Head Office
6 Dwarka Sadan, Press Complex, MP Nagar,
Bhopal (Madhya Pradesh)- 462011

Registered Office
Plot No.280, Sarkhej - Gandhinagar Highway, Near YMCA Club, Makarba,
Ahmedabad (Gujarat) - 380051

Corporate Office
501, 5th Floor, Naman Corporate Link, Opp. Dena Bank, C-31, G-Block, Bandra Kurla Complex, Bandra (East),
Mumbai (Maharashtra) - 400051

DB Corp Ltd

दैनिक भास्कर · दिव्य भास्कर · DNA · दिव्य मराठी · बिज़नेस भास्कर · i media corp ltd · db activation

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growth expansion

DB Corp Ltd

annual report
2010 - 2011

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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-380051
Head Office	:	Dwarka Sadan, 6, Press Complex, M.P. Nagar, Bhopal-462 011, Madhya Pradesh
Corporate Office	:	501, 5th Floor, Naman Corporate Link, Opp. Dena Bank, C-31, G- Block, Bandra Kurla Complex, Bandra - East, Mumbai - 400051

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ANNUAL REPORT
2010-2011

DB Corp Ltd

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are delighted to present the 15th Annual Report of your Company for the year ended March 31, 2011.

FINANCIAL HIGHLIGHTS

(Standalone Results) (Rs. in Mn)

Particulars	2010-11	2009-10
Sales & Other Income	12616.38	10261.38
EBITDA	4085.25	3460.84
Financial expenses	(12.13)	146.84
Depreciation/ Amortization	427.64	266.41
Profit Before Tax	3669.76	3047.58
Provisions for Current Tax,Deferred tax & other Tax Expenses	996.53	1057.16
Profit After Tax	2673.22	1990.42
Transfer to General Reserves	300.00	150.00
Dividend Proposed(Including Interim dividend and Tax on Dividend)	849.45	423.87

FINANCIAL HIGHLIGHTS

(Consolidated Results) (Rs. in Mn)

Particulars	2010-11	2009-10
Sales & Other Income	12652.44	10629.75
EBITDA	4031.15	3429.41
Financial expenses	11.27	245.40
Depreciation/ Amortization	432.84	378.35
Profit Before Tax	3587.04	2805.66
Provisions for Current Tax , Deferred tax & other Tax Expenses	999.68	1057.16
Profit After Tax	2584.77	1828.00
Transfer to General Reserves	300.00	150.00
Dividend Proposed (Including Interim dividend and Tax on Dividend)	849.45	423.87

The consolidated results include impact of the demerger of radio business of Synergy Media Entertainment Limited (SMEL) into your company and is as under : (Rs. In Mn.)

Particulars	Amount
Profit after tax	2,584.77
Less:-	
Change in Current tax and deferred tax due to the Scheme	(268.73)
Add:-	
Gain on account of reduction in Minority interest liability	46.98
Profit after tax without considering the effect of the Scheme	2,363.02

REVIEW OF PERFORMANCE :

Your Directors are pleased to inform the improved results of your Company for the financial year ended on March 31, 2011 and the following highlights evidence the performance during the said period :

- The Sales & Other income reached Rs.12616.4 Million witnessing a magnificent growth of 23%, as compared to Rs.10261.4 Million in the previous year.
- The EBITDA grew by 18% to Rs.4085.2 Million as against Rs.3460.8 Million in the previous year.
- The profit after tax for the year under review also registered an impressive growth of 34% with Rs.2673.2 Million, as compared to Rs.1990.4 Million in the previous year.
- Also, for the year ended on March 31, 2011, the consolidated revenue of your Company increased to Rs.12652.4 Million from Rs.10629.8 Million in the previous year, registering a growth of 19.0% and the consolidated PAT stood at Rs.2584.8 Million as against Rs.1828.0 Million of the previous year, registering a growth of 41.4%.

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:

(Rs. in Mn)

SUMMARY FINANCIALS			
PARTICULARS	***Emerging Editions***	***Others***	***Total***
	FY 11	*FY11*	*FY 11*
TURNOVER			
PUBLISHING			
- Advt Revenues	*296.00*	*9720.15*	*10016.15*
- Sales	*135.03*	*2181.93*	*2316.96*
- Other Income	*10.89*	*308.44*	*319.33*
TOTAL INCOME	***441.92***	***12210.52***	***12652.44***
News Print Cost	*357.98*	*3480.50*	*3838.50*
Opex	*507.54*	*4275.27*	*4782.81*
Total Cost	***865.52***	***7755.77***	***8621.29***
EBITDA	***(423.60)***	***4454.75***	***4031.15***
EBIDTA %	*-95.9*	*36.5*	*31.9*
Interest(0.16)	*11.43*	*11.27*	
Depreciation	*12.56*	*420.29*	*432.84*
PBT	***(436.00)***	***4023.04***	***3587.04***
PBT %	*-98.7*	*32.9*	*28.3*

In your Company's endeavour to reach higher levels , 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 :

In line with the growth plan of the company, your Directors continue the consistent efforts to enhancement of value to all stakeholders. The year under review, has dawned with substantial

opportunities for growth for the company and your directors march ahead with increased zeal for scaling newer heights in future.

Besides, in the upcoming global economy, the Media and Entertainment industry has begun to witness tremendous potential for growth. As may be seen from the levels of industrial expansion, improved awareness among the consumers, the entry and onset of large scale corporations (both domestic and multinational) , the business avenues for your Company with value addition to the clients is also steadily on the rise and your company continues to be trend setter, with ambitious plans for every area of growth.

Launch of new editions

As a next step of its continuous growth coupled with leadership footprint, the company launched Dainik Bhaskar in Ranchi in August 2010, in Bhatinda in September 2010, Jammu in October 2010, in Jamshedpur in December 2010 and in Sriganganagar, Alwar, Sikar and Bhilwara in January 2011. Further, during the year under review, the company also launched "D B Star" in Jodhpur and Raipur and "Business Bhaskar" in Jaipur. Additionally, during the current year 2011-12, the company launched the Dhanbad edition in April 2011.

The company has already begun it's pre-launch activities in the state of Maharashtra, with great vigor since your directors believe that the company is well best 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, 2011 an amount of Rs.300 Millions was transferred to General Reserve as against Rs.150 Millions in the previous year.

(b) Dividend :

The Board of Directors are pleased to inform that for the year under review, an interim dividend @20% (i.e. Rs. 2/= per equity share of face value of Rs.10/- each) was declared and paid by them and they further recommend a final dividend @ 20% (i.e. Rs.2/- per equity share of face value of Rs.10/= each) for the financial year 2010-11. The total amount of dividend outgo, including Interim Dividend, for the year 2010-11, will be Rs.72,96,79,324/- as against Rs.36,30,44,210/- 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. Harish Bijoor and Shri. Ashwani Kumar Singhal, 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.

During the current financial year 2011-12, the term of Mr. Sudhir Agarwal, as the Managing Director of the company will expire on December 31, 2011 and he will be reappointed for a further period of 5 years from January 01, 2012 to December 31, 2016, subject to approval of the shareholders in the ensuing Annual General Meeting of the Company.

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" and "DBCL - ESOS 2010". 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 an 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 it's tenacious manpower resources , pursuant to the resolution passed at shareholders' meeting held on March 24,2011, the Company has embarked on another Employee Stock Option Plan (ESOP) called as "DBCL - ESOS 2011" 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 up to 30,00,000 stock options, in many tranches. As the options under this scheme are in the process of being granted to the employees, in different tranches, 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)

With a view to reach advertisers with offering(s) of attractive combined advertising options in the FM Radio medium and print medium and to achieve operational synergies and generating larger advertising revenue and better customer satisfaction, as a result of radio's increasing market share in media advertising, the management of your company had considered it prudent, timely and appropriate to de-merge the radio business of SMEL into your company. Accordingly, on completion of all the related procedures, including approvals of the Shareholders, stock exchanges, other statutory authorities, for Scheme of Arrangement in accordance with Sections 391 through 394, and other applicable provisions, of the Companies Act, 1956, and the approval of the Hon' ble High Court of Gujarat at Ahmedabad and the Hon'ble High Court of Madhya Pradesh at Jabalpur, the radio business of SMEL, was demerged into your company. The Scheme of Arrangement has April 01, 2010 as the appointed date and subsequent to the completion of all the above procedures, the same has come into effect, with the Effective Date as March, 30, 2011.

As a result, all the license for 17 stations, under the name "My

FM", across the northern and western part of the country, have now become part of your company. 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 of Rs.9.48 Millions after reaching breakeven in the previous 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 provide value added advertisement solutions.

(2) I Media Corp Limited (IMCL) :
India already ranks No.3 in the world in terms of Internet users with more than 100 million users as per Google and the actual penetration to the grass-root levels is yet to happen, and the company foresees a huge potential for it's digital business. IMCL, the digital arm of Dainik Bhaskar group is already amongst the largest internet players amongst the media companies with increasing numbers of Page Views and reach and has grown substantially, year over year, by focusing completely on content and the needs of user and there is a huge opportunity to build an even larger content play on the internet.
At present the company is operating portals in 4 languages by the name of Dainikbhaskar.com, DivyaBhaskar.com, DivyaMarathi.in and DailyBhaskar.com. These portals are not only about news but are also actually a one stop destination for all content needs of all. The company will continue to focus on these portals and at the same time venture into new avenues of niche content to continue with the pace at which it is growing. Further to scale its corporate objective, the Company is in the process of adding value to it's online business development by availing the natural synergies between the print and the Web media.

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. NIL./-. Foreign exchange Expenses on account of financial expenses during the year was Rs.2,41,32,816/- and on account of traveling and other expenses was Rs.25,52,660/-.

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, 2011 on a "going concern" basis;

ACKNOWLEDGEMENTS:

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

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

PLACE: Mumbai
DATE: May 18, 2011

(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, 2011)

Particulars	Details
Options granted (net) as per Share holders' approval	7,00,000
Vesting Schedule	20% each for 5 years
Pricing Formula	Exercise Price Rs.124/= 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)
Total number of options granted	4,13,427
Options Vested	91,653
Options Exercised	36,126
The total number of shares arising as a result of exercise of options	36,126
Options lapsed / cancelled	1,02,217
Variation of terms of options	NIL
Money realised by exercise of options	Rs.44,79,624/-
Total number of options in force	275084
Details of options granted to (a) Directors (b) Key Managerial Personnel Dr. Bharat Agarwal Mr. P.G. Mishra Mr. R.D. Bhatnagar Mr. Shravan Garg	No options were granted during the year.
(c) 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
(d) 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 2011	Rs.14.70
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	No options were granted during the year and hence not applicable.
Weighted average fair values of options whose exercise price equals or is less than the market value of the stock.	No options were granted during the year and hence not applicable.

Particulars	Details
Assumptions Exercise Price Risk free Rate	No options were granted during the year and hence not applicable.
Time to Maturity Expected Volatility Expected Dividend Rate Closing Market Price of Share on the date of option grant	
Lock-in	Nil
Impact on profits and EPS of the last three years	Not applicable

(*) Please see the Note for the same item under the particulars furnished for DBCL-ESOS-2010.

(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, 2011)

Particulars	Details
Options available for grant to employees as per ESOP Scheme	6,00,000
Pricing Formula	Rs.168/- 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 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
Total number of Options Granted	4,91,203
Options Vested	NIL
Options Exercised	NIL
The total number of shares arising as a result of exercise of options	NIL
Options lapsed/surrendered/forfeited	16,494
Variation of terms of options	NIL
Money realised by exercise of options	NIL
Total number of options in force	4,74,709
Details of options granted to (a) Directors (b) Key Managerial Personnel Dr. Bharat Agarwal Mr. P.G. Mishra Mr. R.D. Bhatnagar Mr. Shravan Garg	 NIL 10,000 7,934 5,100 3,129
(c) 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
(d) 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 2011	Rs. 14.70
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

Particulars	Details
Weighted average exercise price either equals or exceeds or is less than the market value of the shares	Less than Market Price - Rs. 168
Weighted average fair values of options whose exercise price equals or is less than the market value of the stock.	Less than Market Price - Rs. 124.97
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	 Rs.168/- 7.10 4.5years 30.81% 0.31% Rs.242.50
Lock-in	Nil
Impact on profits and EPS of the last three years	Not Applicable since options were granted only in May-2010

(*) The stock based compensation cost calculated as per the intrinsic value method for the period from April 01, 2010 to March 31, 2011 is Rs. 18,665,802/-. If the stock based compensation cost was calculated as per the fair value method prescribed by SEBI (ESOS) Guidelines 1999, the total cost to be recognized in the financial statements for the period from April 01, 2010 to March 31, 2011, would be Rs. 30,462,660/-. The effect of adopting the fair value method on the net income and earnings per share as presented below:

	March 31 ,2011 (Rs.)
Profit as reported	267,32,31,385
Add: Employee stock compensation under intrinsic value method	18,665,802
Less: Employee stock compensation under fair value method	30,462,660
Performa profit	**2,661,434,527**
Earnings Per Share	
Basic	
- As reported	14.73
- As adjusted	14.66
Diluted	
- As reported	14.70
- As adjusted	14.64

(Annexure pursuant to the DBCL-ESOS-2011)
Information required to be disclosed under SEBI (ESOS and ESPS) Guidelines, 1999
(For the Financial Year ended on March 31, 2011)

Particulars	Details
Options available for grant to employees as per ESOP Scheme, as approved by shareholders, to be granted in various tranches	30,00,000
Vesting schedule :	Options granted under DBCL-ESOS-2011 would vest not less than one year but not more than seven years from the date of grant.
Pricing Formula	Exercise Price at a discount up to a maximum of 90% to the Market price , where the Market price shall be the closing market price one day prior to the date of 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
Total number of Options Granted	NIL
Options Vested	NIL
Options Exercised	NIL
The total number of shares arising as a result of exercise of options	NIL
Options lapsed/surrendered/forfeited	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 (b) Key Managerial Personnel	 NIL Options not granted as on March 31, 2011
(c) 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
(d) 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 2011	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

Particulars	Details
Weighted average fair values of options whose exercise price equals or is less than the market value of the stock.	Not applicable
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, 2011
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, 2011
Lock-in	Nil
Impact on profits and EPS of the last three years	Not Applicable since no options were granted as on March 31, 2011

Annexure to the Directors' Report for the Financial Year ending on March 31, 2011

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
1	Mr. Ramesh Chandra Agarwal
2	Mr. Sudhir Agarwal
3	Mr. Girish Agarwal
4	Mr. Pawan Agarwal
5	Ms. Kasturi Devi Agarwal
6	Ms. Meena Garg
7	Ms. Neelam Goyal
8	Ms. Bhawna Agarwal
9	Mr. Vishnu Prasad Garg
10	Dr. O. P. Garg
11	Mr. Govind Prasad Garg
12	Ms. Vineeta Khetawat
13	Ms. Jyoti Agarwal
14	Ms. Nitika Agarwal
15	Ms. Namita Agarwal
16	Mr. Arjun Agarwal
17	Ms. Shubh Agarwal
18	Mr. D. D. Berry
19	Ms. Sushma Berry
20	Mr. Sumeet Berry
21	Ms. Annu Rakheja
22	Ms. Nitu Singh
23	Ms. Renu Dua
24	Aarkey Aditya Developers Private Limited
25	Aarkey Investments Private Limited
26	All Season Events Private Limited
27	Avadh Exim Private Limited
28	BEL Traders Private Limited
29	BFP Enterprises Private Limited
30	BFP Traders Private Limited
31	Berry Developers and Infrastructure Private Limited
32	Bhaskar Airlines (India) Private Limited
33	Bhaskar Broadcasting Corporation Limited
34	Bhaskar Denim Limited
35	Bhaskar Entertainment & Media Private Limited
36	Bhaskar Exim Limited
37	Bhaskar Exxoils Private Limited
38	Bhaskar Infrastructure Limited
39	Bhaskar Foods Private Limited
40	Bhaskar Global Private Limited
41	Bhaskar Green Power Private Limited
42	Bhaskar Housing Development Company Private Limited
43	Bhaskar Industries Limited
44	Bhaskar Infraventure Limited
45	Bhaskar Multi Media Private Limited
46	Bhaskar Multinet Limited
47	Bhaskar News Media Limited
48	Bhaskar Publications and Allied Industries Private Limited
49	Bhaskar Bio-Fuels Private Limited
50	Bhaskar Venkatesh Products Private Limited
51	Bhaskar United Sporting Pvt. Ltd.
52	Bhaskar Inframine Private Limited
53	Bhopal Financial Services Private Limited
54	Brick Joint Pte. Limited
55	Bright Drug Industries Limited
56	Brightrade Pte. Limited
57	Chambal Tradings Private Limited
58	DB Buildcon Private Limited
59	DB Energy and Foods Private Limited
60	D B Energy Private Limited
61	D B Infrastructures Private Limited
62	DB Infratech Private Limited
63	D B Malls Private Limited
64	DB Metals Private Limited
65	DB Mining Corp Limited
66	DB Minings Private Limited
67	DB Partners Enterprises Private Limited
68	D B Power Limited
69	DB Power (Chhattisgarh) Limited
70	DB Power (Jharkhand) Private Limited
71	DB Power (Madhya Pradesh) Limited
72	Ample Power Limited (Formerly known as DB Power (Orissa) Limited)
73	DB Publications Private Limited
74	Delight Investments Pte. Limited
75	Delta Coal and Mining Private Limited
76	Deluxe Travel Service Private Limited
77	Demeurer Developers Private Limited
78	Design Solutions Limited
79	Dev Enterprises Private Limited
80	Dev Fiscal Services Private Limited
81	Diligent Media Corporation Limited
82	Dimension Media Private Limited
83	Direct (OOH) Media Private Limited
84	Divya Dev Developers Private Limited
85	Diva Oil and Gas Limited
86	Divya Prabhat Publications Private Limited
87	Divya Trading Private Limited
88	Dolby Mining and Power Private Limited
89	Dynamic Concepts Pte. Limited
90	Daksh Energy Private Limited
91	Delicious Foods & Beverages Private Limited
92	Diligent Power Private Limited
93	Dolby Power & Energy Private Limited
94	Dynamic Infraventure Private Limited
95	Devasree Inframine Private Limited
96	Dhanshree Mines Private Limited
97	Divine Inframine Private Limited
98	Dynamic Inframine Private Limited
99	DB Microfinance Private Limited
100	Deligent Hotel Corporation Private Limited
101	Exxoils Enterprises Private Limited
102	Gwalior Buildcon Private Limited
103	Hathway Bhaskar Multinet Private Limited
104	India Interactive Technologies Limited
105	India United Textile Mills Limited
106	Jay Vision Care and Ophthalmics Private Limited
107	Khandadhar Minerals Limited
108	Manjul Publishing House Private Limited
109	Mary Developers Private Limited
110	New Era Publications Private Limited
111	Peacock Trading and Investments Private Limited
112	Rainbow Resources Pte Limited
113	Regency Agro Products Private Limited
114	Regency Hotels and Investments (India) Private Limited
115	S. A. Trading and Investments Private Limited
116	Saurashtra Samachar Private Limited
117	S. B. Hotels Private Limited
118	Sharda Real Estate Private Limited
119	Sharda Solvent Limited
120	Shashwat Homes Private Limited
121	Shourya Diamonds Limited
122	Solvent Traders Private Limited
123	Stitex Global Limited
124	Sunshine Solvent Private Limited
125	Surge Developers Private Limited
126	Surya Eye Institute and Research Centre Private Limited
127	Vastu Mines Private Limited
128	Venture Drive Pte. Limited
129	Vindhya Solvent Private Limited
130	Vista Natural Resources Private Limited
131	Writers and Publishers Private Limited
132	Yoman Infrastructure Private Limited
133	Bhaskar Photo Type Setter, Bhopal
134	Bhaskar Printing Press, Ahmedabad, Surat, Vadodra
135	Bhaskar Printing Press, Bhopal
136	M/s. Dwarka Prasad Agarwal and Brothers
137	Dwarka Prasad Agarwal Charitable Trust
138	Girish Agarwal HUF
139	M/s. Matolia Motels
140	Om Prakash Garg HUF
141	Pawan Agarwal HUF
142	Ramesh Chandra Agarwal HUF
143	R.C.Agarwal Charitable Trust
144	R C Phototype Setter, Raipur
145	M/s. R.C. Printers
146	Sharda Devi Charitable Trust
147	Shivpuri Trading Corporation
148	Sudhir Agarwal HUF
149	Vishnu Prasad Garg HUF
150	Vindhya Power Private Limited
151	Virat Infraventures Private Limited

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 7 times during the year on April 9, 2010, May 5, 2010, May 27, 2010, June 26, 2010, July 30, 2010, October 22, 2010 and January 24, 2011. 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 at meetings during 2010-11			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	7	6	Yes	9	Promoter	0/1
Mr. Sudhir Agarwal, Managing Director	7	6	No	11	Promoter	2/1
Mr. Girish Agarwal, Director	7	6	Yes	14	Promoter	1/0
Mr. Pawan Agarwal, Director	7	5	No	11	Promoter	1/3
Mr. Niten Malhan, Nominee Director	7	4	No	6	Nominee	4/0
Mr. Ajay Piramal, Independent Director	7	2	No	4	Non-Executive Independent	1/0
Mr. K.C. Chowdhary, Independent Director	7	6	Yes	1	Non-Executive Independent	1/0
Mr. Piyush Pandey, Independent Director	7	1	No	0	Non-Executive Independent	0/0
Mr. Harish Bijoor, Independent Director	7	5	No	1	Non-Executive Independent	1/0
Mr. Ashwani Singhal, Independent Director	7	5	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 2010-11 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 Four times on May 27, 2010, July 30, 2010, October 22, 2010 and January 24, 2011.

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	4	4
Mr. Ashwani Singhal - Member	Independent	4	3
Mr. Piyush Pandey - Member	Independent	4	1
Mr. Niten Malhan - Member	Non- Executive	4	2
Mr. Girish Agarwal - Member	Non- Executive	4	4

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, 2011, 78 complaints in the nature of non- receipt of refund, non-receipts 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.

During the year the committee met Four times on May 27, 2010, July 30, 2010, October 22, 2010 and January 24, 2011.

Attendance of each member at the Shareholders' and Investors' Grievance Committee held during the year 2010-11, is as under :

Name of the member of the 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	4	4
Mr. Sudhir Agarwal- Member	Executive	4	4
Mr. Pawan Agarwal - Member	Non- Executive	4	4
Mr. Niten Malhan - Member	Non- Executive	4	4

In the meetings of the Shareholders'/Investors' Grievance Committee held during the year ended 31st March, 2011, 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 2010-11 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/=

During the current financial year 2011-12, the term of Mr. Sudhir Agarwal, as the Managing Director of the company will expire on December 31, 2011 and he will be reappointed for a further period of 5 years from January 01, 2012 to December 31, 2016, on an annual remuneration of Rs.60,00,000/-, per annum, pursuant to the approval of the remuneration committee and the Board of Directors, subject to approval of the shareholders in the ensuing Annual General Meeting of the Company.

D) Compensation Committee:

With a view to comply with the provisions of the SEBI (Employees Stock Option Scheme and Employee 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 2010-2011, one meeting of the Compensation Committee was held on January 24, 2011.

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:

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 as at March 31, 2011 are as under:

Name of the Director	No. of Equity Shares held
Mr. R.C. Agarwal,	32,010,062
Mr. Sudhir Agarwal	18,006,206
Mr. Girish Agarwal,	15,227,186
Mr. Pawan Agarwal,	17,424,808
Mr. Niten Malhan	-- NIL--
Mr. Kailash Chandra Chowdhary	-- NIL--
Mr. Ajay Piramal,,	-- NIL--
Mr. Piyush Pandey,	-- NIL--
Mr. Harish Bijoor, Independent Director	-- NIL--
Mr. Ashwani Singhal, Independent Director	-- NIL--

Sitting Fees, paid to the Non- Executive and Independent Directors of the company, during the year 2010-11, is as follows:

Name of the Director	Sitting fees paid
Mr. R.C. Agarwal,	Rs. 1,20,000
Mr. Girish Agarwal,	Rs. 1,20,000
Mr. Pawan Agarwal,	Rs. 1,00,000
Mr. Niten Malhan	Nil
Mr. Kailash Chandra Chowdhary	Rs. 1,60,000
Mr. Ajay Piramal,,	Rs. 40,000
Mr. Piyush Pandey,	Rs. 25,000
Mr. Harish Bijoor,	Rs. 1,00,000
Mr. Ashwani Singhal,	Rs. 1,15,000
Total	**Rs.7,80,000/=**

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 2010-11: Date, time and venue :
July 8, 2011, Time: 4.00 P.M.
Venue: Registered Office of the Company.

Financial Calendar for the year commencing from 01-April-2011 to 31-March- 2012 (Tentative)

First Quarter Results	:	Upto August 14, 2011
Second Quarter Results	:	Upto November 14, 2011
Third Quarter Results	:	Upto February 14, 2012
Results for the year ending March, 2012		Upto May 15, 2012
Date of Book closure	:	2nd July, 2011 to 8th July, 2011

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 2011-2012 have 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 2010-11:

Company's shares are listed on Bombay Stock Exchange and National Stock Exchange 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 2010	265.50	241.00	18,047.86	17,276.80	266.10	239.00	5399.65	5160.90
May 2010	256.95	225.00	17,536.86	15,960.15	258.80	211.35	5278.70	4786.45
June 2010	253.80	230.10	17,919.62	16,318.39	253.00	227.55	5366.75	4961.05
July 2010	248.00	230.00	18,237.56	17,395.58	246.00	230.55	5477.50	5225.60
August 2010	275.00	240.35	18,475.27	17,819.99	275.75	240.25	5549.80	5348.90
September 2010	289.10	246.00	20,267.98	18,027.12	289.40	247.00	6073.50	5403.05
October 2010	307.00	266.70	20,854.55	19,768.96	310.20	265.00	6284.10	5937.10
November 2010	284.40	242.10	21,108.64	18,954.82	285.00	240.05	6338.50	5690.35
December 2010	274.05	235.10	20,552.03	19,074.57	275.00	235.10	6147.30	5721.15
January 2011	279.00	238.00	20,664.80	18,038.48	278.65	235.15	6181.05	5416.65
February 2011	261.65	226.00	18,690.97	17,295.62	261.30	231.00	5599.25	5177.70
March 2011	268.20	234.25	19,575.16	17,792.17	274.00	233.70	5872.00	5348.20

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
Tel No	:	040-44655000
Fax	:	040-23420814-0857
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'/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 31-03-2011, the Company, 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	413123	0.22
Electronic Form with NSDL	150265792	81.99
Physical Form	32604316	17.79
Total	**183283231**	**100**

11.SHAREHOLDING PATTERN (EQUITY) AS ON MARCH 31 2011:

Sr. No.	Category	No. of Holders	Total Shares	Percentage
1	PROMOTERS	13	116868703	63.76%
2	PROMOTERS BODIES CORPORATE	7	40995057	22.37%
3	FOREIGN INSTITUTIONAL INVESTORS	31	9623005	5.25%
4	OVERSEAS CORPORATE BODIES	2	6607594	3.61%
5	MUTUAL FUNDS	30	5815569	3.17%
6	RESIDENT INDIVIDUALS	12042	1216599	0.66%
7	BODIES CORPORATES	256	1634605	0.89%
8	H U F	537	503874	0.27%
9	NON RESIDENT INDIANS	92	16208	0.01%
10	CLEARING MEMBERS	21	2017	0.00%
	Total	**13031**	**183283231**	**100.00%**

12. DISTRIBUTION SCHEDULE AS ON MARCH 31, 2011:

Share or debenture holding of nominal value		Share / debenture holders		Share / debenture Amount	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
(1)		(2)	(3)	(4)	(5)
Upto	- 5000	12766	97.91%	8135420	0.44%
5001	- 10000	98	0.75%	759730	0.04%
10001	- 20000	39	0.30%	587960	0.03%
20001	- 30000	16	0.12%	409670	0.02%
30001	- 40000	7	0.05%	256430	0.01%
40001	- 50000	10	0.08%	468380	0.03%
50001	- 100000	19	0.15%	1438540	0.08%
100001	& Above	84	0.64%	1820776180	99.34%
Total		**13039**	**100%**	**1832832310**	**100%**

Equity Shares held in Suspense Account:

As per Clause 5A of the Listing Agreement, the company reports that 247 Shares are lying in the suspense account, as on March 31, 2011.

The GDR/ ADR/ Convertible instruments:

The Company has not issued any GDR/ADR/Convertible instruments during the financial year 2010-11.

Address for Investor Correspondence:

K. Venkataraman
Company Secretary & Compliance Officer
D.B. Corp Limited
501, 5th Floor, Naman Corporate Link,
Opp. Dena Bank,
C-31, G- Block,
Bandra Kurla Complex,
Bandra - East,
Mumbai - 400051
Tel No: 022-39888840
Fax No: 022-39804793
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, 2011, 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 18, 2011
Mumbai

(Sudhir Agarwal)
Managing Director

Auditors' Certificate on Compliance with the conditions of Corporate Governance

We have examined the compliance of conditions of Corporate Governance of D.B. Corp Limited (The Company), for the year ended on March 31, 2011, as stipulated in clause 49 the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof , adopted by the Company, for ensuring the compliance conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
In our opinion and to the best of our information and according to the explanations given to us , we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

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

per Amit Majmudar
Partner
Membership No : 36656

May 18, 2011

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

per Navin K. Gupta
Partner
Membership No : 75030

Details of the Directors seeking appointment/reappointment at the forthcoming AGM :

Name of the Director	Mr. Harish Bijoor
Date of Birth	3rd June 1961
Date of Appointment	28th November 2007
Areas of Experience	He has over 27 years of experience in marketing and brand management. He began his career in Hindustan Lever Limited (formerly known as Brooke Bond Lipton India Limited), and was in charge of sales, distribution and brand management of the company. He also worked in Tata Coffee Limited and was responsible for their brand management for over eight years. He also worked in Zip Telecom Limited as Chief Operating Officer from 2000 to 2001.
Educational Qualifications	Graduate and Post Graduate degree in Arts, from Bangalore University.
Companies in which he holds directorship	Global Edge Software Limited
Membership/Chairmanship of Board Committees	NIL
Shareholding	NIL

Name of the Director	Mr. Ashwani Kumar Singhal
Date of Birth	31st October 1961
Date of Appointment	28th November 2007
Areas of Experience	Mr. Ashwani Kumar Singhal has over 26 years of experience in non-ferrous metallurgical industry and is presently handling the activities related to global sourcing of raw materials of his business in manufacture of non-ferrous metals. He was the vice-president of BIR Brussels, the International Authority in Non- Ferrous Metals for global trends in the industry from 1996 to 2008.
Educational Qualifications	B.Com (Hons.) degree from Gurunanak Dev University, Amritsar
Companies in which he holds directorship	Katyanidevi Leasing and Finance Company Private Limited Synergy Media Entertainment Limited
Membership/Chairmanship of Board Committees	D.B. Corp Limited
Shareholding	NIL

Details of the Directors seeking appointment/reappointment at the forthcoming AGM :

Name of the Director	Mr. Sudhir Agarwal
Date of Birth	20th July 1967
Date of Appointment	Appointed as Additional Director on 10-12-2005 and appointed as the Managing Director from 01-01-2007 a period of 5 years .
Areas of Experience	Mr. Sudhir Agarwal is having approximately 22 years of experience in the publishing and newspaper business and has been employed with our organization for all of this period. He is responsible for our long term vision and strategy and is heading many new initiatives undertaken by the company.
Educational Qualifications	Bachelor's degree in science
Companies in which he holds directorship	As per list given below
Membership/Chairmanship of Board Committees	Member - Shareholders/Investors' Grievance Committee
Shareholding in the company	18006206 shares

Directorship List of Shri. Sudhir Agarwal

S.No	Name of the Company	S. No	Name of the Company
1	Bhaskar Venkatesh Products Private Limited	20	Vindhya Solvent Pvt. Limited
2	Bhaskar Foods Pvt. Ltd.	21	Aarkey Aditya Developers Pvt. Ltd
3	Bhaskar Industries Ltd.	22	Delta Coal & Mining Pvt. Ltd.
4	Bhaskar Publications and Allied Ind. Pvt. Ltd.	23	Ample Power Ltd (Formerly known as DB Power (Orissa) Ltd)
5	Bhaskar Bio-fuels Pvt. Ltd.	24	DB Power (Chhattisgarh) Limited
6	Bhaskar Exxoils Pvt. Limited	25	Vastu Mines Pvt. Ltd
7	DB Malls Pvt. Limited	26	Dolby Mining & Power Pvt. Ltd
8	Diligent Media Corporation Ltd	27	Vista Natural Resources Pvt. Ltd
9	I Media Corp Ltd	28	Bhaskar News Media Limited
10	Saurashtra Samachar Private Limited	29	Bhaskar Entertainment & Media Pvt. Ltd
11	Shourya Diamonds Limited	30	DB Power (Jharkhand) Pvt. Ltd
12	Surge Developers Private Ltd.	31	DB Energy and Foods Pvt. Ltd
13	Synergy Media Entertainment Ltd.	32	Demeurer Developers Pvt. Ltd
14	Writers and Publishers Pvt. Limited	33	Le Soleil Developers Pvt Ltd
15	DB Energy Private Limited	34	Sharda Solvent Limited
16	India Interactive Technologies Limited	35	Daksh Energy Pvt Ltd
17	Hathway Bhaskar Multinet Pvt Ltd	36	Vindhya Power Pvt Ltd
18	DB Publications Private Limited	37	Deligent Hotel Corporation Pvt Ltd
19	Diva oil & Gas Limited		

Management Discussion and Analysis report

INDUSTRY OVERVIEW :

In keeping pace with the growth in the world economies, particularly in India and emerging markets, the Media Industry in India is also poised for tremendous growth.

The Indian Media & Entertainment industry grew from INR 587 billion in 2009 to INR 652 billion in 2010, registering an overall growth of 11 percent. Backed by positive industry sentiment and growing media consumption, the industry is estimated to achieve growth of 13 percent in 2011 to touch INR 738 billion. As the industry braces for exciting times ahead, the sector is projected to grow at a CAGR of 14 percent to reach INR 1,275 billion by 2015. (Source : Frames- Report by KPMG- 2011)
The Media industry consisting of Print and Non-Print segments is flooded with huge growth potential and all the players in the industry are untiringly working towards higher levels of achievement, in terms of volume, value and stakeholders' enhancement.
"With the increased spending power, brand consciousness, better education levels and aspirations, we expect buoyant consumerism in regional markets and Tier2/3 cities. These consumers have also preferred Hindi and regional dailies over English. The traditional monetization gap between English V/s Hindi and other language newspapers has already narrowed and we will see this trend continue on the back of this buoyant market condition in Tier2/3 cities."

(Source : a quote in Frames- Report by KPMG- 2011)

The avenues for the Non-Print front are also increasing and Radio business is also having substantial potential for growth.
"The industry will see growth from existing licenses (through increased inventory utilization), from new licenses in the existing cities and through the addition of new cities as a part of Phase Three. As the new cities being added in Phase Three are primarily small towns, they are not expected to contribute a large share of industry growth in the medium term." (Source : Frames-Report by KPMG- 2011)
"In addition, in the light of the improved cost economies and the expectation from Phase Three licensing, there could be interest in the sector from new players. These could include regional print players looking to leverage the radio opportunity, as well as music companies." (Source : Frames- Report by KPMG- 2011)

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 59 editions and 135 sub-editions in three languages (Hindi, Gujarati and English) in 13 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.
During the year under review, the company launched Dainik Bhaskar in Ranchi in August 2010, in Bhatinda in September 2010, Jammu in October 2010, in Jamshedpur in December 2010 and in Sriganganagar, Alwar, Sikar and Bhilwara in January 2011. Further, the company also launched "D B Star" in Jodhpur and Raipur and "Business Bhaskar" in Jaipur. Additionally, during the current year 2011-12, the company launched the Dhanbad edition in April 2011.
We continue our efforts to provide best quality of newspapers to our readers and in this direction, Dainik Bhaskar group has always used latest technology of printing infrastructure, improved editorial content etc., enhanced printing quality. In it's endeavor to achieve newer heights and long term objectives, the company marches ahead with many steps and initiatives and noteworthy efforts have begun in the areas of corporate restructuring, Ad revenue planning and Editorial content in addition to attributing more focus on the event management. It is an on going affair for the company to receive recognitions and improve its market position in the industry. Increasing rate of literacy across the country, growth in readership of Hindi newspapers and improved reach to consumers and increase in the advertisement spend are mainly the driving forces for the company.
Keeping in mind the potential available and remaining un tapped, the company has already begun it's pre-launch activities in the state of Maharashtra, with great vigor since it is felt that the company is well best 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 regard 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.
Besides, looking into the synergy available for the product mix of print and non-print offers to customers, the company has merged into itself the radio business of Synergy Media Entertainment Limited, a subsidiary of your company, as mentioned in the Directors Report for the year under review.

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 :**
The overall growth in the economy, globally, has opened up more potential for the company and the competition is healthy for the company, acting as a booster to achieving better results in the years to come. The impact of the growth will be seen in the advertisement revenue of the company and with the stability gained from the experience during the gloomy year of 2008-09, the company is consolidating it's position in the chosen areas of business.
To over come the competition, we equip ourselves with widely recognized national brand, experienced and dedicated management team, better reader connect, expanding net work, flexible liquidity and investment in product development, and consistent focus on up gradation of technology and all these would result in enhancement of our capabilities to meet the competition effectively. Besides, we face and competition as our motivational factor since we are continuously exploring our entry into

newer markets, suiting the 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, 2011, we derived advertisement revenue 79.50% of total revenue and during the year ended on March, 31, 2010 the same was 75.78%.

❖ **Management's perception :**
We came out of the most economically difficult financial year 2008-09 and we have registered a growth of 22.95% in total revenue by achieving turnover of Rs. 1261.64 Crores during the year 2010-11 as compared to the same of Rs.1026.13 Crores during the year 2009-10. The growth is after effect of demerger of Radio division of Synergy Media Entertainment Ltd. (SMEL) into the company with effect from 1st April'10.

❖ **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, 2011 and March31, 2010, newsprint cost represented 45.00% and 48.21% respectively of our total expenses. The volatility in newsprint prices is not in control of print media businesses.

❖ **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 2011.

❖ **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. Further the management assesses all the related risks periodically and keeps a close tab and monitoring of the same. This enables the company embark up on plans for minimization and mitigation, as and when required, pro-actively.

FINANCIAL PERFORMANCE :

The consolidated results include income from MY FM radio business and the impact of the demerger of radio business of Synergy Media Entertainment Limited.

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 22.95% by achieving turnover of Rs.1261.63. Crores during the year 2010-11 as compared to Rs. 1026.13 Crores during the year 2009-10. The growth was noted in all revenue streams. Advertising revenue grew from Rs 777.59 Crores to Rs1003.03 Crores registering an increase of 28.99%. The growth is after effect of demerger of Radio division of Synergy Media Entertainment Ltd (SMEL) into the company with effect from 1st April'10.

Other Income:
It comprises of interest income. Other income decreased by 6.51% by registering income of Rs16.50 Crores in the year 2010-11 as compared to Rs17.65 Crores in 2009-10.

Raw Material consumed :
Newsprint consumption increased from Rs. 327.86 Crores to Rs. 383.90 Crores during the year 2010-11 due to set up of new units in Jharkhand, Gujarat, Punjab, Haryana, Rajasthan, registering increase of nearly 17%. We have maintained close monitoring and control over consumption quantity and wastage.

Operating cost :
It mainly comprises cost of stores and spares consumed, printing job expenses, electricity charges and plant repairs and maintenance etc. There is an increase in operating expenses by 13.15% due to expansion of business.

Employees cost :
Employees cost has been increased by 55.19% due to set up of various new units in the state of Gujarat, Rajasthan, Haryana, Punjab, Jharkhand and MP. Further the increase is after effect of demerger of Radio division of Synergy Media Entertainment Ltd. (SMEL) into the company with effect from 1st April'10

Depreciation :
Depreciation in 2010-11 increased by about 60.51% due to addition in fixed assets and the increase is after effect of demerger of Radio division of Synergy Media Entertainment Ltd.(SMEL) in the company with effect from 1st April'10

Financial cost :
Financial cost decreased from Rs. 32.34 Crores in 2009-10 to Rs.15.28 Crores, in 2010-11, registering a decline of 52.75% and this was achieved due to repayment of loans.

Earning on Exchange fluctuation :
During the year 2010-11, we earned Rs. 8.72 lacs on account of Exchange fluctuation gain as compared to gain of Rs.89.45 lacs in previous year.

Profit before taxation :
Profit before taxation increased from Rs. 304.76 Crores to Rs. 366.98 Crores registering a growth of 20.41% in the year 2010-11 due to increase in revenue.

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, 2011.

(Figures in Rs.)

Particulars	Amount to be utilized as per Prospectus	Actual Utilization till March 31, 2011	Balance to be utilized as on March 31, 2011
Setting up new publishing units	600,000,000	448,361,906	151,638,094
Upgrading existing plant & machinery	305,000,000	392,122,896	(87,122,896)
Sales and marketing	501,000,000	3,804,070	497,195,930
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	111,578,053	31,026,947
Total	**2,690,065,000**	**2,097,326,925**	**592,738,075**

INTERNAL CONTROLS :

The system of internal controls adopted in the company, commensurate with its nature and size of business is proper and adequate to ensure that all assets are safeguarded and protected against any loss and that all transactions are authorized, recorded and reported correctly. These are further supplemented by an extensive program of effective and continuous internal audit by various independent firms of Chartered Accountants at various locations and the reports are reviewed periodically 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. The company always provides for cost savings and profit enhancement ideas and recommendations made by the Internal Audit Department are also considered by the Audit Committee. The process of SAP adopted by the company covers many business processes for closer monitoring of improved controls and ensuring 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 and the business potential is substantial. We continue our steps to make our mark and brands in newer locations in addition to offering improved products and value added services in the existing areas, as has always been our vision. In this direction, we believe that the innovative approach adopted by us would pave a long way for achieving our long term objectives.

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, 2011 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 explana tions, which to the best of our knowledge and belief were nec essary 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 cashflow 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 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, 2011;
      (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 18, 2011

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 pro gramme of verification which, in our opinion, is reason able having regard to the size of the Company and the nature of its assets. As informed, no material discrep ancies 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 fol lowed by the management are reasonable and ade quate 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) The Company has granted unsecured loans to two com panies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs 499,441,154 and the year- end balance of loans granted was Rs 382,427,644.
   (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, repay ment of the principal amount is as stipulated and pay ment 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 compa nies, firms or other parties listed in the register main tained under section 301 of the Act.
   (e) The Company has not taken any loans, secured or unse cured 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, and 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 par ticulars of contracts or arrangements referred to in sec tion 301 of the Act that need to be entered into the regis ter 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, investor education and protection fund, emploees' state insurance, income-tax, sales-tax, wealth-tax, ser vice 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 material 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 records of the Company, the dues out standing of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax dues	11,200,040	Assessment year 2008-09	Appellate tribunal, Ahmedabad
Income-tax Act, 1961	Income tax dues	2,034,830	Assessment year 2009-10	Commissioner of Income tax, Ahmedabad

(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 given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.

(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 18, 2011

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, 2011

(Amounts in Indian Rupees)

		Schedules	As At March 31, 2011	As At March 31, 2010
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital		1	1,832,842,310	1,815,156,050
Stock Options outstanding		2	28,919,045	12,965,726
Reserves and Surplus		3	6,691,448,994	5,476,371,476
			8,553,210,349	7,304,493,252
Loan Funds				
Secured Loans		4	2,081,725,340	2,728,630,982
Unsecured Loans		5	290,349,265	241,008,762
			2,372,074,605	2,969,639,744
Deferred Tax Liabilities (Net)		6	694,597,627	608,762,958
	TOTAL		**11,619,882,581**	**10,882,895,954**
APPLICATION OF FUNDS				
Fixed Assets		7		
Gross Block			8,363,183,802	6,059,323,218
Less : Accumulated depreciation / amortisation			1,711,569,524	998,234,795
Net Block			6,651,614,278	5,061,088,423
Capital Work-in-progress including Capital Advances			680,090,624	614,282,768
			7,331,704,902	5,675,371,191
Investments		8	520,327,800	910,786,000
Current Assets, Loans and Advances				
Inventories		9	728,033,099	721,615,361
Sundry Debtors		10	2,385,688,638	1,834,818,477
Cash and Bank Balances		11	1,661,621,130	1,869,377,994
Loans and Advances		12	1,055,424,450	1,668,816,547
	A		5,830,767,317	6,094,628,379
Less : Current Liabilities and Provisions				
Current Liabilities		13	1,632,626,057	1,538,634,024
Provisions		14	540,118,275	384,952,163
	B		2,172,744,332	1,923,586,187
Net Current Assets	**(A-B)**		3,658,022,985	4,171,042,192
Miscellaneous Expenditure (to the extent not written off or adjusted)		15	109,826,894	125,696,571
	TOTAL		**11,619,882,581**	**10,882,895,954**
NOTES TO ACCOUNTS		25		

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 18, 2011

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

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

DB Corp Ltd

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amounts in Indian Rupees)

	Schedules	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Sales	16	2,291,469,563	2,250,708,317
Income from Event Management		151,469,431	111,096,269
Advertisement Income		10,030,346,059	7,775,851,234
Other Operating Income	17	143,090,733	123,720,771
		12,616,375,786	**10,261,376,591**
EXPENDITURE			
Raw Materials Consumed	18	3,839,083,276	3,278,675,591
Increase in Stock of Finished Goods		(604,314)	(15,938)
Event Expenses		148,803,282	102,432,523
Operating Expenses	19	1,307,782,214	1,155,736,330
Personnel Expenses	20	1,790,276,342	1,153,577,933
General and Administrative Expenses	21	773,328,450	512,484,620
Selling and Distribution Expenses	22	672,450,041	597,646,224
Operating Profit before interest and depreciation		**4,085,256,495**	**3,460,839,308**
Other Income (Interest Income)	23	164,975,346	176,544,941
Financial Expenses	24	152,837,144	323,387,926
Depreciation / Amortisation	7	427,635,700	266,411,936
Profit Before Tax		**3,669,758,997**	**3,047,584,387**
Tax Expense			
Current Tax		894,192,943	840,010,000
Deferred Tax Charge		85,834,669	215,943,289
Provision for tax of earlier years		16,500,000	1,208,404
		996,527,612	1,057,161,693
Profit for the Year		**2,673,231,385**	**1,990,422,694**
Balance brought forward from previous year		2,180,841,150	764,285,596
Profit available for Appropriation		**4,854,072,535**	**2,754,708,290**
Appropriations :			
Interim Dividend		363,083,050	136,135,954
Proposed Final Dividend		366,596,274	226,908,256
Tax on Dividend		119,774,637	60,822,930
Transfer to General Reserve		300,000,000	150,000,000
		1,149,453,961	573,867,140
Balance carried to Balance Sheet		**3,704,618,574**	**2,180,841,150**
Earnings Per Share (Refer Note 13 of Schedule 25)			
Basic Earning Per Share		14.73	11.56
Diluted Earning Per Share		14.70	11.55
Nominal Value Per Share		10	10
NOTES TO ACCOUNTS	25		

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

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

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 18, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

(Amounts in Indian Rupees, except share data)

		As At March 31, 2011	As At March 31, 2010
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 :			
183,283,231	(Previous Year 181,514,605) Equity Shares of Rs.10 each fully paid up	1,832,832,310	1,815,146,050
1	(Previous Year 1), 0%, Non - Convertible Redeemable Preference Share of Rs. 10,000 each	10,000	10,000
		1,832,842,310	**1,815,156,050**

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, 3,869,255 (Previous Year 2,136,755) Equity shares have been issued for a consideration other than cash (Refer Note 4A of Schedule 25)

c) 1 (Previous Year 1) Preference share of Rs. 10,000 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 25

f) For Shares issued pursuant to an Initial Public Offer Refer Note 3 of Schedule 25

	As At March 31, 2011	As At March 31, 2010
Schedule 2		
STOCK OPTIONS OUTSTANDING		
(Refer Note 15 of Schedule 25)		
Employee Stock Options outstanding	57,831,008	25,109,412
Less: Deferred Employee Compensation outstanding	26,166,387	12,143,686
	31,664,621	12,965,726
Less: Value of Employee Compensation of options exercised	2,745,576	-
	28,919,045	**12,965,726**
Schedule 3		
RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	929,597,888	779,597,888
Add : Transferred from Profit and Loss Account	300,000,000	150,000,000
Less: Adjusted pursuant to the scheme of arrangement (Refer Note 4A of Schedule 25)	615,563,846	-
	614,034,042	929,597,888
Securities Premium Account		
As per last Balance Sheet	2,365,932,438	88,200
Add: Received on account of Fresh Issue of Equity Shares (Refer Note 3 of Schedule 25)	-	2,562,815,000
Add: Received on exercise of employee stock options	6,863,940	-
Less: Share Issue expenses (Refer Note 3 of Schedule 25)	-	196,970,762
	2,372,796,378	2,365,932,438
Profit and Loss Account	3,704,618,574	2,180,841,150
	6,691,448,994	**5,476,371,476**

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

(Amounts in Indian Rupees, except share data)

	As At March 31, 2011	As At March 31, 2010
Schedule 4		
SECURED LOANS		
Term Loans		
- Rupee Loans from Banks	480,000,000	660,000,000
- Rupee Loans from Financial Institution	-	77,777,758
- Foreign Currency Loan from Financial Institution	1,264,944,748	1,418,250,923
Working Capital Loans		
- Cash Credit Facilities from Banks	51,612,055	121,698,805
- Buyers' Credit from Bank	285,168,537	450,903,496
(For Security Refer Note 5 of Schedule 25)	**2,081,725,340**	**2,728,630,982**
Schedule 5		
UNSECURED LOANS		
Security Deposits Received	290,349,265	241,008,762
	290,349,265	**241,008,762**
Schedule 6		
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Depreciation	814,647,539	664,227,093
	814,647,539	**664,227,093**
Deferred Tax Assets		
Provision for Doubtful Debts and Advances	61,837,662	21,318,660
Provision for Gratuity and Leave Encashment	16,219,003	11,893,675
Provision for Diminution in value of Investment	32,387,063	17,844,750
Provision for Employee Stock Option Scheme	9,606,184	4,407,050
	120,049,912	**55,464,135**
Deferred Tax Liabilities (Net)	**694,597,627**	**608,762,958**

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

(Amounts in Indian Rupees)

Schedule 7

FIXED ASSETS

Assets	Gross Block					Accumulated Depreciation/Amortisation					Net Block	
	As At April 1, 2010	Transfer in accordance with scheme of arrangement as at April 1, 2010	Additions during the year	Deductions during the year	As At March 31, 2011	Up To April 1, 2010	Transfer in accordance with scheme of arrangement as at April 1, 2010	For the year	On deductions	Up To March 31, 2011	As At March 31, 2011	As At March 31, 2010
Tangible Assets												
Land												
- Freehold	37,737,900	-	24,496,413	-	62,234,313	-	-	-	-	-	62,234,313	37,737,900
- Leasehold	11,192,602	-	18,754,976	-	29,947,578	411,916	-	400,124	-	812,040	29,135,538	10,780,686
Buildings												
- Freehold	557,736,270	-	116,860,508	-	674,596,778	28,595,931	-	19,793,382	-	48,389,313	626,207,465	529,140,339
- Leasehold	-	-	509,727,738	-	509,727,738	-	-	575,964	-	575,964	509,151,774	-
Leasehold Improvements	47,801,132	2,941,561	11,102,564	-	61,845,257	5,769,077	514,975	5,430,472	-	11,714,524	50,130,733	42,032,055
Plant and Machinery (Refer Note 2 Below)	4,417,476,404	442,098,801	374,974,211	11,852,244	5,222,697,172	589,883,633	120,407,875	261,933,422	3,042,422	969,182,508	4,253,514,664	3,827,592,771
Office Equipments	140,761,484	20,279,477	20,547,996	1,667,383	179,921,574	33,211,351	5,610,034	9,739,822	605,401	47,955,806	131,965,768	107,550,133
Vehicles	19,759,905	1,776,581	4,815,743	1,605,801	24,746,428	15,106,807	327,499	1,705,815	907,862	16,232,259	8,514,169	4,653,098
Furniture and Fixtures	160,853,986	52,544,397	26,934,103	67,698	240,264,788	48,048,086	9,294,900	15,327,842	39,861	72,630,967	167,633,821	112,805,900
Electric Fitting, Fans and Coolers	209,215,560	12,613,319	47,671,758	-	269,500,637	27,979,685	3,511,364	12,395,297	-	43,886,346	225,614,291	181,235,875
Computers	302,610,633	19,087,437	58,808,699	4,720,614	375,786,155	205,514,394	7,980,965	32,676,620	3,653,202	242,518,777	133,267,378	97,096,239
D.G.Sets	99,884,175	-	36,200,489	-	136,084,664	10,683,436	-	5,450,403	-	16,133,839	119,950,825	89,200,739
Intangible Assets												
Computer Software	28,683,650	-	9,336,553	-	38,020,203	14,880,871	-	5,955,458	-	20,836,329	17,183,874	13,802,779
Goodwill	25,609,517	-	-	-	25,609,517	18,149,608	-	5,030,979	-	23,180,587	2,428,930	7,459,909
One Time License Fees	-	512,201,000	-	-	512,201,000	-	146,300,165	51,220,100	-	197,520,265	314,680,735	-
Total	**6,059,323,218**	**1,063,542,573**	**1,260,231,751**	**19,913,740**	**8,363,183,802**	**998,234,795**	**293,947,777**	**427,635,700**	**8,248,748**	**1,711,569,524**	**6,651,614,278**	**5,061,088,423**
Capital Work-in-progress (including Capital Advances) (Refer Note 1, 3 and 4 Below)											680,090,624	614,282,768
											7,331,704,902	5,675,371,191
Previous year ended March 31, 2010	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	614,282,768

Notes

1) For details of Pre operative expenses and borrowing costs capitalised Refer Note 18 of Schedule 25.

2) Plant and Machinery above include Common Transmitters Infrastructure which are Jointly held assets as at March 31, 2011:

Gross Block - Rs. 127,300,000

Net Block - Rs.101,333,902

% of Ownership - 30.26%

3) Additions during the year and Capital Work-in-progress as at March 31, 2011 includes exchange differences Rs.442,492 [foreign exchange gain (net)] [Previous year Rs. 204,770,841 (foreign exchange loss (net))].

4) Additions during the year and Capital Work-in-progress as at March 31, 2011 includes Borrowing Cost capitalised Rs. Nil (Previous year Rs. 16,184,462).

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

(Amounts in Indian Rupees, except share data)

		As At March 31, 2011	As At March 31, 2010
Schedule 8			
INVESTMENTS			
Long Term Investments (At cost)			
Unquoted and Non Trade			
In Subsidiary Companies: (Refer Note 17(a) of Schedule 25)			
136,800	(Previous Year 22,800,000) Equity Shares of Rs. 10 each fully paid up of Synergy Media Entertainment Limited (Refer Note 4A of Schedule 25)	1,741,800	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
350,000	(Previous Year Nil) Zero Coupon Fully Convertible Debentures of Rs. 1,000 each fully paid up of I Media Corp Limited	350,000,000	-
In Others : (Refer Note 17(b) of Schedule 25)			
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. 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
Nil	(Previous Year 200,000) 14% Non Convertible Debentures of Rs. 100 each fully paid up of Everonn Education Limited	-	20,000,000
2,280,000	(Previous Year Nil) Zero Coupon Fully Convertible Debentures of Rs. 10 each fully paid up of Everonn Education Limited	22,800,000	-
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		**595,327,800**	**940,786,000**
Quoted and Non-Trade (Refer Note 17(b) of Schedule 25)			
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, 2011 is Rs. 6,330,000) (As at March 31, 2010 Rs. 2,994,000)	22,500,000	22,500,000
	Aggregate amount of Quoted investments	**22,500,000**	**22,500,000**
	Aggregate Market value as at March 31, 2011 is Rs. 6,330,000 (As at March 31, 2010 Rs. 2,994,000)		
		617,827,800	963,286,000
Less: Provision for Diminution in Value of Investments		97,500,000	52,500,000
		520,327,800	**910,786,000**

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 9		
INVENTORIES (At lower of cost and net realisable value)		
Raw Material - News Prints (Including Stock in Transit Rs. 147,250,346) (Previous Year Rs. 50,936,079)	573,865,091	619,901,028
Stores and Spares	129,561,869	71,959,244
Magazines	1,709,499	417,070
Gifts / Promotional Products	22,896,640	29,338,019
	728,033,099	**721,615,361**

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

(Amounts in Indian Rupees, except share data)

	As At March 31, 2011	As At March 31, 2010
Schedule 10		
SUNDRY DEBTORS (Refer Note 10 and 12(a) of Schedule 25)		
(Unsecured)		
Debts outstanding for a period exceeding six months :		
- Considered Good	249,912,747	189,465,537
- Considered Doubtful	125,480,554	62,720,386
	375,393,301	**252,185,923**
Others Debts :		
- Considered Good	2,135,775,891	1,645,352,940
	2,511,169,192	1,897,538,863
Less : Provision for Doubtful Debts	125,480,554	62,720,386
	2,385,688,638	**1,834,818,477**
Schedule 11		
CASH AND BANK BALANCES		
Cash on Hand	17,142,758	11,594,079
Cheques on Hand/Transit	185,607,254	82,156,988
Balances with Scheduled Banks:		
On Current Accounts	361,882,997	338,433,014
On Fixed Deposit Account (Refer Note 3 and 16 of Schedule 25)	1,096,988,121	1,437,193,913
	1,661,621,130	**1,869,377,994**
Schedule 12		
LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Loans and Advances to Subsidiaries (Refer Note 12(b) of Schedule 25)	-	847,111,139
Loans and Advances to Employees	22,890,129	13,722,576
Advances recoverable in cash or kind or for value to be received (Refer Note 12(b) of Schedule 25)		
- Considered Good	400,398,591	268,619,855
- Considered Doubtful	5,679,338	-
Inter Corporate Deposits (Refer Note 12(b) of Schedule 25)	359,839,548	321,693,941
Deposit with Government Authorities	54,721,079	31,165,971
Inter Corporate Deposit against Lease of Properties (Refer Note 12(b) of Schedule 25)	132,950,000	132,950,000
Deposit with Others	84,625,103	53,553,065
	1,061,103,788	1,668,816,547
Less : Provision for Doubtful Loans and Advances	5,679,338	-
	1,055,424,450	**1,668,816,547**
Schedule 13		
CURRENT LIABILITIES		
Sundry Creditors (Refer Note 10 and 19 of Schedule 25)	1,216,559,536	1,093,742,041
(Includes Rs. 26,405,159 against Capital Goods) (Previous Year Rs. 96,478,418)		
Advances from Customers	366,609,493	399,797,797
Book Overdraft	-	10,753,125
Interest Accrued but not due on loans	1,822,950	2,239,584
Other Liabilities	47,634,078	32,101,477
	1,632,626,057	**1,538,634,024**
Schedule 14		
PROVISIONS		
Provision For Tax (Net of taxes paid Rs. 2,689,297,806)	58,944,501	78,742,280
(Previous Year Rs. 1,731,280,040)		
Provision For Fringe Benefit Tax (Net of taxes paid Rs. 81,867,995)	6,613,316	6,613,316
(Previous Year Rs. 74,903,642)		
Provision For Wealth Tax	50,000	10,000
Provision For Gratuity (Refer Note 14 of Schedule 25)	7,807,371	7,137,589
Provision For Leave Encashment (Refer Note 14 of Schedule 25)	40,499,289	27,854,097
Provision For Proposed Dividend	366,732,717	226,908,256
Tax on Proposed Dividend	59,471,081	37,686,625
	540,118,275	**384,952,163**
Schedule 15		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Share Issue Expenses		
Opening Balance	-	41,764,142
Additions during the Year	-	155,206,620
Less: Transferred to Securities Premium Account (Refer Note 3 of Schedule 25)	-	196,970,762
	-	-
Term Loan Processing Fees		
Opening Balance	125,696,571	175,106,651
Less: Amortized during the Year		
- Charged to Profit and Loss Account	15,869,677	43,721,667
- Transferred to Capital Work in Progress	-	5,688,413
	109,826,894	125,696,571
	109,826,894	**125,696,571**

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amounts in Indian Rupees, except share data)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Schedule 16		
SALES		
Sale of Newspapers (Refer Note 11(b) of Schedule 25)	2,084,953,525	2,052,110,962
Wastage Sale	137,470,287	117,191,477
Sale of Power (Refer Note 11(b) of Schedule 25)	10,418,972	15,637,552
Sale of Magazines (Refer Note 11(b) of Schedule 25)	58,626,779	65,768,326
	2,291,469,563	**2,250,708,317**
Schedule 17		
OTHER OPERATING INCOME		
Printing Job Charges	91,351,789	72,222,345
Excess Liabilities / provisions written back	39,560,727	24,594,795
Foreign Exchange Gain (Net)	872,499	8,945,810
Miscellaneous Income	11,305,718	17,957,821
	143,090,733	**123,720,771**
Schedule 18		
RAW MATERIALS CONSUMED		
News Prints (Refer Note 11(d) and 11(e) of Schedule 25)		
Opening Inventories	619,901,028	631,818,955
Add: Purchases during the Year	3,793,047,339	3,266,757,664
	4,412,948,367	3,898,576,619
Less: Closing Inventories	573,865,091	619,901,028
	3,839,083,276	**3,278,675,591**
Schedule 19		
OPERATING EXPENSES		
Consumption of Stores and Spares (Refer Note 11(e) of Schedule 25)	587,046,859	514,905,721
Printing Job Work Expenses	109,959,802	172,183,645
News Collection Expenses	159,041,008	210,023,380
Binding Expenses	32,016,227	26,448,405
Electricity and Water Charges	154,613,559	124,318,208
Repairs and Maintenance - Machinery	109,733,755	86,455,123
License Fees	23,749,449	-
Tower Rent and Other Operating Rental	20,257,458	-
Royalty	68,383,705	3,740,000
Other Operating Expenses	42,980,392	17,661,848
	1,307,782,214	**1,155,736,330**
Schedule 20		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	1,633,428,759	1,053,342,733
Contribution to Provident Fund and Other Funds	88,612,105	55,651,650
Workmen and Staff Welfare Expenses	68,235,478	44,583,550
	1,790,276,342	**1,153,577,933**

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amounts in Indian Rupees, except share data))

		For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Schedule 21			
GENERAL AND ADMINISTRATIVE EXPENSES			
Electricity		49,514,382	31,416,409
Rent		95,586,120	69,919,405
Rates and Taxes		3,374,104	2,787,936
Insurance		7,972,532	5,658,438
Repair and Maintenance			
- Building		6,211,526	8,931,412
- Others		24,974,128	18,361,596
Legal and Professional Charges		114,650,067	67,456,871
Postage and Telegram		8,524,021	6,923,959
Communication		39,479,186	28,760,226
Printing and Stationery		25,558,326	18,178,663
Traveling		105,763,611	57,719,047
Conveyance		5,989,704	4,924,659
Vehicle Running and Maintenance		6,644,309	7,690,404
Auditors Remuneration (Refer Note 11(i) of Schedule 25)		8,953,400	7,793,100
Loss on Sale of fixed assets (Net)		1,801,825	2,156,587
Bad Debts written off	4,305,249		
Less: Out of the Provision of earlier years	(1,008,696)	3,296,553	20,042,592
Provision for diminution in value of Investments		45,000,000	45,000,000
Provision for doubtful debts		58,173,429	41,217,142
Provision for doubtful advances (including for Capital advances)		60,679,338	-
Miscellaneous Expenses		101,181,889	67,546,174
		773,328,450	**512,484,620**
Schedule 22			
SELLING AND DISTRIBUTION EXPENSES			
Advertisement and Publicity		121,949,213	127,825,068
Distribution Expenses		212,816,228	228,113,715
Business Promotion		149,844,277	121,593,517
Survey Expenses		187,840,323	120,113,924
		672,450,041	**597,646,224**
Schedule 23			
OTHER INCOME			
Interest Income from			
- Bank Deposits (Tax deducted at source Rs.8,529,506) (Previous Year Rs. 3,210,440)]		86,265,097	30,381,375
- Loans to Subsidiaries (Tax deducted at source Rs. 2,375,845) (Previous Year Rs. 11,543,718)		23,758,436	83,478,561
- Other Sundry deposits (Tax deducted at source Rs. 407,247) (Previous Year Rs. 826,405)		4,113,369	5,301,786
- Intercorporate Deposits (Tax deducted at source Rs. 5,083,844) (Previous Year Rs. 8,468,244)		50,838,444	57,383,219
		164,975,346	**176,544,941**
Schedule 24			
FINANCIAL EXPENSES			
Interest Expenses			
-On Term Loans		79,492,865	224,252,844
-On Banks		23,033,206	17,279,862
-On Others		30,635,365	68,064,735
Exchange (Gain) / Loss on Buyers' Credit from Banks (Net)		397,490	(39,711,687)
Bank Charges		19,278,218	53,502,172
		152,837,144	**323,387,926**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Amounts in Indian Rupees)

		March 31, 2011	March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Taxation		3,669,758,997	3,047,584,387
Adjustment for :			
Loss on sale of fixed assets (net)		1,801,825	2,156,587
Interest expense (net)		(31,813,910)	133,052,500
Depreciation / amortization		427,635,700	266,411,936
Miscellaneous Expenditure Written off		15,869,677	43,721,667
Provision for Doubtful Loans and Advances		60,679,338	-
Provision for Diminution in Value of Investments		45,000,000	45,000,000
Bad Debts Written Off		3,296,553	20,042,592
Provision Written Back		-	(6,448,216)
Provision for Doubtful Debts		58,173,429	41,217,142
Unrealised Exchange Rate Fluctuation		8,407,005	(11,191,950)
Operating profit before working capital changes		**4,258,808,614**	**3,581,546,645**
Increase / Decrease in Working Capital			
(Increase) in Inventories		(6,417,738)	(10,796,435)
(Increase) in Sundry Debtors		(526,955,892)	(194,806,268)
Decrease / (Increase) in Loans and Advances		171,329,625	(187,345,692)
Increase / (Decrease) in Current Liabilities		4,550,544	(28,547,904)
Increase / (Decrease) in Provisions		8,905,727	(317,546)
Cash generated from operations		**3,910,220,880**	**3,159,732,800**
Direct Taxes paid		(909,872,984)	(1,005,236,629)
NET CASH FROM OPERATING ACTIVITIES	**(A)**	**3,000,347,896**	**2,154,496,171**
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(1,431,566,914)	(596,456,546)
Proceeds from Sale of Fixed Assets		9,863,167	5,742,381
Purchase of Investments		(372,800,000)	(70,000,000)
Cash and Cash Equivalents taken over as per scheme of arrangement		27,963,287	-
Sale of Investments		20,000,000	57,500,000
Interest received		164,975,346	176,544,941
Fixed Deposit with maturity period more than three months Placed		-	(1,373,893,498)
Fixed Deposit with maturity period more than three months Received		764,832,626	-
NET CASH (USED IN) INVESTING ACTIVITIES	**(B)**	**(816,732,487)**	**(1,800,562,722)**
C CASH FLOW FROM FINANCING ACTIVITIES			
Loan Taken - Secured		14,279,058	286,963,423
Repayment of Loan - Secured		(898,851,552)	(2,498,196,657)
Loan Taken - Unsecured		49,340,503	22,062,843
Dividend Paid		(589,854,863)	(220,530,757)
Dividend Distribution tax		(97,990,181)	(37,479,202)
Interest Paid		(133,578,070)	(349,021,929)
Shares Issue Expenses		-	(155,206,620)
Proceeds from issuance of shares		4,479,624	2,690,065,000
NET CASH (USED IN) FINANCING ACTIVITIES	**(C)**	**(1,652,175,481)**	**(261,343,899)**
Net Increase in Cash and Cash Equivalents	**(A)+(B)+(C)**	**531,439,928**	**92,589,550**
Cash and Cash Equivalents at the beginning of the Year		433,194,081	340,604,531
Cash and Cash Equivalents at the end of the Year		964,634,009	433,194,081
Net Increase in Cash and Cash Equivalents		**531,439,928**	**92,589,550**
For Details of Components of Cash and Cash Equivalents - Refer Schedule - 11			
Closing Balance		1,661,621,130	1,869,377,994
Less: Fixed Deposit with maturity period of more than three months (Refer Note 16 of Schedule 25)		696,987,121	1,436,183,913
Net Cash and Cash Equivalents at the end of the year (As per notified AS- 3)		**964,634,009**	**433,194,081**

Refer Note 4A of Schedule 25 for details of equity shares issued on account of scheme of demerger

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

May 18, 2011
Mumbai

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

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

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

SCHEDULE 25

NOTES TO ACCOUNTS:

1. **Nature of Operations**

D.B. Corp Limited ("the Company") is in the business of publishing newspapers and radio broadcasting. The major brands in publishing business are 'Dainik Bhaskar' and 'Business Bhaskar' (Hindi dailies), 'Divya Bhaskar' and 'Saurashtra Samachar' (Gujarati dailies), 'DNA English', (English Daily) and monthly magazines such as 'Aha Zindagi', 'Bal Bhaskar', etc. 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 sale of these publications and advertisements published in the publications and aired on radio. 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 which is 10 years. 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.

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.

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 using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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 Gift / 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/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.

Sale of power

Revenue from sale of power generated in the Wind Energy Unit of the Company is accounted on the basis of 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.

Dividend Income

Revenue is recognised when the shareholders' right to receive the payment is established by the Balance sheet date.

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..

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 expense in the year in which they arise.

Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as 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.

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 and deferred tax. Current income tax is 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 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. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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.

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.

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 previous 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 Investors 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 Investors and Rs. 202 each for other than retail investors, amounting to Rs.2,562,815,000 was credited to Securities Premium Account. The Share Issue expenses incurred by the Company amounting to Rs 196,970,762 were 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 6, 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, 2011.

Particulars	Amount to be utilised as per Prospectus	Actual Utilisation till March 31, 2011	Balance to be utilised/ (excess utilised) as on March 31, 2011
Setting up publishing units	600,000,000	448,361,906	151,638,094
Upgrading existing plant and machinery	305,000,000	392,122,896	(87,122,896)
Sales and marketing	501,000,000	3,804,070	497,195,930
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	111,578,053	31,026,947
Total	**2,690,065,000**	**2,097,326,925**	**592,738,075**

Note:

1) As per the provisions in the Prospectus, the management of the Company has the discretion to change the allocation as well as reschedule the utilization of IPO proceeds proposed in the prospectus depending on the business scenario and funding requirements. Accordingly, the management has reallocated the proposed utilization as follows:

a) The Proceeds allocated towards Sales and marketing expenses and IPO expenses and lying unutilized would be used for setting up new publishing units and upgrading the existing plant and machinery;

b) The proceeds would be utilised for setting up publishing units as well as upgrading the existing plant and machinery at locations / states in addition to the number of locations / states mentioned in the prospectus.

The Audit Committee and the Board of Directors of the Company in the meeting held on May 18, 2011 have approved the revised allocation and resultant utilisation of proceeds of IPO till March 31, 2011.

2) Pending utilization, as at March 31, 2011, the funds are temporarily held in:

Particulars	Amounts
Fixed Deposit	580,000,000
Balance in Current Account	12,738,075
Total	**592,738,075**

4. Scheme of Arrangement:

A) Demerger of Radio division of Synergy Media Entertainment Limited (SMEL) and merger with the Company:

a) The Company along with its subsidiary Synergy Media Entertainment

Limited had filed the Scheme of Demerger ('the Scheme') with the Hon'ble high Court with Judicature at Madhya Pradesh ("Madhya Pradesh High Court") and Hon'ble high Court with Judicature at Gujarat ("Gujarat High Court") for demerger of Radio division of SMEL and merger with the Company.

The Scheme of Arrangement was approved by Madhya Pradesh High Court and Gujarat High Court vide their order dated January 13, 2011 and January 17, 2011 respectively. The certified order copy of the Madhya Pradesh High Court and Gujarat High court dated January 29, 2011 and February 2, 2011 respectively were filed with the Registrar of Companies on February 15, 2011 and February 16, 2011 respectively.

As prescribed in the Scheme, the Ministry of Information and Broadcasting, Government of India accorded their approval vide letter No. 212/30(33)/2006-FM(Vol.II)/120 dated March 30, 2011.

Accordingly, after the approval by the Ministry of Information and Broadcasting, Government of India, the Scheme became effective on March 30, 2011 with appointed date April 1, 2010.

b) As per the Scheme, the Company has issued and allotted 1,732,500 fully paid equity shares of Rs.10 each at par in the ratio of one equity share of the Company for every ten equity shares of SMEL as on record date to the shareholders of SMEL.

c) Further, as per Clause 4.8 of the Scheme, the unabsorbed depreciation and brought forward losses related to SMEL till March 31, 2010 has been transferred to the Company which has been set off by the Company while computing the Current Tax provision for the year ended March 31, 2011.

d) As prescribed in the Scheme, all the assets and liabilities of Radio division of SMEL as at March 31, 2010 are transferred to and accounted in the books of the account of the Company at their respective book value and the deficit, after considering the cancellation of the Company's investments in SMEL and also the face value of the equity shares issued and allotted by the Company) is debited to General Reserve account as under:-

NOTICE TO ACCOUNTS (Continued):

Particulars	Amount
Fixed assets	769,594,796
Current Assets	369,561,111
Total Assets	**1,139,155,907**
Current liabilities and provision	155,086,567
Secured loans	237,666,852
Unsecured loans	646,383,134
Total Liabilities	**1,039,136,553**
Net Assets	**100,019,354**
Less: Cancellation of Investments of the Company (22,663,200 Equity shares of Rs.10 each) held in Synergy Media Entertainment Limited	698,258,200
Less: Equity shares issued and allotted by the Company	17,325,000
Deficit debited to General Reserve	615,563,846

B) Demerger of Internet Division of Indiainfo.com:

a) As per the Scheme of Arrangement relating to take over of the Internet Division of Indiainfo.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 Indiainfo.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 Indiainfo.com against its taxable income. Accordingly, the Company has considered and adjusted the unabsorbed tax losses and unabsorbed depreciation of erstwhile Internet Division of Indiainfo.com 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, 2011	March 31, 2010
Rupee Term Loans		
IDBI Bank	480,000,000	660,000,000
Rabo India Finance Private Limited	-	77,777,758
Cash Credit Facilities		
State Bank of Hyderabad	21,626,443	11,329,189
State Bank of Indore	-	48,348,046
Bank of Maharashtra	29,985,612	62,021,570
Foreign Currency Loan		
AGCO Finance GmbH	USD 28,304,872 equivalent to Rs. 1,264,944,748	USD 31,572,817 equivalent to Rs. 1,418,250,923

Buyers Credit Facilities		
Standard Chartered Bank	USD 754,498 equivalent to Rs. 33,718,527	USD 2,495,452 equivalent to Rs. 112,095,712
HSBC Bank	USD 5,625,420 equivalent to Rs. 251,450,010	USD 7,542,471 equivalent to Rs. 338,807,784

a) The Term Loans are secured by:

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

ii) Second Charge on all current assets;

iii) Personal Guarantee of directors aggregating to Rs. 60,000,000 [Shri Ramesh Chandra Agarwal];

iv) Corporate Guarantees of Writers and Publishers Private Limited aggregating to Rs. 480,000,000.

v) 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;

vi) 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:

i) First Charge on the entire current assets and;

ii) Second Charge on the other movable properties (other than current assets) of the Company.

iii) Personal Guarantees of Directors aggregating to Rs. 71,607,191 [Shri Ramesh Chandra Agarwal, Shri. Sudhir Agarwal, Shri. Girish Agarwal and Shri. Pawan Agarwal].

iv) Corporate Guarantees of Writers & Publishers Private Limited.

c) Foreign Currency Loan is secured by:

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

d) Buyers Credit Facilities are secured by:

i) Standard Chartered Bank: First Charge on the current assets of the Company

ii) HSBC Bank: First Pari passu Charge over current assets of the Company
Second Charge over Plant and Machinery of the Company and Corporate Guarantee of Writers 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	- Synergy Media Entertainment Limited. - I Media Corp Limited.
Key Management Personnel	- Shri Sudhir Agarwal, Managing Director - Shri Girish Agarwal, Director
Relatives of key management personnel	- 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 by key management personnel or their relatives	- All Season Events (P) Limited. - D B Partners Enterprises Private Limited. - Writers and Publishers Private Limited - Bhaskar Phototype Setter-Bhopal* - Bhaskar Printing Press - Rajasthan - Bhaskar Printing Press-MPCG - Bhaskar Printing Press- CPH2 - Bhaskar Printing Press-Gujarat - RC Phototype Setter- Raipur* - R.C. 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 Venkatesh 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 Setter* - New Jodhpur Printer* - New Kota Printers* - Bhaskar Process House* - India Interactive Technologies Limited - DB Publication Private Limited - Abhivyakti Kala Kendra - Bhaskar Food Private Limited

* Up to March 31, 2010

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON MARCH 31, 2011

(Amounts in Indian Rupees)

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

	Transactions year ended		Amount receivable (payable) As At	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Advertisement Income				
Synergy Media Entertainment Limited	-	20,047,851	-	5,120,461
I Media Corp Limited	14,248,402	8,507,054	723,330	5,119,258
Writers and Publishers Private Limited	18,006,363	41,861,638	1,113,197	6,922,547
Abhivyakti Kala Kendra	-	9,194,275	-	-
Bhaskar Industries Limited	159,162	2,313,160	32,932	14,816
Bhaskar Multinet Limited	78,853	510,322	7,639	24,968
Sharda Solvent Limited	12,901	8,344,170	-	9,720
Bhaskar Exxoil Private Limited	21,996	7,477,988	-	-
Bhaskar Food Private Limited	-	7,426,028	-	-
D B Malls Private Limited	120,516	25,639,495	98,960	662,922
Bhaskar Venkatesh Products Private Limited	1,748,641	-	1,348,641	-
Sale of Magzine				
Bhaskar Publication and Allied Industries Private Limited	342,686	405,213	223,207	171,744
Sale of Newspaper				
Bhaskar Publication and Allied Industries Private Limited	7,789,674	8,366,520	7,299,995	-
Printing Job Charges				
Bhaskar Publication and Allied Industries Private Limited	3,976,509	4,262,153	280,445	-
Synergy Media Entertainment Limited	-	198,000	-	-
Salaries, Wages and Bonus				
Shri Sudhir Agarwal, Managing Director	3,600,000	3,600,000	-	(7,441,123)
Rent Income				
Bhaskar Publication and Allied Industries Private Limited	1,020,000	-	-	-
Rent Paid				
Writers and Publishers Private Limited	28,679,176	19,203,211	-	-
Bhaskar Industries Limited	144,000	159,997	-	(89,109)
Bhaskar Publication and Allied Industries Private Limited	100,000	100,000	-	-
Bhaskar Infrastructure Limited	3,829,260	4,055,761	-	-
R.C. Printer, Raipur	1,654,500	1,816,320	-	-
Shri Girish Agarwal, Director	100,000	100,000	-	(176,907)
News Collection Expenses				
Bhaskar Samachar Seva	37,648,538	69,716,165	(12,731,331)	(10,429,064)
Diligent Media Corporation Limited	1,886,478	1,572,792	(650,422)	(1,867,580)
Printing Job Work Expense				
M P Printer (a unit of Writers and Publishers Private Limited)	48,891,299	52,499,220	(4,780,453)	(12,741,845)
Diligent Media Corporation Limited	7,489,292	7,659,526	(173,948)	(1,342,631)
Bhaskar Printing Press Rajasthan	6,734,372	32,783,800	(3,445,339)	(5,920,767)
Bhaskar Printing Press MPCG	13,582,184	12,145,451	(3,450,417)	(8,359,576)
Bhaskar Printing Press CPH2	5,863,675	6,719,342	(338,542)	(556,362)
Bhaskar Printing Press Gujarat	11,326,685	13,671,085	(3,305,883)	(3,123,127)
R.C. Printer, Raipur	685,833	4,616,373	(223,493)	(293,023)
Royalty				
Diligent Media Corporation Limited	3,970,979	2,550,000	-	(144,310)
Advertisement and Publicity Expenses				
Synergy Media Entertainment Limited	-	8,095,698	- (9,030,726)	
I Media Corp Limited	3,433,912	3,389,062	150,471	(1,857,453)
Bhaskar Multinet Limited	-	170,221	-	-
Abhivyakti Kala Kendra	720,000	-	-	-
M P Printer (a unit of Writers and Publishers Private Limited)	4,902,095	-	-	-
Interest Income from Deposits				
Writers and Publishers Private Limited	33,264,382	57,383,219	513,770	860,611
Bhaskar Multinet Limited	20,132,499	2,299,958	6,847,886	4,545,294
Interest Income from Loans to Subsidiaries				
Synergy Media Entertainment Limited		-	63,057,055	-

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON MARCH 31, 2011

(Amounts in Indian Rupees)

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

	Transactions year ended		Amount receivable (payable) As At	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
I Media Corp Limited	23,758,437	20,421,506	-	-
Sale of Fixed Assets				
Bhaskar Publication and Allied Industries Private Limited	5,625,852	-	5,625,852	-
Purchase of Fixed Assets				
Bhaskar Publication and Allied Industries Private Limited	18,823	-	-	-
Loan / Advances Given / (Repaid by party)				
Synergy Media Entertainment Limited	-	198,478,886	-	646,383,132
	-	(20,993,767)	-	-
I Media Corp Limited	(256,620,481)	56,006,622	-	200,728,006
	55,892,475	-	-	-
Bhaskar Multinet Limited	15,816,658	-	170,750,252	15,740,211
Writers and Publishers Private Limited	(116,666,668)	(116,666,668)	204,166,662	320,833,330
Advance received / (repaid) for publication of advertisement				
Writers and Publishers Private Limited	-	78,968,141	(54,396,376)	(83,477,055)
		(204,272,633)		-
Advances given during the year for investment in equity shares				
Writers and Publishers Private Limited	-	40,000,000	80,000,000	80,000,000
Factoring of Recievables / advances				
Writers and Publishers Private Limited	-	6,185,441	-	-
Security Deposit given against lease of properties				
Writers and Publishers Private Limited	-	-	132,950,000	132,950,000
Security Deposit Received				
Bhaskar Publication and Allied Industries Private Limited	-	10,000,000	(10,000,000)	(10,000,000)
Sale of Investments				
Writers and Publishers Private Limited	-	-	60,000,000	60,000,000
Shri Sudhir Agarwal, Managing Director	-	-	-	77,500
Shri Girish Agarwal, Director	-	-	50,000	50,000
Investments made				
I Media Corp Limited	350,000,000	-	-	-
News print loan given / (taken)				
M P Printer (a unit of Writers and Publishers Private Limited)	20,894,894	6,806,277	15,517,265	6,766,924
Diligent Media Corporation Limited	21,279,228	19,558,103	1,220,197	5,911
Divya Prabhat Publications Private Limited	113,129	1,348,102	-	2,615,694
Bhaskar Publication and Allied Industries Private Limited	(27,879,307)	15,380,846	7,144,565	27,833,360
Balance outstanding at the year end				
Synergy Media Entertainment Limited	-	-	(5,896,619)	2,911,128
I Media Corp Limited	-	-	23,472	2,027,022
M P Printer (a unit of Writers and Publishers Private Limited)	-	-	(2,080,011)	(5,442)
Diligent Media Corporation Limited	-	-	(227,270)	(5,274,331)
Bhaskar Industries Limited	-	-	1,590,148	-
D B Malls Private Limited	-	-	796,787	-
India Interactive Technologies Limited	-	-	-	(4,059,891)
Bhaskar Multinet Limited	-	-	339,214	257,215
R.C. Printer, Raipur	-	-	363,205	456,787
Divya Prabhat Publications Private Limited	-	-	(854,155)	(3,944,739)
Writers and Publishers Private Limited	-	-	(11,287,503)	(12,365,745)
Bhaskar Publication and Allied Industries Private Limited	-	-	72,885,625	(26,305,936)
Direct (OOH) Media Private Limited	-	-	-	13,236
Bhaskar Infrastructure Limited	-	-	-	183,678
D B Publication Private Limited	-	-	-	6,618
Abhivyakti Kala Kendra	-	-	-	237,092
Shri Pawan Agarwal, Director	-	-	-	784,774

Note: For details of guarantees given by related parties, Refer Note 5 of Schedule 25.

7. Leases

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

Operating Lease (for assets taken on Lease)

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

b) Lease payments for the year are Rs. 115,843,578 (Previous year Rs. 69,919,405);

c) The future minimum lease payments under non-cancelable operating leases;
- not later than one year is Rs. 115,280,172 (Previous year Rs. 60,993,479);
- later than one year but not later than five years is Rs. 499,931,012 (Previous year Rs. 268,489,767);
- later than five years Rs 59,302,817 (Previous year Rs. 4,124,307).

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

8. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 148,479,849 (Previous year Rs. 138,612,551).

9. Contingent Liabilities not provided for

a) Guarantees issued by bank on behalf of the Company Rs. 18,122,375.

b) Corporate Guarantee issued by the Company of Rs. 450,000,000 in favor of Export Development Canada on behalf of Bhaskar Exxoils Private Limited.

c) The Indian Performing Rights Society Limited (IPRS) had filed a suit against 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 the Radio Division 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 Hon'ble court, as the court has reserved the order after hearing to both the parties. The management is confident that the case would be settled in the favor of the Company, however, pending the result of the suit, as a matter of abundant precaution, the Company has provided on best judgment basis Rs.10,579,831 for the year ended March 31, 2011 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.

d) A legal Suit was 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. The Copy Right Board passed the Order on August 25, 2010. As per the Order, PPL is supposed to get a proportionate amount (as per the music played) out of the kitty of 2% of the net revenue. The Company is accordingly paying to PPL since then.

The Company has asked for a refund of Rs. 4,011,858 from PPL out of the deposit paid to them after adjusting the amount payable for the period prior to the Order, as per the rates specified in the Order. PPL has been claiming the previous period amount at a higher rate. PPL has subsequently filed a summary suit in Bombay High Court towards recovery of the said amount. At present the matter is pending before the Bombay High Court. The management is confident that the case would be settled in the favor of the Company, however, pending the result of the suit, as a matter of abundant precaution, the Company has provided on best judgment basis Rs.7,794,055 for the year ended March 31, 2011 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.

e) 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. 16,835,528 (Previous year Rs. 12,187,682). 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 unhedged foreign currency exposure as at the balance sheet date:

		March 31, 2011		March 31, 2010	
Particulars	Currency	Amount in foreign currency	Amount in Rs.	Amount in foreign currency	Amount in Rs.
Sundry Creditors	USD	1,057,623	46,378,006	3,039,710	136,543,772
Sundry Creditors	EURO	-	-	45,700	2,767,444
Standard Chartered Bank Buyers Credit	USD	754,498	33,718,527	2,495,452	112,095,712
HSBC Bank Buyers Credit	USD	5,625,420	251, 450, 010	7,542,471	338,807,784
AGCO Finance GmbH	USD	28,304,872	1,264,944,748	31,572,817	1,418,250,923
Sundry Debtors	USD	-	-	1,847	82,967

11. Additional information pursuant to the provisions of para graphs 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).

		March 31, 2011	March 31, 2010	
Type of Machine	No. of Machines	Total Capacity (Impressions per hour)	No. of Machines	Total Capacity (Impressions per hour)
Cold Set Machines	61	2,274,000	51	1,941,000
Heat Set Machines	5	120,000	5	120,000

b) i) Actual Production and Sales

	March 31, 2011	March 31, 2010
News paper	**No. of Copies**	**No. of Copies**
Production	1,396,530,119	1,328,957,295
Sales	1,382,822,612	1,315,960,527
Power	**Units**	**Units**
Production	3,211,870	4,569,760

Sales	2,714,460	4,040,273
Magazines	**No. of Copies**	**No. of Copies**
Production	10,793,740	13,714,126
Sales*	10,773,055	13,603,059

* Excludes magazines distributed as free samples 15,185 Copies (Previous year – 131,067 Copies).

ii) Opening and Closing stock of finished goods:

	March 31, 2011	**March 31, 2010**
Magazines	**No. of Copies**	**No. of Copies**
Closing Stock	51,000	60,000
Opening stock	60,000	80,000

c) Value of Imports on CIF Basis

Particulars	**March 31, 2011**	**March 31, 2010**
Raw Material	714,929,410	931,967,788
Stores and Spares	17,149,434	6,887,014
Capital Goods	-	155,451,592

d) Consumption of Raw Material

	March 31, 2011		**March 31, 2010**	
	Quantity In Kgs.	**Value**	**Quantity In Kgs.**	**Value**
Newsprint	141,430,175	3,839,083,276	130,270,636	3,278,675,591

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

	March 31, 2011		**March 31, 2010**	
	Value	**% of total Consumption**	**Value**	**% of total Consumption**
i) Raw Materials				
Imported	819,088,777	21.34%	928,466,147	28.32%
Indigenous	3,019,994,499	78.66%	2,350,209,444	71.68%
Total	**3,839,083,276**	**100.00%**	**3,278,675,591**	**100.00%**
ii) Stores & Spares				
Imported	17,149,434	2.92%	6,887,014	1.34%
Indigenous	569,897,425	97.08%	508,018,707	98.66%
Total	**587,046,859**	**100.00%**	**514,905,721**	**100.00%**

f) Earnings in foreign currency (on accrual basis)

Particulars	**March 31, 2011**	**March 31, 2010**
Advertisement Income	-	666,981

g) Expenditure in foreign currency (on accrual basis)

Particulars	**March 31, 2011**	**March 31, 2010**
Traveling	807,586	742,016
Financial Expenses	24,132,816	21,317,090
Advertisement & Publicity	-	57,822
Others	1,745,074	24,985,485

Of the above, Rs. Nil (Previous year – Rs. 10,496,049) is disclosed under addition to fixed assets (including Capital Work-in-Progress) and Rs. Nil (Previous year Rs. 13,539,190) is disclosed under addition to Share Issue expenses under the head 'Miscellaneous Expenditure' in the Balance Sheet.

h) Managerial Remuneration

Particulars	**March 31, 2011**	**March 31, 2010**
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, 2011**	**March 31, 2010**
As Auditor		
Audit Fees	6,195,900	6,066,500
Limited Review Fees	1,654,500	330,900
Tax Audit Fees	551,500	551,500
Tax Opinion Fees	-	110,300
Out-of-pocket expenses	551,500	661,800
In other manner		
Certification relating to IPO	-	7,721,000
Total	**8,953,400**	**15,442,000**

Out of above expenditure, Rs. Nil (Previous Year – Rs. 7,721,000) 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, 2011	**March 31, 2010**	**March 31, 2011**	**March 31, 2010**
Synergy Media Entertainment Limited	-	5,120,461	-	44,757,834
I Media Corp Limited	723,330	5,119,258	15,407,970	5,119,258
Bhaskar Industries Limited	32,932	14,816	41,154	2,030,181
Bhaskar Multinet Limited	7,639	24,968	45,699	699,437
Bhaskar Exxoil Limited	-	-	21,996	7,477,988
Bhaskar Venkatesh Products Private Limited	1,348,641	-	1,348,641	-

Divya Prabhat Publication Private Limited	-	-	-	1,758,158
Sharda Solvent Limited	-	9,720	21,085	8,325,788
DB Malls Private Limited	98,960	662,922	729,354	23,439,331
Abhivyakti Kala Kendra	-	-	-	21,622,608
Writers and Publishers Private Limited	1,113,197	6,922,547	4163,551	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, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Synergy Media Entertainment Limited	-	646,383,131	-	646,383,131
I Media Corp Limited	23,472	200,728,007	278,203,594	200,897,576
Writers and Publishers Private Limited	466,342,929	582,278,196	738,180,658	732,863,795
Bhaskar Multinet Limited.	177,937,352	20,542,720	178,005,015	20,733,950
Bhaskar Exxoil Limited	-	-	16,000	10,578
Diligent Media Corp Limited	1,220,197	-	1,220,197	24,909,243
Bhaskar Industries Limited	1,590,148	-	1,590,148	-
Divya Prabhat Publications Private Limited	-	-	-	8,592,331
Bhaskar Infrastructure Limited	-	183,678	-	183,678
Bhaskar Publication & Allied Industries Private Limited	80,030,190	1,527,425	151,318,651	13,874,026
Direct(OOH) Media Private Limited	-	13,236	13236	2,181,717
DB Publications Private Limited	-	6,618	6618	130,551
DB Malls Private Limited	796,787	-	796,787	271,445
Abhivyakti Kala Kendra	-	237,092	1,321,292	1,455,514

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, 2011	March 31, 2010
i) Profit for the year	2,673,231,385	1,990,422,694
ii) Weighted average number of Equity Shares outstanding for Basic EPS	181,528,139	172,206,180
iii) Basic Earnings per share	14.73	11.56
iv) On account of shares to be issued under ESOS	288,673	162,389
v) Weighted average number of Equity Shares outstanding for Diluted EPS	181,816,812	172,368,569
vi) Diluted Earnings per share (Rs.)	14.70	11.55
vii) Nominal value of shares (Rs.)	10.00	10.00

14. Employee Benefits

Defined Contribution Plan

During the year ended March 31, 2011 and March 31, 2010; the Company contributed the following amounts to defined contribution plans:

Particulars	March 31, 2011	March 31, 2010
Provident Fund	69,377,216	48,550,886
Employees' State Insurance Corporation	19,234,889	7100,764
Total	**88,612,105**	**55,651,650**

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 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, 2011	March 31, 2010
Current service cost	12,303,564	12,796,427
Interest cost on benefit obligation	5,433,826	4,535,207
Expected return on plan assets	(4,862,819)	(3,605,018)
Net actuarial (gain) / loss recognized in the year	2,795,211	(8,953,208)

Past service cost	-	-
Net benefit expense	15,669,782	4,773,407
Actual return on plan assets	3,653,690	8,385,191

Balance Sheet

Details of Provision and fair value of plan assets

Particulars - Gratuity	March 31, 2011	March 31, 2010
Benefit obligation	81,867,707	67,922,829
Fair value of plan assets	74,060,336	60,785,240
	(7,807,371)	(7,137,589)
Less: Unrecognised past service cost	-	-
Net Liability	(7,807,371)	(7,137,589)

Details of Experience Adjustments on plan assets and plan liabilities

Particulars - Gratuity	March 31, 2011	March 31, 2010
Experience adjustments on plan liabilities (Gain)/Loss	4,523,864	3,633,997
Experience adjustments on plan Assets Gain/(Loss)	(1,209,129)	4,780,173

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

Particulars - Gratuity	March 31, 2011	March 31, 2010
Opening benefit obligation/net liability	67,922,829	60,469,425
Interest cost	5,433,826	4,535,207
Current service cost	12,303,564	12,796,427
Benefits paid	(5,378,598)	(5,705,195)
Actuarial (gains) / losses on obligation	1,586,082	(4,173,035)
Closing benefit obligation	81,867,707	67,922,829

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

Particulars - Gratuity	March 31, 2011	March 31, 2010
Opening fair value of plan assets	60,785,240	48,066,911
Expected return	4,862,819	3,605,018
Contributions by employer	15,000,000	10,038,333
Benefits paid	(5,378,598)	(5,705,195)
Actuarial gains / (losses) on plan assets	(1,209,129)	4,780,173
Closing fair value of plan assets	74,060,336	60,785,240
Actuarial gains / (losses) recognized in the year	(2,795,211)	8,953,208

The Company expects to contribute Rs.10,000,000 (Previous Year 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, 2011	March 31, 2010
	%	%
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, 2011	March 31, 2010
Discount rate	8.25%	8.00%
Expected rate of return on assets	8.25%	8.00%
Employee turnover	1% age related + 6% service related	1% age related + 6% service related

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

	Gratuity			
	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	81,867,704	67,922,829	60,469,425	40,363,900
Plan assets	74,06,336	60,785,240	48,066,911	28,569,088
Surplus / (deficit)	(7,807,371)	(7,137,589)	(12,402,514)	(11,794,812)
Experience adjustments on plan liabilities (Gain) / Loss	4,523,864	3,633,997	7,687,325	4,864,820
Experience adjustments on plan assets Gain / (Loss)	(1,209,129)	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 ended on March 31, 2007:

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

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

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

15. Employee Stock Option Scheme 2008 and 2010

The Company has granted Stock Options to its employees as per its scheme referred to as "DBCL – ESOS 2008" and "DBCL- ESOS 2010". During the year ended March 31, 2011 the following schemes were in operation:

	DBCL – ESOS 2008	DBCL – ESOS 2010
Date of grant	January 5, 2009	May 10, 2010

Date of Board Approval	December 23, 2008	March 02, 2010
Date of Shareholder's Approval	December 31, 2008	April 24, 2010
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, 2011	600,000 options have been approved by the Board and the shareholders, however 491,203 have been granted till the year ended March 31, 2011
Method of Settlement	Equity	Equity
Vesting Period	Options vest equally over the period of five years from the date of grant	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	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	Discount up to a maximum of 30% to the market price.
Vesting Conditions	Option vest on continued association with the Company and achievement of certain performance parameters	Option vest on continued association with the Company and achievement of certain performance parameters

The details of activity under DBCL ESOS 2008 and ESOS 2010 are as summarized below:

	Number of options			
	ESOS-2008		ESOS-2010	
	March 31, 2011	**March 31, 2010**	**March 31, 2011**	**March 31, 2010**
Outstanding at the beginning of the year	330,387	413,427	-	-
Granted during the year	-	-	491,203	-
Forfeited / Cancelled during the year	19,177	83,040	16,494	-
Exercised during the year	36,126	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	275,084	330,387	474,709	-
Exercisable at the end of the year	88,358	66,077	-	-
Weighted average fair value of options granted on the date of grant	101.31	101.31	124.97	-

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

	ESOS-2008		ESOS-2010		
Year	**Vesting %**	**Fair Value**	**Year**	**Vesting %**	**Fair Value**
January 5, 2010	20%	90.51	May 10, 2011	20%	103.87
January 5, 2011	20%	95.88	May 10, 2012	20%	115.57
January 5, 2012	20%	101.29	May 10, 2013	20%	126.07
January 5, 2013	20%	106.74	May 10, 2014	20%	135.47
January 5, 2014	20%	112.14	May 10, 2015	20%	143.89

Stock Options granted

The weighted average fair value of stock options granted till date is Rs. 101.31 and Rs. 124.97 for ESOS-2008 and ESOS-2010 respectively. The Black and Scholes Options Pricing model has been used for computing the weighted average fair value considering the following inputs:

	March 31, 2011	
	ESOS-2008	ESOS-2010
Weighted average share price	101.31	124.97
Exercise Price	50% discount to the average of first 30 days closing market price post IPO i.e. Rs. 124	Discount up to a maximum of 30% to the market price. i.e. Rs. 168
Expected Volatility	0%	0%
Historical Volatility	0%	0%
Life of the options granted (Vesting and exercise period) in years	4.5 years	4.5 years
Expected dividends	0%	0%
Average risk-free interest rate	5.24%	7.10%
Expected dividend rate	0%	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 natures 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, 2011	**March 31, 2010**
Profit as reported	2,673,231,385	1,990,422,694
Add: Employee stock compensation under intrinsic value method	31,664,621	12,965,726
Less: Employee stock compensation under fair value method	47,820,496	17,283,654
Proforma profit	**2,657,075,510**	**1,986,104,766**
Earnings Per Share		
Basic		

- As reported	14.73	11.56
- As adjusted	14.64	11.53
Diluted		
- As reported	14.70	11.55
- As adjusted	14.61	11.52

16. Fixed Deposits

Cash and Bank includes Fixed Deposits having maturity period of more than three months amounting Rs. 696,987,121 (Previous year Rs. 1,436,183,913).

17. Investments

a) The Company has invested Rs. 5,775,000 in Equity shares and Rs 350,000,000 in Zero coupon Fully Convertible debentures of I Media Corp Limited ['IMCL'], which is a subsidiary company. The said investments are of a long term strategic nature. IMCL is in the initial years of commercial operations and has accumulated losses (as per the latest audited financial statements for the year ended March 31, 2011) aggregating to Rs. 272,430,822. These being long term and strategic investments and also in view of the projected profitable operations of IMCL, the management is of the view that there is no diminution other than temporary in the value of these investments.

b) 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, 2011, the Company has made provision of Rs. 97,500,000 (Previous year Rs. 52,500,000) 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, 2011	March 31, 2010
Opening Balance of Pre - Operative Expenses	**10,927,521**	**78,935,822**
Expenditure during the year :		
Raw Material Consumed	2,101,349	-
Operating Expenditure	3,649,569	360,082
Employee Cost	115,699	5,147,356
Other Indirect Expenditure	5,250,211	8,899,344
Loan Management Fees	-	5,688,413
Bank Charges	-	3,033
Interest and Financial Charges	-	11,735,613
Total	**22,044,349**	**110,769,663**
Less:- Capitalized during the year	22,044,349	99,842,142
Closing Balance of Pre-Operative Expenses (Disclosed as Capital Work-in-Progress)	-	10,927,521

19. Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006.

a)	An amount of Rs. 6,554,207 (Previous Year Rs. Nil) and Rs. Nil (Previous Year Rs. Nil) was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.
b)	No interest was paid during the year to any supplier.
c)	No interest was paid to suppliers for payments made beyond the appointed date during the accounting year.
d)	No claims have been received at the end of the year for interest under Micro, Small and Medium Enterprises Development Act, 2006.
e)	No amount of interest was accrued and unpaid at the end of the accounting year.
	The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

20. Salaries, Wages and Bonus include sitting fees paid to Directors Rs. 780,000 (Previous year Rs. 380,000).

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

Current Year's figures are not comparable to previous year due to scheme of restructuring (Refer Note 4A –Scheme of arrangement). The figures for the previous year presented have been regrouped where necessary to conform to this year classification.

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 18, 2011

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

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

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

Name(s) of the Subsidiary Companies	Synergy Media Entertainment Limited	I Media Corp Limited
(A) The "Financial Year" of the Subsidiary Companies	31st March, 2011	31st March, 2011
(B) Shares of the subsidiary held by D.B. Corp Limited on the above dates:		
i) Number and face value	136800 Equity Shares of Rs. 10/- each*	577500 Equity shares of Rs. 10/- each
ii) Extent of holding	56.82%	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, 2011		
(i) For the Subsidiaries' fianancial year as in (A) Above	Rs. 00.34 Crores (NOTE A)	Rs.(9.15) Crores (NOTE B)
(ii) For the Previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries	Rs. (10.46) Crores	Rs.(5.77) Crores
(b) dealt with in the accounts of D.B. Corp Limited for the year ended 31st March, 2011 amounted to-		
(i) For the Subsidiaries' fianancial 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

*Pursuant to the Scheme of Arrangement between Synergy Media Entertainment Limited and D.B.Corp Limited

For and on behalf of the Board,

(Director) **(Director)**

NOTE A:
Synergy Media Entertainment Limited

Net Profit/(Loss) for the year ended on 31/03/2011		Rs. 6,000,438
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. 6,000,438*56.82% Rs. 3,409,596 Rs. 00.34 Crores

NOTE B:
I Media Corp Limited

Net Profit/(Loss) for the year ended on 31/03/2011		Rs.(91,512,744)
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.(91,512,744) Rs. (9.15) 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, 2011, 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.122,888,679 (Previous year Rs.1,195,364,514) as at March 31, 2011, the total revenue of Rs.54,202,236 (Previous year Rs.408,587,339) and cash flows amounting to (Rs.24,058,050) (Previous year Rs.8,869,977) 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, 2011;

(b) in the case of the consolidated profit and loss account, of the profits of the DBCL Group for the year ended on that date; and

(c) in the case of the consolidated cash flow statement, of the cash flows of the DBCL Group for the year ended on that date.

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

per Amit Majmudar
Partner
Membership No : 36656

Mumbai
May 18, 2011

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

per Navin K. Gupta
Partner
Membership No : 75030

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

(Amounts in Indian Rupees)

		Schedules	As At March 31, 2011	As At March 31, 2010
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital		1	1,832,842,310	1,815,156,050
Stock Options outstanding		2	28,919,045	12,965,726
Reserves and Surplus		3	6,426,991,371	4,658,797,466
			8,288,752,726	6,486,919,242
Loan Funds				
Secured Loans		4	2,081,725,340	2,966,297,834
Unsecured Loans		5	290,349,265	241,008,762
			2,372,074,605	3,207,306,596
Deferred Tax Liabilities (Net)		6	694,657,385	608,762,958
Minority Interest (Refer Note 7 of Schedule 25)			3,791,742	44,386,825
	TOTAL		**11,359,276,458**	**10,347,375,621**
APPLICATION OF FUNDS				
Fixed Assets		7		
Gross Block			8,407,506,035	7,165,494,087
Less : Accumulated depreciation / amortisation			1,729,494,637	1,304,898,967
Net Block			6,678,011,398	5,860,595,120
Capital Work-in-progress including Capital Advances			680,090,624	614,282,768
			7,358,102,022	6,474,877,888
Investments		8	162,811,000	205,011,000
Current Assets, Loans and Advances				
Inventories		9	728,033,099	721,615,361
Sundry Debtors		10	2,400,812,822	1,934,309,475
Cash and Bank Balances		11	1,730,959,004	1,926,409,752
Loans and Advances		12	1,057,873,193	1,032,026,318
	A		5,917,678,118	5,614,360,906
Less : Current Liabilities and Provisions				
Current Liabilities		13	1,648,080,088	1,706,012,977
Provisions		14	541,061,488	366,557,767
	B		2,189,141,576	2,072,570,744
Net Current Assets	**(A-B)**		3,728,536,542	3,541,790,162
Miscellaneous Expenditure (to the extent not written off or adjusted)		15	109,826,894	125,696,571
	TOTAL		**11,359,276,458**	**10,347,375,621**
NOTES TO ACCOUNTS		25		

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

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

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 18, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amounts in Indian Rupees)

	Schedules	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Sales	16	2,316,963,389	2,271,908,452
Income from Event Management		175,305,407	148,077,147
Advertisement Income		10,016,147,636	8,085,350,865
Other Operating Income	17	144,022,823	124,416,631
		12,652,439,255	**10,629,753,095**
EXPENDITURE			
Raw Materials Consumed	18	3,839,083,276	3,278,675,591
Increase in Stock of Finished Goods		(604,314)	(15,938)
Event Expenses		160,203,482	118,323,495
Operating Expenses	19	1,319,362,565	1,318,711,356
Personnel Expenses	20	1,845,638,366	1,318,112,012
General and Administrative Expenses	21	781,891,703	565,695,858
Selling and Distribution Expenses	22	675,714,600	600,838,839
Operating Profit before interest and depreciation		**4,031,149,577**	**3,429,411,882**
Other Income (Interest Income)	23	141,762,180	111,523,413
Financial Expenses	24	153,028,579	356,918,966
Depreciation /amortisation	7	432,844,418	378,349,362
Profit Before Tax		**3,587,038,760**	**2,805,666,967**
Tax Expense			
Current Tax		897,291,887	840,010,000
Deferred Tax Charge		85,894,427	215,943,289
Provision for tax of earlier years		16,500,000	1,208,404
		999,686,314	1,057,161,693
Profit for the Year Before Minority Interest		**2,587,352,446**	**1,748,505,274**
Minority Interest in the (profits)/losses of Subsidiaries		(2,590,845)	79,495,798
Profit for the Year		**2,584,761,601**	**1,828,001,072**
Balance brought forward from previous year		1,363,267,140	109,133,208
Profit available for Appropriation		**3,948,028,741**	**1,937,134,280**
Appropriations:			
Interim Dividend		363,083,050	136,135,954
Proposed Final Dividend		366,596,274	226,908,256
Tax on Dividend		119,774,637	60,822,930
Transfer to General Reserve		300,000,000	150,000,000
		1,149,453,961	573,867,140
Balance carried to Balance Sheet		**2,798,574,780**	**1,363,267,140**
Earnings Per Share (Refer Note 17 of Schedule 25)			
Basic Earning Per Share		14.24	10.62
Diluted Earning Per Share		14.22	10.61
Nominal Value Per Share		10	10
NOTES TO ACCOUNTS	25		

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

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

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**

Mumbai
May 18, 2011

Company Secretary

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

(Amounts in Indian Rupees, except share data)

	As At March 31, 2011	As At March 31, 2010
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 :		
183,283,231 (Previous Year 181,514,605) Equity Shares of Rs.10 each fully paid up	1,832,832,310	1,815,146,050
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, 3,869,255 (Previous Year 2,136,755) Equity shares have been issued for a consideration other than cash (Refer Note 6A of Schedule 25)		
c) 1 (Previous Year 1) Preference share of Rs. 10,000 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 19 of Schedule 25)		
f) For Shares issued pursuant to an Initial Public Offer (Refer Note 4 of Schedule 25)		
	1,832,842,310	**1,815,156,050**
Schedule 2		
STOCK OPTIONS OUTSTANDING		
(Refer Note 19 of Schedule 25)		
Employee Stock Options outstanding	57,831,008	25,109,412
Less: Deferred Employee Compensation outstanding	26,166,387	12,143,686
	31,664,621	12,965,726
Less: Value of Employee Compensation of options exercised	2,745,576	-
	28,919,045	**12,965,726**
Schedule 3		
RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	929,597,888	779,597,888
Add : Transferred from Profit and Loss Account	300,000,000	150,000,000
Add: Adjusted pursuant to the scheme of arrangement (Refer Note 6A of Schedule 25)	26,022,325	-
	1,255,620,213	929,597,888
Securities Premium Account		
As per last Balance Sheet	2,365,932,438	88,200
Add: Received on account of Fresh Issue of Equity shares (Refer Note 4 of Schedule 25)	-	2,562,815,000
Add: Received on exercise of employee stock options	6,863,940	-
Less: Share Issue expenses (Refer Note 4 of Schedule 25)	-	196,970,762
	2,372,796,378	2,365,932,438
Profit and Loss Account	2,798,574,780	1,363,267,140
	6,426,991,371	**4,658,797,466**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

(Amounts in Indian Rupees, except share data)

	As At March 31, 2011	As At March 31, 2010
Schedule 4		
SECURED LOANS		
Term Loans		
- Rupee Loans from Banks	480,000,000	897,666,852
- Rupee Loans from Financial Institution	-	77,777,758
- Foreign Currency Loan from Financial Institution	1,264,944,748	1,418,250,923
Working Capital Loan		
- Cash Credit Facilities from Banks	51,612,055	121,698,805
- Buyers' Credit from Bank	285,168,537	450,903,496
(For Security Refer Note 9 of Schedule 25)	**2,081,725,340**	**2,966,297,834**
Schedule 5		
UNSECURED LOANS		
Security Deposits Received	290,349,265	241,008,762
	290,349,265	**241,008,762**
Schedule 6		
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Depreciation	814,707,297	739,561,078
Term Loan Processing fees	-	-
	814,707,297	**739,561,078**
Deferred Tax Assets		
Provision for Doubtful Debts and Advances	61,837,662	23,585,388
Provision for Gratuity and Leave Encashment	16,219,003	13,609,701
Provision for Diminution in value of Investment	32,387,063	17,844,750
Unabsorbed Depreciation and Carried Forward Losses (Refer Note below)	-	71,351,231
Provision for Employee Stock Option Scheme	9,606,184	4,407,050
	120,049,912	130,798,120
Deferred Tax Liabilities (Net)	**694,657,385**	**608,762,958**

Note: In case of subsidiaries, the recognition of deferred tax assets is restricted to the extent of deferred tax liabilities as at March 31, 2011 and March 31, 2010.

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

(Amounts in Indian Rupees)

Schedule 7

FIXED ASSETS

Assets	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	As At April 1, 2010	Additions during the year	Deductions during the year	As At March 31, 2011	Up To April 1, 2010	For the Year	On deductions	Up To March 31, 2011	As At March 31, 2011	As At March 31, 2010
Tangible Assets										
Land										
- Freehold	37,737,900	24,496,413	-	62,234,313	-	-	-	-	62,234,313	37,737,900
- Leasehold	11,192,602	18,754,976	-	29,947,578	411,916	400,124	-	812,040	29,135,538	10,780,686
Buildings										
- Freehold	557,736,270	116,860,508	-	674,596,778	28,595,931	19,793,382	-	48,389,313	626,207,465	529,140,339
- Leasehold	-	509,727,738	-	509,727,738	-	575,964	-	575,964	509,151,774	-
Leasehold Improvements	53,308,711	11,102,564	-	64,411,275	7,711,447	6,284,287	-	13,995,734	50,415,541	45,597,264
Plant and Machinery (Refer Note 2 Below)	4,859,575,205	374,974,211	11,852,244	5,222,697,172	710,291,508	261,933,422	3,042,422	969,182,508	4,253,514,664	4,149,283,697
Office Equipments	169,096,368	20,838,541	1,667,383	188,267,526	39,494,916	10,137,414	605,401	49,026,929	139,240,597	129,601,452
Vehicles	22,942,152	4,815,743	1,605,801	26,152,094	15,723,231	1,839,354	907,862	16,654,723	9,497,371	7,218,921
Furniture and Fixtures	227,820,901	27,096,524	67,698	254,849,727	60,198,257	16,249,300	39,861	76,407,696	178,442,031	167,622,644
Electric Fitting, Fans and Coolers	221,828,879	47,671,758	-	269,500,637	31,491,049	12,395,297	-	43,886,346	225,614,291	190,337,830
Computers	336,431,965	59,888,272	4,720,614	391,599,623	219,727,079	35,212,297	3,653,202	251,286,174	140,313,449	116,704,886
D.G.Sets	99,884,175	36,200,489	-	136,084,664	10,683,436	5,450,403	-	16,133,839	119,950,825	89,200,739
Intangible Assets										
Computer Software	28,683,650	9,336,553	-	38,020,203	14,880,871	5,955,458	-	20,836,329	17,183,874	13,802,779
Goodwill	25,609,517	-	-	25,609,517	18,149,608	5,030,979	-	23,180,587	2,428,930	7,459,909
Goodwill on Consolidation (Refer Note 5 of Schedule 25)	1,444,792	161,398	-	1,606,190	1,239,553	366,637	-	1,606,190	-	205,239
One Time License Fees	512,201,000	-	-	512,201,000	146,300,165	51,220,100	-	197,520,265	314,680,735	365,900,835
Total	**7,165,494,087**	**1,261,925,688**	**19,913,740**	**8,407,506,035**	**1,304,898,967**	**432,844,418**	**8,248,748**	**1,729,494,637**	**6,678,011,398**	**5,860,595,120**
Capital Work-in-progress (including Capital Advances) (Refer Note 1, 3 and 4 Below)									680,090,624	614,282,768
									7,358,102,022	**6,474,877,888**
Previous year ended March 31, 2010	**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**	

Notes

1) For details of Pre operative expenses and borrowing cost capitalised Refer Note 22 of Schedule 25.

2 Plant and Machinery above include Common Transmitters Infrastructure which are Jointly held assets as at March 31, 2011:

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, 2011 includes exchange differences Rs.442,492 [foreign exchange gain (net)] [Previous year Rs. 204,770,841 (foreign exchange gain (net))].

4) Additions during the year and Capital Work-in-progress as at March 31, 2011 includes Borrowing Cost capitalised Rs. Nil (Previous year Rs. 16,184,462).

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

(Amounts in Indian Rupees, except share data)

		As At March 31, 2011	As At March 31, 2010
Schedule 8			
INVESTMENTS **Long Term Investments (At cost)** **Unquoted and Non Trade (Refer Note 16 of Schedule 25)**			
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. 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
Nil	(Previous Year 200,000) 14% Non Convertible Debentures of Rs. 100 each fully paid up of Everonn Systems India Limited	-	20,000,000
2,280,000	(Previous Year Nil) Zero Coupon Fully Convertible Debentures of Rs. 10 each fully paid up of Everonn Education Limited	22,800,000	-
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	**237,811,000**	**235,011,000**
Quoted and Non-Trade (Refer Note 16 of Schedule 25)			
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, 2011 is Rs. 6,330,000) (As at March 31, 2010 Rs.2,994,000)	22,500,000	22,500,000
	Aggregate amount of Quoted investments	**22,500,000**	**22,500,000**
Aggregate Market value as at March 31, 2011 is Rs. 6,330,000 (As at March 31, 2010 Rs.2,994,000)			
		260,311,000	**257,511,000**
Less: Provision for Diminution in Value of Investments		97,500,000	52,500,000
		162,811,000	**205,011,000**

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

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

(Amounts in Indian Rupees, except share data)

	As At March 31, 2011	As At March 31, 2010
Schedule 9		
INVENTORIES (At lower of cost and net realisable value)		
Raw Materials - News Prints (Including Stock in Transit Rs. 147,250,346) (Previous Year Rs. 50,936,079)	573,865,091	619,901,028
Stores and Spares	129,561,869	71,959,244
Magazines	1,709,499	417,070
Gifts / Promotional Products	22,896,640	29,338,019
	728,033,099	**721,615,361**
Schedule 10		
SUNDRY DEBTORS (Refer Note 14 (a) of Schedule 25)		
(Unsecured)		
Debts outstanding for a period exceeding six months :		
- Considered Good	252,932,787	201,833,383
- Considered Doubtful	128,057,034	69,389,197
	380,989,821	271,222,580
Others Debts :		
- Considered Good	2,147,880,035	1,732,476,092
	2,528,869,856	2,003,698,672
Less : Provision for Doubtful Debts	128,057,034	69,389,197
	2,400,812,822	**1,934,309,475**
Schedule 11		
CASH AND BANK BALANCES		
Cash on Hand	17,154,498	12,734,463
Cheques on Hand/Transit	186,098,676	82,156,988
Balances with Scheduled Banks:		
On Current Accounts	368,682,613	368,656,645
On Fixed Deposit Account (Refer Note 4 and 15 of Schedule 25)	1,159,023,217	1,462,861,656
	1,730,959,004	**1,926,409,752**
Schedule 12		
LOANS AND ADVANCES (Refer Note 14 (b) of Schedule 25)		
(Unsecured, considered good unless otherwise stated)		
Loans and Advances to Employees	23,137,251	15,975,704
Advances recoverable in cash or kind or for value to be received		
- Considered Good	401,004,860	300,066,579
- Considered Doubtful	5,679,338	-
Inter Corporate Deposits	359,839,548	461,036,398
Deposit with Government Authorities	54,721,079	52,614,442
Inter Corporate Deposit against Lease of Properties (Refer Note 14(b) of Schedule 25)	132,950,000	132,950,000
Deposit with Others	86,220,455	69,383,195
	1,063,552,531	1,032,026,318
Less : Provision for Doubtful Loans and Advances	5,679,338	-
	1,057,873,193	**1,032,026,318**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

(Amounts in Indian Rupees, except share data)

	As At March 31, 2011	As At March 31, 2010
Schedule 13		
CURRENT LIABILITIES		
Sundry Creditors (Refer Note 13 of Schedule 25)	1,220,211,225	1,237,942,418
(Includes Rs. 26,405,159 for Capital Goods) (Previous Year Rs. 96,478,418)		
Advances from Customers	366,944,400	402,855,684
Book Overdraft	-	10,753,125
Interest Accrued but not due on loans	1,822,950	2,239,584
Other Liabilities	59,101,513	52,222,167
	1,648,080,088	**1,706,012,977**
Schedule 14		
PROVISIONS		
Provision For Tax (Net of taxes paid Rs.2,689,297,806)	58,421,055	55,299,259
(Previous Year Rs. 1,754,723,061)		
Provision For Fringe Benefit Tax (Net of taxes paid Rs. 81,867,995)	6,613,317	6,613,317
(Previous Year Rs.81,867,995)		
Provision For Wealth Tax	50,000	10,000
Provision For Gratuity (Refer Note 18 of Schedule 25)	8,534,419	9,322,299
Provision For Leave Encashment (Refer Note 18 of Schedule 25)	41,238,900	30,718,011
Provision For Proposed Dividend	366,732,717	226,908,256
Tax on Proposed Dividend	59,471,080	37,686,625
	541,061,488	**366,557,767**
Schedule 15		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Share Issue Expenses		
Opening Balance	-	41,764,142
Additions during the Year	-	155,206,620
Less: Transferred to Securities Premium Account (Refer Note 4 of Schedule 25)	-	196,970,762
	-	**-**
Term Loan Processing Fees		
Opening Balance	125,696,571	175,106,651
Less: Amortized during the Year		
- Charged to Profit and Loss Account	15,869,677	43,721,667
- Transferred to Capital Work in Progress	-	5,688,413
	109,826,894	125,696,571
	109,826,894	**125,696,571**

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amounts in Indian Rupees)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Schedule 16		
SALES		
Sale of Newspapers	2,084,953,525	2,052,110,962
Wastage Sale	137,470,287	117,191,477
Sale of Power	10,418,972	15,637,552
Sale of Magazines	58,626,779	65,768,326
Portal and wireless revenue	25,493,826	21,200,135
	2,316,963,389	**2,271,908,452**
Schedule 17		
OTHER OPERATING INCOME		
Printing Job Charges	91,351,789	72,222,345
Excess Liabilities / provisions written back	40,755,423	24,785,048
Foreign Exchange Gain (Net)	609,893	8,838,385
Miscellaneous Income	11,305,718	18,570,853
	144,022,823	**124,416,631**
Schedule 18		
RAW MATERIALS CONSUMED		
News Prints		
Opening Inventories	619,901,028	631,818,955
Add: Purchases during the Year	3,793,047,339	3,266,757,664
	4,412,948,367	3,898,576,619
Less: Closing Inventories	573,865,091	619,901,028
	3,839,083,276	**3,278,675,591**
Schedule 19		
OPERATING EXPENSES		
Consumption of Stores and Spares	587,046,859	514,905,721
Printing Job Work Expenses	109,959,802	172,183,645
News Collection Expenses	159,041,008	210,023,380
Binding Expenses	32,016,227	26,448,405
Electricity and Water Charges	154,613,559	137,350,005
Repairs and Maintenance - Machinery	109,733,755	86,455,123
License Fees	23,749,449	22,202,846
Tower Rent	20,257,458	22,249,195
Royalty	68,383,705	91,335,155
Portal and wireless Expenses	11,580,351	7,304,351
Other Operating Expenses	42,980,392	28,253,530
	1,319,362,565	**1,318,711,356**
Schedule 20		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	1,684,892,118	1,206,784,624
Contribution to Provident Fund and Other Funds	91,245,583	63,096,396
Workmen and Staff Welfare Expenses	69,500,665	48,230,992
	1,845,638,366	**1,318,112,012**

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amounts in Indian Rupees)

		For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Schedule 21			
GENERAL AND ADMINISTRATIVE EXPENSES			
Electricity		50,159,413	43,375,326
Rent		96,810,134	78,384,701
Rates and Taxes		3,374,104	2,944,211
Insurance		7,972,532	6,638,974
Repair and Maintenance			
- Building		6,213,960	8,967,412
- Others		25,724,776	21,707,960
Legal and Professional Charges		115,550,154	70,912,003
Postage and Telegram		8,600,929	7,186,228
Communication		37,048,176	31,332,776
Printing and Stationery		25,747,992	19,202,926
Traveling		107,223,089	62,630,384
Conveyance		6,796,110	5,869,889
Vehicle Running and Maintenance		7,409,554	8,785,413
Auditors Remuneration		9,103,400	8,293,100
Loss on Sale of fixed assets (Net)		1,801,825	3,460,203
Bad Debts written off	5,887,079		21,835,752
Less: Out of the Provision of earlier years	(2,475,941)	3,411,138	
Fixed assets written Off		-	728,332
Provision for diminution in value of Investments		45,000,000	45,000,000
Provision for doubtful debts		61,143,778	45,584,144
Provision for doubtful advances (including for Capital advances)		60,679,338	-
Miscellaneous Expenses		102,121,301	72,856,124
		781,891,703	**565,695,858**
Schedule 22			
SELLING AND DISTRIBUTION EXPENSES			
Advertisement and Publicity		125,213,772	129,779,890
Distribution Expenses		212,816,228	228,113,715
Business Promotion		149,844,277	122,831,310
Survey Expenses		187,840,323	120,113,924
		675,714,600	**600,838,839**
Schedule 23			
OTHER INCOME			
Interest Income from			
- Bank Deposits (Tax deducted at source Rs. 8,578,017) (Previous Year Rs. 3,452,542)		86,750,399	32,595,249
- Other Sundry deposits (Tax deducted at source Rs. 407,247) (Previous Year Rs. 826,405)		4,173,337	5,728,581
- Intercorporate Deposits (Tax deducted at source Rs. 5,083,844) (Previous Year Rs. 11,029,073)		50,838,444	73,199,583
		141,762,180	**111,523,413**
Schedule 24			
FINANCIAL EXPENSES			
Interest Expenses			
- On Term Loans		79,492,865	257,150,248
- On Banks		23,033,206	17,279,862
- On Others		30,812,943	68,065,461
Exchange (Gain) / Loss on Buyers' Credit from Banks (Net)		397,490	(39,711,687)
Bank Charges		19,292,075	54,135,082
		153,028,579	**356,918,966**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Amounts in Indian Rupees)

		For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Taxation		3,587,038,760	2,805,666,967
Adjustment for :			
Loss on sale of fixed assets (net)		1,801,825	3,460,203
Interest expense (net)		(8,423,166)	245,395,553
Depreciation / amortization		432,844,418	378,349,362
Miscellaneous Expenditure Written off		15,869,677	43,721,667
Provision for Doubtful Loans and Advances		60,679,338	-
Provision for Diminution in Value of Investments		45,000,000	45,000,000
Bad Debts Written Off		3,411,138	21,835,752
Provision Written Back		-	(6,448,217)
Provision for Doubtful Debts		61,143,778	45,584,144
Unrealised Exchange Rate Fluctuation		8,407,005	(11,191,950)
Operating profit before working capital changes		**4,207,772,773**	**3,571,373,481**
Increase / Decrease in Working Capital			
(Increase) in Inventories		(6,417,738)	(10,796,437)
(Increase) in Sundry Debtors		(531,058,266)	(227,945,383)
Decrease/ (Increase) in Loans and Advances		(31,526,213)	26,570,558
Increase in Current Liabilities		3,302,942	13,530,815
Increase in Provisions		9,733,009	359,145
Cash generated from operations		**3,651,806,507**	**3,373,092,179**
Direct Taxes paid		(910,630,090)	(1,013,322,482)
NET CASH FROM OPERATING ACTIVITIES	**(A)**	**2,741,176,417**	**2,359,769,697**
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(1,433,099,453)	(603,440,989)
Proceeds from Sale of Fixed Assets		9,863,167	6,948,483
Purchase of Investments		(22,800,000)	(70,000,000)
Sale of Investments		20,000,000	57,500,000
Interest received		141,762,180	111,132,138
Fixed Deposit with maturity period more than three months Placed		-	(1,372,926,739)
Fixed Deposit with maturity period more than three months Received		702,832,626	-
NET CASH (USED IN) INVESTING ACTIVITIES	**(B)**	**(581,441,480)**	**(1,870,787,107)**
C CASH FLOW FROM FINANCING ACTIVITIES			
Loan Taken - Secured		14,279,058	286,963,420
Repayment of Loan - Secured		(898,851,552)	(2,577,054,293)
Loan Taken - Unsecured		49,340,503	22,062,844
Dividend Paid		(589,854,863)	(220,530,758)
Dividend Distribution tax		(97,990,181)	(37,479,202)
Interest Paid		(133,755,648)	(396,343,454)
Shares Issue Expenses		-	(155,206,620)
Proceeds from issuance of shares		4,479,624	-
Proceeds from issuance of shares		-	2,690,065,000
NET CASH (USED IN) FINANCING ACTIVITIES	**(C)**	**(1,652,353,059)**	**(387,523,063)**
Net Increase in Cash and Cash Equivalents	**(A)+(B)+(C)**	**507,381,878**	**101,459,527**
Cash and Cash Equivalents at the beginning of the Year		464,590,005	363,130,478
Cash and Cash Equivalents at the end of the Year		971,971,883	464,590,005
Net Increase in Cash and Cash Equivalents		**507,381,878**	**101,459,527**
For Details of Components of Cash and Cash Equivalents - Refer Schedule - 11			
Closing Balance		1,730,959,004	1,926,409,752
Less: Fixed Deposit with maturity period of more than three months (Refer Note 15 of Schedule 25)		758,987,121	1,461,819,747
Net Cash and Cash Equivalents at the end of the year (As per notified AS- 3)		**971,971,883**	**464,590,005**

Refer Note 6A of Schedule 25 for details of equity shares issued on account of scheme of demerger
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

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

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 18, 2011

SCHEDULE 25
CONSOLIDATED NOTES TO ACCOUNTS

1. Nature of Operations

D.B. Corp Limited ('the Company') 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, Event Management and Internet. The major brands are 'Dainik Bhaskar' and 'Business Bhaskar' (Hindi dailies), 'Divya Bhaskar' and 'Saurashtra Samachar' (Gujarati dailies), 'DNA English', (English daily) and monthly magazines such as 'Aha Zindagi' and 'Bal Bhaskar', etc. The Company is also involved in the business of radio broadcasting with the brand "My FM", which is currently on air in 17 cities. SMEL is involved in the Event Management Business. 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 the Company and its subsidiary companies namely SMEL and 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 the Company in these companies is as follows:

Sr. No	Name of Subsidiary Companies:	Country of Incorporation	Percentage of Ownership interest as at March 31, 2011
1.	Synergy Media Entertainment Limited	India	56.82%
2.	I Media Corp Limited	India	55%

b) Principles of consolidation:

The CFS has been prepared using uniform accounting poli cies and on the following basis:

i) The financial statements of the Company and its subsidiary companies have been combined on a line to line basis by adding together like items of assets, liabilities, income and expenses. The intra group balances and intra group transactions and unrealized profits or losses have been fully eliminated unless cost cannot be recovered.

ii) The excess of the cost to the Company of its investment in a subsidiary over the Company's portion of equity of the subsidiary, at the date on which the investment in the sub sidiary 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 dif ference is accounted as capital reserve.

iii) Minority interest in the net assets of consolidated susidiaries 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 subse quent to the date of investments as stated above.

c) 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 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.

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.

(SCHEDULE 25) CONSOLIDATED NOTES TO ACCOUNTS (Continued)

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 which is 10 years.

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 using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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 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

(SCHEDULE 25) CONSOLIDATED NOTES TO ACCOUNTS (Continued)

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 of supply made to Madhya Pradesh Paschim Kshetra V.V. Co. Limited, as per the agreement.

Event
Revenue is recognized once the related event is organized and completed.

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

Dividend Income
Revenue is recognized when the shareholders' right to receive the payment is established by the Balance sheet date.

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 assets, are added to or deducted from the cost of the assets and depreciated over the balance life of the assets.
Exchange differences arising on the settlement of monetary item not covered above, or on reporting such monetary 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 expense in the year in which they arise.

Forward exchange contracts not intended for trading or speculation purposes
The premium or discount arising at the inception of forward exchange contracts is amortised as 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.
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 and deferred tax. Current income tax is 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 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

(SCHEDULE 25) CONSOLIDATED NOTES TO ACCOUNTS (Continued)

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. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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.

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.

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.

4. Initial Public Offer

During the previous 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 Investors 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 Investors and Rs.202 each for other than retail investors, amounting to total Rs.2,562,815,000 was credited to Securities Premium Account. The Share Issue expenses incurred by the Company amounting to Rs.196,970,762 were 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 6, 2010.

(SCHEDULE 25) CONSOLIDATED NOTES TO ACCOUNTS (Continued)

The total IPO proceeds received by the Company were Rs.2,690,065,000. Following are the details of utilization of IPO proceeds till March 31, 2011.

Particulars	Amount to be utilized as per Prospectus	Actual Utilization till March 31, 2011	Balance to be utilized/ (excess utilized) as on March 31, 2011
Setting up new publishing units	600,000,000	448,361,906	151,638,094
Upgrading existing plant and machinery	305,000,000	392,122,896	(87,122,896)
Sales and marketing	501,000,000	3,804,070	497,195,930
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	111,578,053	31,026,947
Total	**2,690,065,000**	**2,097,326,925**	**592,738,075**

Note:

1) As per the provisions in the Prospectus, the management of the Company has the discretion to change the allocation as well as reschedule the utilization of IPO proceeds proposed in the prospectus depending on the business scenario and funding requirements. Accordingly, the management has reallocated the proposed utilization as follows:

a) The proceeds allocated towards Sales and marketing expenses and IPO expenses and lying unutilized would be used for setting up publishing units and upgrading the existing plant and machinery;

b) The proceeds would be utilized for setting up publishing units as well as upgrading the existing plant and machinery at locations / states in addition to the number of locations / states mentioned in the prospectus.

The Audit Committee as well as the Board of Directors of the Company in the meeting held on May 18, 2011 has approved the revised allocation and resultant utilisation of proceeds of IPO till March 31, 2011.

2) Pending utilization, as at March 31, 2011, the funds are temporarily held in:

Particulars	Amounts
Fixed Deposit	580,000,000
Balance in Current Account	12,738,075
Total	**592,738,075**

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) Demerger of Radio division of Synergy Media Entertainment Limited (SMEL) and merger with the Company

a) The Company along with its subsidiary Synergy Media Entertainment Limited had filed the Scheme of Demerger ('the Scheme') with the Hon'ble high Court with Judicature at Madhya Pradesh ("Madhya Pradesh High Court") and Hon'ble high Court with Judicature at Gujarat ("Gujarat High Court") for demerger of Radio division of SMEL and merger with the Company.

The Scheme of Arrangement was approved by Madhya Pradesh High Court and Gujarat High Court vide their order dated January 13, 2011 and January 17, 2011 respectively. The certified order copy of the Madhya Pradesh High Court and Gujarat High court dated January 29, 2011 and February 2, 2011 respectively were filed with the Registrar of Companies on February 15, 2011 and February 16, 2011 respectively.

As prescribed in the Scheme, the Ministry of Information and Broadcasting, Government of India accorded their approval vide letter No. 212/30(33)/2006-FM(Vol.II)/120 dated March 30, 2011.

Accordingly, after the approval by the Ministry of Information and Broadcasting, Government of India, the Scheme became effective on March 30, 2011 with appointed date April 1, 2010.

As per the scheme, with effect from April 1, 2010, all the assets and liabilities of the Radio division of SMEL as at March 31, 2010 have been transferred to the Company at their respective book values.

b) As per the Scheme, the Company has issued and allotted 1,732,500 fully paid equity shares of Rs.10 each at par in the ratio of one equity share of the Company for every ten equity shares of SMEL as on record date to the shareholders of SMEL.

c) The difference between the Minority interest in the net assets of Radio division as at March 31, 2010 and the face value of equity share capital issued by the Company to the Minority Shareholders is credited to the General reserve by the Company in the Consolidated Financial Statements for the year ended March 31, 2011.

d) As per Clause 4.8 of the Scheme, the unabsorbed depreciation and accumulated tax losses of SMEL till March 31, 2010 have been transferred to the Company which has been set off by the Company while computing the Current Tax provision for the year ended March 31, 2011.

(SCHEDULE 25) CONSOLIDATED NOTES TO ACCOUNTS (Continued)

Following table summarizes the major changes arising due to the scheme referred above and their impact on the Consolidated Profit after Tax:

Particulars	Amount
Profit After Tax as reported	2,584,761,601
Less:-	
Impact on current and deferred tax on account of unabsorbed depreciation and accumulated tax losses of SMEL till March 31, 2010 in accordance with the Scheme	268,728,360
Add:-	
Reduction in share of minority interest in the losses of radio business	46,977,668
Profit After Tax without considering the impact of above adjustments arising due to the scheme.	2,363,010,909

B) Demerger of Internet division of Indiainfo.com:

a) As per the Scheme of Arrangement relating to take over of the Internet Division of Indiainfo.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 Indiainfo.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 Indiainfo.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 Indiainfo.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. Minority Interest

Pursuant to scheme of arrangement between SMEL and the Company the amount payable to minority has changed from Rs. 44,386,825 to Rs. 3,791,742.The movement is as below:

Particulars	Amount
Balance as at April 1, 2010	44,386,825
Less:- Reduction pursuant to scheme of arrangement	(43,185,928)
Add:- Share of profit for current year	2,590,845
Balance as at March 31, 2011	3,791,742

8. (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
Key Management Personnel	- Shri Sudhir Agarwal, Managing Director - Shri Girish Agarwal, Director
Relatives of key management personnel	- 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 by Key management personnel or their relatives	- All Season Events (P) Limited - D B Partners Enterprises Private Limited - Writers and Publishers Private Limited - Bhaskar Phototype Setter - Bhopal* - Bhaskar Printing Press - Rajasthan - Bhaskar Printing Press - MPCG - Bhaskar Printing Press - CPH2 - Bhaskar Printing Press - Gujarat - RC Phototype Setter - Raipur* - R.C. 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 Venkatesh 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 Technologies Limited - DB Publication Private Limited - Abhivyakti Kala Kendra - Bhaskar Food Private Limited

** Up to March 31, 2010*

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON MARCH 31, 2011

(Amounts in Indian Rupees)

8. (b) Details of transactions with related parties:	Transactions Year ended		Amount receivable (payable) As at	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Advertisement Income				
Writers and Publishers Private Limited	18,006,363	41,861,638	1,113,197	6,922,547
Abhivyakti Kala Kendra	-	9,194,275	-	-
Bhaskar Industries Limited	159,162	2,313,160	32,932	14,816
Bhaskar Multinet Limited	78,853	510,322	7,639	24,968
Sharda Solvent Limited	12,901	8,344,170	-	9,720
Bhaskar Exxoil Private Limited	21,996	7,477,988	-	-
Bhaskar Food Private Limited	-	7,426,028	-	-
D B Malls Private Limited	120,516	25,639,495	98,960	662,922
Bhaskar Venkatesh Products Private Limited	1,748,641	-	1,348,641	-
Sale of Magzine				
Bhaskar Publication and Allied Industries Private Limited	342,686	405,213	223,207	171,744
Sale of Newspaper				
Bhaskar Publication and Allied Industries Private Limited	7,789,674	8,366,520	7,299,995	-
Sale of Portal and SMS				
Diligent Media Corporation Limited	6,070,248	2,360,479	1,248,013	1,178,358
Portal Expenses				
Diligent Media Corporation Limited	-	980,000	-	-
India Interactive Technologies Limited	-	133,902	-	-
Printing Job Charges				
Bhaskar Publication and Allied Industries Private Limited	3,976,509	4,262,153	280,445	-
Salaries, Wages and Bonus				
Shri Sudhir Agarwal, Managing Director	3,600,000	3,600,000	-	(7,441,123)
Rent Income				
Bhaskar Publication and Allied Industries Private Limited	1,020,000	-	-	-
Rent Paid				
Writers and Publishers Private Limited	28,679,176	19,203,211	-	-
Bhaskar Industries Limited	144,000	159,997	-	(89,109)
Bhaskar Publication and Allied Industries Private Limited	100,000	100,000	-	-
Bhaskar Infrastructure Limited	3,829,260	4,055,761	-	-
R.C. Printer, Raipur	1,654,500	1,816,320	-	-
Shri Girish Agarwal, Director	100,000	100,000	-	(176,907)
News Collection Expenses				
Bhaskar Samachar Seva	37,648,538	69,716,165	(12,731,331)	(10,429,064)
Diligent Media Corporation Limited	1,886,478	1,572,792	(650,422)	(1,867,580)
Printing Job Work Expense				
M P Printer (a unit of Writers and Publishers Private Limited)	48,891,299	52,499,220	(4,780,453)	(12,741,845)
Diligent Media Corporation Limited	7,489,292	7,659,526	(173,948)	(1,342,631)
Bhaskar Printing Press Rajasthan	6,734,372	32,783,800	(3,445,339)	(5,920,767)
Bhaskar Printing Press MPCG	13,582,184	12,145,451	(3,450,417)	(8,359,576)
Bhaskar Printing Press CPH2	5,863,675	6,719,342	(338,542)	(556,362)
Bhaskar Printing Press Gujarat	11,326,685	13,671,085	(3,305,883)	(3,123,127)
R.C. Printer, Raipur	685,833	4,616,373	(223,493)	(293,023)
Royalty				
Diligent Media Corporation Limited	3,970,979	2,550,000	-	(144,310)
Advertisement and Publicity Expenses				
Bhaskar Multinet Limited	-	641,952	-	(462,295)
Abhivyakti Kala Kendra	720,000	-	-	-
M P Printer (a unit of Writers and Publishers Private Limited)	4,902,095	-	-	-
Interest Income from Deposits				
Writers and Publishers Private Limited	33,264,382	57,383,219	513,770	860,611
Bhaskar Multinet Limited	20,132,499	18,116,322	6,847,886	4,545,294

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED ON MARCH 31, 2011

(Amounts in Indian Rupees)

8. (b) Details of transactions with related parties:				
	Transactions Year ended		**Amount receivable (payable) As at**	
	March 31, 2011	**March 31, 2010**	**March 31, 2011**	**March 31, 2010**
Sale of Fixed Assets				
Bhaskar Publication and Allied Industries Private Limited	5,625,852	-	5,625,852	-
Purchase of Fixed Assets				
Bhaskar Publication and Allied Industries Private Limited	18,823	-	-	-
Loan / Advances Given / (Repaid by party)				
Bhaskar Multinet Limited	15,816,658	13,255,534	170,750,252	155,082,667
Writers and Publishers Private Limited	(116,666,668)	(116,666,668)	204,166,662	320,833,330
Advance received / (repaid) for publication of advertisement				
Writers and Publishers Private Limited	-	78,968,141	(54,396,376)	(83,477,055)
		(204,272,633)	-	-
Advances given during the year for investment in equity shares				
Writers and Publishers Private Limited	-	40,000,000	80,000,000	80,000,000
Factoring of Recievables / advances				
Writers and Publishers Private Limited	-	6,185,441	-	-
Security Deposit given against lease of properties				
Writers and Publishers Private Limited	-	-	132,950,000	132,950,000
Security Deposit Received				
Bhaskar Publication and Allied Industries Private Limited	-	10,000,000	(10,000,000)	(10,000,000)
Sale of Investments				
Writers and Publishers Private Limited	-	-	60,000,000	60,000,000
Shri Sudhir Agarwal, Managing Director	-	-	-	77,500
Shri Girish Agarwal, Director	-	-	50,000	50,000
News print loan given / (taken)				
M P Printer (a unit of Writers and Publishers Private Limited)	20,894,894	6,806,277	15,517,265	6,766,924
Diligent Media Corporation Limited	21,279,228	19,558,103	1,220,197	5,911
Divya Prabhat Publications Private Limited	113,129	1,348,102	-	2,615,694
Bhaskar Publication and Allied Industries Private Limited	(27,879,307)	15,380,846	7,144,565	27,833,360
Balance outstanding at the year end				
M P Printer (a unit of Writers and Publishers Private Limited)	-	-	(2,080,011)	(5,442)
Diligent Media Corporation Limited	-	-	(227,270)	(5,274,331)
Bhaskar Industries Limited	-	-	1,590,148	-
D B Malls Private Limited	-	-	796,787	-
India Interactive Technologies Limited	-	-	-	(4,059,891)
Bhaskar Multinet Limited	-	-	339,214	(138,622,946)
R.C. Printer, Raipur	-	-	363,205	456,787
Divya Prabhat Publications Private Limited	-	-	(854,155)	(3,944,739)
Writers and Publishers Private Limited	-	-	(11,287,503)	(12,365,745)
Bhaskar Publication and Allied Industries Private Limited	-	-	72,885,625	(26,305,936)
Direct (OOH) Media Private Limited	-	-	-	13,236
Bhaskar Infrastructure Limited	-	-	-	183,678
D B Publication Private Limited	-	-	-	6,618
Abhivyakti Kala Kendra	-	-	-	237,092
Shri Pawan Agarwal, Director	-	-	-	784,774

Note: For details of guarantees given by related parties, Refer Note 9 of Schedule 25.

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

Particulars	March 31, 2011	March 31, 2010
Rupee Term Loans		
IDBI Bank	480,000,000	660,000,000
Rabo India Finance Private Limited	-	77,777,758
The J&K Bank Limited	-	141,515,360
Corporation Bank	-	96,151,492
Cash Credit Facilities		
State Bank of Hyderabad	21,626,443	11,329,189
State Bank of Indore	-	48,348,046
Bank of Maharashtra	29,985,612	62,021,570
Foreign Currency Loan		
AGCO Finance GmbH	USD 28,304,872 equivalent to Rs. 1,264,944,748	USD 31,572,817 equivalent to Rs. 1,418,250,923
Buyers Credit Facilities		
Standard Chartered Bank	USD 754,498 equivalent to Rs. 33,718,527	USD 2,495,452 equivalent to Rs. 112,095,712
HSBC Bank	USD 5,625,420 equivalent to Rs. 251,450,010	USD 7,542,471 equivalent to Rs. 338,807,784

a) The Term Loans are secured by:

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

ii) Second Charge on all current assets;

iii) Personal Guarantee of directors aggregating to Rs. 60,000,000 [Shri Ramesh Chandra Agarwal]

iv) Corporate Guarantees of Writers and Publishers Private Limited aggregating to Rs. 480,000,000.

v) 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.

vi) 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:

i) First charge on the entire current assets and;

ii) Second charge on the other movable properties (other than current assets) of the Company.

iii) Personal Guarantee of Directors aggregating to Rs. 71,607,191 [Shri Ramesh Chandra Agarwal, Shri Sudhir Agarwal , Shri Girish Agarwal , Shri Pawan Agarwal]

iv) Corporate Guarantees of Writers and Publishers Private Limited.

c) Foreign Currency Loan is secured by:

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

d) Buyers Credit Facilities are secured by:

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

ii) HSBC Bank: First Pari passu Charge over current assets of the Company.

Second Charge over Plant and Machinery of the Company and Corporate guarantee of Writers and Publishers Private Limited.

10. Leases

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

Operating Lease (for assets taken on Lease)

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

b) Lease payments for the year are Rs. 117,067,592 (Previous year Rs. 100,633,896)

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

- not later than one year is Rs. 118,798,210 (Previous year Rs. 90,837,132)
- later than one year but not later than five years is Rs.5,081,55,199 (Previous year Rs. 379,293,807).
- later than five years Rs. 59,302,817 (Previous year Rs. 80,513,042).

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

11. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 148,479,849 (Previous year Rs. 138,612,551).

12. Contingent Liabilities not provided for:

a) Guarantees issued by bank on behalf of the Company Rs. 18,122,375 (Previous year Rs. 16,392,375).

b) Corporate Guarantee issued by the Company of Rs. 450,000,000 in favour of Export Development Canada on behalf of Bhaskar Exxoils Private Limited.

c) The Indian Performing Rights Society Limited (IPRS) had filed a suit against 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 the Radio Division 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 Hon'ble court, as the court has reserved the order after hearing to both the parties. The management is confident that the case would be settled in the favor of the Company, however, pending the result of the suit, as a matter of abundant precaution, the Company has provided on best judgment basis ₹10,579,831 for the year ended March 31, 2011 (Previous year ₹12,354,321) 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.

d) A legal Suit was 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. The Copy Right Board passed the Order on August 25, 2010. As per the Order,

PPL is supposed to get a proportionate amount (as per the music played) out of the kitty of 2% of the net revenue. The Company is accordingly paying to PPL since then.
The Company has asked for a refund of Rs. 4,011,858 from PPL out of the deposit paid to them after adjusting the amount payable for the period prior to the Order, as per the rates specified in the Order. PPL has been claiming the previous period amount at a higher rate. PPL has subsequently filed a summary suit in Bombay High Court towards recovery of the said amount. At present the matter is pending before the Bombay High Court. The management is confident that the case would be settled in the favor of the Company, however, pending the result of the suit, as a matter of abundant precaution, the Company has provided on best judgment basis Rs. 7,794,055 for the year ended March 31, 2011 (Previous year Rs. 19,920,360) 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.

e) 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 ₹ 16,835,528 (Previous year ₹ 12,187,682). 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.

13. Derivative Instruments

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

		March 31, 2011		March 31, 2010	
Particulars	**Currency**	**Amount in foreign currency**	**Amount in Rs.**	**Amount in foreign currency**	**Amount in Rs.**
Sundry Creditors	USD	1,057,623	46,378,006	3,039,710	136,543,772
Sundry Creditors	EUR	-	-	45,700	2,767,444
Standard Chartered Bank Buyers Credit	USD	754,498	33,718,527	2,495,452	112,095,712
HSBC Bank Buyers Credit	USD	5,625,420	251, 450, 010	7,542,471	338,807,784
AGCO Finance GmbH	USD	28,304,872	1,264,944,748	31,572,817	1,418,250,923
Sundry Debtors	USD	-	-	1,847	82,967

14. 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 out standing during the year	
	March 31 2011	**March 31 2010**	**March 31 2011**	**March 31 2010**
Bhaskar Industries Limited	32,932	14,816	41,154	2,030,181
Bhaskar Multinet Limited	7,639	338,189	45,699	1,016,709
Bhaskar Exxoil Private Limited	-	-	21,996	7,477,988
Bhaskar Venktesh Products Private Limited	1,348,641	-	1,348,641	-
Divya Prabhat Publication Private Limited	-	-	-	1,758,158
Sharda Solvent Limited	-	9,720	21,085	8,325,788
DB Malls Private Limited	98,960	662,922	729,354	23,439,331
Abhivyakti Kala Kendra	-	-	-	21,622,608
Diligent Media Corporation Limited	1,248,013	2,292,528	1,248,013	2,804,541
Writers and Publishers Private Limited	1,113,197	6,922,547	4,163,551	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 2011	**March 31 2010**	**March 31 2011**	**March 31 2010**
Writers and Publishers Private Limited	466,342,929	582,278,196	738,180,658	732,863,795
Bhaskar Multinet Limited	177,937,352	159,885,177	178,005,015	160,076,407
Bhaskar Exxoil Limited	-	-	16,000	10,578
Diligent Media Corporation Limited	1,220,197	-	1,220,197	24,909,243
Divya Prabhat Publications Private Limited	-	-	-	8,592,331
Bhaskar Infrastructure Limited	-	183,678	-	183,678
Bhaskar Publication & Allied Industries Private Limited	80,030,190	1,527,425	151,318,651	13,874,026
Bhaskar Industries Limited	1,590,148	-	1,590,148	-
Direct(OOH) Media Private Limited	-	13,236	13,236	2,181,717
DB Publications Private Limited	-	6,618	6,618	130,551
DB Mall Private Limited	796,787	-	796,787	271,445
Abhivyakti Kala Kendra	-	237,092	1,321,292	1,455,514

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.

15. Fixed Deposits

Cash and Bank includes Fixed Deposits having maturity period of more than three months amounting Rs.758,987,121 (Previous year Rs.1,461,819,747).

16. 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, 2011, the Group has made provision of Rs.97,500,000 (Previous year Rs.52,500,000) 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.

17. Earning Per Share ('EPS')

Particulars	March 31, 2011	March 31, 2010
i) Profit after taxation	2,584,761,601	1,828,001,072
ii) Weighted average number of equity shares outstanding for Basic EPS	181,528,139	172,206,180
iii) Basic Earnings per share	14.24	10.62
iv) On account of shares to be issued under ESOS	288,673	162,389
v) Weighted average number of equity shares outstanding for Diluted EPS	181,816,812	172,368,569
vi) Diluted Earnings per share	14.22	10.61
vii) Nominal value of share	10.00	10.00

18. Employee Benefits

Defined Contribution Plan

During the year ended March 31, 2011 and March 31, 2010; the Group contributed the following amounts to defined contribution plans:

Particulars	March 31, 2011	March 31, 2010
Provident Fund	71,751,228	55,665,650
Employees' State Insurance Corporation	19,494,355	7,430,746
Total	**91,245,583**	**63,096,396**

Defined Benefit Plans

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, 2011	March 31, 2010
Current service cost	12,667,998	14,473,679
Interest cost on benefit obligation	5,462,022	4,693,980
Expected return on plan assets	(4,862,819)	(3,605,018)
Net actuarial (gain) / loss recognized in the year	2,777,182	(10,653,255)
Past service cost	-	-
Net benefit expense	16,044,383	4,909,386
Actual return on plan assets	3,653,690	8,385,191

Balance Sheet

Details of Provision and fair value of plan assets

Particulars - Gratuity	March 31, 2011	March 31, 2010
Benefit obligation	82,594,755	70,107,539
Fair value of plan assets	74,060,336	60,785,240
	(8,534,419)	(9,322,299)
Less: Unrecognized past service cost	-	-
Net (Liability) / asset	(8,534,419)	(9,322,299)

Details of Experience Adjustments on plan assets and plan liabilities

Particulars - Gratuity	March 31, 2011	March 31, 2010
Experience adjustments on plan liabilities (Gain)/Loss	4,548,612	1,589,625
Experience adjustments on plan Assets Gain/(Loss)	(1,209,129)	4,780,173

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

Particulars - Gratuity	March 31, 2011	March 31, 2010
Opening benefit obligation/net liability	68,275,276	62,518,153
Interest cost	5,462,022	4,693,983
Current service cost	12,667,998	14,473,679
Benefits paid	(5,378,598)	(5,705,195)
Actuarial (gains) / losses on obligation	1,568,053	(5,873,082)
Closing benefit obligation	82,594,755	70,107,539

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

Particulars - Gratuity	March 31, 2011	March 31, 2010
Opening fair value of plan assets	60,785,240	48,066,911
Expected return	4,862,819	3,605,018
Contributions by employer	15,000,000	10,038,333
Benefits paid	(5,378,598)	(5,705,195)
Actuarial gains / (losses) on plan assets	(1,209,129)	4,780,173
Closing fair value of plan assets	74,060,336	60,785,240
Actuarial gains / (losses) to be recognized	(2,813,240)	8,953,208

The Company expects to contribute Rs.10,000,000 (Previous year 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, 2011	March 31,2010
	%	%
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, 2011	March 31,2010
Discount rate	8.25%	8.00%
Expected rate of return on assets	8.25%	8.00%
Employee turnover	1% at each age+6% service related	1% at each age+6% service related

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.

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

	Gratuity			
	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	82,594,755	70,107,539	62,518,153	40,363,900
Plan assets	74,060,336	6,0785,240	48,066,911	28,569,088
Surplus / (deficit)	(8,534,419)	(9,322,299)	(14,451,242)	(11,794,812)
Experience adjustments on plan liabilities (Gain) / Loss	4,548,612	1,589,625	5,647,004	4,864,820
Experience adjustments on plan assets Gain / (Loss)	(1,209,129)	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 years ended on March 31, 2007:

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

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

19. Employee Stock Option Scheme 2008 and 2010

The Company has granted Stock Options to its employees as per its scheme referred to as "DBCL - ESOS 2008" and "DBCL- ESOS 2010". During the year ended March 31, 2011 the following schemes were in operation:

	DBCL - ESOS 2008	DBCL - ESOS 2010
Date of grant	January 5, 2009	May 10, 2010
Date of Board Approval	December 23, 2008	March 02, 2010
Date of Shareholder's Approval	December 31, 2008	April 24, 2010
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, 2011	600,000 options have been approved by the Board and the shareholders, however 491,203 have been granted till the year ended March 31, 2011
Method of Settlement	Equity	Equity
Vesting Period	Options vest equally over the period of five years from the date of grant	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	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	Discount up to a maximum of 30% to the market price.
Vesting Conditions	Option vest on continued association with the Company and achievement of certain performance parameters	Option vest on continued association with the Company and achievement of certain performance parameters

The details of activity under DBCL ESOS 2008 and ESOS 2010 are as summarized below:

	Number of options			
	ESOS-2008		ESOS-2010	
	March 31, 2011	March 31,2010	March 31, 2011	March 31, 2010
Outstanding at the beginning of the year	330,387	413,427	-	-
Granted during the year	-	-	491,203	-
Forfeited / Cancelled during the year	19,177	83,040	16,494	-
Exercised during the year	36,126	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	275,084	330,387	474,709	-
Exercisable at the end of the year	88,358	66,077	-	-
Weighted average fair value of options granted on the date of grant	101.31	101.31	124.97	-

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

ESOS-2008			ESOS-2010		
Year	Vesting %	Fair Value	Year	Vesting %	Fair Value
January 5, 2010	20%	90.51	May 10, 2011	20%	103.87
January 5, 2011	20%	95.88	May 10, 2012	20%	115.57
January 5, 2012	20%	101.29	May 10, 2013	20%	126.07
January 5, 2013	20%	106.74	May 10, 2014	20%	135.47
January 5, 2014	20%	112.14	May 10, 2015	20%	143.89

Stock Options granted

The weighted average fair value of stock options granted till date is Rs. 101.31 and Rs. 124.97 for ESOS-2008 and ESOS-2010 respectively. The Black and Scholes Options Pricing model has been used for computing the weighted average fair value considering the following inputs:

March 31, 2011		
	ESOS-2008	ESOS-2010
Weighted average share price	101.31	124.97
Exercise Price	50% discount to the average of first 30 days closing market price post IPO i.e. Rs. 124	Discount up to a maximum of 30% to the market price. i.e. Rs. 168
Expected Volatility	0%	0%
Historical Volatility	0%	0%
Life of the options granted (Vesting and exercise period) in years	4.5 years	4.5 years
Expected dividends	0%	0%
Average risk-free interest rate	5.24%	7.10%
Expected dividend rate	0%	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 natures 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, 2011	March 31, 2010
Profit as reported	2,584,761,601	1,828,001,072
Add: Employee stock compensation under intrinsic value method	31,664,621	12,965,726
Less: Employee stock compensation under fair value method	47,820,496	17,283,654
Proforma profit	**2,568,605,726**	**1,823,683,144**
Earnings Per Share		
Basic		
- As reported	14.24	10.62
- As adjusted	14.15	10.60
Diluted		
- As reported	14.22	10.61
- As adjusted	14.13	10.58

20. Going Concern Concept

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 assurance that it intends to provide adequate financial support to IMCL to enable it to continue its operations for the year ending March 31, 2012. 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.

21. Segment Information:

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

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

(SCHEDULE 25) CONSOLIDATED NOTES TO ACCOUNTS (Continued)

21. (b) Segment Information as at and for the year ended March 31, 2011

Particulars	Printing / Publishing		Radio		Event		Others		Inter Segment Elimination		Consolidation	
	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10
Revenue												
External Revenue	11,976,300,761	10,106,087,809	463,823,199	341,443,599	175,305,407	148,077,202	37,009,888	34,144,485	-	-	12,652,439,255	10,629,753,095
Inter segmental Revenue	25,402,823	28,554,905	5,656,867	8,148,795	-	-	3,132,468	3,389,062	(34,192,158)	(40,092,762)	-	-
Total	**12,001,703,584**	**10,134,642,714**	**469,480,066**	**349,592,394**	**175,305,407**	**148,077,202**	**40,142,356**	**37,533,547**	**(34,192,158)**	**(40,092,762)**	**12,652,439,255**	**10,629,753,095**
Segment Results	3,691,571,860	3,189,415,479	(22,330,239)	(119,048,459)	12,033,113	23,300,372	(73,499,539)	(34,188,629)	-	-	3,607,775,195	3,059,478,763
Less : Unallocated Corporate Expenses net of Unallocated Income											9,470,037	8,416,243
Operating Profit											3,598,305,159	3,051,062,520
Less : Financial Expenses (Net of Interest Income)											11,266,399	245,395,553
Less : Prior Period Expenditure											-	-
Less : Tax Expenses											999,686,314	1,057,161,693
Profit for the year											2,587,352,446	1,748,505,274
Other Information												
Depreciation	310,494,621	256,858,326	107,535,167	107,086,072	150,963	188,572	14,663,666	14,216,392	-	-	432,844,418	378,349,362
Non - cash expenses other than depreciation	167,482,368	106,070,830	1,468,777	4,597,240	-	-	3,084,934	1,073,376	-	-	172,036,079	111,741,446
Particulars	**Mar-11**	**Mar-10**	**Mar-11**	**Mar-10**	**Mar-11**	**Mar-10**	**Mar-11**	**Mar-10**	**Mar-11**	**Mar-10**	**Mar-11**	**Mar-10**
Segment Assets	11,695,122,240	10,428,948,949	947,518,031	965,389,201	13,345,132	10,154,226	259,955,188	216,082,893	-	-	12,915,940,592	11,620,575,269
Unallocated Corporate Assets											522,650,548	673,674,525
Segmental Liabilities	3,810,639,138	4,504,673,958	189,336,399	383,061,655	(801,714)	3,998,003	20,980,868	21,585,957	-	-	4,020,154,692	4,913,319,573
Unallocated Corporate Liabilities											1,235,718,873	975,320,725
Minority Interest											3,791,742	44,386,825
Capital Expenditure	1,254,260,746	2,481,004,498	5,971,005	2,047,999	-	11,000	1,693,937	3,493,594	-	-	1,261,925,688	2,486,557,091

(SCHEDULE 25) CONSOLIDATED NOTES TO ACCOUNTS (Continued)

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

Particulars	March 31,2011	March 31,2010
Opening Balance of Pre - Operative Expenses	10,927,521	78,935,822
Expenditure during the year :		
Raw Materials Consumed	2,101,349	-
Operating Expenditure	3,649,569	360,082
Employee Cost	115,699	5,147,356
Other Indirect Expenditure	5,250,211	8,899,344
Loan Management Fees	-	5,688,413
Bank Charges	-	3,033
Interest and Financial Charges	-	11,735,613
Total	**22,044,349**	**110,769,663**
Less:- Capitalized during the year	22,044,349	99,842,142
Closing Balance of Pre- Operative Expenses (Disclosed as Capital Work-in-Progress)	**-**	**10,927,521**

23. Salaries, Wages and Bonus include sitting fees paid to Directors Rs. 780,000 (Previous Year Rs. 380,000)

24. Previous Year comparatives

Previous year figures have been regrouped where necessary to confirm to current years' classification.

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 18, 2011

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

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

D.B. Corp Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details:

Registration No. :	047208	State Code :	04
Balance Sheet Date :	31-03-2011	Date of Incorporation :	27-10-1995

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	Rs.13,792,627	Total Assets	Rs. 13,792,627

4. Sources of Funds (Amount in Rs. Thousand)

Paid up Capital	Rs. 1,832,842	Reserves and Surplus	Rs. 6,691,449
Secured Loans	Rs. 2,081,725	Unsecured Loans	Rs. 290,349
Deferred Tax Liability	Rs. 694 ,597		

5. Application of Funds (Amount in Rs. Thousand)

Net Fixed Assets	Rs. 6,651,614	Investments	Rs. 520,327
Net Current Assets	Rs. 3,658,022	Misc. Expenses	Rs. 109,826
Accumulated Losses	NIL		

6. Performance of Company (Amount in Rs. Thousands)

Turnover (include other income)	Rs. 12,616,375	Total Expenditure	Rs. 8,946,617
Profit / (Loss) Before tax	Rs. 3,669,758	Profit/(Loss) After Tax	Rs. 2,673,231
Earning per share in Rs	Rs. 14.73	Dividend Rate %	40

7. Generic Name of Principal Product / Service of Company

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

For and on behalf of the Board

Mumbai
May 18 2011

Managing Director **Director**

SYNERGY MEDIA ENTERTAINMENT LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting to you their Sixth Annual Report together with the accounts of the Company for the year ended 31st March 2011. The summarized financial results are as under-

FINANCIAL HIGHLIGHTS:

The financial results of the Company for the year ended 31st March, 2011 are as under: (In Rs.)

Particulars	2010-11	2009-10
Gross Revenue	23,835,976	38,67,71,272
Profit (Loss) Before Depreciation & Amortization	92,92,679	(76,860,320)
Less: Depreciation	133,539	10,72,53,324
Profit / (Loss) Before Tax	9,159,140	(18,41,13,644)
Less: Tax Expenses		
Deferred Tax Charge / (Credit)	59,758	-
Provision for Income Tax	3,098,944	-
Profit / (Loss) After Tax before prior period items	6,000,438	(18,41,13,644)
Less: Prior Period Expenditure	-	-
Net Profit / (Loss) for the Year	6,000,438	(18,41,13,644)

DEMERGER OF RADIO BUSINESS :

During the year under review, your company has received all the statutory approvals and sanction from the Hon'ble High Court of Madhya Pradesh and Hon'ble High Court of Gujarat, to the Scheme of Arrangement in the nature of demerger of radio business of the company into the D.B. Corp Limited and restructuring of share capital of the company under section 391 to 394 read with sections 78, 100 to 104 of the Companies Act, 1956. As a result, the said Scheme of Arrangement has become operative with April 01, 2010 as the Appointed date and March 30, 2011, as the Effective Date.

FUTURE OUTLOOK :

As you may be aware, the company is already doing fairly good business in event management services, and considering the tremendous opportunities and good growth potential in this area, more focus would be given on the same in future.

Event Management is a fast-growing industry in organized sector, growing rapidly all over the world, with mega shows, events hosted regularly, and this has become a media to connect people/brands. Industry includes fields such as the MICE (Meetings, Incentives, Conventions and Events), exhibitions, conferences and seminars as well as live music and sporting events. In order to tap the growing potential of this industry, your company has initiated necessary steps in this direction.

DIVIDEND :

In view of the absence of adequate profits for the year under review, your Directors refrain from recommending any dividend for the year ended 31st March, 2011.

DIRECTORATE :

Shri. Sudhir 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 Annual General Meeting of your Company and being eligible, 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 Nil during the current year as compared to Rs 0.60 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, 2011, 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 for the devoted services rendered by the employees of the Company.

BY ORDER OF THE BOARD

PLACE: **Mumbai**
DATED: **May 18, 2011** **Director** **Director**

Auditors' Report

To

The Members of Synergy Media Entertainment Limited Limited

1. We have audited the attached Balance Sheet of Synergy Media Entertainment Limited ('the Company') as at March 31, 2011 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 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, 2011;
      b) in the case of the profit and loss account, of the profit 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 18, 2011

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 as explained 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 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, clause (iii)(b), (iii)(c) and (iii)(d) of the Order are not applicable to the Company.
   (b) 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 clause (iii)(f) and (iii)(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 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, and 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 the transactions made in pursuance of the 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 tranac-

tions 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, service tax, sales tax, wealth 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 prov ident 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 deposit ed on account of any dispute. The provisions relating customs duty and 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 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

Mumbai
May 18, 2011

SYNERGY MEDIA ENTERTAINMENT LIMITED

BALANCE SHEET AS AT MARCH 31, 2011

	Schedules	As At March 31, 2011 Rs.	As At March 31, 2010 Rs.
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	2,407,500	401,250,000
Reserves and Surplus	2	6,374,238	472,000,000
		8,781,738	873,250,000
Loan Funds			
Secured Loans	3	-	237,666,852
Unsecured Loans	4	-	646,383,134
		-	884,049,986
Deferred Tax Liability (Net)	5	59,758	-
		8,841,496	**1,757,299,986**
APPLICATION OF FUNDS			
Fixed Assets	6		
Gross Block		1,405,666	1,064,948,239
Less : Accumulated Depreciation / Amortisation		422,465	294,236,703
Net Block		983,201	770,711,536
Current Assets, Loans and Advances			
Sundry Debtors	7	4,966,797	98,095,764
Cash and Bank Balances	8	4,072,437	53,599,121
Loans and Advances	9	6,122,079	223,578,152
		15,161,313	375,273,037
Less : Current Liabilities and Provisions			
Current Liabilities	10	4,204,074	154,724,686
Provisions	11	3,098,944	4,409,247
		7,303,018	159,133,933
Net Current Assets		7,858,295	216,139,103
Profit and Loss Account		-	770,449,346
		8,841,496	**1,757,299,986**
NOTES TO ACCOUNTS	18		

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, 2011

For and on behalf of the Board of Directors of

Synergy Media Entertainment Limited

Director **Director**

Company Secretary

SYNERGY MEDIA ENTERTAINMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedules	For the Year Ended March 31, 2011 Rs.	For the Year Ended March 31, 2010 Rs.
INCOME			
Advertisement Revenue		-	349,592,394
Event Revenue		23,835,976	37,178,878
		23,835,976	**386,771,272**
EXPENDITURE			
License Fee		-	22,202,846
Event Expenses		11,400,200	15,890,972
Operating Expenses	**12**	-	133,467,829
Personnel Expenses	**13**	2,200,815	136,071,584
Administration Expenses	**14**	754,489	44,913,481
Marketing and Branding Expenses	**15**	-	32,955,962
Operating Profit before depreciation		**9,480,472**	**1,268,598**
Other Income	**16**	-	18,454,133
Financial Expenses	**17**	187,793	96,583,051
Depreciation / Amortisation	**6**	133,539	107,253,324
Profit/ (Loss) Before Taxation		**9,159,140**	**(184,113,644)**
Tax Expenses			
Deferred Tax Charge		59,758	-
Provision for Income Tax		3,098,944	
		3,158,702	-
Profit/ (Loss) for the year		**6,000,438**	**(184,113,644)**
(Loss) brought forward from previous year		-	(586,335,702)
Balance carried to Balance Sheet		**6,000,438**	**(770,449,346)**
Earning Per Share (Refer Note 10 of Schedule 18)			
Basic Earning Per Share		24.92	(4.59)
Diluted Earning Per Share		24.92	(4.59)
Nominal Value Per Share		10	10
NOTES TO ACCOUNTS	**18**		

The schedules refered to above and notes to account form an itegrated 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
Synergy Media Entertainment Limited

Per Amit Majmudar
Partner
Membership No. 36656

Director

Director

Mumbai
May, 2011

Company Secretary

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	As At March 31, 2011 Rs.	As At March 31, 2010 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 and Paid up :		
240,750 (Previous Year 40,125,000) Equity Shares of Rs. 10/- each fully paid up	2,407,500	401,250,000
	2,407,500	**401,250,000**
Schedule 2		
RESERVES AND SURPLUS :		
Securities Premium Account		
Balance at the beginning of the year	472,000,000	472,000,000
Less: Reduction pursuant to the Scheme of arrangement (Refer Note 2 of Schedule 18)	(471,626,200)	-
Balance at the end of the year	**373,800**	**472,000,000**
Profit and Loss Account		
Balance at the beginning of the year	(770,449,346)	-
Less: Reduction pursuant to the Scheme of arrangement (Refer Note 2 of Schedule 18)	770,449,346	-
	-	
Add: Balance carried from Profit and Loss account	6,000,438	-
Balance at the end of the year	6,000,438	-
	6,374,238	**472,000,000**
Schedule 3		
SECURED LOANS :		
Term Loans		
- Rupee Loans from Banks	-	237,666,852
- Interest Accrued and dues	-	-
(For Security Refer Note 4 of Schedule 18)		
	-	**237,666,852**
Schedule 4		
UNSECURED LOANS :		
From Holding Company	-	646,383,134
	-	**646,383,134**
Schedule 5		
DEFERRED TAX LIABILITY (NET):		
Deferred Tax Liability		
Depreciation	59,758	73,627,390
	59,758	**73,627,390**
Deferred Tax Asset	-	
Provision for Doubtful Debts	-	1,858,803
Provision for Gratuity and Leave Encashment	-	1,464,751
Unabsorbed Depreciation and Carry Forward Losses	-	70,303,836
	-	**73,627,390**
Deferred Tax Liability (Net)	**59,758**	**-**

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

Schedule 6
FIXED ASSETS :

Assets		Gross Block				Accumulated Depreciation / Amortisation					Net Block	
	As At April 1, 2010	Transfer out in accordancewith scheme of arrangement	Additions During The Period	Deductions During The Period	As At March 31, 2011	Up To April1, 2010	Transfer out in accordance-with scheme of arrangement	For the The Period	On Deductio ns	Up To March 31, 2011	As At March ,31 2011	Up To March 31, 2010
Tangible Assets												
Leasehold Improvements	2,941,561	2,941,561	-	-	-	514,975	514,975	-	-	-	-	2,426,586
Plant and Machinery (Refer Note Below)	442,098,801	442,098,801	-	-	-	120,407,875	120,407,875	-	-	-	-	321,690,926
Office Equipments	4,209,324	4,209,324	-	-	-	1,222,017	1,222,017	-	-	-	-	2,987,307
Vehicles	3,182,247	1,776,581	-	-	1,405,666	616,424	327,499	133,539	-	422,465	983,201	2,565,823
Furniture and Fixtures	52,544,397	52,544,397	-	-	-	9,294,900	9,294,900	-	-	-	-	43,249,497
Electric Fitting, Fans and Coolers	12,613,319	12,613,319	-	-	-	3,511,364	3,511,364	-	-	-	-	9,101,955
Computers	19,087,437	19,087,437	-	-	-	7,980,965	7,980,965	-	-	-	-	11,106,472
Air Conditioners	16,070,153	16,070,153	-	-	-	4,388,018	4,388,018	-	-	-	-	11,682,135
Intangible Assets												
One Time Entry Fees	512,201,000	512,201,000	-	-	-	146,300,165	146,300,165	-	-	-	-	365,900,835
Total	**1,064,948,239**	**1,063,542,573**	**-**	**-**	**1,405,666**	**294,236,703**	**293,947,777**	**133,539**	**-**	**422,465**	**983,201**	**770,711,536**
Previous year	**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**	**-**

Notes:

Plant and Machinery above includes Common Transmitters Infrastructure which are Jointly held assets and amounting to
Gross Block - Rs. Nil (Previous Year - 127,300,000)
Net Block - Rs. Nil (Previous Year - Rs. 101,333,902)
% of Ownership - Nil (Previous year 30.26%)

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	As At March 31, 2011 Rs.	As At March 31, 2010 Rs.
Schedule 7		
SUNDRY DEBTORS :		
(Unsecured)		
Debts outstanding for a period exceeding six months :		
- Considered Good	65,127	10,161,288
- Considered Doubtful	-	5,595,435
	65,127	15,756,723
Others Debts:		
- Considered Good	4,901,670	87,934,476
	4,966,797	103,691,199
Less : Provision for Doubtful Debts	-	5,595,435
	4,966,797	**98,095,764**
Sundry Debtors include dues from Companies under the same management :		
D B Corp Limited	-	6,424,637
[Maximum balance outstanding during the year Rs NIL (Previous Year Rs. 8,576,386)]		
Bhaskar Multinet Limited	-	313,221
[Maximum balance outstanding during the year Rs NIL (Previous Year Rs. 317, 272)]		
Schedule 8		
CASH AND BANK BALANCES		
Cash in Hand	-	1,137,714
Cheques on Hand	491,421	-
Balances with Scheduled Banks:		
On Current Accounts	3,581,016	26,825,573
On Deposit Accounts (Refer Note 12 of Schedule 18)	-	25,635,834
	4,072,437	**53,599,121**
Schedule 9		
LOANS AND ADVANCES :		
(Unsecured, considered good)		
Loans and Advances to Employees	-	2,103,628
Advances recoverable in cash or kind or for value to be received	5,938,649	3,549,038
Inter Corporate Deposits	-	139,342,457
Deposit with Government Authorities	-	21,448,471
Security Deposit against Lease of Properties	-	4,698,862
Deposit with Others	-	9,586,016
Service Tax Input / Cenvat Receivable	19,666	410,814
Tax Deducted at Source Receivable	163,764	20,577,738
Pre Paid Expenses	-	14,439,239
Accrued Interest	-	7,421,889
	6,122,079	**223,578,152**
Loans and Advances include dues from Companies under the same management:		
Bhaskar Multinet Limited	-	139,342,457
[Maximum balance outstanding during the year Rs NIL (Previous Year Rs139,342,457)]		
Schedule 10		
CURRENT LIABILITIES :		
Sundry Creditors (Refer Note 13 of schedule 18)	2,972,868	138,264,958
Advances from Customers	334,907	3,057,887
Other Liabilities	896,299	13,401,841
	4,204,074	**154,724,686**
Schedule 11		
PROVISIONS :		
for Gratuity	-	1,832,263
for Leave Encashment	-	2,576,984
Provision For Taxation	3,098,944	-
	3,098,944	**4,409,247**

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	For the Year Ended March 31, 2011 Rs.	For the Year Ended March 31, 2010 Rs.
Schedule 12		
OPERATING EXPENSES :		
Rent to Prasar Bharti	-	22,249,195
Royalty	-	87,595,155
Electricity expenses	-	13,031,797
Software License Fees	-	3,571,626
Frequency allocation charges	-	1,241,000
Link charges	-	1,067,762
Other Operating charges	-	4,711,294
	-	**133,467,829**
Schedule 13		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	2,074,253	126,749,212
Contribution to Provident Fund and Other Funds	95,039	6,289,170
Workmen and Staff Welfare Expenses	31,523	3,033,202
	2,200,815	**136,071,584**
Schedule 14		
ADMINISTRATION EXPENSES		
Electricity expenses	225,484	11,641,097
Rent	-	7,333,585
Traveling	-	3,837,522
Repair and Maintenance		
- Others	-	2,952,410
Telephone	42,891	1,982,531
Provision for doubtful debts	-	3,293,624
Legal and Professional Charges	-	2,924,302
Vehicle Running and Maintenance	353,795	862,387
Insurance	-	974,607
Printing and Stationery	17,695	834,308
Conveyance	-	627,647
Payment to auditors		
-As Auditors	-	-
Audit Fee	50,000	400,000
Postage and Telegram	-	207,410
Rates and Taxes	-	16,970
Loss on sale of fixed assets (net)	-	1,303,616
Bad Debts Written off	-	1,037,235
Sundry Office Expenses	64,624	4,684,230
	754,489	**44,913,481**
Schedule 15		
MARKETING AND BRANDING EXPENDITURE		
Advertisement and Publicity	-	31,718,169
Business Promotion	-	1,237,793
	-	**32,955,962**
Schedule 16		
OTHER INCOME		
Interest Income		
Bank Deposits (TDS - Rs. Nil; Previous Year - Rs. 242,102)	-	2,210,974
Intercorporate Deposits (TDS - Rs. Nil (Previous Year Rs. 2,560,829)	-	15,816,364
Loans to Employees (TDS - Nil; Previous Year - Nil)	-	93,015
Provision no longer required-written back	-	333,780
	-	**18,454,133**
Schedule 17		
FINANCIAL EXPENSES :		
Interest		
- On Term loans	-	32,897,404
- Others	177,578	63,057,055
Bank Charges	10,215	628,592
	187,793	**96,583,051**

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	For the Year Ended March 31, 2011 Rs.	For the Year Ended March 31, 2010 Rs.
Schedule 12		
OPERATING EXPENSES :		
Rent to Prasar Bharti	-	22,249,195
Royalty	-	87,595,155
Electricity expenses	-	13,031,797
Software License Fees	-	3,571,626
Frequency allocation charges	-	1,241,000
Link charges	-	1,067,762
Other Operating charges	-	4,711,294
	-	**133,467,829**
Schedule 13		
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Salaries, Wages and Bonus	2,074,253	126,749,212
Contribution to Provident Fund and Other Funds	95,039	6,289,170
Workmen and Staff Welfare Expenses	31,523	3,033,202
	2,200,815	**136,071,584**
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Rent	-	7,333,585
Traveling	-	3,837,522
Repair and Maintenance		
- Others	-	2,952,410
Telephone	42,891	1,982,531
Provision for doubtful debts	-	3,293,624
Legal and Professional Charges	-	2,924,302
Vehicle Running and Maintenance	353,795	862,387
Insurance	-	974,607
Printing and Stationery	17,695	834,308
Conveyance	-	627,647
Payment to auditors		
-As Auditors	-	-
Audit Fee	50,000	400,000
Postage and Telegram	-	207,410
Rates and Taxes	-	16,970
Loss on sale of fixed assets (net)	-	1,303,616
Bad Debts Written off	-	1,037,235
Less: already provided for	-	-
Sundry Office Expenses	64,624	4,684,230
	754,489	**44,913,481**
Schedule 15		
MARKETING AND BRANDING EXPENDITURE		
Advertisement and Publicity	-	31,718,169
Business Promotion	-	1,237,793
	-	**32,955,962**
Schedule 16		
OTHER INCOME		
Interest Income		
Bank Deposits (TDS - Rs. Nil; Previous Year - Rs. 242,102)	-	2,210,974
Intercorporate Deposits (TDS - Rs. Nil (Previous Year Rs. 2,560,829)	-	15,816,364
Loans to Employees (TDS - Nil; Previous Year - Nil)	-	93,015
Provision no longer required-written back	-	333,780
	-	**18,454,133**
Schedule 17		
FINANCIAL EXPENSES :		
Interest		
- On Term loans	-	32,897,404
- Others	177,578	63,057,055
Bank Charges	10,215	628,592
	187,793	**96,583,051**

SYNERGY MEDIA ENTERTAINMENT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the Year Ended March 31, 2011 Rs.	For the Year Ended March 31, 2010 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before Taxation	9,159,140	(184,113,644)
Adjustment for :		
Loss on Sale of Fixed Assets	-	1,303,616
Interest Expense (net)	187,793	78,128,916
Depreciation / Amortisation	133,539	107,253,324
Provision for doubtful debts		3,293,624
Operating Profit /(Loss) before working capital changes	**9,480,472**	**5,865,836**
Increase / Decrease in Working Capital		
(Increase) in Sundry Debtors	(790,637)	(5,351,518)
(Increase) in Loans and Advances	(5,958,315)	(15,671,107)
Increase in Current Liabilities	156,708	9,006,822
Increase/ (Decrease) in Provisions	(187,793)	353,939
Cash from/ (used in) operations	**2,700,435**	**(5,796,028)**
Taxes Paid	(163,764)	(766,220)
NET CASH FROM/ (USED IN) OPERATING ACTIVITIES (A)	**2,536,671**	**(6,562,248)**
B CASH FLOW FROM INVESTING ACTIVITIES		
Deletion/(Additions) to Fixed Assets	-	(2,058,999)
Proceeds from Sale of Fixed Assets	-	477,770
Interest Received	-	12,904,375
Fixed Deposit with maturity period of more than three months	-	937,750
NET CASH FROM INVESTING ACTIVITIES (B)	**-**	**12,260,896**
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Loan - Secured	-	(78,857,636)
Loan taken- Unsecured	-	169,040,116
Repayment of Loan - Unsecured	-	(21,673,123)
Interest Paid	-	(67,144,279)
NET CASH FROM FINANCING ACTIVITIES (C)	**-**	**1,365,078**
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	**2,536,671**	**7,063,726**
Cash and Cash Equivalents at the beginning of the year	27,963,287	20,899,561
Less: Transfer pursuant to the scheme of arrangement	(26,427,521)	-
Cash and Cash Equivalents at the end of the year	4,072,437	27,963,287
Net Increase in Cash and Cash Equivalents	**2,536,671**	**7,063,726**
	-	
Cash and Cash Equivalents (As per Schedule 8)	4,072,437	53,599,121
Less:- Fixed Deposit with maturity period for more than three months	-	25,635,834
Net Cash and Cash Equivalents at the end of the Year (As per notified AS-3)	**4,072,437**	**27,963,287**

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 18 , 2011

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

Director **Director**

Company Secretary

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 18

NOTES TO ACCOUNTS:

1. Nature of Operations

Synergy Media Entertainment Limited ("the Company") is a company registered under the Companies Act, 1956. ("the Act"). The Company is engaged in the business of organizing events.

2. Scheme of arrangement

a) The Comany along with D.B. Crop Limited had filed the Composite Scheme of Demerger and Restructuring of Share capital ('the Scheme') with the Hon'ble high Court with Judicature at Madhya Pradesh (" Madhya Pradesh High Court") and Hon'ble high Court with Judicature at Gujrat ("Gujrat High Court") for the demerger of Radio division of SMEL and restructuring of share capital subsequently.

The scheme was approved by Madhya Pradesh High Court and Gujrat High Court vide their orders dated January 13, 2011 and January 17, 2011 respectively. The certified order copy of the Madhya Pradesh High Court and Gujrat High Court dated January 29, 2011 and Fabruary 2, 2011 respectively ware field with the Registrar of the Companies on Fabruary 15, 2011 and Fabruary 16, 2011 respectively.

As prescribed, in the scheme, the Ministry of Information and Broadcasting.Government of India accorded their approval vide letter No. 212/30(33)/2006-FM(Vol.II)/120 dated March 30,2011. Accordingly, after the approval by the ministry of the Information and Broadcasting, Government of India, the Scheme become effective on March 30,2011 with appointed date April 1,2010.

In accordance with the Scheme, the assets and liabili ties of radio division (net assete) of the company ware transferred at their respective book values to D.B. Crop Limited and the deficit was debited to Profit and Loss account. Further, issued, subscribed and paid up equi ty share capital of the Compny was reduced by Rs. 398,842,500 proportionately amongest the equity shareholders to Rs. 2,407,500. The credit arising on account of reduction of share capital and the debit balance of Profit and Loss account is adjusted against the Securities Premium account. The net assets trans ferred are as under.

Particulars	Amount	Amount
1.Transfer of assets and liabilities		
Assets transferred		
Fixed Assets	769,594,796	
Current Assets	369,561,111	**1,139,155,907**
Liabilities transferred		
Liabilities	155,086,567	
Secured loans	237,666,852	
Unsecured loans	646,383,134	**1,039,136,553**
Net Assets transferred (Debited to profit and loss)		**100,019,354**

3. 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 rele vant 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.

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 intend ed 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 acquir ing 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.

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2011

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

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.

Advertisement Revenue

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

Event Revenue

Revenue is recognized once the related event is organized and completed.

Interest

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

j) Foreign currency transaction

Initial Recognition

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

Conversion

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

Exchange Differences

Exchange differences arising on the settlement of monetary and non-monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

Exchange differences arising in respect of fixed assets acquired from outside India before accounting period commencing on 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 current tax and deferred tax. Current income tax is 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 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

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2011

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 envi ronments with different risks and returns hence, it is considered operating in a single geographical seg ment.

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 seg ment according to the relative contribution of each seg ment to the total common costs.

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

q) License fees

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

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

4. Term loans consist of:

Particulars	Rupee Term Loans	
	March 31, 2011	March 31, 2010
J&K Bank Limited (Note 1)	Nil	141,515,360
Corporation Bank Limited (Note 2)	Nil	96,151,492
Total	**Nil**	**237,666,852**

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.

5. The Company is engaged in the business of Event Management which is considered to constitute on single primary segment in the context of Notified Accounting Standard 17 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.

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2011

6. (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.)

7. Leases

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

Operating lease (for assets taken on lease)

a) The Company has taken various residential and offices under operating lease agreements. These are general ly renewable by mutual consent;

b) Lease payments for the year are Rs. Nil (Previous year Rs. 29,582,780);

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

- not later than one year is Rs. Nil (Previous year Rs. 26,493,142)
- Later than one year but not later than five years is Rs. Nil (Previous year Rs. 110,241,154)
- Later than five years Rs.Nil (Previous year Rs. 76,388,735)

d) There are no restrictions imposed in these lease agree ments. There are no sub leases.

8. Contingent liabilities not provided for

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

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

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.

a) Expenditure in foreign currency (on accrual basis)

Particulars	March 31, 2011	March 31, 2010
	Rs.	Rs.
Advertisement and Publicity	Nil	Nil
Programming Expenses (Audio CD's)	Nil	59,519

10. Earnings per share

Particulars	March 31, 2011	March 31, 2010
i)Profit/ (Loss) for the year (Rs.)	6,000,438	(184,113,644)
ii) Weighted average number of Equity Shares outstanding for Basic EPS	240,750	40,125,000
iii) Basic Earnings per share (Rs.)	24.92	(4.59)
iv) Weighted average number of Equity Shares outstanding for Diluted EPS	240,750	40,125,000
v) Diluted Earnings per share (Rs.)	24.92	(4.59)
vi) Nominal value of shares (Rs.)	10	10

11. Managerial Remuneration

Particulars	March 31, 2011	March 31, 2010
	Rs.	Rs.
Salaries	Nil	5,109,572
Perquisites	Nil	1,849,310
Contribution to provident fund	Nil	208,320
	Nil	**7,167,202**

12. Fixed deposits

Cash and bank includes fixed deposits having maturity period of more than three months amounting Rs. Nil (Previous year Rs. 25,635,834).

13. 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.

14. 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
Firm Registration Number.: 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656

Mumbai
May 18, 2011

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

Director **Director**

Company Secretary

SYNERGY MEDIA ENTERTAINMENT LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2011

6. (b) Related Parties Disclosure

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) Debit / (Credit)	
	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10
D.B. Corp Limited	-	-	-	209,511,956	-	-	-	7,377,047	-	20,641,182	-	-	-	(645,241,014)
	-	-	-	(33,823,285)	-	(63,057,055)	-	-	-	-	-	-	-	-
I Media Corp Limited	-	-	-	-	-	-	-	-	-	137,387	-	1,575,934	-	478,476
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Writers & Publishers Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bhaskar Multinet Ltd.	-	13,255,534	-	-	-	15,816,364	-	-	-	471,731	-	-	-	138,880,161
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
India Interactive Technologies Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note:
For the personal Guarantees given by the directors for the Term Loans taken by the Company, refer note 4 of Schedule 18

SYNERGY MEDIA ENTERTAINMENT LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1.Registration Details :

Registration No. :	018039	State Code :	10
Balance Sheet Date :	31-03-2011	Date of Incorporation :	17-10-2005

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	Rs. 16,145	Total Assets	Rs. 16,145

4.Sources of Funds (Amount in Rs. Thousand)

Paid up Capital	Rs. 2,408	Reserves and Surplus	Rs. 6,374
Secured Loans	NIL	Unsecured Loans	NIL
Deferred Tax Liability	NIL		

5.Application of Funds (Amount in Rs. Thousand)

Net Fixed Assets	Rs. 983	Investments	NIL
Net Current Assets	Rs. 7,858	Misc. Expenses	NIL
Accumulated Losses	NIL		

6.Performance of Company (Amount in Rs. Thousands)

Turnover (include other income)	Rs. 23,836	Total Expenditure	Rs. 14,678
Profit / (Loss) Before tax	Rs. 9,159	Profit/(Loss) After Tax	Rs. 6,000
Earning per share in Rs.	Rs. 24.92	Dividend Rate %	NA

7.Generic Name of Principal Product / Service of Company

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

For and on behalf of the Board

Mumbai
May 18 2011

Director **Director**

I MEDIA CORP LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure in presenting the Fifth Annual Report and the Audited Statement of Accounts of the company for the Year Ended 31st March, 2011.

FINANCIAL HIGHLIGHTS :

The financial results of the Company for the year ended 31st March, 2011 are as under:

(in Rs.)

Particulars	2010-11	2009-10
Income	30,366,260	21,816,067
Expenditure	121,879,004	79,496,700
Profit/(Loss) for the year before tax	(91,512,744)	(57,680,633)
Less: Deferred tax Liability/	-	-
(Assets) Fringe Benefit Tax	-	-
Profit /(Loss) after tax	(91,512,744)	(57,680,633)
Balance Bought forward from previous year	(180,918,078)	(12,32,37,445)
Balance carried forward to Balance sheet	(272,430,822)	(180,918,078)

REVIEW OF PERFORMANCE :

The company is operating internet and mobile interactive services and also e-papers are provided by the company in combine 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 the websites, for reaching different types of audience and also to track the growth.

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

FUTURE PROSPECTS :

The company has local content, customer relationships, 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, the company is ready to expand in this area whenever market so demands. Considering the increasing demand, the company has tremendous potential for growth in its chosen areas of business.

DIVIDEND :

In view of the absence of any profits for the year under review, the Directors refrain from recommending any dividend for the year ended 31st March, 2011.

ISSUE OF 3,50,000 COMPULSORY COVERTIBLE DEBENTURES (CCD'S):

During the year under review 3,50,000 Compulsory Convertible Debentures (CCD's) of Rs. 1,000/- each were issued on 24th January, 2011 to D. B. Corp Limited, the holding Company on such terms and conditions mentioned in Debenture Subscription Agreement

DIRECTORATE :

In terms of the Articles of Association of the company, Mrs. Jyoti Agarwal, Director of the company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself 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 the 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 its business. The Company has well documented procedures for functional areas, which address the internal controls adequately.

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

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

SECRETARIAL COMPLIANCE CERTIFICATE :

Pursuant to the proviso to Section 383A (1) of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, a Secretarial Compliance Certificate, is attached to this Report.

HUMAN RESOURCE & INDUSTRIAL RELATIONS :

Directors of the Company 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, 2011 on a "going concern" basis;

ACKNOWLEDGEMENT :

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. 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 18, 2011

Director 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, 2011 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 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, 2011;
      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 18, 2011

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 adequate 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. 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 to the Company.

(iii) (a) According to the information and explanation given to us, 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) are not applicable to the Company.

(b) The Company had taken loan from one company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 350,000,000 and the year-end balance of loans taken from such party was Rs. 350,000,000.

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

(d) In respect of loans taken, repayment of the principal amount is as stipulated and payment of intrest has been regular.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these

areas. 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 con tracts 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 regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, customs duty, cess and other material statutory dues appli cable to it. The provisions relating to investor education and protection fund, wealth-tax, sales-tax and excise duty are not applicable to the Company.
Further, since the Central Government has till date not pre scribed the amount of cess payable under section 441 A of the Act, we are not in a position to comment upon the regu larity 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, service tax, customs duty, cess and other undisputed statutory dues were out standing, 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, 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, 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, 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 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 or debenture holders.

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

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the 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 has unsecured debentures outstanding during the year on which no security or charge is required to be created.

(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
May 18, 2011

I Media Corp Limited
Balance Sheet as at March 31, 2011

		Schedules	As At March 31, 2011 Rs.	As At March 31, 2010 Rs.
SOURCES OF FUNDS				
Shareholders' Fund				
Share capital		1	10,500,000	10,500,000
Loan funds				
Debentures		2	350,000,000	-
Unsecured loan from the holding company			-	200,728,007
Deferred tax liabilities (net) (Refer Note 8 of Schedule 14)			-	-
	Total		**360,500,000**	**211,228,007**
APPLICATION OF FUNDS				
Fixed assets		3		
Gross block			41,310,377	39,777,838
Less: Accumulated depreciation			15,896,459	11,187,916
Net block			**25,413,918**	**28,589,922**
Current assets, loans and advances				
Sundry debtors		4	10,153,635	12,797,348
Cash and bank balances		5	65,265,436	3,432,637
Loans and advances		6	5,911,176	4,560,034
	(A)		**81,330,247**	**20,790,019**
Less: Current liabilities and provisions				
Current liabilities		7	17,208,328	18,430,635
Provisions		8	1,466,659	639,377
	(B)		**18,674,987**	**19,070,012**
Net Current Assets	**(A-B)**		62,655,260	1,720,007
Profit and loss account			272,430,822	180,918,078
	Total		**360,500,000**	**211,228,007**
Notes to accounts		14		

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

Director

Director

Mumbai
May 18, 2011

I Media Corp Limited
Profit and loss account for the year ended March 31, 2011

	Schedules	For the year ended March 31, 2011 Rs.	For the year ended March 31, 2010 Rs.
INCOME			
Sales		28,626,294	21,200,135
Other income	9	1,739,966	615,932
Total		**30,366,260**	**21,816,067**
EXPENDITURE			
Operating and other expenses	10	11,580,351	7,304,351
Personnel expenses	11	45,964,758	24,373,162
Administration and Selling expenses	12	35,863,277	22,831,678
Depreciation	3	4,708,543	4,560,959
Financial expenses	13	23,762,075	20,426,550
Total		**121,879,004**	**79,496,700**
Loss before tax		**(91,512,744)**	**(57,680,633)**
Provision for Taxation			
Current Tax		-	-
Deferred Tax (Refer Note 8 of Schedule 14)		-	-
		-	-
Loss for the year		**(91,512,744)**	**(57,680,633)**
(Loss) brought forward from the previous year		(180,918,078)	(123,237,445)
Balance carried to balance sheet		**(272,430,822)**	**(180,918,078)**
Earnings per share (Refer Note 5 of Schedule 14)			
Basic and Diluted		(87.15)	(54.93)
Nominal Value per share		10	10
Notes to accounts	14		

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 18, 2011

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

Director **Director**

I Media Corp Limited
Schedules forming part of the balance sheet as at March 31, 2011

	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
Schedule 1: Share capital		
Authorised capital		
5,000,000 (Previous year: 5,000,000) equity shares of ₹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	10,500,000	10,500,000
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**
Schedule 2: Unsecured loans		
350,000 (Previous year: Nil) 0% unsecured compulsorily convertible debentures of `1,000 each reedemable at the end of five years from the date of allotment, viz, date, or earlier, but not before the end of three years from the date of allotment	350,000,000	-
	350,000,000	**-**

Schedule 3: Fixed assets

Assets	Gross block				Depreciation				Net block	
	As at 1-Apr-10 Rs.	Additions Rs.	Deletions/ Adjustments Rs.	As at 31-Mar-11 Rs.	As at 1-Apr-10 Rs.	For the Year Rs.	Deletions/ Adjustments Rs.	As at 31-Mar-11 Rs.	As at 31-Mar-11 Rs.	As at 31-Mar-10 Rs.
Leasehold improvements	2,566,018	-	-	2,566,018	1,427,395	853,815	-	2,281,210	284,808	1,138,623
Computers	14,733,895	1,079,573	-	15,813,468	6,231,720	2,535,677	-	8,767,397	7,046,071	8,502,175
Furniture and fixtures	14,422,518	162,421	-	14,584,939	2,855,271	921,458	-	3,776,729	10,808,210	11,567,247
Office equipments	8,055,407	290,545	-	8,345,952	673,530	397,593	-	1,071,123	7,274,829	7,381,877
Total	**39,777,838**	**1,532,539**	**-**	**41,310,377**	**11,187,916**	**4,708,543**	**-**	**15,896,459**	**25,413,918**	**28,589,922**
Previous Year	**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**	

I Media Corp Limited

Schedules forming part of the balance sheet as at March 31, 2011

	As At March 31, 2011 Rs.	As At March 31, 2010 Rs.
Schedule 4: Sundry debtors		
(Unsecured)		
Debts outstanding for a period exceeding six months		
Considered good	2,865,467	2,206,558
Considered doubtful	2,576,480	1,073,376
Other debts		
Considered good	7,288,168	10,590,790
	12,730,115	**13,870,724**
Less: Provision for doubtful debts	2,576,480	1,073,376
	10,153,635	**12,797,348**
Sundry debtors include dues from companies under the same management:		
D.B. Corp Limited	-	-
(Maximum balance outstanding during the year Rs. 587,617 previous year Rs. 1,271,153)		
Diligent Media Corporation Limited	2,004,306	2,292,528
(Maximum balance outstanding during the year Rs. 3,091,982 previous year Rs. 2,938,711)		
Synergy Media Entertainment Limited	-	-
(Maximum balance outstanding during the year Rs. 103,014 previous year Rs. 137,837)		
Schedule 5: Cash and bank balances		
Cash on hand	11,740	2,670
Balances with scheduled banks:		
- on current accounts	3,218,600	3,398,058
- on deposit accounts	62,035,096	31,909
	65,265,436	**3,432,637**
Schedule 6: Loans and advances		
(Unsecured, considered good)		
Tax deducted at source	3,458,626	2,865,282
Security deposits	1,595,352	1,545,252
Advances to employees	247,122	149,500
Interest accrued but not due on fixed deposits	433,905	-
Prepaid expenses	176,171	-
	5,911,176	**4,560,034**
Schedule 7: Current liabilities		
Sundry creditors (Refer Note 6 of Schedule 14)	6,637,192	11,711,787
Accrued expenses	8,532,789	3,726,952
Other liabilities	2,038,347	2,991,896
	17,208,328	**18,430,635**
Schedule 8: Provisions		
Provision for gratuity (Refer Note 7 of Schedule 14)	727,048	352,447
Provision for leave encashment	739,611	286,930
	1,466,659	**639,377**

I Media Corp Limited

Schedules forming part of the profit and loss account for the year ended March 31, 2011

		For the year ended March 31, 2011 Rs.	For the year ended March 31, 2010 Rs.
Schedule 9: Other income			
Interest from bank deposits		485,302	2,900
(Tax deducted at source - Rs. 48,211, Previous year - Nil)			
Unclaimed balances written back		1,194,696	-
Bad debts recovered		-	139,716
Miscellaneous income		59,968	473,316
		1,739,966	**615,932**
Schedule 10: Operating and other expenses			
Portal direct expenses		10,255,533	5,579,924
SMS direct expenses		1,324,818	1,724,427
		11,580,351	**7,304,351**
Schedule 11: Personnel expenses			
Salaries, wages and bonus		42,192,655	22,603,346
Contribution to provident and other funds		2,538,439	1,155,576
Workmen and staff welfare expenses		1,233,664	614,240
		45,964,758	**24,373,162**
Schedule 12: Administration and selling expenses			
Sales and marketing		17,462,982	10,527,415
Subcontractors charges		6,166,080	3,274,672
Traveling and conveyance		2,265,884	1,391,398
Recruitment charges		1,019,917	773,093
Rent		1,224,014	1,131,711
Provision for doubtful debts		2,576,480	1,073,376
Fixed assets written off		-	728,332
Communication expenses		658,567	590,019
Bad debts written off	1,581,830		
Less: Already provided for	(1,073,376)	508,454	565,672
Gas, water and electricity		830,997	550,442
Legal and professional fees		900,087	530,830
Sundry office expenses		648,352	482,099
Repairs and maintenance:			
- Office equipments		344,455	197,561
- Buildings		2,434	36,000
- Others		406,193	196,393
Printing and stationery		171,971	189,955
Rates and taxes		-	139,305
Exchange difference (net)		262,606	107,425
As Auditor:			
- Audit fees		100,000	100,000
Security charges		129,676	84,048
Postage and courier		76,908	54,859
Insurance charges		10,454	47,497
Miscellaneous expenses		96,766	59,576
		35,863,277	**22,831,678**
Schedule 13 : Financial expenses			
Interest			
-Others		23,758,435	20,422,232
Bank charges		3,640	4,318
		23,762,075	**20,426,550**

I Media Corp Limited
Cash Flow Statement for the year ended March 31, 2011

	March 31, 2011 Rs.	March 31, 2010 Rs.
A. Cash Flow from Operating Activities		
Loss before Tax :	(91,512,744)	(57,680,633)
Adjustments for:		
Depreciation	4,708,542	4,560,959
Fixed assets written off	-	728,332
Interest expenses and other financial charges	23,762,075	20,426,550
Bad debts written off	508,454	565,672
Interest income	(485,302)	-
Provision for doubtful debt and advances	2,576,480	1,073,376
Operating loss before working capital changes	**(60,442,494)**	**(30,325,744)**
Movements in working capital		
(Increase) /decrease in sundry debtors	(441,220)	(5,860,326)
Decrease /(increase) in loans and advances	(323,893)	46,066
(Decrease)/ increase in Current liabilities and provisions	(3,95,025)	4,879,563
Cash generated from operations	**(61,602,632)**	**(31,260,441)**
Direct taxes paid (including fringe benefit tax)	(593,344)	(485,852)
Net cash from operating activities (A)	**(62,195,976)**	**(31,746,294)**
B. Cash flow from investing activities		
Purchases of fixed assets	(1,532,539)	(2,411,884)
Interest received	51,397	-
Fixed deposits placed	(62,000,000)	-
Net cash (used in) investing activities (B)	**(63,481,142)**	**(2,411,884)**
C. Net cash from financing activities		
Proceeds from issue of debentures	350,000,000	-
Unsecured loan taken	55,892,475	56,361,969
Unsecured loan repaid	(256,620,483)	-
Interest paid	(23,762,075)	(20,426,550)
Net cash from financing activities (C)	**125,509,917**	**35,935,419**
Net increase in cash and cash equivalents (A+B+C)	**167,201**	**1,777,242**
Cash and cash equivalents at the beginning of the year	**3,432,637**	**1,655,395**
Cash and cash equivalents at the end of the year	**3,265,436**	**3,432,637**
Components of cash and cash equivalent at the end of the year		
Cash and bank balances [Refer schedule 5]	65,265,436	3,432,637
Less: Bank deposits having maturity of more than 90 days	(62,000,000)	-
Total	**3,265,436**	**3,432,637**

1) Previous year's figures have been regrouped wherever necessary

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 18, 2011

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

Director **Director**

I Media Corp Limited

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2011

Schedule 14: Notes to accounts

1. Nature of Operations

I Media Corp Limited ("the Company") is a company registered under the Companies Act, 1956 ("the Act")

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 `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.

Interest:

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

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 and deferred tax. Current income tax is 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 and forming part of the accounts as at and for the year ended March 31, 2011

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

Related Party Name	Loan/Advance Taken (Repaid)		Interest Received (Paid)		Issue of Debentures		Receiving of Services		Rendering of Services		Amount Outstanding Debit / (Credit)	
	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10
D. B. Corp Ltd	55,892,475 (278,003,073)	56,361,969 -	(23,758,435) -	(20,421,506) -	350,000,000 -	- -	14,198,423 -	13,388,427 -	3,132,910 -	3,654,617 -	(728,585) -	(205,907,829) -
Synergy Media Entertainment Limited	- -	- -	- -	- -	- -	- -	49,979 -	1,575,934 -	301,444 -	137,387	(54,024) -	(478,476) -
Diligent Media Corporation Limited	-	-	-	-	-	-	-	980,000	6,070,248	2,360,479	1,248,013	1,178,358
India Interactive Technologies Limited	-	-	-	-	-	-	-	133,902	-	-	-	-

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, 2011 aggregated to `1,224,014 (previous year `1,131,711).
The future minimum lease payments under non-cancellable operating leases:

Period	March 31, 2011 Rs.	March 31, 2010 Rs.
Not later than one year	3,518,038	3,350,511
Later than one year but not later than five years	8,224,187	562,886
	11,742,225	**3,913,397**

5. Earnings per share

Period	March 31, 2011 Rs.	March 31, 2010 Rs.
Net loss after tax for equity shareholders	(91,512,744)	(57,680,633)
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 (`)	(87.15)	(54.93)
Face Value Per Share (`)	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, 2011 and March 31, 2010; the Company contributed the following amounts to defined contribution plans:

Particulars	March 31, 2011 Rs.	March 31, 2010 Rs.
Provident Fund	2,278,973	1,155,576
Employees State Insurance Corporation	259,466	-
Total	**2,538,439**	**1,155,576**

Defined benefit plan

A- 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.

B- Gratuity
The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables 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, 2011 are as follows:

Particulars	March 31, 2011 Rs.	March 31, 2010 Rs.
Current service cost	364,434	198,000
Interest cost	28,196	12,724
Expected return on plan assets	-	-
Recognized net actuarial (gain) loss	(18,029)	(22,461)
Total included in 'employee benefit expense'	374,601	188,263

The amounts recognized in the balance sheet are as follows:

Particulars	March 31, 2011 Rs.	March 31, 2010 Rs.
Present value of funded obligations	727,048	352,447

Details of Experience Adjustments on plan assets and plan liabilities

Particulars Gratuity	March 31, 2011 Rs.	March 31, 2010 Rs.
Experience adjustments on plan liabilities (Gain)/Loss	24,748	(4,051)

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

Particulars	March 31, 2011 Rs.	March 31, 2010 Rs.
Defined benefit obligation at beginning of the year	352,447	164,184
Current service cost	364,434	198,000
Interest cost	28,196	12,724
Benefits paid	-	-
Actuarial (gain) loss	(18,029)	(22,461)
Defined benefit obligation at end of the year	727,048	352,447

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

Particulars	March 31, 2011	March 31, 2010
Discount rate	8.25%	8.00%
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.

8. Deferred Tax

Particulars	March 31, 2011 Rs.	March 31, 2010 Rs.
Deferred Tax Liability arising from		
- Depreciation	(2,154,568)	2,799,393
Deferred Tax Asset arising from		
- Carried forward losses and unabsorbed depreciation	905,238	2,230,417
- Provision for gratuity and leave encashment	453,198	212,401
- Provision for doubtful debts	796,132	356,575
Net Deferred Tax Liability/ (Asset)	-	-

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, 2011.

9. 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.

10. 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, 2012. 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 wherever necessary to conform to this years' classification.

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 18, 2011

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

Director **Director**

I Media Corp Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details:

Registration No. :	018676	State Code :	10
Balance Sheet Date :	31-03-2011	Date of Incorporation :	01-06-2006

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	Rs. 379,175	Total Assets	Rs. 379,175

4. Sources of Funds (Amount in Rs. Thousand)

Paid up Capital	Rs. 10,500	Reserves and Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL
Deferred Tax Liability	NIL		

5. Application of Funds (Amount in Rs. Thousand)

Net Fixed Assets	Rs. 25,414	Investments	NIL
Net Current Assets	Rs. 62,655	Misc. Expenses	NIL
Accumulated Losses	Rs. 272,431		

6. Performance of Company (Amount in Rs. Thousands)

Turnover (include other income)	Rs. 30,366	Total Expenditure	Rs. 121,879
Profit / (Loss) Before tax	Rs. (91,513)	Profit/(Loss) After Tax	Rs. (91,513)
Earning per share in Rs.	Rs. (87.15)	Dividend Rate %	NA

7. Generic Name of Principal Product / Service of Company

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

For and on behalf of the Board

Mumbai
May 18 2011

Director **Director**

GROWTH & EXPANSION

2010-2011 was an year of Expansion and growth for DB Corp Ltd. This saw DB Corp Ltd consolidating its business by launching 10 new printing centers and 1 new edition besides converting 4 existing centers as full fledged independent editions in its existing market of Madhya Pradesh, Punjab, Rajasthan, Haryana and Gujarat.

It extended its reach to 2 new states; Jammu with Jammu edition and Jharkhand with Ranchi and Jamshedpur edition. Now with launch of Dhanbad edition (April 2011) it covers the entire state of Jharkhand.

In the very first quarter of 2011-2012, the company launched the 1st edition of its 4th Language Newspaper, DIVYA MARATHI from Aurangabad, Maharashtra.

Now DB Corp. Ltd., is present across

13 states with 60 editions in 4 languages

*Map not to scale, Only for representation

DB Corp Ltd

LAUNCH OF DIVYA MARATHI FROM AURANGABAD, THE COMPANY'S 4TH LANGUAGE NEWSPAPER AND 60TH EDITION OVERALL.

Guest of honour at the Launch of Divya Marathi, Aurangabad - 29th May 2011 : (From left to right) State Editor- Abhilash khadekar, M.L.A -Chandrakant Khere, Maharashtra Revenue Minister - Badasaheb Thorat, Tourism Minister- Chagan Bhujbal, DB Corp Ltd Chairman- Ramesh Chandra Agrawal, Rural Development Minister- Vilasrao Deshmukh, Home Minister, India - Mr. P. Chidambaram, Maharashtra Chief Minister -Prithviraj Chauhan, Madhya Pradesh Chief Minister- Shivraj Chauhan, Former Loksabha head- Manohar Joshi, Central Power Minister - Sushilkumar Shinde, Dainik Bhaskar - Manmohan Agrawal, Divya Marathi Editor Head - Kumar Ketkar