premium of Rs. 207 per share of Neesa Leisure Limited	50,000,000	50,000,000
27,778 (Previous Year 27,778) Equity Shares of Rs. 10 each fully paid up at a premium of Rs. 350 per share of Professionals Coaching Company Private Limited	10,000,000	10,000,000
1 (Previous Year 1) 0%, Fully Convertible Debenture of Rs. 3 Crores fully paid up of Abbee Consumables and Peripherals Sshope Limited (Refer Note 1 below)	30,000,000	30,000,000
200,000 (Previous Year 200,000) 0%, Fully Convertible Debentures of Rs. 100 each fully paid up of Cubit Computers Private Limited (Refer Note 2 below)	20,000,000	20,000,000
200,000 (Previous Year Nil) 14%, Non Convertible Debentures of Rs. 100 each fully paid up of Everonn Systems India Limited	20,000,000	-
31,250 (Previous Year 31,250) 0%, Fully Convertible Debentures of Rs. 10 each fully paid up at a premium of Rs. 230 per debenture of Jini Data Services Private Limited	-	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	940,786,000	928,286,000
Quoted and Non Trade (Refer Note 17(c) of Schedule 24)		
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 Limited (Market Value as at March 31, 2010 is Rs. 2,994,000) (As at March 31, 2009 Rs.1,713,000)	22,500,000	22,500,000
Aggregate amount of Quoted investments	22,500,000	22,500,000
Aggregate Market value as at March 31, 2010 is Rs. 2,994,000 (As at March 31, 2009 Rs.1,713,000)	963,286,000	950,786,000
Less: Provision for Diminution in Value of Investments	52,500,000	7,500,000
	910,786,000	943,286,000
The following investments were purchased and sold during the year:		
1 0%, Fully Convertible Debenture of Rs. 5 Crore fully paid up of Indian Business Academy Private Limited	50,000,000	-

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 BALANCE SHEET AS AT MARCH 31, 2010

	As At March 31, 2010	As At March 31, 2009
Schedule 9		
INVENTORIES (At lower of cost and net realisable value)		
Raw Material - News Prints (Including Stock in Transit Rs. 50,936,079) (Previous Year Rs. Nil)	619,901,028	631,818,955
Stores and Spares	71,959,244	58,628,101
Magazines	417,070	401,132
Gift / Promotional Products	29,338,019	19,970,738
	721,615,361	710,818,926
Schedule 10		
SUNDRY DEBTORS (Refer Note 12(a) of Schedule 24) (Unsecured)		
Debts outstanding for a period exceeding six months :		
- Considered Good	189,465,537	168,679,632
- Considered Doubtful	62,720,386	21,503,244
	252,185,923	190,182,876
Others Debts:		
- Considered Good	1,645,352,940	1,532,592,315
	1,897,538,863	1,722,775,191
Less : Provision for Doubtful Debts	62,720,386	21,503,244
	1,834,818,477	1,701,271,947
Schedule 11		
CASH AND BANK BALANCES		
Cash on Hand	11,594,079	8,950,691
Cheques on Hand/Transit	82,156,988	18,843,219
Balances with Scheduled Banks:		
On Current Accounts	338,433,014	302,119,908
On Fixed Deposit Account (Refer Note 3 and 16 of Schedule 24)	1,461,308,603	72,981,128
	1,893,492,684	402,894,946
Schedule 12		
LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)		
Loans and Advances to Subsidiaries (Refer Note 12(b) and 17(a) of Schedule 24)	847,111,139	613,619,398
Loans and Advances to Employees	13,722,576	13,705,330
Advances recoverable in cash or kind or for value to be received (Refer Note 12(b) of Schedule 24)		
- Considered Good	244,505,165	215,582,068
- Considered Doubtful	-	6,448,216
Inter Corporate Deposits (Refer Note 12(b) of Schedule 24)	321,693,941	448,308,336
Deposit with Government Authorities	31,165,971	23,092,659
Security Deposit against Lease of Properties	132,950,000	132,950,000
Deposit with Others	53,553,065	27,764,848
	1,644,701,857	1,481,470,855
Less : Provision for Doubtful Loans and Advances	-	6,448,216
	1,644,701,857	1,475,022,639
Schedule 13		
CURRENT LIABILITIES		
Sundry Creditors (Refer Notes 10(a),10(b) and 19 of Schedule 24) (Includes Rs. 96,478,418 for Capital Goods) (Previous Year Rs. 150,046,109)	1,093,742,041	1,189,728,335
Advances from Customers	399,797,797	431,994,450
Book Overdraft	10,753,125	-
Interest Accrued but not due	2,239,584	41,664,072
Other Liabilities	32,101,477	25,765,307
	1,538,634,024	1,689,152,164

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	As At March 31, 2010	As At March 31, 2009
Schedule 14		
PROVISIONS		
Provision for Tax (Net of Taxes paid Rs. 1,731,280,040) (Previous year Rs. 711,111,246)	78,742,280	243,888,756
Provision for Fringe Benefit Tax (Net of Taxes paid Rs. 74,903,642) (Previous Year Rs. 74,853,489)	6,613,316	5,455,065
Provision for Wealth Tax	10,000	40,000
Provision for Gratuity (Refer Note 14 of Schedule 24)	7,137,589	12,402,514
Provision for Leave Encashment (Refer Note 14 of Schedule 24)	27,854,097	22,906,718
Proposed Dividend	226,908,256	84,394,803
Tax on Proposed Dividend	37,686,625	14,342,897
	384,952,163	383,430,753
Schedule 15		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Share Issue Expenses		
Opening Balance	41,764,142	33,136,361
Additions during the Year	155,206,620	8,627,781
Less: Transferred to Securities Premium Account (Refer Note 3 of Schedule 24)	196,970,762	-
	-	41,764,142
Term Loan Processing Fees		
Opening Balance	175,106,651	181,569,343
Less: Amortized during the Year		
-Charged to Profit and Loss Account	43,721,667	-
-Transferred to Capital Work in Progress	5,688,413	6,462,692
	125,696,571	175,106,651
	125,696,571	216,870,793
Schedule 16		
SALES		
Sale of Newspapers	2,052,110,962	1,942,172,349
Wastage Sale	117,191,477	121,283,805
Sale of Power	15,637,552	20,240,195
Sale of Magazines	65,768,326	67,240,189
	2,250,708,317	2,150,936,538
Schedule 17		
OTHER OPERATING INCOME		
Printing Job Charges	72,222,345	91,191,617
Excess Liabilities / provisions written back	24,594,795	17,112,860
Foreign Exchange Gain (Net)	8,945,810	-
-Miscellaneous Income	17,957,821	10,367,675
	123,720,771	118,672,152
Schedule 18		
RAW MATERIALS CONSUMED		
News Prints (Refer Note 11 (d) of Schedule 24)		
Opening Inventories	631,818,955	607,012,215
Add: Purchases during the Year	3,266,757,664	4,099,205,462
	3,898,576,619	4,706,217,677
Less: Closing Inventories	619,901,028	631,818,955
	3,278,675,591	4,074,398,722
Schedule 19		
OPERATING EXPENSES		
Consumption of Stores and Spares (Refer Note 11 (e) of Schedule 24)	514,905,721	572,611,835
Printing Job Work Expenses	172,183,645	214,336,213
News Collection Expenses	210,023,380	256,444,939
Binding Expenses	26,448,405	25,664,273
Other Operating Expenses	17,661,848	15,837,269
Electricity and Water Charges	124,318,208	118,133,410
Repair and Maintenance - Machinery	86,455,123	80,478,244
	1,151,996,330	1,283,506,183



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	As At March 31, 2010	As At March 31, 2009
Schedule 20		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	1,053,342,733	1,060,268,906
Contribution to Provident Fund and Other Funds	55,651,650	54,763,080
Workmen and Staff Welfare Expenses	44,583,550	45,648,582
	1,153,577,933	1,160,680,568
Schedule 21		
ADMINISTRATION, SELLING AND OTHER EXPENSES		
Electricity	31,416,409	25,806,850
Rent	69,919,405	72,870,993
Rates and Taxes	2,787,936	2,025,661
Insurance	5,658,438	9,711,694
Repair & Maintenance		
- Building	8,931,412	4,918,103
- Others	18,361,596	13,857,595
Legal and Professional Charges	67,456,871	70,603,606
Advertisement and Publicity	127,825,068	191,276,730
Distribution Expenses	228,113,715	261,912,876
Business Promotion	121,593,517	142,532,741
Survey Expenses	120,113,924	69,773,193
Postage and Telegram	6,923,959	6,743,746
Telephone	28,760,226	33,674,121
Printing and Stationery	18,178,663	19,315,517
Traveling	57,719,047	72,011,139
Conveyance	4,924,659	3,974,549
Vehicle Running and Maintenance	7,690,404	10,435,792
Auditors Remuneration (Refer Note 11 (i) of Schedule 24)	7,793,100	7,721,000
Loss on Sale of fixed assets (Net)	2,156,587	718,334
Foreign Exchange Loss (Net)	-	35,418,970
Bad debts written off	20,042,592	-
Provision for diminution in value of Investments	45,000,000	7,500,000
Provision for doubtful debts	41,217,142	-
Provision for doubtful advances	-	262,775
Royalty	3,740,000	3,750,000
Sundry Office Expenses	67,546,174	62,206,927
	1,113,870,844	1,129,022,912
Schedule 22		
OTHER INCOME		
Interest Income		
-Bank Deposits [Tax deducted at source Rs 3,210,440 (Previous Year Rs 4,236,948)]	30,381,375	17,697,733
-Loans to Subsidiaries [Tax deducted at source Rs 11,543,718 (Previous Year Rs 10,070,626)]	83,478,561	44,442,303
-Others [Tax deducted at source Rs 826,405 (Previous Year Rs 558,467)]	5,301,786	2,914,644
-Intercompany Deposits [Tax deducted at source Rs.8,468,244 (Previous Year Rs 16,457,007)]	57,383,219	72,625,789
	176,544,941	137,680,469
Schedule 23		
FINANCIAL EXPENSES		
Interest Expenses		
-On Term Loans	224,252,844	210,775,207
-On Banks	17,279,862	70,150,088
-On Others	68,064,735	78,338,112
Exchange (Gain) / Loss on Buyers' Credit from Banks (Net)	(39,711,687)	71,830,066
Bank Charges	53,502,172	33,458,036
	323,387,926	464,551,509

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Amounts in Indian Rupees)

	March 31, 2010	March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	3,047,584,387	1,113,191,846
Adjustment for :		
Loss on Sale of Fixed Assets (net)	2,156,587	718,334
Interest Expense (net)	133,052,500	221,582,938
Depreciation / amortisation	266,411,936	177,949,203
Miscellaneous Expenditure Written off	43,721,667	-
Provision for Doubtful Loans and Advances	-	262,775
Provision for Diminution in Value of Investments	45,000,000	7,500,000
Bad Debts Written Off	20,042,592	-
Provision written back	(6,448,216)	(4,569,465)
Provision for Doubtful Debts	41,217,142	-
Unrealised Exchange Rate Fluctuation	(11,191,950)	9,960,102
Operating profit before working capital changes	3,581,546,645	1,526,595,733
(Increase) / Decrease in Working Capital		
(Increase) in Inventories	(10,796,435)	(39,501,048)
(Increase) in Sundry Debtors	(194,806,268)	(20,476,183)
(Increase) in Loans and Advances	(163,231,002)	(215,791,287)
(Decrease)/Increase in Current Liabilities	(28,547,904)	395,455,531
(Decrease)/Increase in Provisions	(317,546)	6,444,609
Cash generated from operations	3,183,847,490	1,652,727,355
Direct Taxes Paid (Including Fringe Benefit Tax)	(1,005,236,629)	(345,388,355)
NET CASH FROM OPERATING ACTIVITIES (A)	2,178,610,861	1,307,339,000
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(596,456,546)	(3,115,886,617)
Proceeds from Sale of Fixed Assets	5,742,381	10,411,771
Purchase of Investments	(70,000,000)	-
Sale of Investments	57,500,000	(177,345,000)
Interest Received	176,544,941	17,697,733
Fixed Deposits with maturity period of more than three months (Placed)	(1,398,008,188)	187,170,506
NET CASH (USED IN) INVESTING ACTIVITIES (B)	(1,824,677,412)	(3,077,951,607)
C CASH FLOW FROM FINANCING ACTIVITIES		
Loan taken- Secured	286,963,423	2,931,539,998
Repayment of Loan - Secured	(2,498,196,657)	(656,508,777)
Loan taken- Unsecured	22,062,843	10,814,511
Share Issue Expenses	(155,206,620)	(8,627,781)
Term Loan Processing Fees	-	(175,106,651)
Dividend Paid	(220,530,757)	(84,394,803)
Dividend Distribution Tax	(37,479,202)	(14,342,897)
Interest Paid	(349,021,929)	(229,991,843)
Proceeds from issuance of Share Capital	2,690,065,000	-
NET CASH (USED IN) FROM FINANCING ACTIVITIES (C)	(261,343,899)	1,773,381,757
Net Increase in Cash and Cash Equivalents (A+B+C)	92,589,550	2,769,150
Cash and Cash Equivalents at the beginning of the Year	340,604,531	337,835,381
Cash and Cash Equivalents at the end of the Year	433,194,081	340,604,531
Net Increase in Cash and Cash Equivalents	92,589,550	2,769,150
For Details of Cash and Cash Equivalents - Refer Schedule - 11		
Closing Balance	1,893,492,684	402,894,946
Less: Fixed Deposit with maturity period of more than three months (Refer Note 16 of Schedule 24)	1,460,298,603	62,290,415
Net Cash and Cash Equivalents at the end of the Year (As per notified AS- 3)	433,194,081	340,604,531

As per our Report of even date

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

per Amit Majmudar
Partner
Membership No. 36656

Mumbai
May 27, 2010

For Gupta Navin K. & Co.
Firm registration number: 06263C
Chartered Accountants

per Navin Gupta
Partner
Membership No. 75030

For and on behalf of the Board of Directors of
D.B. Corp Limited

Managing Director Director
Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

SCHEDULE 24

NOTES TO ACCOUNTS:

1. Nature of Operations

D.B. Corp Limited (“the Company”) is in the business of publishing newspapers. The major brands are ‘Dainik Bhaskar’, ‘Business Bhaskar’ and ‘DB Star’, Hindi dailies, ‘Divya Bhaskar’ and ‘Saurashtra Samachar’, Gujarati dailies, ‘DNA English’, an English Daily and monthly magazines such as ‘Aha Zindagi’, ‘Bal Bhaskar’, etc. The Company derives revenue mainly from the sale of these publications and advertisements published therein. The Company is also in the business of event management, internet and wind energy.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified 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 are consistent with those used in the previous year.

b) Use of Estimates

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

c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation/amortization 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.

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 year, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable fixed asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset.

d) Depreciation

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

Leasehold Improvements are amortised on a straight line basis 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 its acquisition.

e) Intangibles

Goodwill

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

Computer Software

Computer Software, being the cost of ERP License and Installation, is amortised on a straight-line basis over a period of 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 amount of assets is 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 the 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 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.

j) Inventories

Inventories are valued as follows:

Raw materials- News Prints and 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 and Gifts / Promotional Products	Lower of cost and 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 bases are 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 with the customer.

Sale of power

Revenue from sale of power generated in the Wind Energy Unit of the Company is accounted on the basis supply made to Madhya Pradesh Paschim Kshetra V.V. Co. Limited, as per the agreement.

Interest

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

l) Foreign currency transactions

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 year, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable fixed asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a " Foreign Currency Monetary Item Translation Difference Account"

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such 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 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 an 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 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 funds.

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

The Company makes contributions to a trust administered and managed by the insurance company to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company, although the insurance company administer the scheme.

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 sufficient 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.

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 and 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) (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 year 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

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. There are no geographical reportable segments since the Company caters to the Indian market only and does not distinguish any reportable regions within India.

Inter segment Transfers

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

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

t) Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Securities and Exchange Board of India (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. Initial Public Offer

During the current year, the Company completed an Initial Public Offer (IPO) of its 18,175,000 Equity Shares of Rs.10/- each for cash at a price of Rs.210 each for Retail Investor's and Rs. 212 each for other than retail investors. Out of total shares listed, 12,725,000 fresh equity shares were issued by the Company and an offer for sale of 5,450,000 equity shares of the Company was made by Cliffrose Investments Limited.

The premium of Rs. 200 per share for Retail Investor's and Rs. 202 each for other than retail investor's, amounting to total Rs.2,562,815,000 is credited to Securities Premium Account. The Share Issue expenses incurred by the Company amounting to Rs 196,970,762 have been debited against Securities Premium Account.

Pursuant to the Public Issue, shares of the Company were listed on Bombay Stock Exchange and National Stock

Exchange with effect from January 06, 2010.

The total IPO proceeds received by the Company are Rs 2,690,065,000. Following are the details of utilization of IPO proceeds till March 31, 2010.

Particulars	Amount to be utilized as per Prospectus	Actual Utilization till march, 31, 2010	Balance to be utilized as on March 31, 2010
Setting up new publishing Units	600,000,000	26,174,950	573,825,050
Upgrading existing plant and machinery (Refer note 1)	305,000,000	11,850,000	293,150,000
Sales and marketing	501,000,000	-	501,000,000
Reducing working capital loans (Refer note 2)	41,460,000	41,460,000	-
Prepaying existing term loans	1,100,000,000	1,100,000,000	-
Issue Expenses paid out of IPO Proceeds	142,605,000	96,576,072	46,028,928
Total	2,690,065,000	1,276,061,022	1,414,003,978

Note:

- 1) This represent payment made towards purchase of Land for expanding / upgrading the existing plant and machinery at one of units of the Company.
- 2) During the year, the Company has repaid the working capital loans in respect of following banks:

Cash Credit facilities:	Amounts
State Bank of Indore	16,460,000
State Bank of Maharashtra	20,000,000
State Bank of Hyderabad	5,000,000
Total	41,460,000

Pending utilization, as at March 31, 2010, the funds are temporarily held in:

Particulars	Amounts
Fixed Deposit	1,330,000,000
Escrow Account	4,483,528
Balance in Current Account	79,520,450
Total	1,414,003,978

4. Scheme of Arrangement:

- a) As per the Scheme of Arrangement relating to take over of the Internet Division of Indaiinfo.Com Limited, 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 Indaiinfo.Com Limited 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 was to be allotted subsequent to obtaining the Foreign Investment Promotion Board (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 securities 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 Indaiinfo.com against its taxable income. Accordingly, the Company has considered and adjusted the unabsorbed tax losses and unabsorbed depreciation of erstwhile Internet Division of Indaiinfo.com Limited 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, Cash Credit facilities, Foreign Currency loan and Buyers' credit facilities consist of:

Particulars	March 31, 2010	March 31, 2009
Rupee Term Loans		
IDBI Bank	660,000,000	587,871,410
Standard Chartered Bank	-	468,750,000
State Bank of Hyderabad	-	114,038,158
State Bank of Indore	-	205,174,335
Yes Bank	-	437,499,999
Rabo India Finance Private Limited	77,777,758	388,888,874
HDFC Bank	-	225,779
ICICI Bank	-	350,000,000
Cash Credit Facilities		
State Bank of Hyderabad	11,329,189	90,294,921
State Bank of Indore	48,348,046	92,913,280
Bank of Maharashtra	62,021,570	158,484,518
Foreign Currency Loan		
AGCO Finance GmbH	USD 31,572,817 equivalent to Rs. 1,418,250,923	USD 34,022,730 equivalent to Rs. 1,725,632,881
Buyers Credit Facilities		
Standard Chartered Bank	USD 2,495,452 equivalent to Rs. 112,095,712	USD 1,894,660 equivalent to Rs. 96,097,159
HSBC Bank	USD 7,542,471 equivalent to Rs. 338,807,784	USD 7,485,256 equivalent to Rs. 379,652,193



- a) The Term Loans are secured by:
- First Charge on Plant and Machinery situated at all locations (other than Gujarat) of the Company;
 - Second Charge on all current assets;
 - Personal Guarantee of directors aggregating to Rs. 100,000,000 [Shri Ramesh Chandra Agarwal];
 - Corporate Guarantees of Writers and Publishers Private Limited aggregating to Rs. 660,000,000.
 - 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;
 - IDBI Bank: First pari passu Charge with other lenders on up gradation Project Assets.
Second Charge on Immovable hosing property of Writers and Publishers Private Limited at various units.
- b) Cash Credit Facilities are secured by:
- First Charge on the entire current assets and;
 - Second Charge on the other movable properties (other than current assets) of the Company.
 - Personal Guarantees of Directors aggregating to Rs. 158,373,837 [Shri Ramesh Chandra Agarwal, Shri. Sudhir Agarwal, Shri. Girish Agarwal and Shri. Pawan Agarwal]
 - Corporate Guarantees of Writers & Publishers Private Limited.
- c) Foreign Currency Loan is secured by:
- AGCO Finance GmbH: First pari passu Charge with other lenders on up gradation Project Assets.
- d) Buyers Credit Facilities are secured by:
- Standard Chartered Bank: First Charge on the current assets of the Company
 - 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 and Publishers Private Limited.

6. (a) Related Party Disclosure

Related party disclosures, as required by notified Accounting Standard 18 - "Related Party Disclosures" notified by the Companies (accounting Standards) Rules, 2006, (as amended) are given below:

Particulars	Related Party
Subsidiaries	<ul style="list-style-type: none"> - Synergy Media Entertainment Ltd. - I Media Corp Limited. - All Season Events (P) Limited (Up to July 31, 2008) - D B Partners Enterprises Private Limited(Up to July 31, 2008)
Key Management Personnel	<ul style="list-style-type: none"> - Shri Sudhir Agarwal, Managing Director - Shri Girish Agarwal, Director

Relatives of key management personnel	<ul style="list-style-type: none"> - Shri. Ramesh Chandra Agarwal - Smt. Kasturi Devi Agarwal - Shri. Pawan Agarwal - Smt. Jyoti Sudhir Agarwal - Smt. Namita Girish Agarwal - Smt. Nikita Pawan Agarwal
Enterprises owned or significantly influenced key management personnel or their relatives	<ul style="list-style-type: none"> - All Season Events (P) Limited (From August 1, 2008) - D B Partners Enterprises Private Limited.(From August 1, 2008) - Writers and Publishers Private Ltd. - Bhaskar Prototype 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 Private Limited. - New Era Publications Private Limited - Bhaskar Infrastructure Limited - Bhaskar Industries Limited - Bhaskar Multinet Limited - Bhaskar Exxoil Private Limited - Diligent Media Corporation Limited - Direct (OOH) Media Private Limited - Stitex Global Limited - Divya Prabhat Publications Private Limited - Bhaskar Venktesh Products Private Limited - Sharda Solvent Limited - D B Malls Private Limited - 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 Private Limited - DB Publication Private Limited - Abhivyakti Kala Kendra - Bhaskar Food Private Limited - M. P. Printer

**SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR
THE YEAR ENDED ON MARCH 31, 2010**

(Amounts in Indian Rupees)

6. (b) Details of transactions with related parties:

	Transactions Year ended		Amount receivable (payable) As at	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Advertisement Income				
Synergy Media Entertainment Limited	20,047,851	16,107,791	5,120,461	26,526,502
Media Corp Limited	8,507,054	751,901	5,119,258	712,440
Writers and Publishers Private Limited	41,861,638	15,226,245	6,922,547	-
Abhivyakti Kala Kendra	9,194,275	12,135,440	-	12,659,532
Bhaskar Industries Limited	2,313,160	200,838	14,816	122,626
Bhaskar Multinet Limited	510,322	2,836,972	24,968	699,437
Sharda Solvent Limited	8,344,170	-	9,720	-
Bhaskar Exxoil Private Limited	7,477,988	36,640	-	-
Bhaskar Food Private Limited	7,426,028	-	-	-
D B Malls Private Limited	25,639,495	557,155	662,922	557,155
Bhaskar Vektesh Products Private Limited	-	4,071	-	-
Sharda Solvent Limited	-	121,167	-	-
Sale of Magazine				
Bhaskar Publication and Allied Industries Private Limited	405,213	767,125	171,744	168,179
Sale of Newspaper				
Bhaskar Publication and Allied Industries Private Limited	8,366,520	15,855,775	-	10,552,399
Printing Job Charges				
Bhaskar Publication and Allied Industries Private Limited	4,262,153	323,726	-	103,929
Divya Prabhat Publications Private Limited	-	6,538,107	-	7,529,800
Synergy Media Entertainment Limited	198,000	-	-	-
Salaries, Wages and Bonus				
Shri Sudhir Agrawal, Managing Director	3,600,000	3,600,000	(7,441,123)	(4,857,143)
Rent Paid				
Writers and Publishers Private Limited	19,203,211	23,356,163	-	-
Bhaskar Industries Limited	159,997	460,000	(89,109)	(89,107)
Bhaskar Publication and Allied Industries Private Limited	100,000	100,000	-	(77,339)
Bhaskar Infrastructure Limited	4,055,761	4,004,154	-	(939,057)
R.C. Printer, Raipur Industries Private Limited	1,816,320	1,862,323	-	(1,286,531)
Key mangement personnel				
Shri Girish Agrawal, Director	100,000	100,000	(176,907)	(84,563)
News Collection Expenses				
Bhaskar Samachar Seva	69,716,165	88,920,535	(10,429,064)	(10,777,403)
Bhaskar Printing Press, Bhopal	5,447,686	6,519,776	(1,379,535)	(1,682,949)
Diligent Media Corporation Limited	1,572,792	2,721,510	(1,867,580)	(3,622,875)
Printing Job Work Expense				
Bhaskar Printing Press, Chandigarh, Panipat, Hissar	5,582,819	6,948,532	(518,016)	(475,295)
Bhaskar Printing Press, Ahmedabad, Surat, Baroda	13,671,085	17,418,078	(3,123,127)	(3,295,800)
M P Printer	52,499,220	46,495,651	(12,741,845)	(4,220,514)
Diligent Media Corporation Limited	7,659,526	11,134,532	(1,342,631)	(3,571,701)
Ajmer Printing House	3,587,054	4,686,991	(897,505)	(952,229)
Bhaskar Phototype Setter, Bhopal	2,870,337	4,608,997	(1,885,432)	(2,251,816)
Bhaskar Process House	1,136,523	2,661,849	(38,347)	(112,490)
Bikaner Printing Press	831,051	860,583	(219,935)	(249,175)
Jaipur Phototype Setter	9,933,882	12,034,658	(1,413,693)	(1,390,733)
Jaipur Printing Press	7,161,154	11,359,911	(1,183,391)	(1,530,600)
New Jodhpur Printer	3,440,815	5,608,736	(982,478)	(1,332,182)
New Kota Printers	2,822,506	3,034,307	(220,931)	(196,371)
R.C. Phototype Setter, Raipur	3,827,428	4,781,876	(5,095,753)	(5,044,037)
R.C. Printer, Raipur	4,616,373	5,216,697	(293,023)	(244,290)
Udaipur Printing Press	5,007,338	5,817,189	(1,002,834)	(994,209)
Royalty				
Diligent Media Corporation Limited	2,550,000	2,400,000	(144,310)	-



**SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR
THE YEAR ENDED ON MARCH 31, 2010 (Continued)**

(Amounts in Indian Rupees)

6. (b) Details of transactions with related parties:

	Transactions Year ended		Amount receivable (payable) As at	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Advertisement and Publicity Expenses				
Synergy Media Entertainment Limited	8,095,698	7,976,156	(9,030,726)	(4,702,877)
I Media Corp Limited	3,389,062	4,064,996	(1,857,453)	(646,583)
Bhaskar Multinet Limited	170,221	-	-	-
Interest Income from Deposits				
Writers and Publishers Private Limited	57,383,219	72,625,799	860,611	10,808,338
Bhaskar Multinet Limited	2,299,958	1,743,280	4,545,294	2,569,392
Interest Income from Loans to Subsidiaries				
Synergy Media Entertainment Limited	63,057,055	32,180,597	-	-
I Media Corp Limited	20,421,506	12,212,100	-	-
All Season Events (P) Limited	-	49,606	-	-
Loan / Advances Given / (Repaid)				
Synergy Media Entertainment Limited	198,478,886	282,192,872	646,383,132	468,898,013
I Media Corp Limited	(20,993,767)	(180,547,478)	-	-
All Season Events (P) Limited	56,006,622	61,371,904	200,728,006	144,721,384
D B Partners Private Limited	-	(1,383,717)	-	-
Bhaskar Multinet Limited	-	(435,640)	-	-
Writers and Publishers Private Limited	(116,666,668)	(116,666,668)	15,740,211	15,740,211
Advance received / (repaid) for publication of advertisement				
Writers and Publishers Private Limited	78,968,141	247,500,000	320,833,330	437,499,998
	(204,272,633)	(1,043,461)	(83,477,055)	(236,583,388)
			-	-
Advances given during the year for investment in equity shares				
Writers and Publishers Private Limited	40,000,000	40,000,000	80,000,000	40,000,000
Factoring of Recievables / advances				
Writers and Publishers Private Limited	6,185,441	62,196,280	-	-
Security Deposit given against lease of properties				
Writers and Publishers Private Limited	-	132,950,000	132,950,000	132,950,000
Sale of Investments				
Writers and Publishers Private Limited	-	75,000,000	60,000,000	60,000,000
Key Management Personnel				
Shri Sudhir Agrawal, Managing Director	-	77,500	77,500	77,500
Shri Girish Agrawal, Director	-	50,000	50,000	50,000
Relatives of key management personnel				
Jyoti Agrawal W/o Sudhir Agrawal	-	27,500	-	27,500
Purchase of Investments				
Writers and Publishers Private Limited	-	15,000,000	-	-
News print loan given / (taken)				
M P Printer	6,806,277	-	6,766,924	-
Diligent Media Corporation Limited	19,558,103	20,064,165	5,911	10,920,594
Divya Prabhat Publications Private Limited	1,348,102	-	2,615,694	1,267,592
Bhaskar Publication and Allied Industries Private Limited	15,380,846	(354,392)	27,833,360	12,688,542
Balance outstanding at the year end				
Synergy Media Entertainment Limited	-	-	2,911,128	4,702,879
I Media Corp Limited	-	-	2,027,022	646,583
M P Printer	-	-	(5,442)	-
Diligent Media Corporation Limited	-	-	(5,274,331)	(532,675)
D B Malls Private Limited	-	-	-	141,163
India Interactive Technology Private Limited	-	-	(4,059,891)	(4,635,839)
Bhaskar Multinet Limited	-	-	257,215	319,206
R.C. Printer, Raipur	-	-	456,787	-
Divya Prabhat Publications Private Limited	-	-	(3,944,739)	-
Writers and Publishers Private Limited	-	-	(12,365,745)	11,605,459
Bhaskar Publication and Allied Industries Private Limited	-	-	(26,305,936)	(13,524,601)
Direct (OOH) Media Private Limited	-	-	13,236	2,168,481
Bhaskar Infrastructure Limited	-	-	183,678	-
D B Publication Private Limited	-	-	6,618	122,433
Abhivyakti Kala Kendra	-	-	237,092	292,756
Key Management Personnel				
Shri Pawan Agrawal, Director	-	-	784,774	595,307

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)

- The Company has taken various residential, office and godown premises under operating lease agreements. These are generally renewable by mutual consent;
- Lease payments for the year are Rs. 69,919,405 (Previous year Rs. 72,870,993);
- The future minimum lease payments under non-cancellable operating leases;
 - not later than one year is Rs. 60,993,479 (Previous year Rs. 73,841,598);
 - later than one year but not later than five years is Rs. 268,489,767 (Previous year Rs. 314,441,723);
 - later than five years Rs. 4,124,307 (Previous year Rs. 16,602,207).
- 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. 138,612,551 (Previous year Rs. 360,759,654).

9. Contingent Liabilities not provided for

- There are several defamation and other legal cases pending against the Company and its directors. These include criminal and civil cases. There are certain employee related cases also pending against the Company. 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 these cases is Rs. 12,187,682 (Previous year Rs. 42,666,433). The estimated contingency in respect of some 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.

10. Derivative Instruments

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

Particulars	Currency	Amount in respective currency	
		March 31, 2010	March 31, 2009
Forward Contract to Hedge Payments to Suppliers	USD	-	500,000

- Particulars of unhedged foreign currency exposure as at the balance sheet date:

Particulars	Currency	Amount in respective currency	
		March 31, 2010	March 31, 2009
Sundry Creditors	USD	3,039,710	4,465,438
Sundry Creditors	EURO	45,700	46,158
Standard Chartered Bank Buyers Credit	USD	2,495,452	1,894,660
HSBC Bank Buyers Credit	USD	7,542,471	7,485,256
AGCO Finance GmbH	USD	31,572,817	34,022,730
Sundry Debtors	USD	1,847	3,593

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 and relied upon by the auditors, it being a technical matter).

Type of Machine	No. of Machines	March 31, 2010		March 31, 2009	
		Total Capacity (Impressions per hour)	No. of Machines	Total Capacity (Impressions per hour)	No. of Machines
Cold Set Machines	51	1,941,000	54	1,821,000	
Heat Set Machines	5	120,000	5	120,000	

b) i) Actual Production and Sales

	March 31, 2010	March 31, 2009
News paper	No. of Copies	No. of Copies
- Production	1,328,957,295	1,387,288,541
- Sales	1,315,960,527	1,366,085,698
Power	Units	Units
- Production	4,569,760	5,621,100
- Sales	4,040,273	4,808,050
Magazines	No. of Copies	No. of Copies
- Production	13,714,126	19,722,488
- Sales*	13,603,059	19,415,936

* Excludes magazines distributed as free samples 131,067 Copies (Previous year – 348,552 Copies).

ii) Opening and Closing stock of finished goods:

	March 31, 2010	March 31, 2009
Magazines	No. of Copies	No. of Copies
Closing Stock	60,000	80,000
Opening stock	80,000	122,000

c) Value of Imports on CIF Basis

Particulars	March 31, 2010	March 31, 2009
Raw Material	931,967,788	998,631,137
Stores and Spares	6,887,014	16,834,193
Capital Goods	155,451,592	2,008,308,595

d) Consumption of Raw Material

	March 31, 2010		March 31, 2009	
	Quantity In Kgs.	Value	Quantity in Kgs.	Value
Newsprint	130,270,636	3,278,675,591	137,255,154	4,074,398,722

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

	March 31, 2010		March 31, 2009	
	Value	% of total Consumption	Value	% of total Consumption
i) Raw Materials				
Imported	928,466,147	28.32%	915,982,094	22.48%
Indigenous	2,350,209,444	71.68%	3,158,416,628	77.52%
Total	3,278,675,591	100.00%	4,074,398,722	100.00%
ii) Stores and Spares				
Imported	6,887,014	1.34%	19,203,284	3.35%
Indigenous	508,018,707	98.66%	553,408,551	96.65%
Total	514,905,721	100.00%	572,611,835	100.00%

f) Earnings in foreign currency (on accrual basis)

Particulars	March 31, 2010	March 31, 2009
Advertisement Income	666,981	491,539

g) Expenditure in foreign currency (on accrual basis)

Particulars	March 31, 2010	March 31, 2009
Traveling	742,016	676,197
Financial Expenses	21,317,090	241,870,701
Advertisement & Publicity	57,822	146,871
Others	24,985,485	9,739,701

Out of above Rs. 10,496,049 (Previous year – Rs. 55,997,780) is disclosed under addition in fixed assets (including Capital Work-in-Progress) and Rs. 13,539,190 (Previous year Rs. 151,486,816) is disclosed under the head 'Miscellaneous Expenditure' in the Balance Sheet.

h) Managerial Remuneration

Particulars	March 31, 2010	March 31, 2009
Salaries and Allowances	3,600,000	3,600,000
Total	3,600,000	3,600,000

i) Auditors' Remuneration (including service tax)

Particulars	March 31, 2010	March 31, 2009
As Auditor		
Statutory Audit Fees	7,169,500	7,169,500
Tax Audit Fees	551,500	551,500
In other manner		
Certification relating to IPO	7,721,000	561,800
Total	15,442,000	8,282,800

Out of above expenditure, Rs. 7,721,000 (Previous Year – Rs. 561,800) is included in Share Issue Expenses which is adjusted against Securities Premium Account.

12. Receivables from Companies under the same management as required under clause 32 of the listing agreement.

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

Name of the Company	Closing Balance		Maximum Amount Outstanding during the year	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Synergy Media Entertainment Limited	5,120,461	26,526,502	44,757,834	26,542,737
I Media Corp Limited	5,119,258	712,440	5,119,258	1,584,827
All Season Events Private Limited	-	-	-	95,000
Bhaskar Industries Limited	14,816	122,626	2,030,181	122,626
Bhaskar Multinet Limited	24,968	699,437	699,437	2,455,557
Bhaskar Exxoil Limited	-	-	7,477,988	37,000
Bhaskar Venkatesh Products Private Limited	-	-	-	2,293,000
Divya Prabhat Publication Private Limited	-	1,758,158	1,758,158	2,996,805
Sharda Solvent Limited	9,720	—	8,325,788	104,017
DB Malls Private Limited	662,922	557,155	23,439,331	593,496
Abhivaykti Kala Kendra	-	12,659,532	21,622,608	12,659,532
Writers and Publishers Private Limited	6,922,547	-	6,922,547	-

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

Name of the Company	Closing Balance		Maximum Amount Outstanding during the year	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Synergy Media Entertainment Limited	646,383,131	468,898,013	646,383,131	468,898,013
I Media Corp Limited	200,728,007	144,721,384	200,897,576	144,721,384
All Season Events Private. Limited	-	-	-	1,476,866
D B Partners Enter Private. Limited	-	-	-	435,640
Writers and Publishers Private Limited	582,278,196	692,863,795	732,863,795	918,127,462
Bhaskar Multinet Limited	20,542,720	18,628,809	20,733,950	19,825,196
Bhaskar Exxoil Limited	-	-	10578	82,198
Diligent Media Corp Limited	-	3,193,343	24,909,243	56,918,275
Stitex Global Limited	-	-	-	15,046
Divya Prabhat Publications Pvt.Ltd.	-	7,039,234	8,592,331	8,447,106
Bhaskar Infrastructure Limited	183,678	-	183,678	508,252
Bhaskar Publication & Allied Industries Private Limited	1,527,425	-	13,874,026	37,675,002
Direct(OOH) Media Private Limited	13,236	2,168,481	2,181,717	2,168,481
DB Publications Private Limited	6,618	122,433	130,551	122,433
DB Malls Private Limited	-	141,163	271,445	141,163
Abhivyakti Kala Kendra	237,092	292,756	1,455,514	2,689,776

Note:

In case of advances given to Writers and Publishers Private Limited, the amount is repayable over a period of three years. In all other cases, the amounts are repayable on demand.

13. Earnings per Share

Particulars	March 31, 2010	March 31, 2009
i) Profit for the year	1,990,422,694	684,760,531
ii) Weighted average number of Equity Shares outstanding for Basic EPS	172,206,180	168,789,605
iii) Basic Earnings per share	11.56	4.06
iv) On account of shares to be issued under ESOS	162,389	-
v) Weighted average number of Equity Shares outstanding for Diluted EPS	172,368,569	168,789,605
vi) Diluted Earnings per share (Rs.)	11.55	4.06
vii) Nominal value of shares (Rs.)	10.00	10.00

14. Employee Benefits

Defined Contribution Plan

During the year ended March 31, 2010 and March 31, 2009; the Company contributed the following amounts to defined contribution plans:

Particulars	March 31, 2010	March 31, 2009
Provident Fund	48,550,886	47,822,103
Employees' State Insurance Corporation	7,100,764	6,940,977
Total	55,651,650	54,763,080

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. 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 an 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-Gratuity	March 31, 2010	March 31, 2009
Current service cost	12,796,427	9,429,310
Interest cost on benefit obligation	45,35,207	3,229,112
Expected return on plan assets	(3,605,018)	(2,285,527)
Net actuarial (gain) / loss recognized in the year	(8,953,208)	13,344,916
Past service cost	-	-
Net benefit expense	4,773,407	23,717,812
Actual return on plan assets	8,385,191	858,041

Balance Sheet

Details of Provision and fair value of plan assets

Particulars - Gratuity	March 31, 2010	March 31, 2009
Benefit obligation	67,922,829	60,469,425
Fair value of plan assets	60,785,240	48,066,911
	(7,137,589)	12,402,514
Less: Unrecognised past service cost	-	-
Net Liability	(7,137,589)	(12,402,514)

Details of Experience Adjustments on plan assets and plan liabilities

Particulars - Gratuity	March 31, 2010	March 31, 2009
Experience adjustments on plan liabilities (Gain)/Loss	3,633,997	7,687,325
Experience adjustments on plan Assets Gain/(Loss)	4,780,173	(1,427,487)

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

Particulars - Gratuity	March 31, 2010	March 31, 2009
Opening benefit obligation/net liability	60,469,425	40,363,900
Interest cost	4,535,207	3,229,112
Current service cost	12,796,427	9,429,310
Benefits paid	(5,705,195)	(4,470,327)
Actuarial (gains)/losses on obligation	(4,173,035)	11,917,430
Closing benefit obligation	67,922,829	60,469,425

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

Particulars - Gratuity	March 31, 2010	March 31, 2009
Opening fair value of plan assets	48,066,911	28,569,088
Expected return	3,605,018	2,285,527
Contributions by employer	10,038,333	23,110,110
Benefits paid	(5,705,195)	(4,470,327)
Actuarial gains / (losses) on plan assets	4,780,173	(1,427,487)
Closing fair value of plan assets	60,785,240	48,066,911
Actuarial gains / (losses) recognized in the year	8,953,208	(13,344,916)

The Company expects to contribute Rs.10,000,000 to gratuity fund during the annual period beginning after balance sheet date.

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

Particulars - Gratuity	March 31, 2010	March 31, 2009
	%	%
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 - Gratuity	March 31, 2010	March 31, 2009
Discount rate	8.00%	7.50%
Expected rate of return on assets	8.00%	7.50%
Employee turnover	1% age related+ 6% service related	1% at each age

Amounts for the current and previous two years are as follows:

	Gratuity		
	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	67,922,829	60,469,425	40,363,900
Plan assets	60,785,240	48,066,911	28,569,088
Surplus / (deficit)	(7,137,589)	(12,402,514)	(11,794,812)
Experience adjustments on plan liabilities (Gain) / Loss	3,633,997	7,687,325	4,864,820
Experience adjustments on plan assets Gain / (Loss)	4,780,173	(1,427,487)	308,687

The Company has adopted Accounting Standard 15 (Revised) from April 01, 2007, thereby has not given disclosure for the following for

financial year's ended on March 31, 2007 and March 31, 2006:

- The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan; and
- 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.

15. Employee Stock Option Scheme 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, 2010 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 till the year ended March 31, 2010
Method of Settlement	Equity
Vesting Period	Options vest equally over the period of five years from the date of grant
Exercise Period	Within three years from the date of vesting or listing, whichever is later
Exercise Price	50% discount to the average of first 30 days market price post listing
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, 2010	March 31, 2009
	Number of options	
Outstanding at the beginning of the year	413,427	-
Granted during the year	-	413,427
Forfeited / Cancelled during the year	83,040	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	330,387	413,427
Exercisable at the end of the year	66,077	-
Weighted average fair value of options granted on the date of grant	101.31	53.49

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

Year	Vesting %	Fair Value
January 5, 2010	20%	90.51
January 5, 2011	20%	95.88
January 5, 2012	20%	101.29
January 5, 2013	20%	106.74
January 5, 2014	20%	112.14

Stock Options granted

The weighted average fair value of stock options granted till date is Rs. 101.31. The Black and Scholes Options Pricing model has been used for computing the weighted average fair value considering the following inputs:

	March 31, 2010
Weighted average share price	101.31
Exercise Price	50% discount to the average of first 30 days closing market price post IPO i.e. Rs. 124
Expected Volatility	0%
Historical Volatility	0%
Life of the options granted (Vesting and exercise period) in years	4.5 years
Expected dividends	0%
Average risk-free interest rate	5.24%
Expected dividend rate	0%

The expected volatility was determined based on historical volatility data, historical volatility includes early years of the companies life, the company expects the volatility of its share price to reduce as its matures to allow for the effects of early exercise. To allow for effects of early exercise, it was assumed that the employees will exercise option after the vesting date, when share price was in excess of the exercise price.

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, 2010	March 31, 2009
Profit as reported	1,990,422,694	684,760,531
Add: Employee stock compensation under intrinsic value method	12,965,726	NIL
Less: Employee stock compensation under fair value method	17,283,654	3,618,489
Performa profit	1,986,104,766	681,142,042
Earnings Per Share		
Basic		
- As reported	11.56	4.06
- As adjusted	11.53	4.04
Diluted		
- As reported	11.55	4.06
- As adjusted	11.52	4.04

16. Fixed Deposits

Cash and Bank includes Fixed Deposits having maturity period of more than three months amounting Rs. 1,460,298,603 (Previous year Rs. 62,290,415).

17. 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. 646,383,131 to SMEL and Rs. 200,728,008 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 for the year ended March 31, 2010) aggregating to Rs. 770,449,346 and Rs. 180,918,078 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) Further, subsequent to the balance sheet date, in the meeting held on May 5, 2010, the Board of Directors of the Company has approved the merger of the radio business of SMEL with the Company by way of demerging the same from SMEL. The Company has also filed the scheme of Arrangement with the Stock Exchanges and is in the process of filing the same with the respective High Courts.

According to the provisions of the scheme, with effect from proposed appointed date i.e. April 01, 2010, the assets and liabilities of the radio business of SMEL would be merged in the Company.

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. Up to March 31, 2010, the Company has made provision of Rs. 52,500,000 (Previous year 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.

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

Particulars	March 31,2010	March 31,2009
Opening Balance of Pre - Operative Expenses	78,935,822	-
Expenditure during the year :		
Raw Materials Consumed	-	-
Operating Expenditure	360,082	1,518,257
Employee Cost	5,147,356	3,965,743
Other Indirect Expenditure	8,899,344	6,882,615
Loan Management Fees	5,688,413	6,462,692
Bank Charges	3,033	45,490
Interest and Financial Charges	11,735,613	65,465,621
Total	110,769,663	84,340,418
Less:-Capitalized during the year	99,842,142	5,404,596
Closing Balance of Pre-Operative Expenses (Disclosed as Capital Work-in-Progress)	10,927,521	78,935,822

As per our report of even date.

For S.R. Batliboi & Associates
Firm Reg. No. 101049W
Chartered Accountants

For Gupta Navin K. & Co.
Firm Reg. No. 06263C
Chartered Accountants

For and on behalf of the Board of
Directors of D.B. Corp Limited

per Amit Majmudar
Partner
Membership No. 36656

per Navin K. Gupta
Partner
Membership No. 75030

Managing Director

Director

Company Secretary

Mumbai
May 27, 2010

19. 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.

20. Salaries, Wages and Bonus include sitting fees paid to Directors Rs. 380,000 (Previous year Rs. 305,000).

21. Since the segment information as per notified Accounting Standard 17 - Segment Reporting notified by the Companies (Accounting Standards) Rules, 2006 (as amended) is provided on the basis of consolidated financial statements, the separate segment information based on standalone financial statements are not provided.

22. Previous Year Comparatives

The figures for the previous year presented have been regrouped where necessary to conform to this year classification.

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

Name(s) of the Subsidiary Companies	Synergy Media Entertainment Limited 31st March, 2010	I Media Corp Limited 31st March, 2010
(A) The "Financial Year" of the Subsidiary Companies	31st March, 2010	31st March, 2010
(B) Shares of the subsidiary held by D.B. Corp Limited on the above dates:	22800000 Equity Shares of Rs. 10/- each 56.82%	577500 Equity shares of Rs. 10/- each 55%
(C) The net aggregate of Profits/ Loss of the subsidiary's companies so far as it concerns the members of the D.B. Corp Limited:		
(a) not dealt with in the accounts of D.B. Corp Limited for the Financial year 31st March, 2010	Rs. (10.46) Crores (NOTE A)	Rs.(5.77) Crores (NOTE B)
(i) For the Subsidiaries' financial year as in (A) Above	Rs. (15.53) Crores	Rs.(5.31) Crores
(ii) For the Previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries	NIL	NIL
(b) dealt with in the accounts of D.B. Corp Limited for the year ended 31st March, 2010 amounted to-	NIL	NIL
(i) For the Subsidiaries' financial year ended as in (A) above	NIL	NIL
(ii) For the Previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries	NIL	NIL

For and on behalf of the Board,

(Director)

(Director)

NOTE A:
Synergy Media Entertainment Limited

Net Profit/(Loss) for the year ended on 31/03/2010	Rs. (184,113,644)
D.B. 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 D.B. Corp Limited not dealt with in the accounts of D.B. Corp Limited	Rs. 184,113,644 *56.82% Rs. (104,617,846) Rs. (10.46) Crores

NOTE B:
I Media Corp Limited

Net Profit/(Loss) for the year ended on 31/03/2010	Rs.(57,680,633)
D.B. 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 D.B. Corp Limited not dealt with in the accounts of D.B. Corp Limited	Rs.(57,680,633) Rs.(5.77) Crores

AUDITOR'S REPORT

The Board of Directors

D.B. Corp Limited

1. We have audited the attached Consolidated Balance Sheet of D.B. Corp Limited ('DBCL') Group, as at March 31, 2010, and also the Consolidated Profit and Loss account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the DBCL's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing 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. Gupta Navin K. & Co. did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 1,195,364,514 (Previous year Rs.1,269,258,370) as at March 31, 2010, the total revenue of Rs. 408,587,339 (Previous year Rs.313,552,941) and cash flows amounting

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

per Amit Majmudar
Partner
Membership No. 36656
Mumbai
May 27, 2010

to Rs. 8,869,977(Previous year Rs.13,842,670) 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" notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).
5. Based on our audit and on consideration of reports of other auditor on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the DBCL Group as at March 31, 2010;
 - (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 Gupta Navin K. & Co.
Firm registration number: 06263C
Chartered Accountants

per Navin K. Gupta
Partner
Membership No. 75030

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

(Amounts in Indian Rupees)

	Schedules	As At March 31, 2010	As At March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,815,156,050	1,687,906,050
Stock Options outstanding	2	12,965,726	-
Reserves and Surplus	3	4,658,797,466	888,819,296
		<u>6,486,919,242</u>	<u>2,576,725,346</u>
Loan Funds			
Secured Loans	4	2,966,297,834	5,412,047,995
Unsecured Loans	5	241,008,762	218,945,919
		<u>3,207,306,596</u>	<u>5,630,993,914</u>
Deferred Tax Liabilities (Net)	6	608,762,958	392,819,669
Minority Interest		44,386,825	123,882,622
		<u>10,347,375,621</u>	<u>8,724,421,551</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	7	7,165,494,087	4,694,684,043
Less : Accumulated depreciation / amortisation		1,304,898,967	931,887,966
Net Block		<u>5,860,595,120</u>	<u>3,762,796,077</u>
Capital Work-in-progress including Capital Advances		614,282,768	2,708,271,376
		<u>6,474,877,888</u>	<u>6,471,067,453</u>
Investments	8	205,011,000	237,511,000
Current Assets, Loans and Advances			
Inventories	9	721,615,361	710,818,926
Sundry Debtors	10	1,934,309,475	1,773,783,983
Cash and Bank Balances	11	1,950,524,442	452,023,486
Loans and Advances	12	1,007,911,628	1,051,757,388
		<u>5,614,360,906</u>	<u>3,988,383,783</u>
Less : Current Liabilities and Provisions			
Current Liabilities	13	1,706,012,977	1,816,965,958
Provisions	14	366,557,767	372,445,520
		<u>2,072,570,744</u>	<u>2,189,411,478</u>
Net Current Assets		3,541,790,162	1,798,972,305
Miscellaneous Expenditure	15	125,696,571	216,870,793
(to the extent not written off or adjusted)		<u>10,347,375,621</u>	<u>8,724,421,551</u>
NOTES TO ACCOUNTS	24		

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
Firm registration number: 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656

Mumbai
May 27, 2010

For Gupta Navin K. & Co.
Firm registration number: 06263C
Chartered Accountants

per Navin Gupta
Partner
Membership No. 75030

**For and on behalf of the Board of Directors of
D.B. Corp Limited**

Managing Director
Company Secretary

Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010
(Amounts in Indian Rupees)

	Schedules	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
INCOME			
Sales	16	2,271,908,452	2,158,649,644
Income from Event Management		148,077,147	75,595,409
Advertisement Income		8,085,350,865	7,255,648,621
Other Operating Income	17	124,416,631	119,969,570
		10,629,753,095	9,609,863,244
EXPENDITURE			
Raw Materials Consumed	18	3,278,675,591	4,074,398,722
(Increase) / Decrease in Stock of Finished Goods		(15,938)	584,555
Event Expenses		118,323,495	70,060,798
Operating Expenses	19	1,314,971,356	1,456,003,581
Personnel Expenses	20	1,318,112,012	1,330,966,235
Administration, Selling and Other Expenses	21	1,170,274,697	1,204,699,742
Operating Profit before interest and depreciation		3,429,411,882	1,473,149,611
Other Income (Interest Income)	22	(111,523,413)	(108,513,840)
Financial Expenses	23	356,918,966	510,245,620
Depreciation /amortisation	7	378,349,362	289,714,785
Profit Before Taxation		2,805,666,967	781,703,046
Tax Expense			
Current Tax		840,000,000	345,000,000
Deferred Tax Charge		215,943,289	46,554,374
Wealth Tax		10,000	40,000
Fringe Benefit Tax		-	31,067,223
Provision for tax of earlier years		1,208,404	804,825
		1,057,161,693	423,466,422
Profit for the Year Before Minority Interest		1,748,505,274	358,236,624
Minority Interest in the losses of Subsidiaries		79,495,798	117,981,344
Profit for the Year		1,828,001,072	476,217,968
Balance brought forward from previous year		109,133,208	30,105,657
		1,937,134,280	506,323,625
Add: Profit on disposal of share in subsidiary		-	1,547,283
Profit available for Appropriation		1,937,134,280	507,870,908
Appropriations:			
Interim Dividend		136,135,954	-
Proposed Final Dividend		226,908,256	84,394,803
Tax on Dividend		60,822,930	14,342,897
Transfer to General Reserve		150,000,000	300,000,000
		573,867,140	398,737,700
Balance carried to Balance Sheet		1,363,267,140	109,133,208
Earnings Per Share (Refer Note 16 of schedule 24)			
Basic Earning Per Share		10.62	2.82
Diluted Earning Per Share		10.61	2.82
Nominal Value per Share		10	10

NOTES TO ACCOUNTS

24

The Schedules referred to above and 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
Firm registration number: 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656

Mumbai
May 27, 2010

For Gupta Navin K. & Co.
Firm registration number: 06263C
Chartered Accountants

per Navin Gupta
Partner
Membership No. 75030

**For and on behalf of the Board of Directors of
D.B. Corp Limited**

Managing Director
Company Secretary

Director



DB Corp Ltd

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010
(Amounts in Indian Rupees, except share data)

	As At March 31, 2010	As At March 31, 2009
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%, Non- Convertible Redeemable Preference Share of Rs. 10,000 each	10,000,000	10,000,000
	2,500,000,000	2,500,000,000
Issued, Subscribed and Paid up :		
181,514,605 (Previous Year 168,789,605) Equity Shares of Rs. 10 each fully paid up	1,815,146,050	1,687,896,050
1 (Previous Year 1), 0%, Non - Convertible Redeemable Preference Share of Rs. 10,000 each	10,000	10,000
Notes:		
a) Of the above, 166,652,850 (Previous year 166,652,850) Equity shares of Rs. 10 each, fully paid up have been issued as bonus shares by capitalisation of General Reserve		
b) Of the above shares, 2,136,755 (Previous Year 2,136,755) Equity shares are issued for a consideration other than cash.		
c) 1 Preference share of Rs. 10,000 (Previous Year 1) has been issued for consideration other than cash.		
d) Preference shares are redeemable at par after five years from the date of allotment i.e. July 31, 2007		
e) For Employee Stock Option Scheme (Refer Note 18 of Schedule 24)		
f) For Shares issued pursuant to an Initial Public Offer (Refer Note 4 of Schedule 24)		
	1,815,156,050	1,687,906,050
Schedule 2		
STOCK OPTIONS OUTSTANDING (Refer Note 18 of Schedule 24)		
Employee Stock Options Outstanding	25,109,412	-
Less: Deferred Employee Compensation outstanding	12,143,686	-
Closing Balance	12,965,726	-
Schedule 3		
RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	779,597,888	479,597,888
Add : Transferred from Profit and Loss Account	150,000,000	300,000,000
	929,597,888	779,597,888
Securities Premium Account		
As per last Balance Sheet	88,200	88,200
Add: Received on account of Fresh Issue of Equity shares (Refer note 4 of schedule 24)	2,562,815,000	-
Less: Share Issue expenses (Refer note 4 of Schedule 24)	196,970,762	-
	2,365,932,438	88,200
Profit and Loss Account	1,363,267,140	109,133,208
	4,658,797,466	888,819,296

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010
(Amounts in Indian Rupees, except share data)

	As At March 31, 2010	As At March 31, 2009
Schedule 4		
SECURED LOANS		
Term Loans		
- Rupee Loans from Banks	897,666,852	2,480,084,169
- Rupee Loans from Financial Institution	77,777,758	388,888,874
- Foreign Currency Loan from Financial Institution	1,418,250,923	1,725,632,881
Working Capital Loan		
- Cash Credit Facilities from Banks	121,698,805	341,692,719
- Buyers' Credit from Bank	450,903,496	475,749,352
(For Security Refer Note 8 of Schedule 24)	<u>2,966,297,834</u>	<u>5,412,047,995</u>
Schedule 5		
UNSECURED LOANS		
Security Deposits Received	241,008,762	218,945,919
	<u>241,008,762</u>	<u>218,945,919</u>
Schedule 6		
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Depreciation	739,561,078	474,512,159
Term Loan Processing fees	-	11,247,291
	<u>739,561,078</u>	<u>485,759,450</u>
Deferred Tax Assets		
Provision for Doubtful Debts and Advances	23,585,388	10,283,088
Provision for Gratuity and Leave Encashment	13,609,701	13,407,043
Provision for Diminution in value of Investment	17,844,750	2,549,250
Unabsorbed Depreciation and Carried Forward Losses (Refer Note below)	71,351,231	66,700,400
Provision for Employee Stock Option Scheme	4,407,050	-
	<u>130,798,120</u>	<u>92,939,781</u>
Deferred Tax Liabilities (Net)	<u>608,762,958</u>	<u>392,819,669</u>
Note: In case of subsidiaries, the recognition of deferred tax assets is restricted to the extent of deferred tax liabilities as at March 31, 2010 and March 31, 2009.		

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010
(Amounts in Indian Rupees, except share data)

	As At March 31, 2010	As At March 31, 2009	
Schedule 8			
INVESTMENTS			
Long Term Investments (At cost)			
Unquoted and Non Trade (Refer Note 15 of Schedule 24)			
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 Limited	15,000,000	15,000,000
14,286	(Previous Year 14,286) Equity Shares of Rs. 10 each fully paid up at a premium of Rs. 340 per share of Aayam Herbal Private Limited	5,000,000	5,000,000
375,000	(Previous Year 375,000) Equity Shares of Rs. 10 each full paid up at a premium of Rs. 30 per share of Arvind Coirfoam Private Limited	15,000,000	15,000,000
100,000	(Previous Year 100,000) Equity Shares of Rs. 10 each fully paid up at a premium of Rs. 390 per share of Micro Secure Solution Limited (Refer Note 2 below)	40,000,000	40,000,000
81,085	(Previous Year 81,085) Equity Shares of Rs. 10 each fully paid up at a premium of Rs. 359.95 per share of Naaptol Online Shopping Private Limited (Refer Note 2 below)	30,000,000	30,000,000
230,415	(Previous Year 230,415) Equity Shares of Rs. 10 each fully paid up at a premium of Rs. 207 per share of Neesa Leisure Limited	50,000,000	50,000,000
27,778	(Previous Year 27,778) Equity Shares of Rs. 10 each fully paid up at a premium of Rs. 350 per share of Professionals Coaching Company Private Limited	10,000,000	10,000,000
1	(Previous Year 1) 0%, Fully Convertible Debenture of Rs. 30,000,000 fully paid up of Abbee Consumables and Peripherals Sshope Limited (Refer Note 1 below)	30,000,000	30,000,000
200,000	(Previous Year 200,000) 0%, Fully Convertible Debentures of Rs. 100 each fully paid up of Cubit Computers Private Limited (Refer Note 2 below)	20,000,000	20,000,000
200,000	(Previous Year Nil) 14%, Non Convertible Debentures of Rs. 100 each fully paid up of Everonn Systems India Limited	20,000,000	-
31,250	(Previous Year 31,250) 0%, Fully Convertible Debentures of Rs. 10 each fully paid up at a premium of Rs. 230 per debenture of Jini Data Services Private Limited	-	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		235,011,000	222,511,000
Quoted and Non-Trade (Refer Note 15 of Schedule 24)			
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 Limited (Market Value as at March 31, 2010 is Rs. 2,994,000) (As at March 31, 2009 Rs. 1,713,000)	22,500,000	22,500,000
Aggregate amount of Quoted investments		22,500,000	22,500,000
Aggregate Market value as at March 31, 2010 is Rs. 2,994,000 (on March 31, 2009 Rs. 1,713,000)		257,511,000	245,011,000
Less: Provision for Diminution in Value of Investments		52,500,000	7,500,000
		205,011,000	237,511,000
The following investments were purchased and sold during the year:			
1	0%, Fully Convertible Debenture of Rs. 50,000,000 fully paid up of Indian Business Academy Private Limited	50,000,000	-

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 FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

(Amounts in Indian Rupees)

Schedule 7 FIXED ASSETS

Assets	Gross Block			Accumulated Depreciation/Amortisation/Net Block			Net Block			
	As At April 1, 09	Additions during the year	Deductions during the year	As At March 31, 10	Up To April 1, 09	For the year	On deductions	Up To March 31, 10	As At March 31, 09	As At March 31, 10
Tangible Assets										
Land - Freehold	37,737,900	-	-	37,737,900	-	-	-	-	37,737,900	37,737,900
- Leasehold	8,959,490	2,233,112	-	11,192,602	-	411,916	-	411,916	10,780,686	8,959,490
Buildings	313,780,415	243,955,855	-	557,736,270	13,399,883	15,196,048	-	28,595,931	529,140,339	300,380,532
Leasehold Improvements	47,813,048	5,495,663	-	53,308,711	2,131,180	5,580,267	-	7,711,447	45,597,264	45,681,868
Plant and Machinery (Refer Note 2 Below)	2,786,957,775	2,076,389,280	3,771,850	4,859,575,205	493,850,697	218,284,626	1,843,815	710,291,508	4,149,283,697	2,293,107,078
Office Equipments	139,895,581	14,528,342	1,397,708	153,026,215	27,477,742	7,763,841	134,685	35,106,898	117,919,317	112,417,839
Vehicles	23,796,900	1,576,862	2,431,610	22,942,152	14,979,873	2,063,225	1,319,867	15,723,231	7,218,921	8,817,027
Furniture and Fixtures	218,842,865	11,102,120	2,124,084	227,820,901	46,004,034	14,422,349	228,126	60,198,257	167,622,644	172,838,831
Electric Fitting, Fans and Coolers	169,624,222	68,657,415	382,605	237,899,032	24,120,788	11,830,940	72,661	35,879,067	202,019,965	145,503,434
Computers	318,682,658	22,786,492	5,037,185	336,431,965	185,473,135	35,943,639	1,689,695	219,727,079	116,704,886	133,209,523
D.G.Sets	60,654,230	39,831,950	602,005	99,884,175	5,991,388	4,741,560	49,512	10,683,436	89,200,739	54,662,842
Intangible Assets										
Computer Software	28,683,650	-	-	28,683,650	9,144,142	5,736,729	-	14,880,871	13,802,779	19,539,508
Goodwill	25,609,517	-	-	25,609,517	13,118,629	5,030,979	-	18,149,608	7,459,909	12,490,888
Goodwill on Consolidation (Refer note 5 of Schedule 24)	1,444,792	-	-	1,444,792	1,116,410	123,143	-	1,239,553	205,239	328,382
One Time License Fees	512,201,000	-	-	512,201,000	95,080,065	51,220,100	-	146,300,165	365,900,835	417,120,935
Total	4,694,684,043	2,486,557,091	15,747,047	7,165,494,087	931,887,966	378,349,362	5,338,361	1,304,898,967	5,860,595,120	3,762,796,077
Capital Work-in-progress (including Capital Advances) (Refer Note 1, 3 and 4 Below)	2,708,271,376	446,029,319	2,540,017,927	614,282,768	-	-	-	-	614,282,768	2,708,271,376
Previous year ended March 31, 2009	7,402,955,419	2,932,586,410	2,555,764,974	7,779,776,855	931,887,966	378,349,362	5,338,361	1,304,898,967	6,474,877,888	6,471,067,453
Notes	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	

1) For details of Pre operative expenses and borrowing cost capitalised refer Note 20 of Schedule 24.

2) Plant and Machinery above include Common Transmitters Infrastructure which are Jointly held assets :

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

Net Block - Rs. 101,333,902 (Previous Year - Rs. 114,496,722)

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

3) Additions during the year and Capital Work-in-progress as at March 31, 2010 includes exchange differences Rs.204,770,841 [foreign exchange gain (net)]

[Previous year Rs. 32,356,651 (foreign exchange loss (net))].

4) Additions during the year and Capital Work-in-progress as at March 31, 2010 includes Borrowing Cost capitalised Rs. 16,184,462 (Previous year Rs. 38,445,118).

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010
(Amounts in Indian Rupees, except share data)

	As At March 31, 2010	As At March 31, 2009
Schedule 9		
INVENTORIES (At lower of cost and net realisable value)		
Raw Materials - News Prints (Including Stock in Transit Rs. 50,936,079) (Previous Year Rs. Nil)	619,901,028	631,818,955
Stores and Spares	71,959,244	58,628,101
Magazines	417,070	401,132
Gifts / Promotional Products	29,338,019	19,970,738
	721,615,361	710,818,926
Schedule 10		
SUNDRY DEBTORS (Refer Note 13 (a) of Schedule 24)		
(Unsecured)		
Debts outstanding for a period exceeding six months :		
- Considered Good	201,833,383	186,449,166
- Considered Doubtful	69,389,197	24,135,025
	271,222,580	210,584,191
Others Debts :		
- Considered Good	1,732,476,092	1,587,334,817
	2,003,698,672	1,797,919,008
Less : Provision for Doubtful Debts	69,389,197	24,135,025
	1,934,309,475	1,773,783,983
Schedule 11		
CASH AND BANK BALANCES		
Cash on Hand	12,734,463	10,002,730
Cheques on Hand/Transit	82,156,988	18,843,219
Balances with Scheduled Banks:		
On Current Accounts	368,656,645	323,593,816
On Fixed Deposit Account (Refer Note 4 and 14 of Schedule 24)	1,486,976,346	99,583,721
	1,950,524,442	452,023,486
Schedule 12		
LOANS AND ADVANCES (Refer Note 13 (b) of Schedule 24)		
(Unsecured, Considered good unless otherwise stated)		
Interest accrued	7,421,889	7,030,614
Loans and Advances to Employees	15,975,704	16,031,760
Advances recoverable in cash or kind or for value to be received		
- Considered Good	268,119,186	232,793,532
- Considered Doubtful	-	6,448,216
Inter Corporate Deposits	461,036,398	574,395,258
Deposit with Government Authorities	52,614,442	43,482,160
Security Deposit against Lease of Properties	139,194,114	138,648,862
Deposit with Others	63,139,081	38,951,076
Balance with Excise Authorities	410,814	424,127
	1,007,911,628	1,058,205,605
Less : Provision for Doubtful Loans and Advances	-	6,448,217
	1,007,911,628	1,051,757,388

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010
(Amounts in Indian Rupees, except share data)

	As At March 31, 2010	As At March 31, 2009
Schedule 13		
CURRENT LIABILITIES		
Sundry Creditors (Refer notes 12 and 21 of Schedule 24) (Includes Rs. 96,478,418 for Capital Goods) (Previous Year Rs. 152,559,669)	1,237,942,418	1,291,933,136
Advances from Customers	402,855,684	434,795,690
Book Overdraft	10,753,124	1,986,620
Interest Accrued but not due	2,239,584	41,664,072
Other Liabilities	52,222,167	46,586,440
	1,706,012,977	1,816,965,958
Schedule 14		
PROVISIONS		
Provision For Tax (Net of taxes paid Rs.1,754,723,061) (Previous Year Rs. 727,118,387)	55,299,259	227,881,615
Provision For Fringe Benefit Tax (Net of taxes paid Rs. 81,867,995) (Previous Year Rs.80,851,414)	6,613,317	6,105,039
Provision For Wealth Tax	10,000	40,000
Provision For Gratuity (Refer Note 17 of Schedule 24)	9,322,299	14,451,242
Provision For Leave Encashment (Refer Note 17 of Schedule 24)	30,718,011	25,229,923
Provision For Proposed Dividend	226,908,256	84,394,804
Tax on Proposed Dividend	37,686,625	14,342,897
	366,557,767	372,445,520
Schedule 15		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Share Issue Expenses		
Opening Balance	41,764,142	33,136,361
Additions during the Year	155,206,620	8,627,781
Less: Transferred to Securities Premium Account (Refer Note 4 of Schedule 24)	196,970,762	-
	-	41,764,142
Term Loan Processing Fees		
Opening Balance	175,106,651	181,569,343
Less: Amortized during the Year		
- Charged to Profit and Loss Account	43,721,667	-
- Transferred to Capital Work in Progress	5,688,413	6,462,692
	125,696,571	175,106,651
	125,696,571	216,870,793

**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2010**

(Amounts in Indian Rupees)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Schedule 16		
SALES		
Sale of Newspapers	2,052,110,962	1,942,172,349
Wastage Sale	117,191,477	121,283,805
Sale of Power	15,637,552	20,240,195
Sale of Magazines	65,768,326	67,240,189
Portal and wireless revenue	21,200,135	7,713,106
	2,271,908,452	2,158,649,644
Schedule 17		
OTHER OPERATING INCOME		
Printing Job Charges	72,222,345	91,191,617
Excess Liabilities / provisions written back	24,785,048	17,112,860
Foreign Exchange Gain (Net)	8,838,385	-
Miscellaneous Income	18,570,853	11,665,093
	124,416,631	119,969,570
Schedule 18		
RAW MATERIAL CONSUMED		
News Prints		
Opening Inventories	631,818,955	607,012,215
Add: Purchases during the year	3,266,757,664	4,099,205,462
	3,898,576,619	4,706,217,677
Less: Closing Inventories	619,901,028	631,818,955
	3,278,675,591	4,074,398,722
Schedule 19		
OPERATING EXPENSES		
Consumption of Stores and Spares	514,905,721	572,611,834
Printing Job Work Expenses	172,183,645	214,336,213
News Collection Expenses	210,023,380	256,444,939
Binding Expenses	26,448,405	25,664,273
Electricity and Water Charges	137,350,005	133,148,534
Repairs and Maintenance - Machinery	86,455,123	80,478,244
License Fees	22,202,846	30,524,438
Tower Rent	22,249,195	22,579,093
Royalty	87,595,155	90,704,157
Portal Expenses	7,304,351	7,204,069
Other Operating Expenses	28,253,530	22,307,787
	1,314,971,356	1,456,003,581
Schedule 20		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	1,206,784,624	1,216,614,562
Contribution to Provident Fund and Other Funds	63,096,396	62,911,215
Workmen and Staff Welfare Expenses	48,230,992	51,440,458
	1,318,112,012	1,330,966,235

**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2010**

(Amounts in Indian Rupees)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
Schedule 21		
ADMINISTRATION, SELLING AND OTHER EXPENSES		
Electricity	43,375,326	39,743,435
Rent	78,384,701	84,646,637
Rates and Taxes	2,944,211	2,049,271
Insurance	6,638,974	10,402,447
Repairs and Maintenance		
- Buildings	8,967,412	4,941,776
- Others	21,707,960	15,831,860
Legal and Professional Charges	70,912,003	73,224,510
Advertisement and Publicity	129,779,890	206,705,011
Distribution Expenses	228,113,715	261,912,876
Business Promotion	122,831,310	146,926,226
Survey Expenses	120,113,924	69,773,193
Postage and Telegram	7,186,228	7,246,142
Telephone	31,332,776	34,685,302
Printing and Stationery	19,202,926	20,690,106
Traveling	62,630,384	82,547,439
Conveyance	5,869,889	4,489,288
Vehicle Running and Maintenance	8,785,413	11,303,287
Auditor's Remuneration	8,293,100	8,221,000
Foreign Exchange Loss (Net)	-	35,418,970
Loss on Sale of fixed assets (Net)	3,460,203	718,334
Bad Debts written off	21,835,752	350,254
Fixed assets written Off	728,332	-
Provision for diminution in value of Investments	45,000,000	7,500,000
Provision for doubtful debts	45,584,144	1,974,079
Provision for doubtful advances	-	262,775
Royalty	3,740,000	3,750,000
Sundry Office Expenses	72,856,124	69,385,524
	1,170,274,697	1,204,699,742
Schedule 22		
OTHER INCOME		
Interest Income from		
-Bank Deposits [Tax deducted at source Rs. 3,452,542 (Previous Year Rs. 4,998,710)]	32,595,249	21,971,535
-Others [Tax deducted at source Rs. 826,405 (Previous Year Rs. 558,467)]	5,728,581	48,669
-Intercompany Deposits [Tax deducted at source Rs. 11,029,073 (Previous Year Rs. 18,700,326)]	73,199,583	86,493,636
	111,523,413	108,513,840
Schedule 23		
FINANCIAL EXPENSES		
Interest Expenses		
-On Term Loans	257,150,248	224,047,131
-On Banks	17,279,862	70,150,088
-On Others	68,065,461	110,518,709
Exchange (Gain) / Loss on Buyers' Credit from Banks (Net)	(39,711,687)	71,830,253
Bank Charges	54,135,082	33,699,439
	356,918,966	510,245,620



CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2010

(Amounts in Indian Rupees)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	2,805,666,967	781,703,046
Adjustment for :		
Loss on sale of fixed assets (net)	3,460,203	718,334
Interest expense (net)	245,395,553	296,202,088
Depreciation / amortization	378,349,362	289,714,785
Miscellaneous Expenditure Written off	43,721,667	-
Provision for Doubtful Loans and Advances	-	262,775
Provision for Diminution in Value of Investments	45,000,000	7,500,000
Bad Debts Written Off	21,835,752	350,254
Provision Written Back	(6,448,217)	(4,569,465)
Provision for Doubtful Debts	45,584,144	1,974,079
Unrealised Exchange Rate Fluctuation	(11,191,950)	9,960,103
Operating profit before working capital changes	3,571,373,481	1,383,815,999
Increase / Decrease in Working Capital		
(Increase) in Inventories	(10,796,437)	(39,501,048)
(Increase) in Sundry Debtors	(227,945,383)	(21,193,511)
Decrease/ (Increase) in Loans and Advances	50,685,248	(68,724,978)
Increase in Current Liabilities	13,530,815	240,848,844
Increase in Provisions	359,145	10,816,542
Cash generated from operations	3,397,206,869	1,506,061,848
Direct Taxes paid (Including Fringe Benefit Tax)	(1,013,322,482)	(356,791,265)
NET CASH FROM OPERATING ACTIVITIES (A)	2,383,884,387	1,149,270,583
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(603,440,989)	(2,965,974,414)
Proceeds from Sale of Fixed Assets	6,948,483	11,862,687
Purchase of Investments	(70,000,000)	(177,500,000)
Sale of Investments	57,500,000	-
Interest received	111,132,138	109,413,539
Cash used in disposal of investment in subsidiaries (Net)	-	(190,495)
Fixed Deposit with maturity period more than three months (Placed) / Received	(1,397,041,429)	345,126,965
NET CASH (USED IN) INVESTING ACTIVITIES (B)	(1,894,901,797)	(2,677,261,718)
C CASH FLOW FROM FINANCING ACTIVITIES		
Loan Taken - Secured	286,963,420	2,931,539,998
Repayment of Loan - Secured	(2,577,054,293)	(747,537,663)
Loan Taken - Unsecured	22,062,844	10,814,512
Dividend Paid	(220,530,758)	(84,394,803)
Dividend Distribution tax	(37,479,202)	(14,342,897)
Interest Paid	(396,343,454)	(395,427,100)
Shares Issue Expenses	(155,206,620)	(8,627,781)
Term Loan Processing Fees	-	(175,106,651)
Proceeds from issuance of shares	2,690,065,000	-
NET CASH (USED IN) / FROM FINANCING ACTIVITIES (C)	(387,523,063)	1,516,917,615
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	101,459,527	(11,073,520)
Cash and Cash Equivalents at the beginning of the Year	363,130,478	374,203,998
Cash and Cash Equivalents at the end of the Year	464,590,005	363,130,478
Net Increase/ (Decrease) in Cash and Cash Equivalents	101,459,527	(11,073,520)
For Details of Components of Cash and Cash Equivalents - Refer Schedule - 11		
Closing Balance	1,950,524,442	452,023,486
Less: Fixed Deposit with maturity period of more than three months (Refer Note 14 of Schedule 24)	1,485,934,437	88,893,008
Net Cash and Cash Equivalents at the end of the year (As per notified AS- 3)	464,590,005	363,130,478

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

For Gupta Navin K. & Co.
Firm registration number: 06263C
Chartered Accountants

For and on behalf of the Board of Directors of

D.B. Corp Limited

Managing Director

Director

Company Secretary

per Amit Majmudar
Partner
Membership No. 36656

per Navin Gupta
Partner
Membership No. 75030

Mumbai
May 27, 2010

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT 31ST MARCH, 2010

SCHEDULE 24

CONSOLIDATED NOTES TO ACCOUNTS:

1. Nature of Operations

D.B. Corp Limited and its subsidiaries Synergy Media Entertainment Limited ("SMEL") and I Media Corp Limited ("IMCL") (together referred as "the Group") are mainly in the business of publishing of newspapers, Radio broadcasting and Internet. The major brands are 'Dainik Bhaskar', 'Business Bhaskar' and 'DB star', Hindi dailies, 'Divya Bhaskar' and 'Saurashtra Samachar', Gujarati dailies, 'DNA English', an English daily and monthly magazines such as 'Aha Zindagi' and 'Bal Bhaskar', etc. SMEL is involved in the business of Radio broadcasting with the brand "My FM" which is presently in operations in 17 states. IMCL is involved in the internet business. The Group derives revenue mainly from the sale of publications and advertisements published in those publications and aired on radio. The Group is also in the business of event management and wind energy.

2. Basis of Consolidation

The consolidated financial statements (CFS) are related to D.B. Corp Limited ("the Company") and its subsidiary companies namely Synergy Media Entertainment Limited ("SMEL") and I Media Corp Limited ("IMCL").

a) Basis of Accounting:

The CFS has been prepared in accordance with Accounting Standard 21 (AS 21) – "Consolidated Financial Statements" notified by Companies (Accounting Standard) Rules, 2006 (as amended).

The subsidiaries considered in the preparation of the CFS and the shareholding of D.B. Corp Limited in these companies is as follows:

Sr. No.	Name of Subsidiary Companies:	Country of Incorporation	Percentage of Ownership interest as at March 31, 2010
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 CFS has been prepared using uniform accounting policies and on the following basis:

- 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.

- 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.
- 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.

- The CFS 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 notified AS 21 by each of the included entities.

3. Significant Accounting Policies

a) Basis of Preparation

The CFS has been prepared to comply in all material respects with the provisions of Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The CFS has been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

b) Use of Estimates

The preparation of CFS 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 CFS and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets

Fixed assets are stated at cost, less the accumulated depreciation/amortization 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.

SCHEDULE-24 CONSOLIDATED NOTES TO ACCOUNTS (continued)

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 year, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable fixed asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset.

d) Depreciation

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

Leasehold Improvements are amortized on a straight line basis 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 its acquisition.

e) Intangibles

Goodwill

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

Goodwill on consolidation is amortized on a straight line basis over a period of five years.

One time Entry Fees

One time Entry fees represent amount paid for acquiring licenses for new radio stations and is amortized on a straight line basis over a period of ten years i.e. period of Grant of Permission Agreement entered into with Ministry of Information and Broadcasting for each station, 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 on a straight-line basis over a period of five years.

f) Expenditure on new projects

Capital Work-in-Progress:

Expenditure directly relating to construction activity is capitalized.

Pre-operative Expenditure:

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

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

g) Impairment of Assets

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

h) Investments

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

i) Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, 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- News Print and 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 and Gifts / Promotional Products	Lower of cost and 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 Group and the revenue can be reliably measured. Specifically, the following bases are adopted:

Advertisements

Revenue is recognized as and when advertisement is



SCHEDULE-24 CONSOLIDATED NOTES TO ACCOUNTS (continued)

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 with the customer.

Revenue from Sales Portal and SMS

Revenue is recognised as and when the related services are rendered as per the terms of agreement and are disclosed net of discounts.

Sale of power

Revenue from sale of power generated in the Wind Energy Unit of the Company is accounted on the basis supply made to Madhya Pradesh Paschim Kshetra V.V. Co. Limited, as per the agreement.

Interest

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

i) Foreign currency transactions

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 year, or reported in previous financial statements, in so far as they related to the acquisition of a depreciable fixed assets, are added to or deducted from the cost of the assets and depreciated over the balance life of the assets, and in other cases, are accumulated in a " Foreign Currency Monetary Item Translation Difference Account"

Exchange differences arising on the settlement of monetary item not covered above, or on reporting such monetary items 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 an 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 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 funds

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

The Company makes contributions to a trust administered and managed by the insurance company to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company, although the insurance company administer the scheme.

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

SCHEDULE-24 CONSOLIDATED NOTES TO ACCOUNTS (continued)

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.

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 and 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) (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 year 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

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. There are no geographical reportable segments since the Group caters to the Indian market only and does not distinguish any reportable regions within India.

Inter segment Transfers

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

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

t) Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Securities and Exchange Board of India (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.

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.

4. Initial Public Offer

During the current year, the Company completed an Initial Public Offer (IPO) of its 18,175,000 Equity Shares of Rs.10/- each for cash at a price of Rs.210 each for Retail Investor's and Rs. 212 each for other than retail investors. Out of total shares listed, 12,725,000 fresh equity shares were issued by the Company and an offer for sale of 5,450,000 equity shares of the Company was made by Cliffrose Investments Limited.

The premium of Rs. 200 per share for Retail Investor's and Rs. 202 each for other than retail investors, amounting to total Rs.2,562,815,000 is credited to Securities Premium Account. The Share Issue expenses incurred by the Company amounting to Rs 196,970,762 have been debited against Securities Premium Account.

Pursuant to the Public Issue, shares of the Company were listed on Bombay Stock Exchange and National Stock Exchange with effect from January 06, 2010.

The total IPO proceeds received by the Company are Rs 2,690,065,000. Following are the details of utilization of IPO proceeds till March 31, 2010.



SCHEDULE-24 CONSOLIDATED NOTES TO ACCOUNTS (continued)

Particulars	Amount to be utilized as per Prospectus	Actual Utilization till March 31, 2010	Balance to be utilized as on March 31, 2010
Setting up new publishing units	600,000,000	26,174,950	573,825,050
Upgrading existing plant and machinery (Refer note 1)	305,000,000	11,850,000	293,150,000
Sales and marketing	501,000,000	-	501,000,000
Reducing working capital loans (Refer note 2)	41,460,000	41,460,000	-
Prepaying existing term loans	1,100,000,000	1,100,000,000	-
Issue Expenses paid paid out of IPO Proceeds	142,605,000	96,576,072	46,028,928
Total	2,690,065,000	1,276,061,022	1,414,003,978

Note:

- 1) This represent payment made towards purchase of Land for expanding / upgrading the existing plant and machinery at one of units of the Company.
- 2) During the year, the Company has repaid the working capital loans in respect of following banks:

Cash Credit facilities:	Amounts
State Bank of Indore	16,460,000
State Bank of Maharashtra	20,000,000
State Bank of Hyderabad	5,000,000
Total	41,460,000

Pending utilization, as at March 31, 2010, the funds are temporarily held in:

Particulars	Amounts
Fixed Deposit	1,330,000,000
Escrow Account	4,483,528
Balance in Current Account	79,520,450
Total	1,414,003,978

5. Goodwill on Consolidation

The excess of the cost to the Company of its investment in SMEL over the Company's portion of equity of SMEL, 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. Scheme of Arrangement

- a) As per the Scheme of Arrangement relating to take over of the Internet Division of Indaiinfo.com Limited, 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 Indaiinfo.com Limited 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 was to be allotted subsequent to obtaining the Foreign Investment Promotion Board (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 securities 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 Indaiinfo.com Limited against its taxable income. Accordingly, the Company has considered and adjusted the unabsorbed tax losses and unabsorbed depreciation of erstwhile Internet Division of Indaiinfo.com Limited. 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.

7. (a) Related Parties Disclosure

Related party disclosures, as required by Accounting

SCHEDULE-24 CONSOLIDATED NOTES TO ACCOUNTS (continued)

Standard 18 - "Related Party Disclosures" notified by the Companies (Accounting Standards) Rules, 2006, (as amended) are given below:

Particulars	Related Party	Particulars	Related Party
Key Management Personnel	<ul style="list-style-type: none"> - Shri Sudhir Agarwal, Managing Director - Shri Girish Agarwal, Director - Shri Pawan Agarwal 		<ul style="list-style-type: none"> - Bhaskar Infrastructure Limited - Bhaskar Industries Limited - Bhaskar Multinet Limited - Bhaskar Exxoil Private Limited
Relatives of key management personnel	<ul style="list-style-type: none"> - Shri Ramesh Chandra Agarwal - Smt. Kasturi Devi Agarwal - Smt. Jyoti Sudhir Agarwal - Smt. Namita Girish Agarwal - Smt. Nikita Pawan Agarwal 		<ul style="list-style-type: none"> - Diligent Media Corporation Limited - Direct (OOH) Media Private Limited - Stitex Global Limited - Divya Prabhat Publications Private Limited
Enterprises owned or significantly influenced by	<ul style="list-style-type: none"> - All Season Events (P) Limited (From August 1,2008) 		<ul style="list-style-type: none"> - Bhaskar Venkatesh Enterprises Private Limited
Key management personnel or their relatives	<ul style="list-style-type: none"> - D B Partners Enterprises Private Limited (From August 1, 2008) - Writers and Publishers Private Limited - MP Printers - Bhaskar Prototype 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 Private Limited - New Era Publications Private Limited 		<ul style="list-style-type: none"> - Sharda Solvent Limited - D B Malls Private Limited - 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 Private Limited - DB Publication Private Limited - Abhivyakti Kala Kendra - Bhaskar Food Private Limited

**SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT AND
FOR THE YEAR ENDED ON MARCH 31, 2010**

(Amounts in Indian Rupees)

7. (b) Details of transactions with related parties:	Transactions		Amount receivable (payable)	
	Year ended		As at	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Advertisement Income				
Writers and Publishers Private Limited	41,861,638	15,226,245	6,922,547	-
Abhiviyakti Kala Kendra	9,194,275	12,135,440	-	12,659,532
Bhaskar Industries Limited	2,313,160	200,838	14,816	122,626
Bhaskar Multinet Limited	510,322	3,006,817	24,968	699,437
Sharda Solvent Limited	8,344,170	-	9,720	-
Bhaskar Exxoil Private Limited	7,477,988	36,640	-	-
Bhaskar Food Private Limited	7,426,028	-	-	-
D B Malls Private Limited	25,639,495	557,155	662,922	557,155
Bhaskar Vektesh Products Private Limited	-	4,071	-	-
Sharda Solvent Limited	-	121,167	-	-
Sale of Magazine				
Bhaskar Publication and Allied Industries Private Limited	405,213	767,125	171,744	168,179
Sale of Newspaper				
Bhaskar Publication and Allied Industries Private Limited	8,366,520	15,855,775	-	10,552,399
Sale of Portal and SMS				
Diligent Media Corporation Limited	2,360,479	4,099,476	1,178,358	3,068,413
Portal Expenses				
Diligent Media Corporation Limited	980,000	-	-	-
Printing Job Charges				
Bhaskar Publication and Allied Industries Private Limited	4,262,153	323,726	-	103,929
Divya Prabhat Publications Private Limited	-	6,538,107	-	7,529,800
Salaries, Wages and Bonus				
Shri Sudhir Agrawal, Managing Director	3,600,000	3,600,000	(7,441,123)	(4,857,143)
Rent Paid				
Writers and Publishers Private Limited	19,203,211	23,356,163	-	-
Bhaskar Industries Limited	159,997	460,000	(89,109)	(89,107)
Bhaskar Publication and Allied Industries Private Limited	100,000	100,000	-	(77,339)
Bhaskar Infrastructure Limited	4,055,761	4,004,154	-	(939,057)
R.C. Printer, Raipur	1,816,320	1,862,323	-	(1,286,531)
Shri Girish Agrawal, Director	100,000	100,000	(176,907)	(84,563)
India Interactive Technologies Limited	-	1,608,438	-	(1,366,418)
News Collection Expenses				
Bhaskar Samachar Seva	69,716,165	88,920,535	(10,429,064)	(10,777,403)
Bhaskar Printing Press, Bhopal	5,447,686	6,519,776	(1,379,535)	(1,682,949)
Diligent Media Corporation Limited	1,572,792	2,721,510	(1,867,580)	(3,622,875)
Printing Job Work Expense				
Bhaskar Printing Press, Chandigarh, Panipat, Hissar	5,582,819	6,948,532	(518,016)	(475,295)
Bhaskar Printing Press, Ahmedabad, Surat, Baroda	13,671,085	17,418,078	(3,123,127)	(3,295,800)
M P Printer	52,499,220	46,495,651	(12,741,845)	(4,220,514)
Diligent Media Corporation Limited	7,659,526	11,134,532	(1,342,631)	(3,571,701)
Ajmer Printing House	3,587,054	4,686,991	(897,505)	(952,229)
Bhaskar Phototype Setter, Bhopal	2,870,337	4,608,997	(1,885,432)	(2,251,816)
Bhaskar Process House	1,136,523	2,661,849	(38,347)	(112,490)
Bikaner Printing Press	831,051	860,583	(219,935)	(249,175)
Jaipur Phototype Setter	9,933,882	12,034,658	(1,413,693)	(1,390,733)
Jaipur Printing Press	7,161,154	11,359,911	(1,183,391)	(1,530,600)
New Jodhpur Printer	3,440,815	5,608,736	(982,478)	(1,332,182)
New Kota Printers	2,822,506	3,034,307	(220,931)	(196,371)
R.C. Phototype Setter, Raipur	3,827,428	4,781,876	(5,095,753)	(5,044,037)
R.C. Printer, Raipur	4,616,373	5,216,697	(293,023)	(244,290)
Udaipur Printing Press	5,007,338	5,817,189	(1,002,834)	(994,209)

**SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT AND
FOR THE YEAR ENDED ON MARCH 31, 2010**

(Amounts in Indian Rupees)

7. (b) Details of transactions with related parties:	Transactions		Amount receivable (payable)	
	Year ended		As at	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Royalty				
Diligent Media Corporation Limited	2,550,000	2,400,000	(144,310)	-
Advertisement and Publicity Expenses				
Bhaskar Multinet Limited	641,952	-	(462,295)	-
Interest Income from Deposits				
Writers and Publishers Private Limited	57,383,219	72,625,799	860,611	10,808,338
Bhaskar Multinet Limited	18,116,322	12,644,277	4,545,294	2,569,392
Loan / Advances Given / (Repaid)				
Bhaskar Multinet Limited	13,255,534	8,430,831	155,082,667	141,827,133
Writers and Publishers Private Limited	(116,666,668)	(116,666,668)	320,833,330	437,499,998
Advance received / (repaid) for publication of advertisement				
Writers and Publishers Private Limited	78,968,141 (204,272,633)	247,500,000 (1,043,461)	(83,477,055) -	(236,583,388) -
Advances given during the year for investment in equity shares				
Writers and Publishers Private Limited	40,000,000	40,000,000	80,000,000	40,000,000
Factoring of Recievables / advances				
Writers and Publishers Private Limited	6,185,441	62,196,280	-	-
Security Deposit given against lease of properties				
Writers and Publishers Private Limited	-	132,950,000	132,950,000	132,950,000
Sale of Investments				
Writers and Publishers Private Limited	-	75,000,000	60,000,000	60,000,000
Shri Sudhir Agrawal, Managing Director	-	77,500	77,500	77,500
Shri Girish Agrawal, Director	-	50,000	50,000	50,000
Jyoti Agrawal W/o Sudhir Agrawal	-	27,500	-	27,500
Purchase of Investments				
Writers and Publishers Private Limited	-	15,000,000	-	-
News print loan given / (taken)				
M P Printer	6,806,277	-	6,766,924	-
Diligent Media Corporation Limited	19,558,103	20,064,165	5,911	10,920,594
Divya Prabhat Publications Private Limited	1,348,102	-	2,615,694	1,267,592
Bhaskar Publication and Allied Industries Private Limited	15,380,846	(354,392)	27,833,360	12,688,542
Balance outstanding at the year end				
M P Printer	-	-	(5,442)	-
Diligent Media Corporation Limited	-	-	(5,274,331)	(532,675)
D B Malls Private Limited	-	-	-	141,163
India Interactive Technology Private Limited	-	-	(4,059,891)	(4,760,427)
Bhaskar Multinet Limited	-	-	(138,622,946)	319,206
R.C. Printer, Raipur	-	-	456,787	-
Divya Prabhat Publications Private Limited	-	-	(3,944,739)	-
Writers and Publishers Private Limited	-	-	(12,365,745)	11,605,459
Bhaskar Publication and Allied Industries Private Limited	-	-	(26,305,936)	(13,524,601)
Direct (OOH) Media Private Limited	-	-	13,236	2,168,481
Bhaskar Infrastructure Limited	-	-	183,678	-
D B Publication Private Limited	-	-	6,618	122,433
Abhivyakti Kala Kendra	-	-	237,092	292,756
Shri Pawan Agrawal, Director	-	-	784,774	595,307

Note: for details of guarantees by related parties, refer Note 8 of Schedule 24.

SCHEDULE-24 CONSOLIDATED NOTES TO ACCOUNTS (continued)

8. Term Loans, Cash Credit facilities, Foreign Currency loan and Buyers Credit facilities consist of:

Particulars	March 31, 2010	March 31, 2009
Rupee Term Loans		
IDBI Bank	660,000,000	587,871,410
Standard Chartered Bank	-	468,750,000
State Bank of Hyderabad	-	114,038,158
State Bank of Indore	-	205,174,335
Yes Bank	-	437,499,999
Rabo India Finance Private Limited	77,777,758	388,888,874
HDFC Bank	-	225,779
ICICI Bank	-	350,000,000
The J&K Bank Limited	141,515,360	191,515,360
Corporation Bank	96,151,492	125,009,128
Cash Credit Facilities		
State Bank of Hyderabad	11,329,189	90,294,921
State Bank of Indore	48,348,046	92,913,280
Bank of Maharashtra	62,021,570	158,484,518
Foreign Currency Loan		
AGCO Finance GmbH	USD 31,572,817 equivalent to Rs.1,418,250,923	USD 34,022,730 equivalent to Rs.1,725,632,881
Buyers Credit Facilities		
Standard Chartered Bank	USD 2,495,452 equivalent to Rs.112,095,712	USD 1,894,660 equivalent to Rs. 96,097,159
HSBC Bank	USD 7,542,471 equivalent to Rs. 338,807,784	USD 7,485,256 equivalent to Rs. 379,652,193

- a) The Term Loans are secured by:
- First Charge on Plant and Machinery situated at all locations (other than Gujarat) of the Company;
 - Second Charge on all current assets;
 - The J&K Bank Limited and Corporation Bank – Hypothecation of all present and future fixed and current assets of SMEL
 - Second Charge on all current assets of SMEL
 - Personal Guarantee of directors aggregating to Rs 196,151,492 [Shri Ramesh Chandra Agarwal, Shri Sudhir Agarwal, Shri Girish Agarwal, Shri Pawan Agarwal]
 - Corporate Guarantees of Writers and Publishers Private Limited aggregating to Rs 660,000,000.
 - 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).

- IDBI Bank: First pari passu Charge with other lenders on up gradation Project Assets.

Second Charge on Immovable housing property of Writers and Publishers Private Limited at various units.

- b) Cash Credit Facilities are secured by:
- First charge on the entire current assets and;
 - Second charge on the other movable properties (other than current assets) of the Company.
 - Personal Guarantee of Directors aggregating to Rs 158,373,837 [Shri Ramesh Chandra Agarwal, Shri Sudhir Agarwal , Shri Girish Agarwal , Shri Pawan Agarwal]
 - Corporate Guarantees of Writers and Publishers Private Limited.
- c) Foreign Currency Loan is secured by:
- AGCO Finance GmbH: First pari passu Charge with other lenders on up gradation Project Assets.
- d) Buyers Credit Facilities are secured by:
- Standard chartered bank: First Charge on the current assets of the Company
 - 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 and Publishers Private Limited.

9. Leases

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

Operating Lease (for assets taken on Lease)

- The Group has taken various residential, office and godown premises under operating lease agreements. These are generally renewable by mutual consent;
- Lease payments for the year are Rs.100,633,896 (Previous year Rs.107,225,730).
- The future minimum lease payments under non-cancellable operating leases;
 - not later than one year is Rs. 90,837,132 (Previous year Rs. 105,499,244)
 - later than one year but not later than five years is Rs. 379,293,807 (Previous year Rs. 421,641,433).
 - later than five years Rs. 80,513,042 (Previous year Rs. 120,506,483).
- There are no restrictions imposed in these lease agreements. There are escalation clauses in agreement with some parties. There are no sub leases.

10. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 138,612,551 (Previous year Rs. 360,759,654).

11. Contingent Liabilities not provided for:

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

SCHEDULE-24 CONSOLIDATED NOTES TO ACCOUNTS (continued)

a) The Indian Performing Rights Society Limited (IPRS) has filed a suit against the SMEL on May 27, 2006 before the High Court of Delhi contesting against the refusal by SMEL to obtain a license from the IPRS 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 in favour of the IPRS. The matter is pending before the H'ble court. Pending the result of the suit, as a matter of abundant precaution SMEL has provided on best judgment basis Rs. 12,354,321 for the year ended March 31, 2010 and Rs. 13,813,305 for the year ended March 31, 2009 towards the royalty payable to IPRS. The management believes that the provision made in the books is sufficient to take care of the final liability for royalty, if any which would be confirmed only after the result of the suit.

b) A legal Suit has been filed by SMEL on July 28, 2008 against Phonographic Performance Limited (PPL) before the Copy Right Board against the exorbitant rates proposed by PPL for grant of compulsory licenses. SMEL is requesting for grant of compulsory license at reasonable rates based on either grading system of cities on A+ to D category grades or revenue sharing basis.

At present the matter is pending before the Copy Right Board. Pending the result of the suit, as a matter of abundant precaution, SMEL has provided on best judgment basis Rs. 19,920,360 for the year ended March 31, 2010 and Rs. 19,061,427 for the year ended March 31, 2009 towards the royalty payable to PPL. The management believes that the provision made in the books is sufficient to take care of the final liability for royalty, if any which would be confirmed only after the result of the suit.

d) There are several defamation and other legal cases pending against the Company and its directors. These include criminal and civil cases. There are certain employee related cases also pending against the Company. 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. 12,187,682 (Previous year Rs. 42,666,433). The estimated contingency in respect of some 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.

12. Derivative Instruments

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

Particulars	Amount in respective currency		
	Currency	March 31, 2010	March 31, 2009
Forward Contract to Hedge Payments to Suppliers	USD	-	500,000

b) Particulars of unhedged foreign currency exposure as at the balance sheet date:

Particulars	Amount in respective currency		
	Currency 2010	March 31, 2009	March 31, 2009
Sundry Creditors	USD	3,039,710	4,465,438
Sundry Creditors	EURO	45,700	46,158
Standard Chartered Bank Buyers Credit	USD	2,495,452	1,894,660
HSBC Bank Buyers Credit	USD	7,542,471	7,485,256
AGCO Finance GmbH	USD	31,572,817	34,022,730
Sundry Debtors	USD	1,847	3,593

13. Receivables from Companies under the same management as required under clause 32 of the listing agreement.

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

Name of the Company	Closing balance		Maximum amount outstanding during the year	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Bhaskar Industries Limited	14,816	122,626	2,030,181	122,626
Bhaskar Multinet Limited	338,189	1,016,437	1,016,709	2,772,829
Bhaskar Exxoil Private Limited	-	-	7,477,988	37,000
Bhaskar Venktesh Products Private Limited	-	-	-	2,293,000
Divya Prabhat Publication Private Limited	-	1,758,158	1,758,158	2,996,805
Sharda Solvent Limited	9,720	-	8,325,788	104,017
DB Malls Private Limited	662,922	557,155	23,439,331	593,496
Abhivyakti Kala Kendra	-	12,659,532	21,622,608	12,659,532
Diligent Media Corp Limited	2,292,528	2,804,541	2,804,541	2,804,541
Writers and Publishers Private Limited	6,922,547	-	6,922,547	-



SCHEDULE-24 CONSOLIDATED NOTES TO ACCOUNTS (continued)

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

Name of the Company	Closing Balance		Maximum Amount Outstanding during the year	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Writers and Publishers Private Limited	582,278,196	692,863,795	732,863,795	918,127,462
Bhaskar Multinet Limited	159,885,177	144,715,731	160,076,407	145,912,118
Bhaskar Exxoil Limited	-	-	10,578	82,198
Diligent Media Corporation Limited	-	3,193,343	24,909,243	56,918,275
Stitex Global Limited	-	-	-	15,046
Divya Prabhat Publications Private Limited	-	7,039,234	8,592,331	8,447,106
Bhaskar Infrastructure Limited	183,678	-	183,678	508,252
Bhaskar Publication & Allied Industries Private Limited	1,527,425	-	13,874,026	37,675,002
Direct(OOH) Media Private Limited	13,236	2,168,481	2,181,717	2,168,481
DB Publications Private Limited	6,618	122,433	130,551	122,433
DB Mall Private Limited	-	141,163	271,445	141,163
Abhiviyakti Kala Kendra	237,092	292,756	1,455,514	2,689,776

Note:

In case of advances given to Writers and Publishers Private Limited, the amount is repayable over a period of three years. In all other cases, the amounts are repayable on demand.

14. Fixed Deposits

Cash and Bank includes Fixed Deposits having maturity period of more than three months amounting Rs. 1,485,934,437 (Previous year Rs. 88,893,008).

15. Investment in Private Treaties

The Group 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 Group's print and non print media periodically, for a specified term. Up to March 31, 2010, the Group has made provision of Rs. 52,500,000 (Previous year 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.

16. Earning Per Share

Particulars	March 31, 2010	March 31, 2009
i) Profit after taxation	1,828,001,072	476,217,968
ii) Weighted average number of equity shares outstanding for Basic EPS	172,206,180	168,789,605
iii) Basic Earnings per share	10.62	2.82
iv) On account of shares to be issued under ESOS	162,389	-
v) Weighted average number of equity shares outstanding for Diluted EPS	172,368,569	168,789,605
vi) Diluted Earnings per share	10.61	2.82
vii) Nominal value of share	10	10

17. Employee Benefits

Defined Contribution Plan

During the year ended March 31, 2010 and March 31, 2009; the Group contributed the following amounts to defined contribution plans:

Particulars	March 31, 2010	March 31, 2009
Provident Fund	55,665,650	55,409,325
Employees' State Insurance Corporation	7,430,746	7,501,890
Total	63,096,396	62,911,215

A- Gratuity

The Group 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 of the Company is funded with an insurance company in the form of a qualifying insurance policy.

B- Leave Encashment

In accordance with leave policy, the Group has provided for leave entitlement on the basis of an 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 – Gratuity	March 31, 2010	March 31, 2009
Current service cost	14,473,679	10,895,820
Interest cost on benefit obligation	4,693,980	3,312,429
Expected return on plan assets	(3,605,018)	(2,285,527)
Net actuarial (gain) / loss recognized in the year	(10,653,255)	12,802,352
Past service cost	-	-
Net benefit expense	4,909,386	24,725,075
Actual return on plan assets	8,385,191	858,041

SCHEDULE-24 CONSOLIDATED NOTES TO ACCOUNTS (continued)

Balance Sheet

Details of Provision and fair value of plan assets

Particulars – Gratuity	March 31, 2010	March 31, 2009
Benefit obligation	70,107,539	62,518,153
Fair value of plan assets	60,785,240	48,066,911
	(9,322,299)	(14,451,242)
Less: Unrecognized past service cost	-	-
Net (Liability) / asset	(9,322,299)	(14,451,242)

Details of Experience Adjustments on plan assets and plan liabilities

Particulars - Gratuity	March 31, 2010	March 31, 2009
Experience adjustments on plan liabilities (Gain) / Loss	1,589,625	5,647,004
Experience adjustments on plan Assets Gain/ (Loss)	4,780,173	(1,427,487)

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

Particulars – Gratuity	March 31, 2010	March 31, 2009
Opening benefit obligation/net liability	62,518,153	41,405,365
Interest cost	4,693,983	3,312,429
Current service cost	14,473,679	10,895,820
Benefits paid	(5,705,195)	(4,470,327)
Actuarial (gains) / losses on obligation	(5,873,082)	11,374,866
Closing benefit obligation	70,107,539	62,518,153

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

Particulars – Gratuity	March 31, 2010	March 31, 2009
Opening fair value of plan assets	48,066,911	28,569,088
Expected return	3,605,018	2,285,527
Contributions by employer	10,038,333	23,110,110
Benefits paid	(5,705,195)	(4,470,327)
Actuarial gains / (losses) on plan assets	4,780,173	(1,427,487)
Closing fair value of plan assets	60,785,240	48,066,911
Actuarial gains / (losses) to be recognized	8,953,208	(12,802,352)

The Company expects to contribute Rs.10,000,000 to gratuity fund during the annual period beginning after balance sheet date.

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

Particulars – Gratuity	March 31, 2010	March 31, 2009
	%	%
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 Group's plans are shown below:

Particulars – Gratuity	March 31, 2010	March 31, 2009
Discount rate	8.00%	7.50%
Expected rate of return on assets	8.00%	7.50%
Employee turnover	1% at each age+6% service related	1% at each age

Amounts for the current and previous two years are as follows:

	Gratuity		
	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	70,107,539	62,518,153	40,363,900
Plan assets	6,0785,240	48,066,911	28,569,088
Surplus / (deficit)	(9,322,299)	(14,451,242)	(11,794,812)
Experience adjustments on plan liabilities (Gain) / Loss	1,589,625	5,647,004	4,864,820
Experience adjustments on plan assets Gain / (Loss)	4,780,173	(1,427,487)	308,687

The Group has adopted Accounting Standard 15 (Revised) from April 01, 2007, thereby has not given disclosure for the following for financial year's ended on March 31, 2007 and March 31, 2006:

- The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan; and
- 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.



SCHEDULE-24 CONSOLIDATED NOTES TO ACCOUNTS (continued)

18. Employee Stock Option Scheme 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, 2010 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 till the year ended March 31, 2010
Method of Settlement	Equity
Vesting Period	Options vest equally over the period of five years from the date of grant
Exercise Period	Within three years from the date of vesting or listing, whichever is later
Exercise Price	50% discount to the average of first 30 days market price post listing
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, 2010	March 31, 2009
	Number of options	
Outstanding at the beginning of the year	413,427	-
Granted during the year	-	413,427
Forfeited / Cancelled during the year	83,040	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	330,387	413,427
Exercisable at the end of the year	66,077	-
Weighted average fair value of options granted on the date of grant	101.31	53.49

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

Year	Vesting %	Fair Value
January 5, 2010	20%	90.51
January 5, 2011	20%	95.88
January 5, 2012	20%	101.29
January 5, 2013	20%	106.74
January 5, 2014	20%	112.14

Stock Options granted

The weighted average fair value of stock options granted till date is Rs. 101.31. The Black and Scholes Options Pricing model has been used for computing the weighted average fair value considering the following inputs:

	March 31 ,2010
Weighted average share price	101.31
Exercise Price	50% discount to the average of first 30 days closing market price post IPO i.e. Rs. 124
Expected Volatility	0%
Historical Volatility	0%
Life of the options granted (Vesting and exercise period) in years	4.5 years
Expected dividends	0%
Average risk-free interest rate	5.24%
Expected dividend rate	0%

The expected volatility was determined based on historical volatility data, historical volatility includes early years of the companies life, the company expects the volatility of its share price to reduce as its nature to allow for the effects of early exercise. To allow for effects of early exercise, it was assumed that the employees will exercise option after the vesting date, when share price was in excess of the exercise price.

Had Compensation cost been determined in accordance with the fair value approach described in the Guidance Note,

SCHEDULE-24 CONSOLIDATED NOTES TO ACCOUNTS (continued)

the Company's net profit as reported would have changed to amounts indicated below:

	March 31, 2010	March 31, 2009
Profit as reported	1,828,001,072	476,217,968
Add: Employee stock compensation under intrinsic value method	12,965,726	Nil
Less: Employee stock compensation under fair value method	17,283,654	3,618,489
Performa profit Earnings Per Share	1,823,683,144	472,599,479
Basic		
- As reported	10.62	2.82
- As adjusted	10.60	2.80
Diluted		
- As reported	10.61	2.82
- As adjusted	10.58	2.80

19. Subsequent to the balance sheet date, in the meeting held on May 5, 2010, the Board of Directors of the Company has approved the merger of the radio business of SMEL with the Company by way of demerging the same from SMEL. The Company has filed the scheme of Arrangement with the Stock Exchanges and is in the process of filing the same with the respective High Courts.

According to the provisions of the scheme, with effect from proposed appointed date i.e. April 01, 2010, the assets and liabilities of the radio business of SMEL would be merged in the Company.

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

Particulars	March 31, 2010	March 31, 2009
Opening Balance of Pre - Operative Expenses	78,935,822	-
Expenditure during the year :		
Raw Materials Consumed	-	-
Operating Expenditure	360,082	1,518,257
Employee Cost	5,147,356	3,965,743
Other Indirect Expenditure	8,899,344	6,882,615
Loan Management Fees	5,688,413	6,462,692
Bank Charges	3,033	45,490
Interest and Financial Charges	11,735,613	65,465,621
Total	110,769,663	84,340,418
Less:- Capitalized during the year	99,842,142	5,404,596
Closing Balance of Pre-Operative Expenses (Disclosed as Capital Work-in-Progress)	10,927,521	78,935,822

21. Dues to Micro and Small Enterprises.

As informed, the Group 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.

22. Going Concern Concept

- (a) Synergy Media Entertainment Limited ('SMEL') has incurred losses during the year and it also has accumulated losses at the close of the year. This however is not an uncommon feature in Radio industry in India 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. SMEL presently has adequate support from its shareholders. Further, the Company has provided assurance that it intends to provide adequate financial support to SMEL to enable it to continue its operations. SMEL's business has been growing continuously and as at March 31, 2010 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 Company and projected profitable operations of SMEL, SMEL is being viewed as a going concern and financial statements have been prepared under the going concern assumption.

- (a) I Media Corp Limited ('IMCL') has incurred losses during the year and the accumulated losses of IMCL at the close of the year exceed its paid up capital and reserves. IMCL is in the initial years of its operations. Further, the Company has provided assurances that it intends to provide adequate financial support to IMCL to enable it to continue its operations for the year ending March 31, 2011. With the internet market in India booming and internet penetration increasing every year, the management expects continuous growth in the business and profitability in the future years. IMCL is therefore being viewed as a going concern and accounts have been prepared under the going concern assumption.

23. (a) Segment Information:

For the purposes of Segment information, printing / publishing segment includes newspaper, magazines, printing job work, etc. Radio Segment includes broadcasting of Radio. Event includes event management. Others include Power and Internet business.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

SCHEDULE – 24

CONSOLIDATED NOTES TO ACCOUNTS (Continued)

23. (b) Segment Information as at and for the year ended March 31, 2010 and March 31, 2009.

Particulars	Printing / Publishing		Radio		Event		Others		Inter Segment Elimination		Consolidation	
	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Mar-09
Revenue												
External Revenue	10,106,087,809	9,211,139,995	341,443,599	264,016,316	148,077,202	104,956,214	34,144,485	29,750,719	-	-	10,629,753,095	9,609,863,244
Inter segmental Revenue	28,554,905	16,859,692	8,148,795	7,097,701	-	-	3,389,062	4,064,996	(40,092,762)	(28,022,389)	-	-
Total	10,134,642,714	9,227,999,687	349,592,394	271,114,017	148,077,202	104,956,214	37,533,547	33,815,715	(40,092,762)	(28,022,389)	10,629,753,095	9,609,863,244
Segment Results	3,189,415,479	1,423,841,460	(119,048,459)	(226,011,471)	23,300,372	22,716,271	(34,188,629)	(28,728,244)	-	-	3,059,478,763	1,191,820,016
Less : Unallocated Corporate Expenses net of Unallocated Income											8,416,243	8,385,190
Operating Profit											3,051,062,520	1,183,434,826
Less : Financial Expenses (Net of Interest Income)											245,395,553	401,731,780
Less : Tax Expenses											1,057,161,693	423,466,422
Profit for the year											1,748,505,274	358,236,624
Other Information												
Depreciation	256,858,326	170,761,920	107,086,072	106,746,009	188,572	184,497	14,216,392	12,022,359	-	-	378,349,362	289,714,785
Non - cash expenses other than depreciation	106,070,830	981,109	4,597,240	1,663,394	-	-	1,073,376	-	-	-	111,741,446	2,664,503
Particulars	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Mar-09
Segment Assets	10,428,948,949	8,477,033,925	965,389,201	1,064,940,391	10,154,226	13,914,272	216,082,893	221,808,394	-	-	11,620,575,269	9,777,696,982
Unallocated Corporate Assets											673,674,525	919,265,254
Segmental Liabilities	4,504,673,958	6,991,671,118	383,061,655	430,897,038	3,998,003	9,237,242	21,585,957	16,154,474	-	-	4,913,319,573	7,447,959,872
Unallocated Corporate Liabilities											975,320,725	765,265,188
Minority Interest											44,386,825	123,882,622
Capital Expenditure	2,481,004,498	637,197,327	2,047,999	24,982,691	11,000	12,600	3,493,594	18,481,621	-	-	2,486,557,091	680,674,239

SCHEDULE-24 CONSOLIDATED NOTES TO ACCOUNTS (continued)

24. Salaries, Wages and Bonus include sitting fees paid to Directors Rs 380,000 (Previous Year Rs. 305,000)

25. Previous Year comparatives

The 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 **For Gupta Navin K. & Co.**
Firm Reg. No. 101049W **Firm Reg. No. 06263C**
Chartered Accountants **Chartered Accountants**

per Amit Majmudar
Partner
Membership No. 36656

per Navin K. Gupta
Partner
Membership No. 75030

**For and on behalf of the Board of
Directors of D.B. Corp Limited**

Managing Director **Director**

Company Secretary

Mumbai
May 27, 2010

SYNERGY MEDIA ENTERTAINMENT LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting to you their Fifth Annual Report together with the accounts of the Company for the year ended 31st March 2010. The summarized financial results are as under—

FINANCIAL HIGHLIGHTS:-

The financial results of the Company for the year ended 31st March, 2010 are as under:

(In Rs.)

Particulars	2009-10	2008-09
Gross Revenue	38,67,71,272	30,04,74,821
Profit (Loss) Before Depreciation & Amortization	(7,680,320)	(17,26,65,146)
Less: Depreciation	10,72,53,324	10,69,12,374
Profit / (Loss) Before Tax	(18,41,13,644)	(27,95,77,520)
Less: Tax Expenses		
Deferred Tax Charge / (Credit)	-	(91,30,684)
Provision for Fringe Benefit Tax	-	28,00,000
Profit / (Loss) After Tax before prior period items	(18,41,13,644)	(27,32,46,836)
Less: Prior Period Expenditure	-	-
Net Profit / (Loss) for the Year	(18,41,13,644)	(27,32,46,836)

REVIEW OF OPERATIONS

The company has been successfully operating its programs in 17 locations in the single frequency 94.3 under the brand name of "MY FM". We are pleased to announce that your company has accomplished operating breakeven this year and registered a positive EBITDA of Rs 12.69 lacs.

Your company has been an aggressive player in the radio space and has constantly taken initiatives to strengthen the brand and provide customized communication solutions to clients resulting in better listener experience as well as media effectiveness for advertisers.

FUTURE OUTLOOK

In view of the increasing business potential, and the proposed Phase III of the private FM, your company proposes to strengthen its operations, at all levels and as your company is engaged in Media Business, it is observed that a synergy with the parent company D.B. Corp Limited (DBCL), engaged in print-media,

would go a long way in achieving the corporate goals. With a view to enhance the benefit of the synergy , it was decided by the Board of Directors of your company and that of DBCL at their meeting held on May 05, 2010, to de merge the Radio business of your company into DBCL , and the company has initiated the process in this direction, vide a Scheme of Arrangement, prepared in accordance with Sections 391 through 394, read with sections 78, 100 to 104 and other applicable provisions, of the Companies Act, 1956, subject to and conditional upon the requisite approvals of the shareholders , sanction of the Hon'ble High Court of Madhya Pradesh at Jabalpur, all statutory and regulatory authorities, as applicable, for implementation of the Scheme. The appointed date for the proposed Scheme is 1st of April, 2010. The Boards of both companies approved the share issue ratio of 10:1 for the demerger of the Radio Business of SMEL i.e. for every 10 (Ten Only) Equity shares of face value of Rs.10/=each, held by the existing shareholders of SMEL, excluding DBCL, as on record date, 1(one) Equity share of face value of Rs.10/=each, of DBCL shall be offered.

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, 2010.

DIRECTORATE :-

During the year under review, Shri. Ashwani Kumar Singhal, has been appointed as an Additional Director of the company, with effect from March 02, 2010 and will hold office till the conclusion of the forthcoming Annual General Meeting of the company and being eligible, offers himself for appointment as a Director of the company.

Shri. Girish Agarwal, Director of the company is liable to retire by rotation at the forthcoming Annual General Meeting of the company and being eligible, offers himself for re-appointment.

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

AUDITORS:

M/s S. R. Batliboi & Associates., Chartered Accountants, Mumbai, the Statutory Auditors of the company, will retire at the conclusion of the forthcoming 5th 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.

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.

HUMAN RESOURCES

Your company always focuses on nurturing talent through best available training & development programs with an objective of building better and more efficient resources.

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

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

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

The Company has taken adequate measures relating to conservation of energy, technology absorption wherever possible.

There is no foreign exchange earnings and total outgo is Rs 0.60 Lacs during the current year as compared to Rs 4.91 Lacs during the previous year.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 217(2AA) of the Companies Act, 1956 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 on March 31, 2010, on a "going concern" basis.

ACKNOWLEDGEMENT:

Your Directors gratefully acknowledge the wholehearted support and help extended by bankers and other government bodies.

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

BY ORDER OF THE BOARD

PLACE: Mumbai
DATED: May 27, 2010

Girish Agarwal
Director

Pawan Agarwal
Director

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, 2010 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, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 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 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, 2010;

- 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
Firm registration number: 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Mumbai
May 27, 2010

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 physically verified by the management during the year and no material discrepancies were identified 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 loan to one company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 139,342,457 and the year-end balance of loans granted was Rs. 139,342,457.
 - (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 and interest thereon are re-payable on demand. As informed, the Company has not demanded repayment of any such loan or interest during the year, thus, there has been no default on the part of the party to whom the money has been lent.
 - (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Act.
 - (e) As informed, the Company has taken unsecured loan from one company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 646,383,134 and the year-end balance of loans taken from such party was Rs. 646,383,134.
 - (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 loan are not prima facie prejudicial to the interest of the Company.



- (g) The loan taken and interest thereon are re-payable after a minimum period of three years. Thus there has been no default on the part of the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of 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. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- (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, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, cess and other material statutory dues applicable to it. The provisions relating investor education and protection fund, customs duty and excise duty are not applicable to the Company.
- Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Act, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, 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 investor education and protection fund, customs duty 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 and cess which have not been deposited on account of any dispute. The provisions relating

customs duty and excise duty are not applicable to the Company.

- (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 are 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
Firm registration number: 101049W
Chartered Accountants

per Amit Majmudar
 Partner
 Membership No.: 36656
 Mumbai
 Date: May 27, 2010



SYNERGY MEDIA ENTERTAINMENT LIMITED

BALANCE SHEET AS AT MARCH 31, 2010

	Schedules	As At March 31, 2010 Rs.	As At March 31, 2009 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	401,250,000	401,250,000
Reserves and Surplus	2	472,000,000	472,000,000
		<u>873,250,000</u>	<u>873,250,000</u>
Loan Funds			
Secured Loans	3	237,666,852	316,524,488
Unsecured Loans	4	646,383,134	469,577,370
		<u>884,049,986</u>	<u>786,101,858</u>
Deferred Tax Liability (Net)	5	-	-
		<u>1,757,299,986</u>	<u>1,659,351,858</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	1,064,948,239	1,065,040,676
Less : Accumulated Depreciation / Amortisation		294,236,703	187,353,429
Net Block		<u>770,711,536</u>	<u>877,687,247</u>
Current Assets, Loans and Advances			
Sundry Debtors	7	98,095,764	96,037,870
Cash and Bank Balances	8	53,599,121	47,473,145
Loans and Advances	9	223,578,152	202,241,066
		<u>375,273,037</u>	<u>345,752,081</u>
Less : Current Liabilities and Provisions			
Current Liabilities	10	154,724,686	145,717,864
Provisions	11	4,409,247	4,705,308
		<u>159,133,933</u>	<u>150,423,172</u>
Net Current Assets		216,139,104	195,328,909
Profit and Loss Account		<u>770,449,346</u>	<u>586,335,702</u>
		<u>1,757,299,986</u>	<u>1,659,351,858</u>
NOTES TO ACCOUNTS	18		

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
Registration No: 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656

Mumbai
Date: May 27, 2010

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

Director
Company Secretary
Director

SYNERGY MEDIA ENTERTAINMENT LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedules	For the Year Ended March 31, 2010 Rs.	For the Year Ended March 31, 2009 Rs.
INCOME			
Advertisement Revenue		349,592,394	271,114,016
Event Revenue		37,178,878	29,360,805
		386,771,272	300,474,821
EXPENDITURE			
License Fee		22,202,846	20,402,399
Event Expenses		15,890,972	11,930,535
Operating Expenses	12	133,467,829	146,292,466
Personnel Expenses	13	136,071,584	142,593,746
Administration Expenses	14	44,913,481	47,110,346
Marketing & Branding Expenses	15	32,955,962	42,211,386
Operating Profit(Loss) before depreciation		1,268,598	(110,066,057)
Other Income	16	18,454,133	15,223,469
Financial Expenses	17	96,583,051	77,822,558
Depreciation / Amortisation	6	107,253,324	106,912,374
(Loss) Before Taxation		(184,113,644)	(279,577,520)
Tax expenses			
Deferred Tax (Credit)		-	(9,130,684)
Fringe Benefit Tax		-	2,800,000
		-	(6,330,684)
(Loss) for the year		(184,113,644)	(273,246,836)
(Loss) brought forward from previous year		(586,335,702)	(313,088,866)
Balance carried to Balance Sheet		(770,449,346)	(586,335,702)
Earning Per Share (Refer Note 10 of Schedule 18)			
Basic Earning Per Share		(4.59)	(6.81)
Diluted Earning Per Share		(4.59)	(6.81)
Nominal Value Per Share		10	10

NOTES TO ACCOUNTS 18

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
Registration No: 101049W
Chartered Accountants

per **Amit Majmudar**
Partner
 Membership No. 36656

Mumbai
 Date: May 27, 2010

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

Director
Company Secretary

Director

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	As At March 31, 2010 Rs.	As At March 31, 2009 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 D. B. Corp Limited, the Holding Company)	401,250,000	401,250,000
Schedule 2		
RESERVES & SURPLUS :		
Securities Premium Account	472,000,000	472,000,000
	472,000,000	472,000,000
Schedule 3		
SECURED LOANS :		
Term Loans		
- Rupee Loans from Banks	237,666,852	315,143,772
- Interest Accrued and due	-	1,380,716
(For Security Refer Note 3 of Schedule 18)	237,666,852	316,524,488
Schedule 4		
UNSECURED LOANS :		
From Holding Company	646,383,134	469,577,370
	646,383,134	469,577,370
Schedule 5		
DEFERRED TAX LIABILITY (NET):		
Deferred Tax Liability		
Depreciation	73,627,390	68,888,221
	73,627,390	68,888,221
Deferred Tax Asset		
Provision for Doubtful Debts	1,858,803	782,386
Provision for Gratuity and Leave Encashment	1,464,751	1,405,435
Unabsorbed Depreciation and Carry Forward Losses	70,303,836	66,700,400
(recognised to the extent of deferred tax liability as at March 31, 2010)	73,627,390	68,888,221
Deferred Tax Liability (Net)	-	-

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

**Schedule 6
FIXED ASSETS :**

Assets	Gross Block			Accumulated Depreciation / Amortisation					Net Block	
	As At April 1, 2009	Additions During The Year	Deductions During The Year	As At March 31, 2010	Up To April 1, 2009	For The Year	On Deductions	Up To March 31, 2010	As At March 31, 2010	As At March 31, 2009
Tangible Assets										
Leasehold Improvements	2,941,561	-	-	2,941,561	220,819	294,156	-	514,975	2,426,586	2,720,742
Plant and Machinery (Refer Note Below)	441,633,050	465,751	-	442,098,801	74,724,068	45,683,807	-	120,407,875	321,690,926	366,908,982
Office Equipments	4,127,319	82,005	-	4,209,324	783,985	438,032	-	1,222,017	2,987,307	3,343,334
Vehicles	3,690,848	11,000	519,601	3,182,247	448,793	318,120	150,489	616,424	2,565,823	3,242,055
Furniture and Fixtures	53,348,806	358,575	1,162,984	52,544,397	6,117,174	3,300,555	122,829	9,294,900	43,249,497	47,231,632
Electric Fitting,										
Fans and Coolers	12,622,104	-	8,785	12,613,319	2,210,445	1,302,435	1,516	3,511,364	9,101,955	10,411,659
Computers	18,369,610	914,529	196,702	19,087,437	4,993,095	3,021,026	33,156	7,980,965	11,106,472	13,376,515
Air Conditioners	16,106,378	227,139	263,364	16,070,153	2,774,985	1,675,093	62,060	4,388,018	11,682,135	13,331,393
Intangible Assets										
One Time Entry Fees	512,201,000	-	-	512,201,000	95,080,065	51,220,100	-	146,300,165	365,900,835	417,120,935
Total	1,065,040,676	2,058,999	2,151,436	1,064,948,239	187,353,429	107,253,324	370,050	294,236,703	770,711,536	877,687,247
Previous year	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	

Note:

Plant and Machinery above includes Common Transmitters Infrastructure which are Jointly held assets and amounting to

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

Net Block - Rs. 101,333,902 (Previous Year - 114,496,722)

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

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	As At March 31, 2010 Rs.	As At March 31, 2009 Rs.
Schedule 7		
SUNDRY DEBTORS :		
(Unsecured)		
Debts outstanding for a period exceeding six months :		
- Considered Good	10,161,288	15,675,802
- Considered Doubtful	5,595,435	2,301,811
	15,756,723	17,977,613
Others Debts:		
- Considered Good	87,934,476	80,362,068
	103,691,199	98,339,681
Less : Provision for Doubtful Debts	5,595,435	2,301,811
	98,095,764	96,037,870
Sundry Debtors include dues from Companies under the same management :		
D.B. Corp Limited [Maximum balance outstanding during the year Rs 8,576,386, (Previous Year Rs. 5,764,922)]	6,424,637	4,566,527
Bhaskar Multinet Limited [Maximum balance outstanding during the year Rs 317,272 (Previous Year Rs. 317, 272)]	313,221	317,272
Schedule 8		
CASH AND BANK BALANCES		
Cash in Hand	1,137,714	1,050,475
Balances with Scheduled Banks:		
On Current Accounts	26,825,573	19,849,086
On Deposit Accounts (Refer Note 13 of Schedule 18)	25,635,834	26,573,584
	53,599,121	47,473,145
Schedule 9		
LOANS AND ADVANCES :		
(Unsecured, considered good)		
Loans and Advances to Employees	2,103,628	2,326,429
Advances recoverable in cash or kind or for value to be received	3,549,038	2,104,124
Inter Corporate Deposits	139,342,457	126,086,922
Deposit with Government Authorities	21,448,471	20,389,501
Security Deposit against Lease of Properties	4,698,862	5,698,862
Deposit with Others	9,586,016	9,588,516
Service Tax Input / Cenvat Receivable	410,814	424,127
Tax Deducted at Source Receivable	20,577,738	13,627,710
Pre Paid Expenses	14,439,239	14,964,261
Accrued Interest	7,421,889	7,030,614
	223,578,152	202,241,066
Loans and Advances include dues from Companies under the same management:		
Bhaskar Multinet Limited [Maximum balance outstanding during the year Rs 139,342,457 (Previous Year Rs 126,086,922)]	139,342,457	126,086,922
Schedule 10		
CURRENT LIABILITIES :		
Sundry Creditors (Refer Note 14 of schedule 18)	138,264,958	126,511,577
Advances from Customers	3,057,887	2,801,240
Book Overdraft	-	1,986,620
Other Liabilities	13,401,841	14,418,427
	154,724,686	145,717,864

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	For the Year Ended March 31, 2010 Rs.	For the Year Ended March 31, 2009 Rs.
Schedule 11		
PROVISIONS :		
for Fringe Benefit Tax (Net of Advance FBT of Rs. Nil) (Previous Year Rs. 4,814,253)	-	650,000
for Gratuity (Refer Note 11 of Schedule 18)	1,832,263	1,884,544
for Leave Encashment (Refer Note 11 of Schedule 18)	2,576,984	2,170,764
	4,409,247	4,705,308
Schedule 12		
OPERATING EXPENSES :		
Rent to Prasar Bharti	22,249,195	22,579,093
Royalty	87,595,155	90,704,157
Electricity expenses	13,031,797	15,015,124
Software License Fees	3,571,626	10,122,039
Frequency allocation charges	1,241,000	1,241,930
Link charges	1,067,762	1,440,556
Other Operating charges	4,711,294	5,189,567
	133,467,829	146,292,466
Schedule 13		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	126,749,212	131,731,018
Contribution to Provident Fund and Other Funds	6,289,170	7,269,052
Workmen and Staff Welfare Expenses	3,033,202	3,593,676
	136,071,584	142,593,746
Schedule 14		
ADMINISTRATION EXPENSES		
Electricity expenses	11,641,097	13,249,230
Rent	7,333,585	8,102,885
Traveling	3,837,522	7,186,636
Provision for doubtful debts	3,293,624	1,683,394
Repair & Maintenance - Others	2,952,410	1,548,322
Legal and Professional charges	2,924,302	2,362,873
Telephone	1,982,531	2,960,808
Loss on sale of fixed assets (net)	1,303,616	377,859
Bad debts written off	1,037,235	-
Insurance	974,607	665,428
Vehicle Running and Maintenance	862,387	867,495
Printing and Stationery	834,308	1,226,953
Conveyance	627,647	514,739
Payment to auditors -As auditors	400,000	400,000
Audit Fee	207,410	419,002
Postage and Telegram	16,970	23,610
Rates and Taxes	4,684,230	5,521,112
Sundry office expenses	44,913,481	47,110,346



SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	For the Year Ended March 31, 2010 Rs.	For the Year Ended March 31, 2009 Rs.
Schedule 15		
MARKETING AND BRANDING EXPENDITURE		
Advertisement and Publicity	31,718,169	39,385,674
Business Promotion	1,237,793	2,825,712
	32,955,962	42,211,386
 Schedule 16		
OTHER INCOME		
Interest Income		
Bank Deposits [TDS - Rs. 242,102, Previous Year - Rs. 761,762]	2,210,974	4,273,802
Intercorporate Deposits [TDS - Rs.2,560,829, (Previous Year Rs. 2,243,319)]	15,816,364	10,900,997
Loans to Employees [TDS - Nil, (Previous Year - Nil)]	93,015	48,670
Provision no longer required, written back	333,780	-
	18,454,133	15,223,469
 Schedule 17		
FINANCIAL EXPENSES :		
Interest		
- On Term loans	32,897,404	45,400,559
- Others	63,057,055	32,180,597
Bank Charges	628,592	241,402
	96,583,051	77,822,558

SYNERGY MEDIA ENTERTAINMENT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	For the Year Ended March 31, 2010 Rs.	For the Year Ended March 31, 2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before Taxation	(184,113,644)	(279,577,520)
Adjustment for :		
Loss on Sale of Fixed assets	1,303,616	377,859
Interest Expense (net)	78,128,916	62,357,687
Depreciation / Amortisation	107,253,324	106,912,374
Provision for doubtful debts	3,293,624	1,683,394
Operating Profit /(Loss) before working capital changes	5,865,836	(108,246,206)
Increase / Decrease in Working Capital		
(Increase) in Sundry Debtors	(5,351,518)	(28,001,016)
(Increase) in Loans and Advances	(15,671,107)	(9,166,522)
Increase in Current Liabilities	9,006,822	40,780,615
Increase in Provisions	353,939	2,115,466
Cash generated from operations	(5,796,028)	(102,517,663)
Taxes Paid (Including Fringe Benefit Tax)	(766,220)	(2,874,708)
NET CASH (USED IN) OPERATING ACTIVITIES	(A) (6,562,248)	(105,392,371)
B CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets	(2,058,999)	(16,148,270)
Proceeds from Sale of Fixed Assets	477,770	1,073,056
Interest Received	12,904,375	16,123,168
Fixed Deposit with maturity period of more than three months	937,750	(19,939,532)
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	(B) 12,260,896	(18,891,578)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Loan - Secured	(78,857,636)	(89,976,921)
Loan taken- Unsecured	169,040,116	281,698,650
Repayment of Loan - Unsecured	(21,673,123)	(180,642,700)
Interest Paid	(67,144,279)	(78,633,121)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	(C) 1,365,078	(67,554,092)
Net Increase/(Decrease) in Cash and Cash Equivalents	(A) + (B) +(C) 7,063,726	(191,838,041)
Cash and Cash Equivalents at the beginning of the year	20,899,561	212,737,602
Cash and Cash Equivalents at the end of the year	27,963,287	20,899,561
Net Increase/ (Decrease) in Cash and Cash Equivalents	7,063,726	(191,838,041)
Cash and Cash Equivalents as per Schedule 8	53,599,121	47,473,145
Less:- Fixed Deposit with maturity period for more than three months	25,635,834	26,573,584
Net Cash and Cash Equivalents at the end of the year (As per notified AS 3)	27,963,287	20,899,561

For S. R. Batliboi & Associates
Registration No: 101049W
Chartered Accountants

Per Amit Majmudar
Partner
Membership No. 36656
Mumbai
Date: May 27, 2010

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

Director
Company Secretary

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE ACCOUNT AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

SCHEDULE 18

NOTES TO ACCOUNTS:

1. Nature of Operations:

Synergy Media Entertainment Limited ("the Company") is mainly in the business of Radio Broadcasting. Presently, the Company is on air in 17 cities under the brand name "MY FM". The frequency allotted to the Company is 94.3. The Company derives its revenue mainly from the advertisements played on radio. The Company is also in the business of Event Management.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 ("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 are consistent with those used in the previous year.

b) Use of Estimates

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

c) Fixed Assets

Fixed assets are stated at cost 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 Act.

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

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

e) Intangibles

One Time Entry Fees (OTEF)

One time Entry Fees represent amount paid for acquiring licenses for new radio stations and is amortised on a Straight Line Basis 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 is deducted from preoperative expenditure pending allocation.

g) Impairment

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, if any is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

h) Leases

Where the Company is the lessee

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) Revenue Recognition

Advertisement Revenue

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.

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE ACCOUNT AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

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 or after December 7, 2006 are capitalized as a part of fixed asset.

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.

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 and 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), 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 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

i. Identification of Segments:

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Company sells its 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.



SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE ACCOUNT AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

ii. Inter segmental Transfers

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

iii. Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

iv. Segment Policies:

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

q) License fees

License 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

3. Term Loans consist of:

Particulars	Rupee Term Loans	
	March 31, 2010	March 31, 2009
J& K Bank Limited (Note 1)	141,515,360	191,515,360
Corporation Bank Limited (Note 2)	96,151,492	125,009,128
Total	237,666,852	316,524,488

Note 1:

The Term Loan is secured by: Hypothecation of 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.

Note 2:

The Term Loan is secured by: Hypothecation of all types of receivables and others current assets of the Company. First Pari-Passu Charge on all assets including Common Transmission Infrastructures, Transmitters, Furniture, Fixture and other equipments (both present and future) of the Company. Corporate Guarantee of Writers and Publishers Private Limited and personal guarantees of all directors of the Company viz., Mr. Sudhir Agarwal, Mr. Girish Agarwal and Mr. Pawan Agarwal.

4. Segment Information for the year ended March 31, 2010

Particulars	Radio		Event		Total	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Revenue	349,592,394	271,114,016	37,178,878	29,360,805	386,771,272	300,474,821
Segment Results	(119,448,460)	(226,411,472)	13,463,734	9,433,041	(105,984,726)	(216,978,431)
Operating (Loss)	(119,448,460)	(226,411,472)	13,463,734	9,433,041	(105,984,726)	(216,978,431)
Less : Financial Expenses (Net of Other Income)	-	-	-	-	(78,128,918)	(62,599,089)
Less : Tax (Expenses) / Credit (Loss) for the year	-	-	-	-	-	6,330,684
	-	-	-	-	(184,113,644)	(273,246,836)
Non Cash expenses						
Depreciation	107,086,072	106,746,009	167,252	166,365	107,253,324	106,912,374
Loss on Sale of fixed assets	1,303,616	377,859	-	-	1,303,616	377,859
Provision for doubtful debts	3,293,624	1,683,394	-	-	3,293,624	1,683,394
Segment Assets	999,813,465	1,090,165,241	6,828,651	7,187,165	1,006,642,116	1,097,352,406
Unallocated Corporate Assets	-	-	-	-	139,342,457	126,086,922
Segmental Liabilities	1,034,727,305	930,570,946	4,047,367	1,248,776	1,038,774,672	931,819,722
Unallocated Corporate Liabilities	-	-	-	-	4,409,247	4,705,308
Capital Expenditure	2,047,999	24,982,691	11,000	12,600	2,058,999	24,995,291

SYNERGY MEDIA ENTERTAINMENT LIMITED
SCHEDULES FORMING PART OF THE ACCOUNT AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

SCHEDULE – 18

NOTES ON ACCOUNTS (Cont'd)

5. (b) Related Parties Disclosure (Cont'd)

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		Recovery of Expenses		Amount Outstanding (net)	
	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Mar-09
D.B. Corp Limited	-	-	209,511,956	281,698,650	-	-	7,377,047	7,097,701	20,641,182	16,107,791	-	-	-	-
I Media Corp Limited	-	-	(33,823,285)	(180,642,700)	(63,057,055)	(32,180,597)	-	-	-	-	-	-	(645,241,014)	(495,107,381)
Writers & Publishers Private Limited	-	1,088,044	-	-	-	-	-	-	137,387	-	1,575,934	3,059,874	478,476	1,869,582
	-	(1,088,044)	-	-	-	-	-	-	-	-	-	-	-	-
	-	1,058,290	-	-	-	-	-	-	-	-	-	-	-	-
Bhaskar Multinet Limited	13,255,534	8,430,831	-	-	15,816,364	10,900,997	-	169,845	471,731	-	-	-	138,880,161	126,404,194
India Interactive Technologies Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	1,608,438	-	-	-	(1,366,418)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note:

For the personal guarantees given by the directors for the Term Loans taken by the Company, refer note 3 of Schedule 18.

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE ACCOUNT AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

5. (a) Related Parties Disclosure

Related party disclosures, as required by Accounting Standard 18 - "Related Party Disclosures" notified by the Companies (Accounting Standards) Rules, 2006, (as amended) 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, 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 Private Limited (W.P.L.) - Bhasker Multinet Limited - India Interactive Technologies Limited(I.I.T.L.)

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)

- The Company has taken various residential and offices under operating lease agreements. These are generally renewable by mutual consent;
- Lease payments for the year are Rs.29,582,780 (Previous year Rs. 30, 681,978);
- The future minimum lease payments under non-cancelable operating leases;
 - not later than one year is Rs. 26,493,142 (Previous year Rs. 28,466,683)
 - Later than one year but not later than five years is Rs. 110,241,154 (Previous year Rs.103,286,313).
 - Later than five years Rs. 76,388,735 (Previous year Rs. 103,904,276).
- There are no restrictions imposed in these lease agreements. There are no sub leases.

7. Contingent Liabilities not provided for

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

8. (a) Suit filed by Indian Performing Rights Society (IPRS)

The Indian Performing Rights Society Limited (IPRS) has filed a suit against the Company on May 27, 2006 before the High Court of Delhi contesting against the refusal by the Company to obtain a license from the IPRS with regards to broadcasting / performing its copyrighted works. The IPRS has prayed for a permanent injunction restraining the Company from infringing any of the copyrights owned by the IPRS as well

as for damages in favour of the IPRS. The matter is pending before the H'ble court. Pending the result of the suit, as a matter of abundant precaution the Company has provided on best judgment basis Rs. 12,354,321 for the year ended March 31, 2010 and Rs.13, 813,305 for the year ended March 31, 2009 towards the royalty payable to IPRS. The management believes that the provision made in the books is sufficient to take care of the final liability for royalty, if any which would be confirmed only after the result of the suit.

(b) Legal suit filed against Phonographic Performance Ltd. (PPL)

A legal Suit has been filed by the Company on July 28, 2008 against Phonographic Performance Limited (PPL) before the Copy Right Board against the exorbitant rates proposed by PPL for grant of compulsory licenses. The Company is requesting for grant of compulsory license at reasonable rates based on either grading system of cities on A+ to D category grades or revenue sharing basis.

At present the matter is pending before the Copy Right Board. Pending the result of the suit, as a matter of abundant precaution the Company has provided on best judgment basis Rs. 19,920,360 for the year ended March 31, 2010 and Rs.19,061,427 for the year ended March 31, 2009 towards the royalty payable to PPL. The management believes that the provision made in the books is sufficient to take care of the final liability for royalty, if any which would be confirmed only after the result of the suit.

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

a) Value of Imports on CIF Basis

Particulars	March 31, 2010 Rs.	March 31, 2009 Rs.
Capital Goods	NIL	440,723

b) Expenditure in foreign currency (on accrual basis)

Particulars	March 31, 2010 Rs.	March 31, 2009 Rs.
Advertisement & Publicity	NIL	49,838
Programming Expenses (Audio CD's)	59,519	NIL

10. Earning Per Share

Particulars	March 31, 2010	March 31, 2009
i) (Loss) for the year (Rs.)	(184,113,644)	(273,246,836)
ii) Weighted average number of Equity Shares outstanding for Basic EPS	40,125,000	40,125,000
iii) Basic Earnings per share (Rs.)	(4.59)	(6.81)
iv) Weighted average number of Equity Shares outstanding for Diluted EPS	40,125,000	40,125,000
v) Diluted Earnings per share (Rs.)	(4.59)	(6.81)
vi) Nominal value of shares (Rs.)	10	10



SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE ACCOUNT AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

11. Employee Benefits

Defined contribution plan

During the year ended March 31, 2010 and 2009, the Company contributed following amounts to defined contribution plans:

Particulars	March 31, 2010 Rs.	March 31, 2009 Rs.
Provident Fund	5,672,668	6,369,864
Employees' State Insurance Corporation	329,982	560,913
Total	6,002,650	6,930,787

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 Personnel Expenses)

Particulars	March 31, 2010 Gratuity Rs.	March 31, 2009 Gratuity Rs.
Current service cost	1,479,252	1,302,326
Interest cost on benefit obligation	146,052	83,317
Expected return on plan assets	NIL	NIL
Net actuarial (gain) / loss recognized in the year	(1,677,585)	(542,564)
Past service cost	NIL	NIL
Net benefit expense	(52,281)	843,079
Actual return on plan assets	NIL	NIL

Balance Sheet

Details of Provision

Particulars	March 31, 2010 Gratuity Rs.	March 31, 2009 Gratuity Rs.
Benefit obligation	1,832,263	1,884,544
Fair value of plan assets	NIL	NIL
	1,832,263	1,884,544
Less: Unrecognized past service cost	NIL	NIL
Plan (asset) / liability	1,832,263	1,884,544

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

Particulars	March 31, 2010 Gratuity Rs.	March 31, 2009 Gratuity Rs.
Opening benefit obligation/net liability	1,884,544	1,041,465
Interest cost	146,052	83,317
Current service cost	1,479,252	1,302,326
Benefits paid	NIL	NIL
Actuarial (gains) / losses on obligation	(1,677,585)	(542,564)
Closing benefit obligation	1,832,263	1,884,544

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

Particulars	March 31, 2010 Gratuity	March 31, 2009 Gratuity
Discount rate	8.00%	7.75%
Expected rate of return on assets	NIL	NIL
Employee turnover	8% at each age	1% at each age
Salary Escalation	6.00%	6.00%

Details of Experience Adjustments on plan assets and plan liabilities

Particulars	March 31, 2010 Gratuity Rs.	March 31, 2009 Gratuity Rs.
Experience adjustments on plan liabilities (Gain) / Loss	(2,040,321)	(635,964)

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:

- The present value of the defined benefit obligation, and
- The experience adjustments arising on plan liabilities.

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. Managerial Remuneration:

Particulars	March 31, 2010 Rs.	March 31, 2009 Rs.
Salaries	5,109,572	4,313,400
Perquisites	1,849,310	NIL
Contribution to provident fund	208,320	201,600
	7,167,202	4,515,000



SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE ACCOUNT AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

Note: As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the Chief Operating Officer are not included above.

13. Fixed Deposits

Cash and Bank includes Fixed Deposits having maturity period of more than three months amounting Rs. 25,635,834 (Previous year Rs. 26,573,584).

14. Dues to Micro and Small Enterprises.

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

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, 2010 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 financial statements have been prepared under the going concern assumption.

16. Previous year comparatives

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

As per our report of even date

For S.R. Batliboi & Associates
Registration No: 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656

Mumbai
Date: May 27, 2010

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

Director
Company Secretary

Director

I MEDIA CORP LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the fourth Annual Report and the Audited Statement of Accounts of your company for the Year Ended 31st March 2010.

Financial Highlights:

The financial results of the Company for the year ended 31st March, 2010 are as under:

(In Rs)

Particulars	2009-10	2008-09
Income	21,816,067	1,30,78,120
Expenditure	79,496,700	6,47,65,294
Profit/(Loss)for the year before tax	(57,680,633)	(5,16,87,174)
Less: Deferred tax Liability / (Assets)	-	8,76,214
Fringe Benefit Tax	-	4,89,577
Profit /(Loss) after tax	(57,680,633)	(5,30,52,965)
Balance Bought forward from previous year	(123,237,445)	(7,01,84,480)
Balance carried forward to Balance sheet	(180,918,078)	(12,32,37,445)

REVIEW OF PERFORMANCE

Your company is operating internet services and the e-papers provided by your company combine the look of the printed versions with the interactivity of the web and this network technology provides a wide spectrum to the advertisers for promoting their products and services on our websites, for reaching different types of audience and also to track the growth.

Besides, your company's SMS services provide interactive activities and information consisting of news, entertainment, sports, and weather reports on a subscription basis, in both English and Hindi.

FUTURE PROSPECTS

Your company has local content, the customer relationships, the news and advertising sales force, and the promotional vehicle in place and all these are potential to strategically avail the advantages of offering packaged advertising products to cater to the need of advertisers.

All the editions of Dainik Bhaskar and Divya Bhaskar are available online and going forward, considering fast penetration of internet

services across the country, your company is in a ready position to expand in this area whenever market so demands. Considering the increasing demand, your company has tremendous potential for growth in it's chosen areas of business.

DIVIDEND

In view of the absence of any profits for the year under review, your Directors refrain from recommending any dividend for the year ended 31st March, 2010.

DIRECTORATE

In terms of the Articles of Association of the company, Mr. Pawan 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 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.

PUBLIC DEPOSITS

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

INTERNAL CONTROL SYSTEM

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

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since IMCL does not own any manufacturing facility the other particulars relating to conservation of energy and technology absorption as stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable.

HUMAN RESOURCE & INDUSTRIAL RELATIONS:-

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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, 2010, 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

PLACE: Mumbai

DATED: May 27, 2010

Sudhir Agarwal
Director

Pawan Agarwal
Director

I MEDIA CORP LIMITED

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, 2010 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, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 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 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, 2010;
- 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
Firm Registration number: 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Place: Mumbai
Date: May 27, 2010

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 Order are not applicable.
- (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 Act. Accordingly clauses 4(iii) (b), 4(iii) (c) and 4(iii) (d) of the Order are not applicable.
- (e) The Company had taken loan from one company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 200,728,007 and the year-end balance of loans taken from such company was Rs. Rs. 200,728,007.
- (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 loan taken and the interest thereon are re-payable after a minimum period of three years. Thus, there has been no default on the part of the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Com-



pany 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 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.
- Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Act, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (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.
- 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
- (x) The Company has been registered for a period of less than five years and hence we are not required to com-

ment 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) The Company did not have any term loans outstanding during the year.
- (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
Firm Registration number: 101049W
Chartered Accountants

per Amit Majmudar
 Partner
 Membership No.: 36656

Place: Mumbai
 Date: May 27, 2010

I Media Corp Limited

Balance Sheet as at March 31, 2010

	Schedules	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SOURCES OF FUNDS			
Shareholders' Fund			
Share capital	1	10,500,000	10,500,000
Loan funds			
Unsecured Loan from the Holding company		200,728,007	144,366,038
Total		<u>211,228,007</u>	<u>154,866,038</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	2	39,777,838	38,753,304
Less: Accumulated depreciation		11,187,916	7,285,975
Net block		<u>28,589,922</u>	<u>31,467,329</u>
Current Assets, Loans and Advances			
Sundry Debtors	3	12,797,348	8,576,070
Cash and Bank balances	4	3,432,637	1,655,395
Loans and Advances	5	4,560,034	4,120,248
(A)		<u>20,790,019</u>	<u>14,351,713</u>
Less: Current Liabilities and Provisions			
Current Liabilities	6	18,430,635	13,873,824
Provisions	7	639,377	316,625
(B)		<u>19,070,012</u>	<u>14,190,449</u>
Net Current Assets (A-B)		1,720,007	161,264
Profit and loss account		180,918,078	123,237,445
Total		<u>211,228,007</u>	<u>154,866,038</u>
Notes to Accounts	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
Firm registration number: 101049W
Chartered Accountants

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

per Amit Majmudar
Partner
 Membership No.: 36656

Managing Director

Director

Mumbai
 May 27, 2010

I Media Corp Limited
Profit and Loss Account for the year ended March 31, 2010

	Schedules	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
INCOME			
Sales		21,200,135	11,778,102
Other income	8	615,932	1,300,018
Total		21,816,067	13,078,120
EXPENDITURE			
Operating and other expenses	9	7,304,351	7,204,069
Personnel expenses	10	28,462,495	27,820,789
Administration and Selling expenses	11	18,742,345	12,842,540
Depreciation	2	4,560,959	4,678,708
Financial expenses	12	20,426,550	12,219,188
Total		79,496,700	64,765,294
Loss before tax		(57,680,633)	(51,687,174)
Provision for Taxation			
Current Tax		-	-
Deferred Tax (Refer Note 8 of Schedule 13)		-	876,214
Fringe Benefit Tax		-	489,577
		-	1,365,791
Loss for the year		(57,680,633)	(53,052,965)
(Loss) brought forward from the previous year		(123,237,445)	(70,184,480)
Balance carried to Balance Sheet		(180,918,078)	(123,237,445)
Earnings per share (Refer Note 5 of Schedule 13)			
Basic and Diluted		(54.93)	(50.53)
Nominal Value per share		10	10
Notes to Accounts	13		

The Schedules referred to above and 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
Firm registration number: 101049W
Chartered Accountants

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

per Amit Majmudar
Partner
 Membership No.: 36656

Managing Director

Director

Mumbai
 May 27, 2010

I Media Corp Limited

Schedules forming part of the Balance Sheet as at March 31, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
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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 up
Of the above, 577,500 (Previous year: 577,500) shares are held by D.B. Corp Limited, the Holding Company.

10,500,000

10,500,000

10,500,000

10,500,000

Schedule 2: Fixed Assets

Assets	Gross Block				Depreciation			Net Block	
	As at 1-Apr-09 Rs.	Additions Rs.	Deletions/ Adjustments Rs.	As at 31-Mar-10 Rs.	As at 1-Apr-09 Rs.	For the Year Rs.	Deletions/ Adjustments Rs.	As at 31-Mar-10 Rs.	As at 31-Mar-09 Rs.
Leasehold improvements	2,566,018	-	-	2,566,018	573,581	853,814	-	1,427,395	1,138,623
Computers	14,539,247	1,544,648	1,350,000	14,733,895	4,426,697	2,461,528	656,505	6,231,720	8,502,175
Furniture and fixtures	14,181,617	240,901	-	14,422,518	1,990,860	864,411	-	2,855,271	11,567,247
Office equipments	7,466,422	626,335	37,350	8,055,407	294,837	381,206	2,513	673,530	7,381,877
Total	38,753,304	2,411,884	1,387,350	39,777,838	7,285,975	4,560,959	659,018	11,187,916	28,589,922
Previous Year	20,271,683	18,481,621	-	38,753,304	2,607,267	4,678,708	-	7,285,975	31,467,329

I Media Corp Limited
Schedules forming part of the Balance Sheet as at March 31, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
Schedule 3: Sundry Debtors		
(Unsecured)		
Debts outstanding for a period exceeding six months		
Considered good	2,206,558	2,093,733
Considered doubtful	1,073,376	329,969
Other debts		
Considered good	10,590,790	6,482,337
	13,870,724	8,906,039
Less: Provision for doubtful debts	1,073,376	329,969
	12,797,348	8,576,070
Sundry Debtors include dues from companies under the same management:		
D.B. Corp Limited	-	1,049,698
(Maximum balance outstanding during the year Rs 1,271,153 previous year Rs 1,076,226)		
Diligent Media Corporation Limited	2,292,528	3,202,583
(Maximum balance outstanding during the year Rs 2,938,711 previous year Rs 3,634,779)		
Synergy Media Entertainment Limited	-	1,854
(Maximum balance outstanding during the year Rs 137,837 previous year Rs 4,227)		
Schedule 4: Cash and bank balances		
Cash on hand	2,670	1,565
Balances with scheduled banks:		
- on current accounts	3,398,058	1,624,821
- on deposit accounts	31,909	29,009
	3,432,637	1,655,395
Schedule 5: Loans and advances		
(Unsecured, considered good)		
Tax deducted at source	2,865,282	2,379,431
Security deposits	1,545,252	1,532,712
Advances to employees	149,500	180,500
Advance Fringe Benefit Tax (Net of Provision of Rs Nil , previous year Rs 1,183,646)	-	26
Prepaid Expenses	-	27,579
	4,560,034	4,120,248
Schedule 6: Current liabilities		
Sundry Creditors (Refer Note 6 of Schedule 13)	11,711,787	8,610,077
Accrued expenses	3,726,952	3,972,655
Other liabilities	2,991,896	1,291,092
	18,430,635	13,873,824
Schedule 7: Provisions		
For Gratuity (Refer Note 7 of Schedule 13)	352,447	164,184
For Leave Encashment (Refer Note 7 of Schedule 13)	286,930	152,441
	639,377	316,625

I Media Corp Limited

Schedules forming part of the Profit and Loss Account for the year ended March 31, 2010

	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
Schedule 8: Other Income		
Interest from Bank deposits	2,900	2,600
(Tax deducted at source - Nil, Previous year - Nil)		
Excess provision written back	-	1,229,155
Bad debts recovered	139,716	-
Miscellaneous income	473,316	68,263
	615,932	1,300,018
Schedule 9: Operating and other expenses		
Portal Direct Expenses	5,579,924	5,313,968
SMS Direct Expenses	1,724,427	1,890,101
	7,304,351	7,204,069
Schedule 10: Personnel expenses		
Salaries, wages and bonus	26,692,679	26,490,069
Contribution to provident and other funds	1,155,576	879,084
Workmen and staff welfare expenses	614,240	451,636
	28,462,495	27,820,789
Schedule 11: Administration and Selling expenses		
Sales and marketing	10,527,415	1,567,773
Traveling and conveyance	1,391,398	3,349,665
Rent	1,131,711	3,672,759
Provision for doubtful debts	1,073,376	290,685
Fixed assets written Off	728,332	-
Communication expenses	590,019	713,834
Bad debts written off	755,925	
Less: Already provided for	(190,253)	
Gas, Water and Electricity	565,672	350,254
Legal and professional fees	550,442	687,355
Legal and professional fees	530,830	287,031
Sundry office expenses	482,099	830,000
Repairs and maintenance		
- Office Equipments	197,561	23,673
- Buildings	36,000	52,952
- Others	196,393	372,991
Printing and stationery	189,955	147,636
Rates and taxes	139,305	8,721
Exchange difference (net)	107,425	187
Payment to Auditor		
As Auditor:		
- Audit fees	100,000	100,000
Security Charges	84,048	246,091
Postage and courier	54,859	83,394
Insurance charges	5,929	8,957
Miscellaneous expenses	59,576	48,584
	18,742,345	12,842,540
Schedule 12: Financial expenses		
Interest		
- Others	20,422,232	12,214,457
Bank charges	4,318	4,731
	20,426,550	12,219,188

I Media Corp Limited
Cash Flow Statement for the year ended March 31, 2010

	March 31, 2010 Rs.	March 31, 2009 Rs.
A. Cash Flow from Operating Activities		
Loss before Tax :	(57,680,633)	(51,687,174)
Adjustments for:		
Depreciation	4,560,959	4,678,708
Fixed assets written Off	728,332	-
Interest expenses and other financial charges	20,426,550	12,212,100
Bad Debts written off	565,672	-
Provision for doubtful debt and advances	1,073,376	290,685
Operating loss before working capital changes	(30,325,744)	(34,505,681)
Movements in Working Capital		
(Increase)/Decrease in Sundry Debtors	(5,860,326)	1,038,662
Decrease / (Increase) in Loans and Advances	46,066	(1,770,118)
Increase in Current Liabilities and Provisions	4,879,563	5,489,998
Cash generated from Operations	(31,260,440)	(29,747,139)
Direct Tax Paid (Including Fringe benefit tax)	(485,852)	(489,578)
Net Cash from Operating Activities (A)	(31,746,293)	(30,236,717)
B. Cash flow from Investing Activities		
Purchases of Fixed Assets	(2,411,884)	(18,481,621)
Net Cash (used in) Investing Activities (B)	(2,411,884)	(18,481,621)
C. Net Cash from Financing Activities		
Unsecured loan taken	56,361,969	61,371,904
Interest Paid	(20,426,550)	(12,212,100)
Net Cash from Financing Activities (C)	35,935,419	49,159,804
Net Increase in Cash and Cash Equivalents (A+B+C)	1,777,242	441,466
Cash and Cash Equivalents at the beginning of the year	1,655,395	1,213,929
Cash and Cash Equivalents at the end of the year	3,432,637	1,655,395
Net Increase in Cash and Cash Equivalents	1,777,242	441,466
Components of cash and cash Equivalent at the end of the year (Refer Schedule 4)		
Cash on Hand	2,670	1,565
With Scheduled Bank	3,398,058	1,624,821
On Fixed Deposits Accounts	31,909	29,009
Total	3,432,637	1,655,395

As per our Report of even date

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

per **Amit Majmudar**
Partner
 Membership No.: 36656

Mumbai
 May 27, 2010

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

Managing Director

Director

I MEDIA CORP LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2010

Schedule 13: Notes to accounts

1. Nature of Operations

I Media Corp Limited ("the Company") is a company registered under the Companies Act, 1956 ("the Act") with effect from June 1, 2006.

The Company is engaged in the business of brand marketing through interactive wireless medium like, Mobile, Internet.

2. Significant accounting policies

2.1. Basis of preparation

The financial statements have been prepared to comply in all material respects with the accounting standard notified by Companies (Accounting Standards) Rules, 2006 (as amended) 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 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. Fixed assets

Fixed assets are stated at cost, 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.

2.4. Depreciation / amortization:

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

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.

2.5. 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, if any 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.

2.6. 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 Advertisement:

Revenue is recognized as and when advertisement is published /displayed and confirmed by the customer and is disclosed net of discounts.

Sale of services:

Revenue is recognized as and when the related services are rendered as per the terms of the agreement and are disclosed net of discount. Sales are accounted exclusive of service tax.

2.7. 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 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. Actuarial gains/losses are immediately 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 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.

2.8. 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.



(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.

2.9. Leases

Where Company is the lessee:

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.

2.10. 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, 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 sufficient 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.

2.11. 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), 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 year are adjusted for the effects of all dilutive potential equity shares.

2.12. 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

2.13. 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.

3. (a) Related party disclosure

Disclosure as required by notified Accounting Standard 18 (AS-18) 'Related Party Disclosures' issued by the Central Government is as follows:

Relationship	Name of Related Party
Holding Company	D.B. Corp Limited
Fellow subsidiary	Synergy Media Entertainment Limited
Enterprise over which Director and/or his relatives has significant influence	India Interactive Technologies Limited Diligent Media Corporation Limited
Key Management Personnel ('KMP')	Mr. Sudhir Agarwal (Director) Mrs. Jyoti Agarwal (Director) Mr. Pawan Agarwal (Director)

I Media Corp Limited

Schedule annexed to and forming part of the Accounts as at and for the year ended March 31, 2010

Schedule 13: Notes to Accounts (Continued).

3. (b) Transactions with related parties are given below:

Related Party Name	Loan/Advance Taken (Repaid)		Interest Received (Paid)		Receiving of Services		Rendering of Services		Amount Outstanding	
	March-10	March-09	March-10	March-09	March-10	March-09	March-10	March-09	March-10	March-09
D.B. Corp Ltd	56,361,969	54,609,309	(20,421,506)	(12,212,100)	13,388,427	751,901	3,654,617	3,908,566	(205,907,829)	(145,433,824)
	-	(1,692,843)	-	-	-	-	-	-	-	-
Synergy Media Entertainment Limited	-	(1,088,044)	-	-	1,575,934	3,059,874	137,387	-	(478,476)	(1,869,582)
	-	1,088,044	-	-	-	-	-	-	-	-
Diligent Media Corporation Limited	-	-	-	-	980,000	-	2,360,479	4,099,476	1,178,358	3,068,413
India Interactive Technologies Limited	-	-	-	-	133,902	145,851	-	21,263	-	(124,588)

4. Leases

In case of assets taken on lease

Operating lease:

The Company has taken certain office premises under operating lease agreements. 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.

Lease payments for the year ended March 31, 2010 aggregated to Rs 1,131,711, (previous year Rs 3,672,759).

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

Period	March 31, 2010	March 31, 2009
	Rs.	Rs.
Not later than one year	3,350,511	3,190,963
Later than one year but not later than five years	562,886	3,913,397
	3,913,397	7,104,360

5. Earnings per share

Particulars	March 31, 2010	March 31, 2009
	Rs.	Rs.
Net loss after tax for equity shareholders	(57,680,633)	(53,052,965)
Weighted average number of equity shares outstanding during the year for the purpose of computation of Basic and diluted earnings per share	1,050,000	1,050,000
Basic and diluted earnings per share (Rs.)	(54.93)	(50.53)
Face Value Per Share (Rs.)	10	10

6. 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, Small and Medium Enterprises is based on information available with the management regarding the status of these parties which is being relied upon by the auditors.

7. Employee Benefit Obligation

Defined Contribution Plan

During the year ended March 31, 2010 and March 31, 2009; the Company contributed the following amounts to defined contribution plans:

Particulars	March 31, 2010	March 31, 2009
	Rs.	Rs.
Provident Fund	1,155,576	879,084
Total	1,155,576	879,084

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 summarize the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plans.

The amounts recognised in the profit and loss account for the year ended March 31, 2010 are as follows:

Particulars	March 31, 2010	March 31, 2009
	Gratuity Rs.	Gratuity Rs.
Current service cost	198,000	164,184
Interest cost	12,724	-
Expected return on plan assets	-	-
Recognized net actuarial (gain) loss	(22,461)	-
Total included in 'employee benefit expense'	188,263	164,184

The amounts recognized in the balance sheet are as follows:

Particulars	March 31, 2010	March 31, 2009
	Gratuity Rs.	Gratuity Rs.
Present value of funded obligations	352,447	164,184

Details of Experience Adjustments on plan assets and plan liabilities

Particulars	March 31, 2010	March 31, 2009
	Gratuity Rs.	Gratuity Rs.
Experience adjustments on plan liabilities (Gain)/Loss	(4,051)	-

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

Particulars	March 31, 2010	March 31, 2009
	Gratuity Rs.	Gratuity Rs.
Defined benefit obligation at beginning of the year	164,184	-
Current service cost	198,000	164,184
Interest cost	12,724	-
Benefits paid	-	-
Actuarial (gain) loss	(22,461)	-
Defined benefit obligation at end of the year	352,447	164,184



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

Particulars	March 31, 2010	March 31, 2009
	Gratuity	Gratuity
Discount rate	8.00%	7.75%
Withdrawal Rate	1% at each age	1% at each age
Future Salary Rise	6.00%	6.00%

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.

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.

8. Deferred Tax

Particulars	March 31, 2010	March 31, 2009
	Rs.	Rs.
Deferred Tax Liability arising from		
- Depreciation	2,799,393	2,834,480
Deferred Tax Asset arising from		
- Carried forward losses and unabsorbed depreciation	2,230,417	2,726,860
- Provision for Gratuity and Leave Encashment	212,401	107,620
- Provision for Doubtful Debts	356,575	-
Net Deferred Tax Liability/ (Asset)	-	-

As per our report of even date

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

per Amit Majmudar
Partner
Membership No.: 36656

Mumbai
May 27, 2010

The Company has deferred tax assets in respect of unabsorbed depreciation and carried forward 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 as at March 31, 2010.

- 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 notified Accounting Standard 17 on Segmental Reporting issued by the Central Government. There are no geographical reportable segments since the Company caters to the Indian market only and does not distinguish any reportable regions within India.
- 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. 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, 2011. With the internet market in India booming and internet penetration increasing every year, the management expects continuous growth in the business and 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.

11. Previous Year comparatives

Previous year's figures have been regrouped / reclassified wherever necessary.

for and on behalf of Board of Directors of I Media Corp Limited

Managing Director

Director