



Fast Paced Growth



DB Corp Ltd

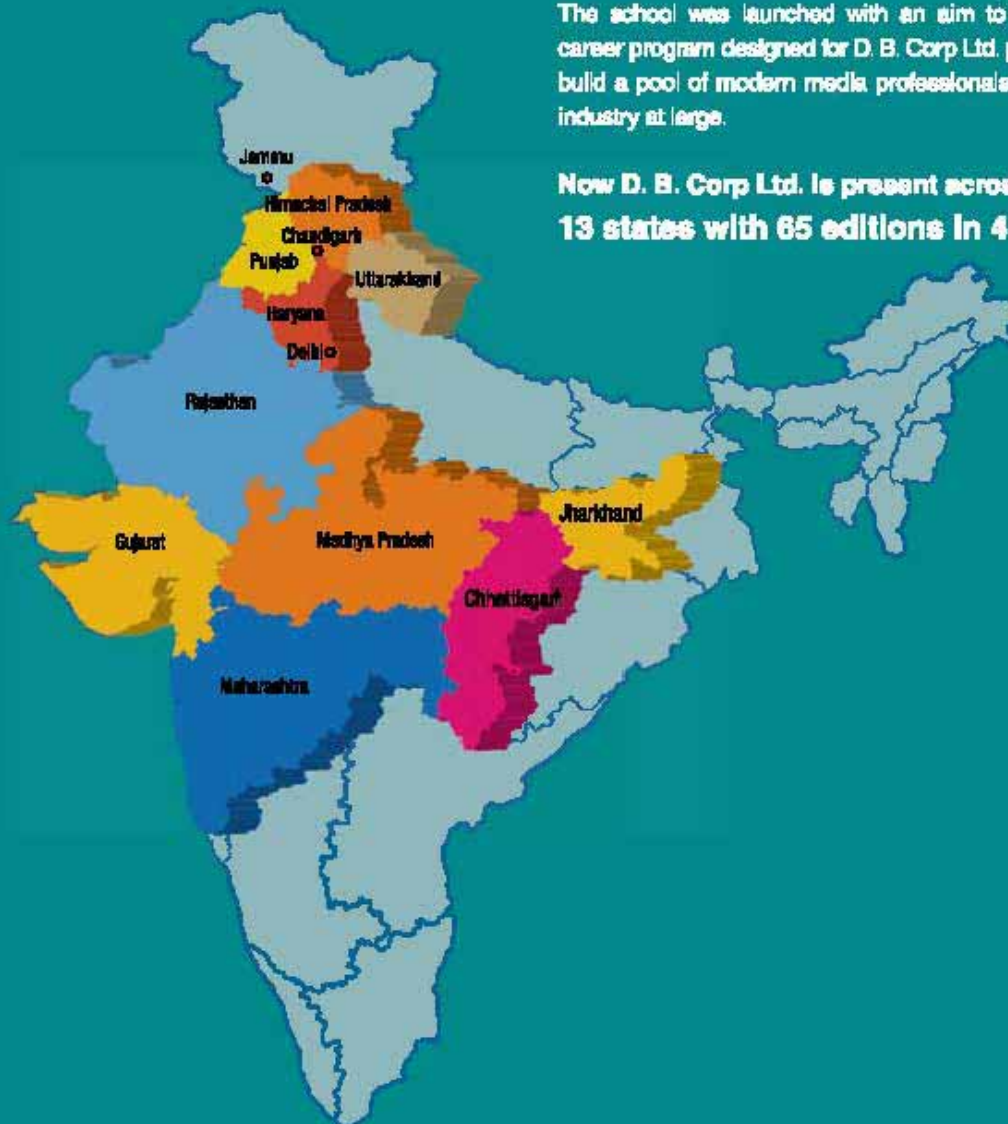
**annual
report
2011-12**

FAST PACED GROWTH

2011-12 was a year of fast paced growth for D. B. Corp Ltd. In the very first quarter, the company launched its 61st edition by launching DNA from Indore and also launched the 1st edition of its 4th language newspaper, Divya Marathi from Aurangabad, Maharashtra and within a short span of time 4 more editions followed in rapid succession from Nashik, Jalgaon, Ahmednagar and Solapur. Also the opening of Raigarh printing press in February 2012 marked the launch of the 49th printing press for D. B. Corp Ltd.

It took another step into the education sector by launching the Dainik Bhaskar School for Media Education (DBSME) in April 2012. The school was launched with an aim to provide an exclusive career program designed for D. B. Corp Ltd. professionals and help build a pool of modern media professionals for the company and industry at large.

**Now D. B. Corp Ltd. is present across
13 states with 65 editions in 4 languages.**



Map not to scale



DB Corp Ltd

ANNUAL REPORT

2011-12

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GENERAL INFORMATION

BOARD OF DIRECTORS

Chairman	:	Mr. Ramesh Chandra Agarwal
Managing Director	:	Mr. Sudhir Agarwal
Non- Executive Directors	:	Mr. Girish Agarwal Mr. Pawan Agarwal
Independent Directors	:	Mr. Kailash Chandra Chowdhary Mr. Ajay Piramal Mr. Piyush Pandey Mr. Harish Bijoor Mr. Ashwani Singhal Mr. Niten Malhan
Company Secretary	:	Ms. Anita Gokhale
Auditors	:	S. R. Batliboi & Associates, Chartered Accountants, Mumbai & Gupta Navin K. & Co. Chartered Accountants, Gwalior
Registered Office	:	Plot No. 280, Sarkhej - Gandhinagar Highway, Near YMCA Club, Makarba, Ahmedabad- 380051, Gujarat Tel No. - 079-39888850 Fax No. - 079-39814001
Head Office	:	Dwarka Sadan, 6, Press Complex, M. P. Nagar, Bhopal - 462011, Madhya Pradesh Tel No. - 0755-3988884 Fax No. - 0755-2675190
Business Office	:	501, 5 th 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

DIRECTORS' REPORT

To The Members,

Your Directors are pleased to present the 16th Annual Report together with the Balance Sheet and Profit and Loss account for the year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS (Standalone Results)

(₹ in Mn)

Particulars	2011-12	2010-11
Sales	14,418.11	12,564.64
Other Income	230.52	215.84
TOTAL REVENUE	14,648.63	12,780.48
Operating Expenditure	10,990.92	8,534.05
Finance Cost	92.26	149.03
Depreciation & Amortisation	500.02	427.64
TOTAL EXPENDITURE	11,583.20	9,110.72
Profit Before Tax	3,065.43	3,669.76
Less: Provision for Current Tax, Deferred Tax & Other Tax Expenses	980.70	996.53
Profit After Tax	2,084.73	2,673.23
Transfer to General Reserve	210.00	300.00
Dividend Proposed (Including Interim dividend and Tax on Dividend)	1,065.33	849.45

(Note : Previous years figures have been grouped as per revised schedule VI)

FINANCIAL HIGHLIGHTS (Consolidated Results)

(₹ in Mn)

Particulars	2011-12	2010-11
Sales	14,515.09	12,599.77
Other Income	240.22	193.82
TOTAL REVENUE	14,755.31	12,793.59
Operating Expenditure	11,151.44	8,624.50
Finance Cost	92.33	149.21
Depreciation & Amortisation	505.66	432.84
TOTAL EXPENDITURE	11,749.43	9,206.55
Profit Before Tax	3,005.88	3,587.04
Less: Provision for Current Tax, Deferred Tax & Other Tax Expenses	983.17	999.69
Profit After Tax	2,022.71	2,587.35
Transfer to General Reserves	210.00	300.00
Dividend Proposed (Including Interim dividend and Tax on Dividend)	1,065.33	849.45

(Note : Previous years figures have been grouped as per revised schedule VI)

REVIEW OF PERFORMANCE:

Your Company has achieved admirable figures during the year under review inspite of general economic slowdown. Performance highlights of your company during the year are as follows:

- ❖ The Sales & other income reached ₹14,648 Million witnessing a growth of 15%, as compared to ₹ 12,780 Million in the previous year due to significant growth in advertisement revenue.
- ❖ The profit after tax for the year under review was ₹ 2,085 Million, as against ₹ 2,673 Million in the previous year.

- ❖ The consolidated gross revenue of your Company increased to ₹ 14,755 Million from ₹ 12,794 Million in the previous year, whereas the consolidated PAT stood at ₹ 2,023 Million as against ₹ 2,587 Million of the previous year.

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 analysing 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:

(₹ in Mn)

Review of Performance of Emerging Editions			
Summary Financials			
Particulars	Emerging Editions	Others	TOTAL
FY 2011-12			
TURNOVER			
-- Advt Revenue	805	10,476	11,281
-- Sales	384	2,224	2,608
-- Others	52	698	750
TOTAL INCOME	1,242	13,397	14,639
Newsprint Cost	891	4,189	5,080
Opex	1,119	4,889	6,009
TOTAL COST	2,010	9,078	11,089
EBIDTA	(768)	4,319	3,550
EBIDTA %	-62%	32%	24%
Interest	6	34	40
Depreciation	40	466	506
PBT	(814)	3,820	3,005
PBT %	-66%	29%	21%

The long term results of the corporate growth strategy would be seen in the forthcoming years post stabilisation of the emerging editions.

OPERATING RESULTS AND FUTURE OUTLOOK:

During the year under review, as also in the past, your company was on expansion path and was also able to deliver the sustained growth in tough and challenging economic environment. In the year 2011-12, company successfully established its footprints in central Maharashtra by launching Marathi Newspaper - "Divya Marathi".

MAJOR EVENTS DURING THE YEAR:

❖ Launch of New Editions:

The Company launched "Dainik Bhaskar", Dhanbad edition in April, 2011 and entered and enlarged its presence in the state of Maharashtra with the launch of 5 editions of "Divya Marathi", a Marathi Newspaper. The Company launched its first edition of "Divya Marathi" in Aurangabad in May, 2011, second in Nasik in July, 2011, third in Jalgaon in September, 2011, fourth in Ahmednagar in October, 2011 and fifth in Solapur in March, 2012.

❖ Acquisition of Commercial Printing Business Unit:

The Company acquired running business of M/s M. P.

Printers, a division of Writers and Publishers Private Limited, engaged in high quality printing business and having state-of-the-art printing facilities located at Noida, Uttar Pradesh to achieve maximum synergy in the operations.

◆ **Acquisition of 51% stake in the share capital of Divya Prabhat Publications Private Limited (DPPPL):**

The Company acquired 51% shareholding of DPPPL which is engaged in publication of "Prabhat Kiran", an afternoon newspaper from Indore (M.P.), from one of the promoters of the Company w.e.f. October 1, 2011. Consequently, DPPPL became a subsidiary of the Company.

◆ **Stake Sale by Promoters pursuant to statutory requirements:**

SEBI vide circulars dated December 16, 2010 and February 8, 2012 amended Clause 40A of the Listing Agreement mandating minimum public shareholding in any listed company at 25% and providing various methods to raise such public shareholding to the prescribed level of 25% before the time limit of June, 2013.

In order to comply with this, in December, 2011, Mrs. Jyoti Agarwal, belonging to the Promoter Group, sold 31,781 shares (0.02%) through open market transactions after obtaining approval of BSE and NSE. Further, on 10th May, 2012, she sold 90,00,000 shares (4.91%) under "Offer For Sale (OFS)" through Stock Exchange mechanism. After this first tranche of OFS, total promoters' shareholding in the company has reduced to 14,94,31,979 shares (81.51%).

AWARDS & ACCOLADES:

During the year, the Company was honoured with many awards and accolades for the efforts and initiatives taken in different areas:

- ◆ Guinness World Records Junior Editor, 2012.
- ◆ Limca Book Records 2012 for being largest circulation of perfumed newspaper on a single day.
- ◆ "Achievers and Leaders Award" for Excellence in brand building at Srilanka - India - South Africa-Singapore partnership summit.
- ◆ Silver award for Divya Bhaskar at the National Awards for Excellence in Printing.
- ◆ International Newspaper of the year-Dainik Bhaskar and Radio Channel of the year - 94.3 MY FM for Dainik Bhaskar Group at CMO Asia Awards, 2011.
- ◆ India's most Impactful brand at Star News Brand Excellence Award, 2011 for Dainik Bhaskar Newspaper.
- ◆ "Gold Award" in the Best Print Category for circulation above 1,50,000 copies at WAN INFRA Awards, 2011 for Dainik Bhaskar Group.

DIVIDEND:

The Board of Directors are pleased to inform that for the year under review, two interim dividends were declared and paid, first in the month of January, 2012 @ ₹ 1.75 per equity share and second in the month of May, 2012 @ ₹ 1.75 per equity share (i.e. aggregating to ₹ 3.50 per equity share of face value of ₹ 10/- each). The Board has further recommended Final Dividend @ 15% (i.e. ₹ 1.50 per equity shares of face value of ₹ 10/- each) for the financial year 2011-12. The dividend will be paid to members whose names appear in the Register of Members as on September 5, 2012.

The total amount of dividend outgo, including Interim Dividends, for the year 2011-12, will be ₹ 91,66,27,042/- as against ₹ 72,96,79,324/- for the previous financial year.

DIRECTORS:

Pursuant to the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Mr. Ramesh Chandra Agarwal, Mr. Girish Agarwal and Mr. Pawan Agarwal, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have confirmed that they are not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956.

During the year, Ciffrose Investment Limited, Mauritius which was holding 3.60% shares in the capital of the Company since the Initial Public Offer, sold its entire holding and consequently, vide its letter dated 27th September, 2011 withdrew the nomination of Mr. Niten Malhan from the Board of Directors of the Company. Consequently, Mr. Niten Malhan resigned as Nominee Director of the Company w.e.f. 27th September, 2011. Thereafter, he was appointed as an additional director of the Company w.e.f. 28th September, 2011.

Pursuant to provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company, he holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice from a member of the Company along with the requisite deposit as per Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director liable to retire by rotation.

A brief resume of Mr. Niten Malhan and the Directors retiring by rotation at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and names of Companies in which they hold Directorship and Chairmanship and/or Membership of Committees of the Board, as stipulated under Clause 49 of the Listing Agreement, is given in the Corporate Governance Report forming part of the Annual Report.

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. that in the preparation of the annual accounts for the year ended 31st March, 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
2. that 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 as at 31st March, 2012 and of the profit of the company for the year ended as on that date;
3. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. that the directors had prepared the annual accounts for the financial year ended 31st March, 2012, on a "going concern" basis.

SUBSIDIARIES:

The Directors are pleased to report the performance of the following subsidiaries of your Company, as on the date of the report:

(1) Synergy Media Entertainment Limited (SMEL):

Post demerger of Radio business, SMEL has continued the business activity in the areas of outdoor events. In today's competitive environment, an advertiser requires 360 degree solutions to convey its products and services to end consumers. In the process, apart from print and radio medium, outdoor event activities are gaining enormous importance due to direct engagement with end consumer. SMEL, with its core competency in said activities, is providing innovative solutions to advertisers. During the year under reporting, SMEL earned topline of ₹ 28.64 Million, EBITDA of ₹ 4.33 Million and PAT of ₹ 2.88 Million.

(2) I Media Corp Limited (IMCL):

Internet user in India has already reached the level of 132 Million (Source: FICCI-KPMG: India Media and Entertainment Industry Report, 2012) and the same will grow exponentially due to sustained efforts of the Government to increase the broadband services and also due to increased availability of smart phones. Advertisers are slowly moving towards the digital media to reach the target customer.

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 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.com 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 its online business development by availing the natural synergies between the print and the web media.

(3) Divya Prabhat Publications Private Limited (DPPPL):

Your Company acquired 51% stake in the share capital of Divya Prabhat Publications Pvt. Ltd. (DPPPL) by which your Company became its Holding Company w.e.f. 1st October, 2011.

DPPPL is in the print media sector which publishes an afternoon daily in Hindi language called "Prabhat Kiran" in Indore, Madhya Pradesh, targeting business community and covering local issues. For the period from October 1, 2011 to March 31, 2012, DPPPL achieved a turnover of ₹ 28.50 Million, EBITDA of ₹ 3.30 Million and PAT of ₹ 0.60 Million.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement is given separately and forms part of this Report.

REPORT ON CORPORATE GOVERNANCE:

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report and a Certificate from the Auditors of the Company, confirming compliance with the provisions of Corporate Governance, is attached to the said Report.

EMPLOYEES' STOCK OPTION SCHEMES:

The Company has granted Stock Options to its employees under the "DBCL-ESOS 2008", "DBCL - ESOS 2010" and "DBCL - ESOS 2011" Schemes. The particulars required to be disclosed as per Clause 12 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in the Annexure to this Report. The Compensation Committee of the Board of Directors, constituted in accordance with the SEBI Guidelines, administers and monitors these Schemes.

The Company has obtained a certificate from the Auditors certifying that the said Employee Stock Option Schemes have been implemented in accordance with the SEBI Guidelines and the resolution passed by the members in this regard. The Certificate would be placed at the Annual General Meeting for inspection by the members.

STATUTORY 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 the Company hold office until the conclusion of the ensuing Annual General Meeting of the Company.

The Joint Auditors viz. M/s S. R. Batliboi & Associates and M/s Gupta Navin K. & Co. have confirmed that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

COST AUDITOR:

Pursuant to the directives of the Ministry of Corporate Affairs, with effect from 1st April, 2011, the Company is required to get its cost accounts relating to products under Electricity Rules audited from a Cost Auditor and also submit a Compliance Report in respect of its printing and publication business. The Board has appointed M/s Yogesh Chourasia & Associates, Cost Accountants, Bhopal as the Cost Auditor of the Company and their appointment has been approved by the Central Government.

Status of submission of Cost Audit Report and the Compliance Report for the financial year 2011-12 is as under:

Cost Audit Report for generation of electricity from Wind Farm:

- a. Date of actual filing: N. A.
- b. Due date of filing: 30th September, 2012

Compliance Report for Printing and Publication Business:

- a. Date of actual filing: N. A.
- b. Due date of filing: 30th September, 2012

PUBLIC DEPOSITS:

During the year under review, your Company has not accepted or invited any deposits from public within the meaning of Section 58A of the Companies Act, 1956 and applicable rules made thereunder as amended from time to time.

PARTICULARS OF EMPLOYEES:

In terms of the provisions of Section 217(2A) of the Companies

Act, 1956 and the Companies (Particulars of Employees) Rules, 1975, a statement giving certain particulars of the employees is required to be included in this report. However, in terms of the proviso (b)(iv) to Section 219(1) of the Companies Act, 1956, this statement is not sent but is made available at the registered office of the Company for inspection during working hours on working days.

Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

(a) Conservation of Energy and Technology Absorption:

The Company is using latest technology which is mostly indigenous and advanced. The employees of the Company are trained periodically and adequately to enable them to understand the technology used and the effects of such training results in improved efficiency in the operations of the Company.

(b) Foreign Exchange Earnings and Outgo:

The Company earned Foreign Exchange of ₹ NIL. The Financial Expenses in foreign exchange during the year was ₹ 2,17,89,642 and on account of traveling and other expenses was ₹ 1,65,09,467.

DEMAT SUSPENSE ACCOUNT:

Out of the total allotment under IPO of the Company in January, 2010, 247 shares allotted to 6 shareholders still remains unclaimed and are lying in the "Demat Suspense Account" opened by the Company as prescribed under Clause 5A.I of the Listing Agreement. The Company has sent reminders to all these 6 shareholders at their latest available address but has not received any response. Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

The following disclosure is made as prescribed in this regard:

(i)	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1 st April, 2011	6 shareholders/ 247 shares
(ii)	Number of shareholders who approached the Company for transfer of shares from suspense account during the financial year 2011-12	Nil
(iii)	Number of shareholders to whom shares were transferred from suspense account during the financial year 2011-12	Nil
(iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 st March, 2012	6 shareholders / 247 shares

HUMAN RESOURCES & INDUSTRIAL RELATIONS:

Your Company has set a vision ***"to be the largest and most admired media brand enabling socio-economic change"*** and the management has taken special efforts to ensure that the vision penetrates to the last level in the organisation. With this, the Company is committed to live up to its vision.

Your Directors place on record their appreciation of the efforts, dedication, commendable teamwork and exemplary contribution of the employees in various initiatives of the Company and contributing to the performance of the Company during the year under review.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to express their appreciation to the Investors, Banks, Financial Institutions, Clients, Vendors, Central and State Governments and Other Regulatory Authorities for their assistance, continued support, co-operation and guidance.

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

Place: Mumbai
Date: July 19, 2012

Ramesh Chandra Agarwal
Chairman

ANNEXURE:

Information required to be disclosed under SEBI (ESOS and ESPS) Guidelines, 1999 As at and for the year ended March 31, 2012			
PARTICULARS	DBCL-ESOS-2008	DBCL-ESOS-2010	DBCL-ESOS-2011
Options approved as per Shareholders' approval	7,00,000	6,00,000	30,00,000
Options Granted	4,13,427	4,91,203	2,34,300 (Tranche 1)
Vesting Schedule	20% each for 5 years	20% each for 5 years	20% each for 5 years
Pricing Formula	Exercise Price ₹ 124/- Exercise Price at a discount of 50% 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)	Exercise Price ₹ 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 Grant of options	Exercise Price ₹ 95/- 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 a any Grant, on the stock exchange where highest trading volume is registered and where the quantum of Discount shall be decided by the Compensation Committee for each Grant of options
Options Vested	124,512	74,091	Nil
Options Exercised	50,388	10,861	Nil
The total number of shares arising as a result of exercise of options	50,388	10,861	Nil
Options forfeited / surrendered	1,31,208	68,398	30,450
Options lapsed	Nil	Nil	Nil
Variation of terms of options	N. A.	N. A.	N. A.
Money realised by exercise of options	₹ 62,48,112/-	₹ 18,24,648/-	Nil
Total number of options in force	2,31,831	4,11,944	2,03,850
Details of options granted during the year to	No options were granted during the year	No options were granted during the year	(a) Directors - Nil (b) Key Managerial Persons (i) 11,850 (ii) 18,000 (iii) 14,600 (iv) Nil
(a) Directors			
(b) Key Managerial Personnel			
(i) Dr. Bharat Agarwal			
(ii) Mr. P. G. Mishra			
(iii) Mr. R. D. Bhatnagar			
(iv) Mr. Shravan Garg (*)			
(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	Nil	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	Nil	Nil
Fully diluted earnings per share (EPS) on a pre-issue basis for Fiscal 2012 calculated in accordance with Accounting Standard (AS) 20	₹ 11.36	₹ 11.36	₹ 11.36
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	See note (&) below	See note (&) below

(*) Mr. Shravan Garg resigned w.e.f. 31st March, 2012.

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. Hence, not applicable.	No options were granted during the year. Hence, not applicable.	₹ 95/-
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. Hence, not applicable.	No options were granted during the year. Hence, not applicable.	₹ 177.57
Method to estimate fair value	Not Applicable	Not Applicable	Black-Scholes Options Pricing Method
Assumptions 1. Risk free interest rate 2. Expected Life 3. Expected Volatility 4. Expected Dividends 5. Closing Market Price of Share on the date of option grant	No options were granted during the year. Hence not applicable.	No options were granted during the year. Hence not applicable.	7.84 % 5.50 years 29.48 % 0.80 % ₹ 249.65
Lock-in	Nil	Nil	Nil
Impact on profits and EPS of the last three years	Not Applicable	Not Applicable	Not Applicable

(8) The stock based compensation cost calculated as per the intrinsic value method for the period from 1st April, 2011 to 31st March, 2012 is ₹ 17,382,609. If the stock based compensation cost was calculated as per the fair value method prescribed by SEBI (ESOS and ESPS) Guidelines, 1999, the total cost to be recognized in the financial statements for the period from 1st April, 2011 to 31st March, 2012, would be ₹ 29,834,818. The effect of adopting the fair value method on the net income and earnings per share is as presented below:

	March 31, 2012
Profit as reported	2,084,730,007
Add: Employee stock compensation under intrinsic value method	17,382,609
Less: Employee stock compensation under fair value method	29,834,818
Performa profit	2,072,277,798
Earnings Per Share	
Basic	
- As reported	11.37
- As adjusted	11.31
Diluted	
- As reported	11.36
- As adjusted	11.29

To
The Board of Directors
D. B. Corp Limited
Ahmedabad

Compliance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

We have examined the relevant resolutions passed by the shareholders of D. B. Corp limited ("The Company") having its Registered Office at Plot No: 280, Sarkhej-Gandhinagar Highway, Makarba, Ahmedabad-280 051 (Gujarat) and based on the above and the other relevant information provided to us, we certify that the Employee Stock Option Schemes of D. B. Corp Limited have been implemented in accordance with the aforesaid resolutions and provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended to date.

This certificate is issued at the request of the company for placing before the shareholders of the Company at the forthcoming Annual General Meeting.

For Gupta Navin K. & Co.
Firm Registration No. 006263C
Chartered Accountants

Navin K Gupta
Partner
Membership No. 75030

Place : Bhopal
Dated : July 17, 2012

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW:

INDIAN MEDIA & ENTERTAINMENT INDUSTRY

Year 2011 has been a quite challenging year not just for the Indian Media & Entertainment (M&E) Industry & Indian economy, but for the world economy as a whole. Challenges faced by key global economies were reflected in the US sovereign rating downgrade and continued weakness in the Euro zone impacted India through a trickledown effect. In addition to global woes, structural problems in India like High Inflation, the RBI's interest rate hikes to battle inflation, regulatory issues that limited the reforms process and investment growth and the depreciating Rupee against Dollar impacted GDP growth.

The Central Statistical Organization's (CSO's) estimates indicate a 6.5% real GDP growth rate for the year 2011-12. This is lower than the actual growth of 8.4% in 2010-11 and substantially lower than the 9% growth for 2011-12 projected by the finance minister in the union budget in February, 2011.

In spite of tough conditions prevailing in entire fiscal year, M&E Industry continued to maintain its growth trajectory.

"The Indian M&E Industry grew from INR 652 billion in 2010 to INR 728 billion in 2011, registering an overall growth of 12% while print media industry grew by 9% and Radio Industry grew by 15%. Print media continued as the largest contributor (46%) to advertisement pie in Media & Entertainment sector. The advertisement spends across all Media grew by 13% while print media advertisement growth was 11%." (Source: FICCI-KPMG Report, 2012)

India's growth momentum is continued to be lead by emerging and upcoming Tier 2 and Tier 3 towns as Consumption in India is dominated by Tier 2 and Tier 3 towns which account for 73% of India's urban consumption. (Source: Spotlight on India's Entertainment Economy, Ernst & Young, 2011.)

Realising the changing dynamics of consumption pattern in India, Advertisers are shifting spends to these regional towns to capitalize on increasing consumer spending amid growing saturation in the major metros (Delhi, Mumbai, Kolkata, Chennai, Bangalore, Hyderabad). "Between 1999 and 2009, the share of English-language newspapers in print advertising declined from 39% to 32% in favour of Hindi and regional-language newspapers. (Source: M&E news reel, Ernst & Young, February, 2011.)"

"Backed by strong consumption in Tier 2 and Tier 3 cities, continued growth of regional media and fast increasing new media businesses, the industry is estimated to achieve a growth of 13% in 2012 to touch INR 823 billion. (Source: FICCI-KPMG Report, 2012)"

A relaxed and liberal approach of the Government towards the M&E Industry in the past like increase in FDI limits for key sectors (FDI for FM Radio increased from 20% to 26%), keeping print media in negative service tax lists, etc. augurs well for the sector. Thus, growing importance of regional markets, increasing

consumption in Tier 2 and Tier 3 cities, favourable regulatory changes, more focused consumer research, innovation in content, marketing and delivery platforms to serve different niches, all point towards a very positive future for the industry.

OPERATIONS AT GLANCE:

Year 2011-12 has added another feather in the growing glory of the company. During the year under review, company successfully chartered into new territories - both in terms of language and area. It launched "Divya Marathi" a Marathi language newspaper in Central Maharashtra. Starting with Aurangabad in May, 2011, the Company successfully covered the entire Central Maharashtra till the dawn of current financial year - Nashik in July, 2011, Jalgaon in September, 2011, Ahmednagar in October, 2011 and Solapur in March, 2012. An independent survey by MRB indicates that Divya Marathi has highest readership in Aurangabad and is ahead of its nearest competitor by 25%.

Now credentials of the company counts on having 65 editions in four languages (Hindi, Gujarati, English and Marathi) in 13 states in India.

During the year 2011-12, the Company not only grew organically by establishing new units, it also adopted the route of inorganic growth to enlarge its area of operations and presence.

✦ Acquisition of State-of-the-Art Printing facilities for Job work:

During the year, the Company acquired M/s M. P. Printers from one of the group companies engaged in the job work printing having high quality and state-of-the-art printing facility. The objective of acquisition was two folds: To utilise M. P. Printer's Technical, Marketing and Innovation expertise in procuring and timely executing local printing jobs for the Company and to offer the Company's existing clients, the specialised printing requirements for Magazines, Journals, Books, Annual Reports etc.

✦ Acquisition of 51% stake in Divya Prabhat Publications Private Limited (DPPPL):

The Company acquired 51% shareholding of DPPPL which is engaged in publication of "Prabhat Kiran", an afternoon newspaper from Indore (M.P.), from one of the promoters of the Company.

RISKS, CONCERNS AND THREATS:

1. Economic Slowdown:
Economic slow down would have adverse effect on Advertisement Revenue.

✦ Management Perception:

Till date, print media industry business model is advertisement revenue driven and any slowdown in advertisement will have direct repercussion on the bottom line, which could turn into operating loss in case of deep recession, which management do not foresee.

India economic slowdown is mainly contributed by Global factors. Management feels that India's macro-economic factors such as growing young urban population, urbanisation of regional towns, increasing spending power among masses, increasing literacy rate will definitely give India an edge over other countries and economic slowdown will be a short term and temporary phase in Indian economy.

2. Competition:

India's favourable demographic factors have not only attracted Multinational Enterprises in India but also heightened the competition level across all Industries to which Media sector is not an exception. In particular, vernacular language, especially Hindi Newspaper industry has become more competitive and increased competition level has direct repercussion on Advertisement Revenue, Circulation Revenue and Human Resource Asset of the company.

◆ Management Perception:

"Attack is the best form of defence". The Company applies this philosophy in handling the competition i.e. instead of fighting competition in its existing markets, the Company is giving competition to established players in other territories and regions and at the same time fortifying its existing territories.

Indian Newspaper Industry is unique whereby the customer is not the main source of revenue (Circulation Revenue) but satisfied customer is main source of advertisement revenue. The Company continued to work towards providing its advertisers with rising base of satisfied readers. Its sustained efforts towards providing customers with rich and niche content, new products, better reader connect activities, innovative solutions to advertisers, satisfied and motivated employees, gives it leverage and edge over other competitors.

3. Dependence on Advertisement Revenue:

Advertisement Revenue is main source of revenue directly driving the bottom line. During the year ended on March 31, 2012, advertisement revenue was 77% of total revenue, while corresponding figure for the year ended March 31, 2011 was 79.50%.

◆ Management Perception:

India is an emerging economy and is moving towards becoming developed country. Though we are heavily dependent upon advertisement revenue, but advertisement revenue as a percentage of GDP is far behind against similar ratio for developed countries. India's Advertisement Revenue/GDP is 0.4%, whereas the same for US and other developed countries ranges from 0.8% to 1%. Thus, in view of potential growth in advertisement ad-spend in the economy, management do not foresee any adverse consequences of major dependence upon ad-revenue in future.

4. Emergence of digital media:

Steady rise of digital media in delivering news content could affect the ad-revenue in print media.

◆ Management Perception:

Readers' and consumer's behaviour in Tier 2 and Tier 3

towns is still more inclined towards newspapers for news content and advertisements rather than using digital media for the same. Since company's publication is mainly present in regional market and these towns, which is also seeing rising consumption, management do not foresee an imminent threat on advertising revenue from digital media. However the Company is continuously monitoring emergence of digital media in regional markets and will take appropriate actions at appropriate time to align the business strategy according to market requirements.

FINANCIAL PERFORMANCE:

Sales and other operating Income:

It comprises of newspaper sales, advertisement revenue, event management income, job work charges and scrap and wastage paper sales. The Company achieved a turnover of ₹ 14,418 Million in FY 2011-12 as compared to ₹ 12,564 Million in FY 2010-11 registering a growth of 15%. The growth was prevalent across all revenue streams. Advertising revenue grew from ₹ 10,030 Million to ₹ 11,220 Million registering a growth of 12%.

Other Income:

It comprises of interest income. Other Income earned in FY 2011-12 was ₹ 230 Million as compared to ₹ 216 Million in FY 2010-11.

Raw Material Consumed:

Newsprint consumption increased from ₹ 3,839 Million to ₹ 5,071 Million during the FY 2011-12 registering an increase of 32%. The increase in newsprint cost is attributable to setting up of new units in Jharkhand and Maharashtra and hike in newsprint prices.

Operating Cost:

It mainly comprises of 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 25% due to expansion of business.

Employee Cost:

Employee cost increased by 31% due to setting up of new units in Jharkhand and Maharashtra and also due to normal annual increments.

Depreciation:

Depreciation increased by 17% due to addition of fixed assets mainly on account of expansion of business.

Finance Cost:

Finance Cost decreased from ₹ 149 Million to ₹ 92 Million during the FY 2011-12 registering a decrease of 38%.

Profit Before Taxation:

Profit Before Taxation stood at ₹ 3,065 Million as compared to ₹ 3,670 Million during FY 2010-11. The increase in turnover by 15% was off-set by 28% increase in operational expenditure. The high increase in said expenditure was mainly attributable to setting up of new units in Jharkhand and Maharashtra and hike in newsprint prices. Due to gestation period involved in new units, full revenue potential from said units is yet to accrue.

Utilisation of IPO proceeds:

The total IPO proceeds received by the Company were ₹ 2,690.07 Million. Following are the details of utilization of IPO proceeds till March 31, 2012:

(₹ in Million)

Particulars	Amount to be utilised as per Prospectus	Actual utilisation till March 31, 2012	Balance to be utilised as on March 31, 2012
Setting up new publishing units	600.00	799.72	(199.72)
Upgrading existing plant and machinery	305.00	509.82	(204.82)
Sales and marketing	501.00	3.80	497.20
Reducing working capital loans	41.46	41.46	-
Prepaying existing term loans	1,100.00	1,100.00	-
Issue expenses paid out of IPO proceeds	142.61	111.60	31.01
Total	2,690.07	2,566.40	123.67

INTERNAL CONTROLS:

With the increase in size of operations of the company, the pillars of internal control have also been strengthened to ensure safeguard of all assets of the company across all units and timely authorisation, recording and reporting of all transactions. Standard Operating Procedure (SOP) has been framed for major functions to ensure that all activities therein are process driven with least manual intervention. Existing process of conducting regular internal audit by various independent firms of Chartered Accountants at various locations is further supplemented by Surprise Audits, to ensure that established internal control procedures are followed every time for each transaction.

FUTURE OUTLOOK:

Management feels that forthcoming financial year 2012-13 will continue to remain challenging for Indian Economy in view of structural issues on policy fronts, persistent high inflation and resulting dictated high rate of interest, Euro-zone contagion and depreciating currency and all these factors will weigh heavily on economic growth of the country.

However, with continuous efforts on providing readers with well researched content, focussed working towards the target consumers, innovative solutions to advertisers fraternity and cost rationalisation, management feels that the Company will be able to deliver the desired results on both Top line and Bottom line fronts.

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

Place: Mumbai
Date: July 19, 2012

Sudhir Agarwal
Managing Director

Disclaimer:

It may please be noted that the statements in the Management Discussion and Analysis Report describing the company's objective 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

REPORT ON CORPORATE GOVERNANCE

The report containing the details of governance systems and processes at D. B. Corp Limited (DBCL) in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India and some of the best practices on Corporate Governance:

D. B. Corp Limited has maintained the highest standards of corporate governance principles and best practices by adopting the "D. B. Corp Limited-Code of Conduct". This Code prescribes a set of systems, processes and principles which are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness.

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, government, lenders and society. The Company believes that all its operations and actions must serve the underlying goal of enhancing long-term stakeholder value. To practice sound governance principles, the Company is guided by the following core principles:

- **Transparency**
To maintain the highest standards of transparency in all aspects of interactions and dealings.
- **Disclosure**
To ensure timely dissemination of all information and matters of interest to the stakeholders.
- **Empowerment and Accountability**
To demonstrate the highest levels of personal accountability and to ensure that employees consistently pursue excellence in everything they do.
- **Compliances**
To comply with all the relevant laws, rules and regulations applicable to the Company.
- **Ethical Conduct**
To conduct the affairs of the Company in a prudent and ethical manner.
- **Stakeholders' Interests**
To promote the interests of all the stakeholders including customers, shareholders, employees, lenders, vendors and the society.

GOVERNANCE PRACTICES

We have in place the following set of governance practices:

A. Code of Conduct

Our 'Code of Conduct' covers a comprehensive range of issues such as fair market practices, insider information, financial records and accounting integrity, external communication, work ethics, personnel conduct, health, safety, environment and quality.

B. Prohibition of Insider Trading policy

This policy prohibits trading in the equity shares of the Company based on possession of insider or privileged information before it is published officially.

C. Policy on Prevention of Sexual Harassment

The policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against sexual harassment.

D. Board Room Practice

i. Board Committees

The Board has constituted Audit Committee, Remuneration Committee, Shareholders'/ Investors' Grievance Committee, Compensation Committee and Executive Committee for not just statutory compliance but also for focused attention.

ii. Commitment of Directors

The meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the Board and its Committees is circulated to the Directors. This enables the Directors to plan their commitments and facilitates attendance at the meetings of the Board.

E. Role of the Company Secretary in Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

F. Standards issued by ICSI

The Institute of Company Secretaries of India (ICSI) has issued various 'Secretarial Standards' on key corporate functions like Board Meetings, General Meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal, Forfeiture of Shares and Board's Report. Although these standards are not mandatory, the Company adheres to them voluntarily.

COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

I. BOARD OF DIRECTORS

1. Board Composition

As at 31st March, 2012, the Board consisted of 10 members. The Composition and category of directors on the Board of the Company are as under:

Category	Name of Directors
Promoters	Mr. Ramesh Chandra Agarwal Mr. Sudhir Agarwal
Non-Executive, Non-Independent Directors	Mr. Girish Agarwal Mr. Pawan Agarwal
Non-Executive, Independent Directors	Mr. Ajay Piramal Mr. Kailash Chandra Chowdhary Mr. Piyush Pandey Mr. Harish Bijoor Mr. Ashwani Singhal
Additional Director	Mr. Niten Malhan *

* Mr. Niten Malhan resigned from the Board as a Nominee of Cliffrose Investments Ltd. w.e.f. 27th September, 2011 and thereafter, was appointed as an Additional Director on the Board w.e.f. 28th September, 2011.



Details of Directors being appointed and re-appointed:

As per the Companies Act, 1956 and the Articles of Association of the Company, not less than two-third of the total number of directors should retire by rotation. One third of these retiring directors are required to retire every year by rotation and if eligible, these directors qualify for re-appointment.

Mr. Ramesh Chandra Agarwal, Mr. Girish Agarwal and Mr. Pawan Agarwal, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

Further, Mr. Niten Malhan was appointed as an Additional Director of the Company during the year and as per provisions of Section 260 of the Companies Act, 1956, he holds this office till the conclusion of the ensuing Annual General Meeting. His appointment as a Director liable to retire by rotation is proposed for consideration by the members at the ensuing Annual General Meeting.

A brief resume of the Directors being appointed/re-appointed at the forthcoming Annual General Meeting:

1. Name of the Director	Mr. Ramesh Chandra Agarwal
Date of Birth	15 th June, 1944
Date of Appointment	10 th December, 2005
Areas of Experience	He has over 44 years of experience in the publishing and newspaper business and has been successfully leading the Dainik Bhaskar Group for over four decades. Currently, he is also the Chairman of the Federation of Indian Chambers of Commerce and Industry of Madhya Pradesh. He has recently been awarded the Rajeev Gandhi Lifetime Achievement Award in Journalism. Besides, he has been recipient of various awards in the past and has been held as within 50 most powerful Business houses by India Today Magazine in 2003, 2006 and 2007.
Educational Qualifications	Post Graduate Degree (Masters in Arts) in Political Science from Bhopal University,
Companies in which he holds Directorship	As per list given below
Membership/Chairmanship of Board Committees	Member - Executive Committee
Shareholding	32,010,062 shares

Directorship List of Mr. Ramesh Chandra Agarwal

S.N.	Name of the Company	S.N.	Name of the Company
01	Writers & Publishers Pvt. Ltd.	14	Bhaskar Industries Ltd.
02	Bhaskar Publications and Allied Industries Pvt. Ltd.	15	Bhaskar Multinet Ltd.
03	SA Trading & Investments Pvt. Ltd.	16	DB Power Ltd.
04	DB Energy and Foods Pvt. Ltd.	17	D. B. Corp Ltd.
05	Diligent Power Pvt. Ltd.	18	Diva Oil & Gas Ltd.
06	Devasree Inframine Pvt. Ltd.	19	DB Power (Madhya Pradesh) Ltd.
07	Dhanshree Mines Pvt. Ltd.	20	Sharda Solvent Ltd.
08	Bhaskar Inframine Pvt. Ltd.	21	Stitex Global Ltd.
09	Divine Inframine Pvt. Ltd.	22	India Interactive Technologies Ltd.
10	Dynamic Inframine Pvt. Ltd.	23	Bhaskar Infraventure Ltd.
11	JGB Builders Pvt. Ltd.	24	Soyabean Processors Association of India
12	Bhaskar Foods Pvt. Ltd.	25	Bhaskar Global Private Ltd. (Sri Lankan Co.)
13	Bhaskar Exxoils Pvt. Ltd.		

2. Name of the Director	Mr. Girish Agarwal
Date of Birth	10 th July, 1971
Date of Appointment	27 th October, 1995
Areas of Experience	He has about 19 years of experience in publishing business and has been with the organization since beginning of his career. He is also an active member of INS (Indian Newspaper Society). He holds the distinction of being the youngest chairman of INS for Madhya Pradesh region. He was also awarded the Entrepreneur of the Year for the year 2006 by Ernst & Young in the category IT, Communications & Entertainment. Further, he was a proud recipient of "Outstanding Entrepreneur Award" in APEA (Asia Pacific Entrepreneur Awards) given by Enterprise Asia, a Kuala Lumpur based organization recently. Under his leadership, Dainik Divya Bhaskar, the leading Gujarati Newspaper of the group has won the 'Best in Print' (Bronze), an honor bestowed by IFRA Asia Pacific. "Best in Print" is about the quality and consistency in printing demonstrated by a publication through a period of time and Divya Bhaskar was the only regional newspaper from India to win this prestigious award.
Educational Qualifications	Commerce Graduate
Companies in which he holds Directorship	As per list given below
Membership/Chairmanship of Board Committees	Shareholders'/Investors' Grievance Committee - Chairman Remuneration Committee - Member Audit Committee - Member Executive Committee - Member
Shareholding	16,360,186 shares

Directorship List of Mr. Girish Agarwal:

S.N.	Name of the Company	S.N.	Name of the Company
01	Bhaskar Foods Pvt. Ltd.	26	Bhaskar Entertainment & Media Pvt. Ltd.
02	Bhaskar Publications and Allied Industries Pvt. Ltd.	27	DB Power (Jharkhand) Pvt. Ltd.
03	Bhaskar Bio-fuels Pvt. Ltd.	28	DB Energy and Foods Pvt. Ltd.
04	Bhaskar Exxoils Pvt. Ltd.	29	Demeurer Developers Pvt. Ltd.
05	D B Malls Pvt. Ltd.	30	Le Soleil Developers Pvt. Ltd.
06	Regency Agro Products Pvt. Ltd.	31	Daksh Energy Pvt. Ltd.
07	Saurashtra Samachar Pvt. Ltd.	32	Vindhya Power Pvt. Ltd.
08	Surge Developers Pvt. Ltd.	33	Deligent Hotel Corporation Pvt. Ltd.
09	Writers and Publishers Pvt. Ltd.	34	Bhaskar United Sporting Pvt. Ltd.
10	DB Partners Enterprises Pvt. Ltd.	35	JGB Builders Pvt. Ltd.
11	Hathway Bhaskar Multinet Pvt. Ltd.	36	Divya Dev Developers Pvt. Ltd.
12	DB Buildcon Pvt. Ltd.	37	DB Publications Pvt. Ltd.
13	Vindhya Solvent Pvt. Ltd.	38	Yoman Infrastructure Pvt. Ltd.
14	Aarkey Aditya Developers Pvt. Ltd.	39	Dev Enterprises Pvt. Ltd.
15	Delta Coal & Mining Pvt. Ltd.	40	Divya Trading Pvt. Ltd.
16	Vastu Mines Pvt. Ltd.	41	Diligent Power Pvt. Ltd.
17	Dolby Mining & Power Pvt. Ltd.	42	Dolby Power & Energy Pvt. Ltd.
18	Vista Natural Resources Pvt. Ltd.	43	DB Microfinance Pvt. Ltd.
19	D. B. Corp Ltd.	44	Shourya Diamonds Ltd.
20	Diligent Media Corporation Ltd.	45	DB Power (Madhya Pradesh) Ltd.
21	Bhaskar Industries Ltd.	46	Ample Power Ltd.
22	Bhaskar Infraventure Ltd.	47	DB Power (Chhattisgarh) Ltd.
23	Synergy Media Entertainment Ltd.	48	Bhaskar News Media Ltd.
24	Diva Oil & Gas Ltd.	49	DB Power Ltd.
25	Sharda Solvent Ltd.	50	Bhaskar Infrastructure Ltd.

3. Name of the Director	Mr. Pawan Agarwal
Date of Birth	31 st July, 1974
Date of Appointment	10 th December, 2005
Areas of Experience	He has over 13 years of experience in publishing business and has started his career with the Group. He heads entire production and information technology department of the Company. Besides, he is also heading the Radio Business of the Company. He has received an award from Indian Language Newspaper Association in October, 2007 at the hands of the Prime Minister of India for promoting and growing the regional language habits for the newspaper readers.
Educational Qualifications	Bachelor's Degree in Industrial Engineering from Purdue University, USA.
Companies in which he holds Directorship	As per list given below
Membership/Chairmanship of Board Committees	Shareholders'/ Investors' Grievance Committee - Member Compensation Committee - Member Executive Committee - Member
Shareholding	18,557,808 shares

Directorship List of Mr. Pawan Agarwal:

S.N.	Name of the Company	S.N.	Name of the Company
01	Writers and Publishers Pvt. Ltd.	20	Bhaskar United Sporting Pvt. Ltd.
02	Bhaskar Multimedia Pvt. Ltd.	21	Diligent Pinkcity Center Pvt. Ltd.
03	D B Infrastructure Pvt. Ltd.	22	JGB Builders Pvt. Ltd.
04	Saurashtra Samachar Pvt. Ltd.	23	Bhaskar Broadcasting Corporation Ltd.
05	Regency Agro Products Pvt. Ltd.	24	Bhaskar Industries Ltd.
06	Bhaskar Housing Development Co. Pvt. Ltd.	25	D. B. Corp Ltd.
07	Surge Developers Pvt. Ltd.	26	India Interactive Technologies Ltd.
08	Divya Prabhat Publications Pvt. Ltd.	27	DB Power (Madhya Pradesh) Ltd.
09	Bhaskar Airlines (India) Pvt. Ltd.	28	DB Power (Chhattisgarh) Ltd.
10	Direct (OOH) Media Pvt. Ltd.	29	Bhaskar News Media Ltd.
11	Dimension Media Pvt. Ltd.	30	I Media Corp Ltd.
12	Bhaskar Exxoils Pvt. Ltd.	31	Synergy Media Entertainment Ltd.
13	DB Partners Enterprises Pvt. Ltd.	32	Diligent Media Corporation Ltd.
14	Chambal Tradings Pvt. Ltd.	33	DB Power Ltd.
15	DB Minings Pvt. Ltd.	34	Shourya Diamonds Ltd.
16	DB Metals Pvt. Ltd.	35	The Indian Newspaper Society
17	Dynamic Infraventure Pvt. Ltd.	36	Virat Infraventures Pvt. Ltd.
18	Diligent Power Pvt. Ltd.	37	D B Microfinance Pvt. Ltd.
19	Dolby Power & Energy Pvt. Ltd.		

4. Name of the Director	Mr. Niten Malhan
Date of Birth	2 nd August, 1971
Date of Appointment	28 th September, 2011
Areas of Experience	He is the Managing Director of Warburg Pincus India Private Limited. He focuses on the investment advisory activities of the Warburg Pincus Group in India. Earlier, he was a Director of Business Development from 2000 to 2001 at Stratum 8 Corporation, a Silicon Valley technology start up. He has about 17 years of business experience in various organizations on business building, strategizing and merger and acquisition issues across a range of industries.
Educational Qualifications	Degree in Computer Science from IIT Delhi and Masters in business administration from the Indian Institute of Management, Ahmedabad.
Companies in which he holds Directorship	As per list given below
Membership/Chairmanship of Board Committees	Audit Committee - Member Shareholders'/Investors' Grievance Committee - Member, Compensation Committee - Member, Remuneration Committee - Member Executive Committee - Member
Shareholding	Nil

Directorship List of Mr. Niten Malhan:

S. N.	Name of the Company	S. N.	Name of the Company
01	ACB (India) Ltd.	07	Lemon Tree Hotels Pvt. Ltd.
02	ATC Tires Pvt. Ltd.	08	Metropolis Healthcare Ltd.
03	D. B. Corp Ltd.	09	Punj Lloyd Ltd.
04	Diligent Power Pvt. Ltd.	10	Spank Hotels Pvt. Ltd.
05	DB Power (Madhya Pradesh) Ltd.	11	Warburg Pincus India Pvt. Ltd.
06	D B Power Ltd.	12	Havells India Ltd.

2. Conduct of Board Proceedings

The day-to-day business is conducted by the executives and business heads of the Company under the direct control of the Managing Director who acts under the supervision and directions of the Board. The Board holds minimum four meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board performs the following specific functions in addition to overseeing the business and the management:

- review, monitor and approve major financial and business strategies and corporate actions;
- assess critical risks facing the Company - review options for their mitigation;
- provide guidance on the selection, evaluation, development and compensation of senior management;
- ensure that the processes are in place for maintaining the integrity of
 - a. the Company
 - b. the financial statements
 - c. compliance with law
 - d. relationships with all the stakeholders
- delegation of appropriate authority to various Committee/s of the Board and the senior executives of the Company for effective management of operations.

3. Board Meetings

The Board held 4 meetings during the financial year 2011-12 on 18th May, 2011, 21st July, 2011, 20th October, 2011 and 23rd January, 2012. At least one meeting of the Board of Directors was held in every quarter and maximum time gap between two meetings was less than 4 months. All these meetings were held in Mumbai.

4. Attendance of Directors

Attendance of Directors at the Board Meetings held during the year 2011-12, the last Annual General Meeting of the Company held on 8th July, 2011 and the details of Directorships (calculated as per provisions of Section 275 and 278 of the Companies Act, 1956), Committee Chairmanships and Committee Memberships held by the Directors as on 31st March, 2012 are as follows:

Name of the Director	No. of Board meetings attended during the year 2011-12	Attendance at the last AGM held on 8 th July, 2011	No. of Directorships (including DBCL)	No of Committee(s)' Memberships ^a	
				Member-ships	Chairman-ships
Mr. Ramesh Chandra Agarwal	4	No	11	Nil	1
Mr. Sudhir Agarwal	3	No	12	2	1
Mr. Girish Agarwal	4	No	14	2	1
Mr. Pawan Agarwal	4	Yes	13	1	2
Mr. Niten Malhan	3	No	7	8	Nil
Mr. Ajay Piramal	Nil	No	5	Nil	Nil
Mr. Kailash Chandra Chowdhary	4	Yes	2	Nil	2
Mr. Piyush Pandey	3	No	1	1	Nil
Mr. Harish Bijoor	3	No	2	1	Nil
Mr. Ashwani Singhal	3	No	3	1	Nil

- (a) Directorships in Public Limited Companies are only considered.
 (b) Memberships/Chairmanships in the Audit Committees and Shareholders' Grievance Committees are only considered.

II. AUDIT COMMITTEE

In terms of Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956, the Audit Committee was constituted by the Board. At present, the Committee consists of five members including four Non-Executive Independent Directors and one Non-Executive Non-Independent Director. Mr. Kailash Chandra Chowdhary, an Independent Director is the Chairman of the Committee. All members of the Committee are financially literate.

The Audit Committee, inter alia, advises the management on the areas where systems, processes and measures for controlling and monitoring revenue assurance, internal audit, etc. can be improved. The minutes of the meetings of the Audit Committee are placed before the Board. The terms of reference of the Audit Committee are in accordance with Clause 49(II) of the Listing Agreement.

During the year, the Committee met four times on 18th May, 2011, 21st July, 2011, 20th October, 2011 and 23rd January, 2012. The following table provides the composition of the Audit Committee and attendance of members at the meetings of the committee held during the financial year 2011-12:

Members	Chairman/ Member	Category	No. of meetings attended
Mr. Kailash Chandra Chowdhary	Chairman	Non-Executive, Independent Director	4
Mr. Girish Agarwal	Member	Non-Executive, Non-Independent Director	4
Mr. Niten Malhan*	Member	Non-Executive, Independent Director	3
Mr. Piyush Pandey	Member	Non-Executive, Independent Director	3
Mr. Ashwani Singhal	Member	Non-Executive, Independent Director	3

* Mr. Niten Malhan ceased to be the member w.e.f. 27th September, 2011 and thereafter appointed as member of the Committee w.e.f. 20th October, 2011.

The Company Secretary of the Company acts as the Secretary to the Audit Committee.

III. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Shareholders' / Investors' Grievance Committee consists of four members including one Executive Non-Independent, two Non-Executive Non-Independent and one Non-Executive Independent Directors. Mr. Girish Agarwal, Non-Executive Director is the Chairman of the Committee. The Company has appointed Karvy Computershare Private Limited to act as Registrar and Transfer Agent of the Company.

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 Registrar and Transfer Agents of the Company (RTA) and recommends measures for overall improvement in the quality of investor services.

During the year, the Committee met four times on 18th May, 2011, 21st July, 2011, 20th October, 2011 and 23rd January, 2012. The following table provides the composition of the Shareholders'/Investors' Grievance Committee and attendance of the members at the meetings of the Committee held during the financial year 2011-12:

Members	Chairman/ Member	Category	No. of meetings attended
Mr. Girish Agarwal	Chairman	Non-Executive, Non-Independent Director	4
Mr. Pawan Agarwal	Member	Non-Executive, Non-Independent Director	4
Mr. Sudhir Agarwal	Member	Executive, Non-Independent Director	3
Mr. Niten Malhan*	Member	Non-Executive, Independent Director	3

* Mr. Niten Malhan ceased to be the member w.e.f. 27th September, 2011 and thereafter appointed as member of the Committee w.e.f. 20th October, 2011.

The Company Secretary of the Company acts as the Secretary to the Shareholders'/Investors' Grievances Committee.

At the close of the year under review on 31st March, 2012, 182 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 off accordingly, as reported by the RTA of the company.

IV. REMUNERATION COMMITTEE

Remuneration Committee consists of four members and Mr. Kailash Chandra Chowdhary, Independent Director is the Chairman of the Committee.

The Remuneration Committee determines the Company's remuneration policy, having regard to performance standards and existing industry practice. Under the existing policies, the Remuneration Committee determines the remuneration payable to the Directors. Apart from this, 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 and employee development programmes.

During the year, the committee met once on 18th May, 2011. The following table provides the composition of the Remuneration Committee and attendance of the members at that meeting of the Committee held during the financial year 2011-12:

Members	Chairman/ Member	Category	No. of meetings Attended
Mr. Kailash Chandra Chowdhary	Chairman	Non-Executive, Independent Director	1
Mr. Girish Agarwal	Member	Non-Executive, Non-Independent Director	1
Mr. Ajay Piramal	Member	Non-Executive, Independent Director	0
Mr. Niten Malhan*	Member	Non Executive, Independent Director	1

* Mr. Niten Malhan ceased to be the member w.e.f. 27th September, 2011 and thereafter appointed as member of the Committee w.e.f. 20th October, 2011.

The Company Secretary of the Company acts as the Secretary to the Remuneration Committee.

None of the Directors have been granted any stock option. During the financial year 2011-12, the term of Mr. Sudhir Agarwal, as the Managing Director of the Company had expired on 31st December, 2011 and he was re-appointed for a further period of 5 years from 1st January, 2012 to 31st December, 2016, on an annual remuneration of ₹ 60,00,000/- as per the approval of Remuneration Committee and the Board of Directors obtained on 18th May, 2011 and Shareholder's approval obtained on 8th July, 2011. As per the agreement, he is not paid any sitting fees for attending the meetings of the Board or any Committee.

During the financial year 2011-12, the Company has paid remuneration to its Executive Director as per the details given below:

(in ₹)

Name of the Director	Salaries and perquisites
Mr. Sudhir Agarwal, Managing Director	36,00,000/- p.a. upto 31.12.2011 & 60,00,000/- p.a. w.e.f. 01.01.2012

Details of sitting fees paid to Non-Executive Directors for the year ended 31st March, 2012 are as under:

(in ₹)

Name of the Director	Sitting fees
Mr. Ramesh Chandra Agarwal	80,000
Mr. Girish Agarwal	80,000
Mr. Pawan Agarwal	80,000
Mr. Niten Malhan*	Nil
Mr. Kailash Chandra Chowdhary	1,85,000
Mr. Ajay Piramal	Nil
Mr. Piyush Pandey	1,35,000
Mr. Harish Bijoor	60,000
Mr. Ashwani Singhal	1,35,000
Total	7,55,000

* Mr. Niten Malhan was not eligible for sitting fees on or before 27th September, 2011 since he was a Nominee Director. Thereafter, when he was appointed as an Additional Director, he became eligible but opted not to accept any sitting fees for attending meetings of the Board and Committees.

V. COMPENSATION COMMITTEE

Compensation Committee consists of five members and Mr. Kailash Chandra Chowdhary, Non-Executive Independent Director is the Chairman of the Committee.

With a view to comply with the provisions of the SEBI (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999 and other provisions as applicable, the Board has constituted a Compensation Committee. The main scope of functions of this committee are administration, implementation, execution and monitoring of the Employees' Stock Option Scheme/s of the Company from time to time.

During the year, four meetings of the Compensation Committee were held on 18th May, 2011, 21st July, 2011, 20th October, 2011 and 23rd January, 2012. The following table provides the composition of the Compensation Committee and attendance of members at the meetings of the Committee held during the financial year 2011-12:

Members	Chairman/ Member	Category	No. of meetings attended
Mr. Kailash Chandra Chowdhary	Chairman	Non-Executive, Independent Director	4
Mr. Piyush Pandey	Member	Non-Executive, Independent Director	3
Mr. Pawan Agarwal	Member	Non-Executive, Non-Independent Director	4
Mr. Niten Malhan*	Member	Non-Executive, Independent Director	3
Mr. Ashwani Singhal	Member	Non-Executive, Independent Director	3

* Mr. Niten Malhan ceased to be the member w.e.f. 27th September, 2011 and thereafter, appointed as member of the Committee w.e.f. 20th October, 2011.

The Company Secretary of the Company acts as the Secretary to the Compensation Committee.

VI. EXECUTIVE COMMITTEE

Executive Committee consists of five members and Mr. Ramesh Chandra Agarwal, Non-Executive, Non-Independent Director is the Chairman of the Committee.

The Executive Committee handles matters related to the day-to-day operations of the Company and any other matter delegated by the Board.

During the year, three meetings of the Executive Committee were held on 25th August, 2011, 12th September, 2011 and 21st November, 2011. The following table provides the composition of the Executive Committee and attendance of the members at the meetings of the Committee held during the Financial year 2011-12:

Members	Chairman/ Member	Category	No. of meetings attended
Mr. Ramesh Chandra Agarwal	Chairman	Non-Executive, Non-Independent Director	2
Mr. Sudhir Agarwal	Member	Executive, Non- Independent Director	3
Mr. Girish Agarwal	Member	Non-Executive, Non-Independent Director	1
Mr. Pawan Agarwal	Member	Non-Executive, Non-Independent Director	3
Mr. Niten Malhan*	Member	Non-Executive, Independent Director	0

* Mr. Niten Malhan ceased to be the member w.e.f. 27th September, 2011 and thereafter, appointed as member of the Committee w.e.f. 20th October, 2011.



DB Corp Ltd

The Company Secretary of the Company acts as the Secretary to the Executive Committee.

VII. GENERAL BODY MEETINGS

The details of last three Annual General Meetings of the Company are as under:

Year	Date and Time	Special Resolution Passed, if any
2008-09	25 th July, 2009 4.00 p.m.	Resolution u/s 81(1A) of the Companies Act, 1956 to offer and allot shares through an Initial Public Offer ("IPO")
2009-10	20 th July, 2010 4.00 p.m.	Nil
2010-11	8 th July, 2011 4.00 p.m.	Resolution for re-appointment of Mr. Sudhir Agarwal, Managing Director of the Company for a period of 5 years w.e.f. 1 st January, 2012

All the above Annual General Meetings were held at the Registered Office of the Company at Ahmedabad.

VIII. POSTAL BALLOT

The Company had not conducted any Postal Ballot during the year and none of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

IX. MEANS OF COMMUNICATION

- Publication of Results:** The Unaudited Quarterly Results & Audited Results of the Company are published in English daily newspaper circulating in substantially the whole of India and in Gujarati daily newspaper for the information of the shareholders and are also posted on the Company's website www.bhaskarnet.com.
- Press Release and Presentations:** Official press releases are sent to the Stock Exchanges. Presentation made to media, analyst, institutional investors, etc. are posted on the Company's website.
- Website:** The Company's website contains a separate dedicated section "Our Investors". It contains comprehensive database of information of interest to the investors including the financial results and Annual Reports of the Company, any information disclosed to the regulatory authorities from time to time, business activities and the services rendered/ facilities extended by the Company to the investors, in a user friendly manner. The basic information about the Company as called for in terms of clause 54 of the Listing Agreement is provided on this website and the same is updated regularly.
- Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditor's Report and other important information is circulated to members and others entitled thereto and is also uploaded on the Company's website.
- Designated email-id:** The Company has also designated the email-id dbcs@dainikbhaskargroup.com for investor servicing.

X. 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. The related party transactions with subsidiary companies and others are disclosed in "Notes to Accounts" under schedules to financial statements.
- Since, the date of listing of the company's shares in January, 2010, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any other statutory authority for non-compliance of any matter.
- The Company has adopted the Code of Conduct for its Directors and Senior Management Personnel. The Board members and Senior Management Personnel have affirmed their compliance with the code and a declaration signed by the Managing Director of the Company confirming this as prescribed under Clause 49(I)(D) of the Listing Agreement is appended to this Report.
- The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. From among the non-mandatory requirements, the Board has constituted a Remuneration Committee.

XI. GENERAL SHAREHOLDERS' INFORMATION:

Annual General Meeting: The Annual General Meeting (AGM) for the financial year 2011-12 will be held on Wednesday, 5th September, 2012 at 4.00 p.m. at the Registered Office of the Company.

Financial Year of the Company: The Financial Year of the Company is from 1st day of April in a year till 31st day of March in the next succeeding year.

Website: www.bhaskarnet.com contains section 'Our Investors' It carries comprehensive information of interest to the investors including that on the results of the Company, any information disclosed to the regulatory authorities from time to time, business activities of the company and the services rendered / facilities extended by the Company to the investors.

Dedicated email id for investors: For the convenience of our investors, the Company has designated an email id for investors i.e. dbcs@dainikbhaskargroup.com.

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 Agent of the Company at the following address may be contacted:

Karvy Computershare Pvt. Ltd.
(Unit: D. B. Corp Limited)
Plot no. 17 to 24, Vittalrao Nagar
Madhapur, Hyderabad - 500 081
Tel No: 040-44655000
Fax No: 040-23420814
Contact person: Mr. U. S. Singh

Book closure dates for the purpose of AGM: The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 29th August, 2012 to Wednesday, 5th September, 2012 (both days inclusive) for the purpose of AGM.

Equity Shares held in Suspense Account:

In term of Clause 5A.I of the Listing Agreement, the Company reports that 247 Shares of 6 shareholders are lying in the Demat Suspense Account as on 31st March, 2012 since they are still unclaimed by the respective allottee under Initial Public Offer of the Company in January, 2010.

Shareholding Pattern as on 31st March, 2012:

SN.	Category	No. of Holders	Total Shares	Percentage
1	Promoters	10	116836922	63.74
2	Promoter Bodies Corporate	7	41595057	22.69
3	Foreign Institutional Investor	43	8878431	4.84
4	Overseas Corporate Bodies	1	1404	0.00
5	Mutual Funds	35	8578971	4.68
6	Resident Individuals	11281	1270551	0.69
7	Bodies Corporate	237	5624322	3.07
8	H U F	479	498081	0.27
9	Non Resident Indians	97	22296	0.01
10	Clearing Members	33	2289	0.01
11	Indian Financial Institutions	1	30	0.00
	Total	12224	183308354	100.00

Distribution of Shareholding as on 31st March, 2012:

Share or debenture holding of nominal value ₹	Share/debenture holders		Share/debenture Amount ₹	
	Number	% to Total	in ₹	% to Total
Upto - 5000	11932	97.61	7501800	0.41
5001 - 10000	93	0.77	738050	0.04
10001 - 20000	42	0.34	626820	0.03
20001 - 30000	16	0.13	399080	0.02
30001 - 40000	15	0.12	530380	0.03
40001 - 50000	13	0.11	605570	0.03
50001 - 100000	15	0.12	1116070	0.06
100001 & Above	98	0.80	1821565770	99.38
Total	12224	100.00	1833083540	100.00

Share Transfer System:

The process of recording of share transfers, transmissions, etc., for shares held in electronic form is handled by 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 transfer 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.

Dematerialisation of shares and Liquidity:

The Company has admitted its shares to the depository system of National Securities Depository Limited (NSDL) and Central

Depository Services (India) Limited (CDSL) for dematerialisation of Shares. The International Securities Identification Number (ISIN) allotted to the Company is INE950I01011. The equity shares of the Company are compulsorily traded in dematerialised form as mandated by SEBI.

As on 31st March, 2012, status of the dematerialised and physical form of shares of the Company is as under:

Shares held in	No. of Shares	%
Electronic Form with CDSL	3,16,335	0.17
Electronic Form with NSDL	18,29,89,844	99.83
Physical Form	2,175	0.00
Total	18,33,08,354	100

Green Initiative in Corporate Governance:

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with circular no. 17/2011 dated April 21, 2011 and circular no. 18/2011 dated April 29, 2011 issued by the Ministry, companies can send various notices and documents, including Annual Report, to its shareholders through electronic mode to the registered e-mail addresses of its shareholders. This initiative of MCA will reduce paper consumption to a great extent and enhance corporate contribution to a greener and safer environment.

All shareholders of the Company can contribute to this initiative and reduce paper usage by opting to receive various notices and documents through electronic mode to their registered e-mail address.

Company had written vide letter dated 26th May, 2011 to all its shareholders who have registered their e-mail address with the depository/Company seeking their consent to use their e-mail address for sending documents including Annual Report through email. Others were also appealed to register their e-mail and opt for receiving all the communication through e-mail. Accordingly, the Company has sent last year's annual report through e-mail to the shareholders who have registered their e-mail address with the depository/Company.

All the shareholders are requested to contribute to this initiative and reduce paper usage by opting to receive various notices and documents through electronic mode to their registered e-mail address with the depository/Company. The shareholders who hold shares in physical form can also register their e-mail address with the Registrar and Transfer Agent - Karvy Computer Share Private Limited.

However, those who want to receive hard copies of all the communication have to make a specific request to the company by sending a letter in this regard.

Stock Exchange Listings:

The shares of the Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Annual Listing fees for the year 2012-13 have been paid to both these Stock Exchanges.

Stock Code:

BSE Limited : Scrip Code / Symbol - 533151 / DBCORP.



National Stock Exchange of India Limited : Scrip Symbol: DBCORP.

The GDR/ADR/Convertible instruments:

The Company has not issued any GDR/ADR/Convertible instruments during the financial year 2011-12.

Stock market price data for the year 2011-12:

Company's shares are listed on BSE Ltd. and National Stock Exchange of India Ltd. The Market quotation of Company's scrip on BSE and NSE is as follows:

(price in ₹)

Month	BSE share price		Sensex		NSE share price		S&P CNX Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr 2011	264.00	245.00	19811.14	18976.19	298.00	241.00	5944.45	5693.25
May 2011	254.00	228.55	19253.87	17786.13	256.00	226.00	5775.25	5328.70
Jun 2011	244.65	226.30	18873.39	17314.38	244.00	228.20	5657.90	5195.90
Jul 2011	257.70	222.00	19131.70	18131.86	257.70	222.00	5740.40	5453.95
Aug 2011	253.35	226.00	18440.07	15765.53	255.00	225.00	5551.90	4720.00
Sept 2011	245.50	200.00	17211.80	15801.01	250.00	200.20	5169.25	4758.85
Oct 2011	243.45	186.10	17908.13	15745.43	242.70	193.15	5399.70	4728.30
Nov 2011	227.70	197.25	17702.26	15478.69	228.70	196.15	5326.45	4639.10
Dec 2011	216.95	176.55	17003.71	15135.86	225.00	173.00	5099.25	4531.15
Jan 2012	213.80	170.00	17258.97	15358.02	214.20	180.05	5217.00	4588.05
Feb 2012	210.00	191.90	18523.78	17061.55	209.70	190.25	5629.95	5159.00
Mar 2012	222.70	199.10	18040.69	16920.61	224.00	200.00	5499.40	5135.95

Shares held by Directors:

The details of the shares held by the Directors of the Company as at 31st March, 2012 are as under:

Name of the Director	No. of Equity Shares held
Mr. Ramesh Chandra Agarwal	32,010,062
Mr. Sudhir Agarwal	19,139,206
Mr. Girish Agarwal	16,360,186
Mr. Pawan Agarwal	18,557,808
Mr. Niten Malhan	Nil
Mr. Kailash Chandra Chowdhary	Nil
Mr. Ajay Piramal	Nil
Mr. Piyush Pandey	Nil
Mr. Harish Bijoor	Nil
Mr. Ashwani Singhal	Nil

Key Financial Reporting Dates for the Financial Year 2011-12:

Unaudited results for the first quarter ended 30 th June, 2012:	On or before 14 th August, 2012
Unaudited results for the second quarter/half year ended 30 th September, 2012:	On or before 14 th November, 2012
Unaudited results for the third quarter ended 31 st December, 2012:	On or before 14 th February, 2013
Audited results for the financial year 2012-13:	On or before 30 th May, 2013

XII. Other Information:

1. Permanent Account Number (PAN) for transfer of shares in physical form mandatory:

SEBI vide its Circular dated May 20, 2009 has stated that for securities market transactions and off-market transactions of

listed companies involving transfer of shares in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company's RTA for registration of such transfer of shares.

2. Insider Trading:

In order to prohibit insider trading and protect the rights of innocent investors, SEBI has enacted the SEBI (Prohibition of Insider Trading) Regulations, 1992. As per Regulation 13 of the said Regulations, initial and continual disclosures are required to be made by investors as under:

Initial Disclosure

As per sub-regulation (1), any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company in Form A, the number of shares or voting rights held by such person, on becoming such holder, within 2 working days of: (a) the receipt of intimation of allotment of shares; or (b) the acquisition of shares or voting rights, as the case may be.

Continual Disclosure

As per sub-regulation (3), any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company in Form C, the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds 2% of total shareholding or voting rights in the Company.

3. SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralised web based complaints redress system. The salient features of this system are: Centralised database of all complaints, Online upload of Action Taken Reports (ATRs) by the concerned companies and Online viewing by investors of actions taken on the complaint and its current status. The investors can visit <http://scores.gov.in> for lodging a complaint against any company and to check the status of their complaint.

4. Un-claimed Dividend:

As per recently enacted Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, every company has to upload details of unclaimed dividend that has been declared and paid in the past but still lie unpaid in the bank account. This is to be done on MCA portal, on Investor Education & Protection Fund portal and also on the Company's website.

This needs to be done within 90 days of Annual General Meeting and every year thereafter till completion of the 7 years. For the financial year ended 31st March, 2011, the information is to be filed latest by 31st July, 2012.

The Company has consistently paid dividend since its IPO and accordingly details in respect of each of such dividends are being uploaded on the portals as prescribed. The dividend payment dates for the latest three dividends paid by the company are:

- Final Dividend for FY 2010-11: 26th July, 2011
- Interim Dividend for FY 2011-12: 17th February, 2012
- 2nd Interim Dividend for FY 2011-12: 25th May, 2012

5. Address for correspondence:

Investors' correspondence may be addressed to the Registrar/Compliance Officer of the Company. Shareholders/Investors are requested to forward documents related to share transfer, dematerialization requests (through their respective Depository Participant) and other related correspondence directly to Karvy Computershare Private Limited at the below mentioned address for speedy response:

Karvy Computershare Pvt. Ltd.
(Unit: D. B. Corp Limited)
Plot No. 17 to 24, Vittalrao Nagar
Madhapur, Hyderabad - 500 081
Tel No: 040-44655000
Fax No: 040-23420814/0857

Shareholders' / Investors' can also send the above correspondence to the Compliance Officer of the Company at the following address:

Anita Gokhale
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/ 26597217
e-mail: dbcs@dainikbhaskargroup.com

For D. B. Corp Limited

Place: Mumbai
Date: July 19, 2012

Anita Gokhale
Company Secretary

Auditors' Certificate on Compliance with the conditions of Corporate Governance

To
The Members of D. B. Corp Limited,

We have examined the compliance of conditions of Corporate Governance of D. B. Corp Limited (the 'Company'), for the year ended 31st March, 2012, as stipulated under Clause 49 the Listing Agreement with the Stock Exchange(s).

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 of 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
Place : Mumbai
Date: July 19, 2012

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

per Navin K. Gupta
Partner
Membership No.: 75030

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 ended 31st March, 2012, the Company has received a declaration of compliance with the Code of Conduct as applicable to them, from the Members of the Board and the Senior Managerial Personnel of the Company.

Place: Mumbai
Date: July 19, 2012

Sudhir Agarwal
Managing Director

CEO/CFO Certification Pursuant to Clause 49 of the Listing Agreement

To,

**The Board of Directors
D. B. Corp Limited**

This is to certify that:

- a) We have reviewed the financial statements and the cash flow statement for the financial year 2011-12 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, wherever applicable, to the Auditors and the Audit Committee:
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in notes to the financial statements; and
 - iii. instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For D. B. Corp Limited

Place: Mumbai
Date: July 19, 2012

Sudhir Agarwal
Managing Director

P. G. Mishra
Chief Financial Officer

D. B. Corp Limited

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, 2012 and also the Statement of Profit and Loss 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 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, 2012;
 - (b) in the case of the statement of profit and loss, 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
Place: Mumbai
Date: July 19, 2012

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

per Navin K. Gupta
Partner
Membership No. 75030

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted unsecured loans to two companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was ₹ 398,480,136 and the year end balance of loans granted was ₹ 87,499,992.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans granted to one of the parties, repayment of the principal amount is as stipulated and payment of interest have been regular. In respect of loans granted to other party, we are informed that the loans including interest thereon are re-payable on demand. The party has repaid the principal amount and the interest during the year.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Act.
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, clauses 4 (iii) (f) and (g) of the Order are not applicable and hence not commented upon.
- (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, we have not observed any major weakness or continuing failure to correct any major weakness in internal control system of the Company in respect of these areas.
- (v)(a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees Five Lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, related to the manufacture of newspaper, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

- (ix)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, cess and other material 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 outstanding 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 ₹	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax dues	25,385,620	Assessment year 2009-10	Assistant 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 before 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 year.

For S.R. Batliboi & Associates
Firm Registration Number: 101049W
Chartered Accountants

per Amit Majmudar
 Partner
 Membership No. 36656
Place: Mumbai
Date: July 19, 2012

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

per Navin K. Gupta
 Partner
 Membership No. 75030

D. B. Corp Limited

Balance sheet as at March 31, 2012

	Notes	March 31, 2012 ₹	March 31, 2011 ₹
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,833,093,540	1,832,842,310
Reserves and surplus	4	7,765,265,687	6,720,368,039
		9,598,359,227	8,553,210,349
Non-current liabilities			
Long-term borrowings	5	1,028,578,808	1,384,238,320
Other long term liabilities	6	292,421,372	261,314,338
Deferred tax liabilities (net)	7	745,798,195	694,597,627
Long-term provisions	8	30,707,524	35,454,438
		2,097,505,899	2,375,604,723
Current liabilities			
Short-term borrowings	9	772,249,360	336,780,592
Trade payables	10	1,073,945,168	761,066,405
Other current liabilities	10	1,376,477,277	1,261,301,007
Short-term provisions	8	807,156,297	504,663,837
		4,029,828,102	2,863,811,841
TOTAL		15,725,693,228	13,792,626,913
Assets			
Non-current assets			
Fixed assets	11		
Tangible assets		7,130,397,801	6,317,320,739
Intangible assets		316,654,279	334,293,539
Capital work in progress		449,639,047	412,921,457
Non-current investments	12	827,673,600	520,327,800
Long-term loans and advances	13	872,701,183	627,479,113
Other non-current assets	14	89,996,062	97,758,597
		9,687,061,972	8,310,101,245
Current assets			
Inventories	15	1,183,838,589	728,033,099
Trade receivables	16	2,446,283,549	2,385,688,638
Cash and bank balances	17	1,867,895,994	1,657,819,750
Short-term loans and advances	13	524,743,447	695,114,504
Other current assets	14	15,869,677	15,869,677
		6,038,631,256	5,482,525,668
TOTAL		15,725,693,228	13,792,626,913
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

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

**For and on behalf of the board of directors of
D. B. Corp Limited**

per Amit Majmudar
Partner
Membership No. 36656

per Navin K. Gupta
Partner
Membership No. 75030

Managing Director

Director

Mumbai
July 19, 2012

Mumbai
July 19, 2012

Company Secretary



D. B. Corp Limited

Statement of Profit & loss for the year ended March31, 2012

	Notes	March 31, 2012 ₹	March 31, 2011 ₹
Income			
Revenue from operations	18	14,418,107,698	12,564,636,842
Other income	19	230,520,256	215,841,791
Total revenue (I)		14,648,627,954	12,780,478,633
Expenses			
Raw materials consumed	20	5,070,579,203	3,839,083,276
Increase in inventories of finished goods		(415,865)	(604,314)
Event expenses		140,466,862	148,803,282
Employee benefit expenses	21	2,351,143,176	1,790,276,342
Foreign exchange loss / (gain) net	22	101,155,271	(475,009)
Operating expenses	23	1,635,728,617	1,307,782,214
General administrative and other expenses	24	885,189,550	776,736,991
Selling and distribution expenses	25	807,068,874	672,450,041
Total expenditure (II)		10,990,915,688	8,534,052,823
Earning before interest, tax, depreciation and amortisation (EBITDA) (I - II)		3,657,712,266	4,246,425,810
Finance costs	26	92,261,275	149,031,113
Depreciation and amortisation expenses	11	500,020,416	427,635,700
Profit before tax		3,065,430,575	3,669,758,997
Tax expenses			
Current tax		929,500,000	894,192,943
Deferred tax charge		51,200,568	85,834,669
Provision for tax of earlier years		-	16,500,000
Total tax expenses		980,700,568	996,527,612
Profit for the year		2,084,730,007	2,673,231,385
Earning per equity share [nominal value of share ₹ 10 (March 31, 2011: ₹ 10)]	27		
Basic		11.37	14.73
Diluted		11.36	14.70
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

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

**For and on behalf of the board of directors of
D. B. Corp Limited**

per Amit Majmudar
Partner
Membership No. 36656

per Navin K. Gupta
Partner
Membership No. 75030

Managing Director

Director

Mumbai
July 19, 2012

Mumbai
July 19, 2012

Company Secretary



D. B. Corp Limited

Notes to financial statements as at and for the year ended March 31, 2012

(Amounts in Indian rupees, except share data)

1. Nature of operations

D. B. Corp Limited ("the Company") is in the business of publishing newspapers, radio broadcasting, event management, internet and wind energy. The major brands in publishing business are 'Dainik Bhaskar' and 'Business Bhaskar' (Hindi dailies), 'Divya Bhaskar' and 'Saurashtra Samachar' (Gujarati dailies), 'Divya Marathi' (Marathi daily), '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.

2. Summary 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 of the Company have been prepared in accordance with generally accepted accounting principles in India. 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) Presentation and disclosure

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirement applicable in the current year.

c) Use of estimates

The preparation of financial statements in conformity with Indian GAAP 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.

d) Tangible fixed assets

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

e) 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 land and buildings are amortised on a straight line basis over the period of lease, i.e. lease period as per the agreement.

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 ₹ 5,000 are fully depreciated in the year of its acquisition.

f) Intangible assets

Goodwill

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

Computer software- ERP

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 amortised 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.

g) Expenditure on new projects

Capital work-in-progress:

Expenditure directly relating to construction activity is capitalised.

Pre-operative expenditure:

Indirect expenditure incurred during construction period is capitalised under the respective asset-head as part of the indirect construction cost, to the extent to which the expenditure is

Notes to financial statements as at and for the year ended March 31, 2012

(Amounts in Indian rupees, except share data)

allocable/ apportioned 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 statement of profit and loss.

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

h) Impairment of tangible and intangible 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 recognised 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.

i) 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.

j) 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 recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

k) Inventories

Inventories are valued as follows:

Raw materials- News Prints and Stores and Spares	Lower of cost and net realizable value. However, material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Magazines and Gifts / Promotional Products	Lower of cost and net realizable value. Cost is determined on a weighted average basis.

Net realisable 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.

l) Revenue recognition

Revenue is recognised 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 recognised as and when advertisement is published/displayed/aired and is disclosed net of trade discounts and service tax.

Sale of newspaper, magazine, waste Paper and scrap

Revenue is recognised 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 recognised on the completion of job work as per terms of the agreement with the customer, and is disclosed net of discounts and service tax.

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 recognised 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.

m) 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 Rupees 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.

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

Notes to financial statements as at and for the year ended March 31, 2012

(Amounts in Indian rupees, except share data)

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 recognised 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.

n) 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 statement of profit and loss 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 the statement of profit and loss both for gratuity and leave encashment and are not deferred.

o) 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, unrecognised deferred tax assets of earlier years are re-assessed and recognised 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.

p) Provisions

A provision is recognised when the Company 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.

q) Borrowing costs

Borrowing costs includes interest and amortisation of term loan processing fees over the period of loans which are incurred in connection with arrangements of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of cost of the respective assets. All other borrowing costs are expensed in the period they occur.

r) 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

Notes to financial statements as at and for the year ended March 31, 2012

(Amounts in Indian rupees, except share data)

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.

s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

t) Cash and cash equivalents

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

u) Segment information Identification of segments

The Company's operating businesses are organised 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.

v) 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 amortised over the vesting period of the option on a straight line basis.

w) Measurement of EBITDA

As permitted by the Guidance note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operation. In this measurement, the Company does not include depreciation and amortisation expenses, finance cost and tax expenses.

3 Share capital

	March 31, 2012 ₹	March 31, 2011 ₹
Authorised shares		
249,000,000 (March 31, 2011: 249,000,000) equity shares of ₹ 10 each	2,490,000,000	2,490,000,000
1,000 (March 31, 2011: 1,000), Zero%, non- convertible redeemable preference shares of ₹ 10,000 each	10,000,000	10,000,000
	2,500,000,000	2,500,000,000
Issued, subscribed and fully paid-up shares		
183,308,354 (March 31, 2011: 183,283,231) equity shares of ₹ 10 each fully paid up	1,833,083,540	1,832,832,310
1 (March 31, 2011: 1), Zero%, non - convertible redeemable preference share of ₹ 10,000 each	10,000	10,000
Total issued, subscribed and fully paid-up share capital	1,833,093,540	1,832,842,310

a Reconciliation of number of share outstanding at the beginning and at the end of the year

	March 31, 2012		March 31, 2011	
	No.	₹	No.	₹
At the beginning of the year	183,283,231	1,832,832,310	181,514,605	1,815,146,050
Issued during the year -				
Employee Stock Option Plan	25,123	251,230	36,126	361,260
Issued during the year - under the scheme of arrangement (refer note 29 (b))	-	-	1,732,500	17,325,000
Outstanding at the end of the year	183,308,354	1,833,083,540	183,283,231	1,832,832,310

	March 31, 2012		March 31, 2011	
	No.	₹	No.	₹
At the beginning of the year	1	10,000	1	10,000
Outstanding at the end of the year	1	10,000	1	10,000



Notes to financial statements as at and for the year ended March 31, 2012

(Amounts in Indian rupees, except share data)

b Terms/ right attached to each class of shares

Equity shares

The Company has only one class of equity shares having a par value ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividend in Indian rupees. The dividend proposed by board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2012, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 5 per share (₹ 4 per share as on March 31, 2011).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

Preference shares

The Company has class of Zero%, nonconvertible redeemable preference shares having value ₹ 10,000 per share. These preference shares are redeemable at par after five years from the date of allotment i.e. July 31, 2007. Each preference share holder is entitled to one vote per share.

c. Aggregate number of bonus shares issued, share issued for consideration other than cash, share issued pursuant to the scheme of arrangement during the period of five years immediately preceding the reporting date:

	March 31, 2012 No.	March 31, 2011 No.	March 31, 2010 No.	March 31, 2009 No.	March 31, 2008 No.
Equity shares :					
Allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	201	4
Allotted as fully paid up by way of bonus shares	-	-	-	1,638	166,651,212
Allotted as share issued in pursuant to the scheme of arrangement (refer note 29 (b))	-	1,732,500	-	-	-
Preference shares :					
Allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	1

d Detail of shareholder holding more than 5% shares of the Company

Name of shareholders	March 31, 2012		March 31, 2011	
	No.	% of holding	No.	% of holding
Equity shares of ₹ 10/- each fully paid				
Ramesh Chandra Agarwal	32,010,062	17.46	32,010,062	17.46
Jyoti Agarwal	19,875,007	10.84	19,906,788	10.86
Sudhir Agarwal	19,139,206	10.44	18,006,206	9.82
Girish Agarwal	16,360,186	8.92	15,227,186	8.31
Pawan Agarwal	18,557,808	10.12	17,424,808	9.51
Bhaskar Infrastructure Limited	12,112,420	6.61	12,112,420	6.61
Peacock Trading and Investments Limited	10,127,247	5.52	10,127,247	5.53

e. Shares reserved for issue under options

For detail of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 44.

4 Reserves and surplus

	March 31, 2012 ₹	March 31, 2011 ₹
General reserve		
Balance as per the last financial statements	614,034,042	929,597,888
Add: Amount transferred from surplus balance in the statement of profit and loss	210,000,000	300,000,000
Less: Adjustment pursuant to the scheme of arrangement (refer note 29 (b))	-	615,563,846
	824,034,042	614,034,042
Securities premium account		
Balance as per the last financial statements	2,372,796,378	2,365,932,438
Add: Additions on ESOPs exercised	5,207,810	6,863,940
	2,378,004,188	2,372,796,378
Stock option outstanding (refer note 44)		
Gross employee stock options at the beginning of the year	57,831,008	57,831,008
Add: Gross compensation for option granted during the year	36,234,495	-
Less: Deferred employee compensation outstanding at the end of the year	40,248,281	26,166,387
	53,817,222	31,664,621
Less: Value of employee compensation of option exercised	4,611,480	2,745,576
	49,205,742	28,919,045
Surplus in the statement of profit and loss		
Balance as per the last financial statements	3,704,618,574	2,180,841,150
Profit for the year	2,084,730,007	2,673,231,385
Less: Appropriations		
Transfer to general reserves	210,000,000	300,000,000
Proposed final equity dividend (amount per share ₹ 1.5 (March 31, 2011: ₹ 2))	275,020,000	366,596,274
Interim equity dividend (amount per share ₹ 3.50 (March 31, 2011: ₹ 2))	641,607,042	363,083,050
Tax on dividend	148,699,824	119,774,637
	4,514,021,715	3,704,618,574
Total reserves and surplus	7,765,265,687	6,720,368,039

Notes to financial statements as at and for the year ended March 31, 2012
(Amounts in Indian rupees, except share data)

5 Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Term loans				
Indian Rupee loans from banks (secured)	-	300,000,000	93,439,452	180,000,000
Foreign currency loans from financial institutions (secured)	1,028,578,808	1,084,238,320	205,715,810	180,706,428
	1,028,578,808	1,384,238,320	299,155,262	360,706,428
The above amount includes				
Amount disclosed under the head "other current liabilities" (refer note 10)	-	-	(299,155,262)	(360,706,428)
	1,028,578,808	1,384,238,320	-	-

The Term loans are secured by:

(a) Indian Rupee loans from banks

IDBI Bank:-

- Exclusive charge on the plant and machinery being acquired out of the financial assistance.
- 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.
- Second charge on all the fixed assets of the Company.
- The loan carries interest @ 12.75% p.a. The loan is repayable in equal quarterly installments but the same has been completely repaid during the current financial year.

UCO Bank:-

- Exclusive first charge on the fixed assets to be acquired from the proposed term loan.
- Personal guarantee of directors aggregating to ₹ 93,439,452 [March 31, 2011: Nil] [Shri Ramesh Chandra Agarwal, Shri Sudhir Agarwal].
- The loan carries interest @ 14.75% p.a. The loan is repayable in equal quarterly installments but the same has been completely repaid after the reporting date.

(b) Foreign currency loans from financial institutions

Agco Finance GmbH:-

- The loan carries interest rate @ LIBOR plus 0.68%. The loan is repayable in 18 consecutive half yearly installments. The loan is secured against first pari passu charge with other lenders on up gradation project assets.

6 Other long-term liabilities

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Security deposits (unsecured)	292,421,372	261,314,338	32,491,264	29,034,927
	292,421,372	261,314,338	32,491,264	29,034,927
The above amount includes				
Amount disclosed under the head "other current liabilities" (refer note 10)			(32,491,264)	(29,034,927)
	292,421,372	261,314,338	-	-

7 Deferred tax liabilities (net)

	March 31, 2012	March 31, 2011
	₹	₹
Deferred tax liability		
Depreciation	901,970,371	814,647,539
Gross deferred tax liability	901,970,371	814,647,539
Deferred tax assets		
Provision for doubtful debts and advances	89,315,549	61,837,662
Provision for gratuity and leave encashment	19,257,949	16,219,003
Provision for diminution in value of investment	31,633,875	32,387,063
Provision for employee stock option scheme	15,964,803	9,606,184
Gross deferred tax assets	156,172,176	120,049,912
Deferred tax liabilities (net)	745,798,195	694,597,627

Notes to financial statements as at and for the year ended March 31, 2012
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8 Provisions

	Long-term		Short-term	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Provision for employee benefits (refer note 43)				
Provision for gratuity	-	-	8,908,997	7,807,371
Provision for leave encashment	30,707,524	35,454,438	19,739,155	5,044,851
	30,707,524	35,454,438	28,648,152	12,852,222
Other provisions				
Provision for tax (net of taxes paid of ₹ 3,570,346,786) (March 31, 2011: ₹ 2,689,297,806)			79,014,411	58,944,501
Provision for fringe benefit tax (net of taxes paid ₹ 74,903,642) (March 31, 2011: ₹ 74,903,642)			6,613,316	6,613,316
Provision for wealth tax			135,000	50,000
Proposed dividend			596,085,434	366,732,717
Tax on proposed dividend			96,659,984	59,471,081
	-	-	778,508,145	491,811,615
	30,707,524	35,454,438	807,156,297	504,663,837

9 Short-term borrowings

	March 31, 2012	March 31, 2011
	₹	₹
Secured		
Cash credit facilities from banks (payable on demand)	-	51,612,055
Buyers' credit from bank	576,690,099	285,168,537
Total secured borrowings	576,690,099	336,780,592
Unsecured		
Buyers' credit from bank	195,559,261	-
Total unsecured borrowings	195,559,261	-
Total short-term borrowings	772,249,360	336,780,592

a Cash credit facilities are secured by:

State Bank of Hyderabad and Bank of Maharashtra:

- First charge on the entire current assets and;
- Second charge on the other movable properties (other than current assets) of the Company.
- Personal guarantees of Directors aggregating to ₹ Nil (March 31, 2011: ₹ 51,612,055) [Shri Ramesh Chandra Agarwal, Shri Sudhir Agarwal, Shri Girish Agarwal and Shri Pawan Agarwal].
- Corporate guarantees of Writers and Publishers Private Limited.
- Interest rates for cash credits are @12.75% p.a. and @13.00% p.a. for State Bank of Hyderabad and Bank of Maharashtra respectively.

b Buyers' credit facilities are secured by:

- Standard Chartered Bank: First charge on the current assets of the Company.
- HSBC Bank: First pari passu charge over current assets of the Company second charge over plant and machinery of the Company and corporate guarantee of Writers and Publishers Private Limited.
- DBS Bank: First pari-passu charge on current assets of the Company, second pari-passu charge on movable fixed assets.
- Interest rates for buyers' credits are multiline rate (as mutually agreed).

10 Other current liabilities

	March 31, 2012	March 31, 2011
	₹	₹
Trade payables (refer note 34 and 47)	1,073,945,168	761,066,405
Other liabilities		
Current maturities of long-term borrowings (refer note 5)	299,155,262	360,706,428
Current maturities of other long-term liabilities (refer note 6)	32,491,264	29,034,927
Payable for capital goods	39,860,746	38,476,256
Accrued expenses	441,875,753	417,016,875
Advances from customers	514,010,833	366,609,493
Interest accrued but not due on term loan and buyers' credit	6,564,095	1,822,950
Statutory liabilities	42,519,324	47,634,078
	1,376,477,277	1,261,301,007
Total other current liabilities	2,450,422,445	2,022,367,412

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Assets		Gross block			Accumulated depreciation / amortisation				Net block	
As at April 1, 2011	As at April 1, 2011	Additions during the year	Deductions during the year	As at March 31, 2012	Up to April 1, 2011	For the year	On deductions	Up to March 31, 2012	As at March 31, 2012	As at March 31, 2011
₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible assets										
Land										
- Freehold	62,234,313	-	-	62,234,313	-	-	-	-	62,234,313	62,234,313
- Leasehold	29,947,578	-	1,042,080	28,905,498	812,040	590,369	23,205	1,379,204	27,526,294	29,135,538
Buildings										
- Freehold	674,596,778	16,440,364	-	691,037,142	48,389,313	22,741,251	-	71,130,564	619,906,578	626,207,465
- Leasehold	509,727,738	-	-	509,727,738	575,964	6,911,564	-	7,487,528	502,240,210	509,151,774
- Leasehold	61,845,257	76,696,045	-	138,541,302	11,714,524	10,856,460	-	22,570,984	115,970,318	50,130,733
Leasehold improvements										
Plant and machinery (refer note 2 & 3 below)	5,222,697,172	923,963,243	18,920,382	6,127,740,033	969,182,508	298,866,055	4,217,703	1,261,830,860	4,865,909,173	4,253,514,664
Office equipments	179,921,574	35,276,669	3,617,165	211,581,078	47,955,806	11,651,931	1,116,175	58,491,562	153,089,516	131,965,768
Vehicles	24,746,428	10,119,762	1,969,321	32,896,869	16,232,259	1,807,449	1,461,893	16,577,815	16,319,054	8,514,169
Furniture and fixtures	240,264,788	52,706,024	7,965,511	285,005,301	72,630,967	18,631,781	2,677,452	88,585,296	196,420,005	167,633,821
Electric fitting, fans and coolers	269,500,637	81,699,906	5,334,174	345,866,369	43,886,346	15,869,257	1,213,921	58,541,682	287,324,687	225,614,291
Computers	375,786,155	57,921,248	7,729,478	425,977,925	242,518,777	44,394,129	5,638,993	281,273,913	144,704,012	133,267,378
D.G.Sets	136,084,664	26,017,001	-	162,101,665	16,133,839	7,214,185	-	23,348,024	138,753,641	119,950,825
Total tangible assets	7,787,353,082	1,280,840,262	46,578,111	9,021,615,233	1,470,032,343	437,534,431	16,349,342	1,891,217,432	7,130,397,801	6,317,320,739
Intangible assets										
Computer software - including ERP	38,020,203	44,846,725	-	82,866,928	20,836,329	8,836,955	-	29,673,284	53,193,644	17,183,874
Goodwill	25,609,517	-	-	25,609,517	23,180,587	2,428,930	-	25,609,517	-	2,428,930
One time license fees	512,201,000	-	-	512,201,000	197,520,265	51,220,100	-	248,740,365	263,460,635	314,680,735
Total intangible assets	575,830,720	44,846,725	-	620,677,445	241,537,181	62,485,985	-	304,023,166	316,654,279	334,293,539
Total	8,363,183,802	1,325,686,987	46,578,111	9,642,292,678	1,711,569,524	500,020,416	16,349,342	2,195,240,598	7,447,052,080	6,651,614,278
Capital work-in-progress									449,639,047	412,921,457
(Refer note 1, 2 and 3 below)										
Previous year ended March 31, 2011	6,059,323,218	2,323,774,324	19,913,740	8,363,183,802	1,292,182,572	427,635,700	8,248,748	1,711,569,524	6,651,614,278	

Notes

- 1) For details of pre operative expenses and borrowing costs capitalised refer note 46.
- 2) Plant and machinery above include common transmitters infrastructure which are jointly held assets as at March 31, 2012:
 Gross block - ₹ 122,386,729 (March 31, 2011: ₹ 127,300,000)
 Net block - ₹ 61,782,454 (March 31, 2011: ₹ 101,333,902)
 % of Ownership - 30.26% (March 31, 2011: 30.26%)
- 3) Additions during the year includes exchange differences capitalised as follows:

Name of block	March 31, 2012 ₹	March 31, 2011 ₹
Plant and machinery	135,795,314	(226,094)
Capital work-in-progress	28,891,019	(216,400)
Total foreign exchange loss / (gain)	164,686,333	(442,494)

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Notes to financial statements as at and for the year ended March 31, 2012
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12 Non current investments	March 31, 2012 ₹	March 31, 2011 ₹
Trade investments:		
In subsidiaries : (refer note 45 (a))		
Unquoted investment in equity (valued at cost unless stated otherwise):-		
136,800 (March 31, 2011: 136,800) equity shares of ₹10 each fully paid up of Synergy Media Entertainment Limited (refer note 29 (b))	1,741,800	1,741,800
577,500 (March 31, 2011: 577,500) equity shares of ₹ 10 each fully paid up of I Media Corp Limited	5,775,000	5,775,000
21,730 (March 31, 2011: Nil) equity shares of ₹10 each fully paid up at a premium of ₹ 450 per share of Divya Prabhat Publications Private Limited	9,995,800	-
Investment in debentures (valued at cost unless stated otherwise)		
350,000 (March 31, 2011: 350,000) Zero% coupon fully convertible debentures of ₹ 1,000 each fully paid up of I Media Corp Limited	350,000,000	350,000,000
Non trade investments: (refer note 45 (b))		
Quoted investment in equity (valued at cost unless stated otherwise):-		
300,000 (March 31, 2011: 300,000) equity shares of ₹ 10 each fully paid up at a premium of ₹ 65 per share of Ajcon Global Services Limited (Market Value as at March 31, 2012 is ₹ 4,965,000) (March 31, 2011: ₹ 6,330,000)	22,500,000	22,500,000
(Provision for diminution in value of investment is ₹ 17,500,000 (March 31, 2011: ₹ 17,500,000))		
52,136 (March 31, 2011: Nil) equity shares of ₹ 10 each fully paid up at a premium of ₹ 427.32 per share of Everonn Education Limited (Market Value as at March 31, 2012 is ₹ 13,581,428) (March 31, 2011: ₹ Nil)	22,800,000	-
Unquoted investment in equity (valued at cost unless stated otherwise):-		
100,000 (March 31, 2011: 100,000) equity shares of ₹ 10 each fully paid up at a premium of ₹ 140 per share of Divarkas Gems Limited (Provision for diminution in value of investment is ₹ 15,000,000 (March 31, 2011: ₹ 15,000,000))	15,000,000	15,000,000
14,286 (March 31, 2011: 14,286) equity shares of ₹ 10 each fully paid up at a premium of ₹ 340 per share of Aayam Herbal Private Limited	5,000,000	5,000,000
375,000 (March 31, 2011: 375,000) equity shares of ₹ 10 each fully paid up at a premium of ₹ 30 per share of Arvind Coirfoam Private Limited	15,000,000	15,000,000
(Provision for diminution in value of investment is ₹ 15,000,000 (March 31, 2011: ₹ 15,000,000))		
100,000 (March 31, 2011: 100,000) equity shares of ₹ 10 each fully paid up at a premium of ₹ 390 per share of Micro Secure Solution Limited (refer note 1 below)	40,000,000	40,000,000
81,085 (March 31, 2011: 81,085) equity shares of ₹ 10 each fully paid up at a premium of ₹ 359.95 per share of Naaptol Online Shopping Private Limited (refer note 1 below)	30,000,000	30,000,000
230,415 (March 31, 2011: 230,415) equity shares of ₹ 10 each fully paid up at a premium of ₹ 207 per share of Neesa Leisure Limited	50,000,000	50,000,000
27,778 (March 31, 2011: 27,778) equity shares of ₹ 10 each fully paid up at a premium of ₹ 350 per share of Professionals Coaching Company Private Limited	10,000,000	10,000,000
256,410 (March 31, 2011: Nil) equity shares of ₹ 10 each fully paid up at a premium of ₹ 185 per share of Neesa Leisure Limited	50,000,000	-
225,000 (March 31, 2011: Nil) equity shares of ₹ 10 each fully paid up at a premium of ₹ 440 per share of Micro Secure Solution Limited	101,250,000	-
140,000 (March 31, 2011: Nil) equity share of ₹ 10 each fully paid up at premium of ₹ 275 per share of Tropic Wellness Private Limited	39,900,000	-
1,100,917 (March 31, 2011: Nil) Equity Shares of ₹ 1 each fully paid up at a premium of ₹ 26.25 per share of Abbee Consumables and Peripherals Schope Limited	30,000,000	-
(Provision for diminution in value of investment is ₹ 30,000,000 (March 31, 2011: ₹ Nil))		
100 (March 31, 2011: 100) equity shares of ₹ 100 each fully paid up of United News of India	10,000	10,000
10 (March 31, 2011: 10) equity shares of ₹ 100 each fully paid up of Press Trust of India	1,000	1,000
Investment in debentures and warrants (valued at cost unless stated otherwise) (refer note 45 (b)):-		
Nil (March 31, 2011: 1), Zero%, fully convertible debenture of ₹ 30,000,000 fully paid up of Abbee Consumables and Peripherals Schope Limited (Provision for diminution in value of investment is ₹ Nil (March 31, 2011: ₹ 30,000,000))	-	30,000,000
200,000 (March 31, 2011: 200,000), Zero%, fully convertible debentures of ₹ 100 each fully paid up of Cubit Computers Private Limited (Provision for diminution in value of investment is ₹ 20,000,000 (March 31, 2011: ₹ 20,000,000))	20,000,000	20,000,000
Nil (March 31, 2011: 2,280,000), Zero%, coupon fully convertible debentures of ₹ 10 each fully paid up of Everonn Education Limited	-	22,800,000
700,935 (March 31, 2011: Nil) convertible warrants of ₹ 53.50 of Edserv Softsystems Limited (refer note 1 below)	37,500,000	-
1 (March 31, 2011: Nil), Zero%, fully convertible debenture of ₹ 8,500,000 each fully paid up of Roxton (Italy) Clothing Private Limited (refer note 1 below)	8,500,000	-
1 (March 31, 2011: Nil), Zero%, fully convertible debenture of ₹ 26,700,000 each fully paid up of DMC Education Limited (refer note 1 below)	26,700,000	-
1 (March 31, 2011: Nil), Zero%, fully convertible debenture of ₹ 25,500,000 each fully paid up of Timbor Home Limited (refer note 1 below)	25,500,000	-
1 (March 31, 2011: Nil), Zero%, fully convertible debenture of ₹ 8,000,000 each fully paid up of Arvind International Limited (refer note 1 below)	8,000,000	-
Aggregate market value as at March 31, 2012 is ₹ 18,546,428 (As at March 31, 2011: ₹ 6,330,000)	925,173,600	617,827,800
Less: Provision for diminution in value of investments	97,500,000	97,500,000
	827,673,600	520,327,800
Aggregate amount of quoted investment	45,300,000	22,500,000
Aggregate amount of unquoted investment	879,373,600	595,327,800

Notes :

1) These investments contain lock-in-period of twelve months from the date of subscription / allotment.

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13 Loans and advances

	Non-current		Current	
	March 31, 2012 ₹	March 31, 2011 ₹	March 31, 2012 ₹	March 31, 2011 ₹
a Capital advances (unsecured, considered good)				
Advance for capital goods	139,487,216	173,443,930	-	-
Advance for property	152,081,334	93,725,237	-	-
	291,568,550	267,169,167	-	-
b Security deposits (unsecured, considered good)				
Deposit with government authorities	55,383,853	54,721,079	-	-
Security deposit against lease of properties (refer note 30 (b) and 42)	453,320,200	132,950,000	-	-
Deposit with others	69,855,346	84,625,103	-	-
	578,559,399	272,296,182	-	-
c Loans and advances to related parties (refer note 30 (b) and 42) (unsecured, considered good)				
Loans and advances to subsidiaries	2,573,234	-	-	-
Inter corporate deposit	-	88,013,764	87,499,992	271,825,784
Advances recoverable in cash or kind or for value to be received	-	-	283,022,978	235,151,527
	2,573,234	88,013,764	370,522,970	506,977,311
d Other loans and advances (unsecured considered good)				
Advances recoverable in cash or kind or for value to be received	-	-	129,491,418	165,247,064
Advance to employees	-	-	24,729,059	22,890,129
Unsecured considered doubtful				
Advances recoverable in cash or kind or for value to be received	-	-	5,679,338	5,679,338
	-	-	159,899,815	193,816,531
Less: Provision for doubtful advances	-	-	5,679,338	5,679,338
	-	-	154,220,477	188,137,193
Total loans and advances	872,701,183	627,479,113	524,743,447	695,114,504

Loans, advances and deposits due by directors or other officers, etc.

	March 31, 2012 ₹	March 31, 2011 ₹
Directors	Nil	50,000
Other officers of the Company	Nil	Nil
Firm in which directors are partner		
R.C. Printer- Raipur	16,914,966	363,205
Private Companies in which directors are member		
Writers and Publishers Private Limited	650,733,792	466,342,929
Bhaskar Publication and Allied Industries Private Limited	141,295,953	80,030,190
DB Malls Private Limited	818,720	796,787

14 Other assets

	Non-current		Current	
	March 31, 2012 ₹	March 31, 2011 ₹	March 31, 2012 ₹	March 31, 2011 ₹
Unsecured, considered good unless stated otherwise				
Non-current bank balance (refer note 17)	11,952,000	3,801,380	-	-
Term loan processing fees				
Balance as per last financial statement	93,957,217	109,826,894	15,869,677	15,869,677
Less: Charged to statement of profit and loss	15,913,155	15,869,677	-	-
	78,044,062	93,957,217	15,869,677	15,869,677
	89,996,062	97,758,597	15,869,677	15,869,677

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Notes to financial statements as at and for the year ended March 31, 2012
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15 Inventories (valued at lower of cost and net realisable value)

	March 31, 2012	March 31, 2011
	₹	₹
Raw materials		
News print	715,844,420	426,614,745
News print in transit	278,563,554	147,250,346
	994,407,974	573,865,091
Finished goods	1,365,326	949,461
Stores and spares	154,875,760	129,561,869
Gift / promotional products	33,189,529	23,656,678
	1,183,838,589	728,033,099

16 Trade receivables (refer note 30 (b) and 41)

	March 31, 2012	March 31, 2011
	₹	₹
Outstanding for a period less than six months from the date they are due for payment		
Unsecured considered good	2,283,633,570	2,220,618,008
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	162,649,979	165,070,630
Unsecured considered doubtful	187,103,599	125,480,554
	349,753,578	290,551,184
	187,103,599	125,480,554
	162,649,979	165,070,630
	2,446,283,549	2,385,688,638

17 Cash and bank balances

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Cash and cash equivalents				
Balances with banks:				
On current account			524,650,480	361,882,997
Deposits with original maturity of less than 3 months (refer note 28)			589,089,871	400,001,000
Cheques on hand / transit			216,144,182	185,607,254
Cash on hand			17,665,622	17,142,758
			1,347,550,155	964,634,009
Other bank balances (refer note 28)				
Deposit with original maturity of more than 3 months but less than 12 months	-	-	517,062,280	178,499,036
Deposit with original maturity of more than 12 months	11,952,000	3,801,380	3,283,559	514,686,705
	11,952,000	3,801,380	1,867,895,994	1,657,819,750
The above includes				
Amount disclosed under the head "other assets -non current" (refer note 14)	(11,952,000)	(3,801,380)		
	-	-	1,867,895,994	1,657,819,750

D. B. Corp Limited
Notes to financial statements as at and for the year ended March 31, 2012
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	March 31, 2012 ₹	March 31, 2011 ₹
18 Revenue from operations		
Sale of products:-		
Sale of newspapers	2,361,690,402	2,084,953,525
Sale of power	6,472,822	10,418,972
Sale of magazines	56,343,543	58,626,779
	2,424,506,767	2,153,999,276
Sale of service:-		
Advertisement revenue	11,220,438,594	10,030,346,059
Other operating revenue:-		
Income from event management	160,078,641	151,469,431
Printing job charges	437,034,836	91,351,789
Wastage sale	176,048,860	137,470,287
	773,162,337	380,291,507
Total revenue from operations	14,418,107,698	12,564,636,842
19 Other income		
Excess liabilities / provision written back	65,777,072	39,560,727
Miscellaneous income	51,317,568	11,305,718
Interest income from:-		
Bank deposits	74,239,303	86,265,097
Loans to subsidiaries	81,371	23,758,436
Intercompany deposits	34,869,523	50,838,444
Others	4,235,419	4,113,369
	230,520,256	215,841,791
20 Raw materials consumed		
News prints (refer note 37 and 38)		
Opening inventories	573,865,091	619,901,028
Add: Purchased during the year	5,491,122,086	3,793,047,339
	6,064,987,177	4,412,948,367
Less: Closing inventories	994,407,974	573,865,091
	5,070,579,203	3,839,083,276
21 Employee benefit expenses		
Salaries, wages and bonus	2,101,981,468	1,599,656,627
Contribution to provident fund and other funds	117,326,541	88,612,105
Employee stock option scheme	17,382,609	19,934,613
Gratuity expenses	13,681,480	13,837,519
Workmen and staff welfare expenses	100,771,078	68,235,478
	2,351,143,176	1,790,276,342

D. B. Corp Limited
Notes to financial statements as at and for the year ended March 31, 2012
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	March 31, 2012	March 31, 2011
	₹	₹
22 Foreign exchange loss / (gain) net		
Foreign exchange loss / (gain) net	47,559,906	(872,499)
Exchange loss on buyers' credit from banks (net)	53,595,365	397,490
	101,155,271	(475,009)
23 Operating expenses		
Consumption of stores and spares (refer note 38)	836,160,849	587,046,859
Printing job work expenses	78,960,616	109,959,802
News collection expenses	141,653,243	159,041,008
Binding expenses	54,283,179	32,016,227
Electricity and water charges	208,542,425	154,613,559
Repair and maintenance - machinery	142,522,735	109,733,755
License fees	27,059,070	23,749,449
Tower rent and other operating rental	19,380,872	20,257,458
Royalty	66,509,619	68,383,705
Other operating expenses	60,656,009	42,980,392
	1,635,728,617	1,307,782,214
24 General administrative and other expenses		
Electricity	70,772,878	49,514,382
Rent	136,180,731	95,586,120
Rates and taxes	6,436,554	3,374,104
Insurance	11,330,807	7,972,532
Repair and maintenance:-		
Building	13,168,834	6,211,526
Others	30,921,480	24,974,128
Legal and professional charges	93,718,729	98,780,390
Postage and telegram	13,260,534	8,524,021
Telephone	44,383,412	39,479,186
Printing and stationary	30,068,843	25,558,326
Traveling	131,000,153	105,763,611
Conveyance	7,836,520	5,989,704
Vehicle running and maintenance	7,575,742	6,644,309
Auditors remuneration (refer note 40)	9,284,300	8,953,400
Loss on sale and scrape of fixed assets (net)	18,742,046	1,801,825
Bad debts written off (net of provision written back)	9,489,462	3,296,553
Provision for diminution in value of investments	-	45,000,000
Provision for doubtful debts	61,796,563	58,173,429
Provision for doubtful advances	27,500,000	60,679,338
Sundry office expenses	136,423,797	101,181,889
Bank charges	25,298,165	19,278,218
	885,189,550	776,736,991
25 Selling and distribution expenses		
Advertisement and publicity	142,851,813	121,949,213
Distribution expenses	242,394,813	212,816,228
Business promotion	155,311,705	149,844,277
Survey expenses	266,510,543	187,840,323
	807,068,874	672,450,041
26 Finance costs		
Interest expenses		
On term loans	27,010,679	79,492,865
On banks	16,348,812	23,033,206
On others	32,988,629	30,635,365
Amortisation of term loan processing fees	15,913,155	15,869,677
	92,261,275	149,031,113

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Notes to financial statements as at and for the year ended March 31, 2012
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27. Earnings Per Share (EPS)

Particulars	March 31, 2012	March 31, 2011
i) Profit for the year (₹)	2,084,730,007	2,673,231,385
ii) Weighted average number of equity shares outstanding for Basic EPS	183,297,890	181,528,139
iii) Basic Earnings per share (₹)	11.37	14.73
iv) On account of shares to be issued under ESOS	255,535	288,673
v) Weighted average number of Equity Shares outstanding for Diluted EPS	183,553,425	181,816,812
vi) Diluted Earnings per share (₹)	11.36	14.70
vii) Nominal value of shares (₹)	10.00	10.00

28. Initial public offer

During the Year 2009-10, the Company completed an Initial Public Offer (IPO) of its 18,175,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 210 each for Retail Investors and ₹ 212 each for other than retail investors. Out of total shares, 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.

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 ₹ 2,690,065,000. Following were the details of utilisation of IPO proceeds till March 31, 2012 and March 31, 2011.

Particulars	Amount to be utilised as per Prospectus	Actual utilisation till March 31, 2012	Balance to be utilised/ (excess utilised) as on March 31, 2012
	₹	₹	₹
Setting up publishing units	600,000,000	799,720,448	(199,720,448)
Upgrading existing plant and machinery	305,000,000	509,811,500	(204,811,500)
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	111,595,721	31,009,279
Total	2,690,065,000	2,566,391,739	123,673,261

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 utilisation of IPO proceeds proposed in the prospectus depending on the business scenario and funding requirements. Accordingly, the management has reallocated the proposed utilisation as follows:

- The Proceeds allocated towards Sales and marketing expenses and IPO expenses and lying unutilised would be used for setting up new publishing units and upgrading the existing plant and machinery;
- 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 July 19, 2012 have approved the revised allocation and resultant utilisation of proceeds of IPO till March 31, 2012.

2) Pending utilisation, the funds are temporarily held in:

Particulars	Amount	
	₹	
	March 31, 2012	March 31, 2011
Fixed deposit	120,000,000	580,000,000
Balance in current account	3,673,261	12,738,075
Total	123,673,261	592,738,075

D. B. Corp Limited

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29. Scheme of arrangement:

A) Purchase of M.P. Printers business (Unit of Writers and Publishers Private Limited) on slum sale basis

- a) During the year, the Company has entered in to the business transfer agreement with Writers and Publishers Private Limited ['WPPL'] to purchase the business of M.P. Printers. M.P. Printers was the unit of 'WPPL' and engaged in the business of commercial printing of books, magazine, annual reports, news papers, calendars and other specialised printing activity.
- b) WPPL vide its board resolution dated 12th September 2011 had agreed to transfer and sell and the Company ['DBCL'] has pursuant to the resolution passed by the Executive Committee of the board of directors of the Company on 12th September 2011 has agreed to purchase and acquired the business of M.P. Printers together with its assets, employees, debts and liabilities as a going concern with effect from the transfer date i.e. 16th September 2011.
- c) As per the agreement, the Company had paid ₹ 350,000,000 as purchase consideration for purchase of "said business" and the same has been paid.
- d) "Said business" included the entire undertaking of M.P. Printer, which is engaged in commercial printing of newspapers, periodicals & Books including in particular all the assets and liabilities of Said Business existing as on transfer date.
- e) As prescribed in the Scheme, following assets and liabilities of M.P. printer as at September 16, 2011 are transferred to and accounted in the books of the account of the Company at their respective revalued value:-

Particulars	Amount
	₹
Fixed assets	438,390,221
Current Assets	178,331,242
Total Assets	616,721,463
Current liabilities and provision	119,181,350
Secured loans	147,865,175
Total Liabilities	267,046,525
Net Assets	349,674,938

B) 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 copies 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 had issued and allotted 1,732,500 fully paid equity shares of ₹ 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 were transferred to the Company which were 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 were 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) was debited to General Reserve account as under:-

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 ₹ 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

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Notes to financial statements as at and for the year ended March 31, 2012
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30. (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
1) Related party where control exists	
Subsidiaries	- Synergy Media Entertainment Limited. - I Media Corp Limited. - Divya Prabhat Publications Private Limited*
2) Related parties with whom transaction have taken place during the year	
Key Management Personnel	- Shri Sudhir Agarwal, Managing Director - Shri Girish Agarwal, Director
Relatives of key management personnel	- Shri. Ramesh Chandra Agarwal - Shri. Pawan Agarwal
Enterprises owned or significantly influenced by key management personnel or their relatives	- Abhivyakti Kala Kendra - Bhaskar Printing Press - Rajasthan - Bhaskar Printing Press- MPCG - Bhaskar Printing Press- CPH2 - Bhaskar Printing Press- Gujarat - Bhaskar Samachar Seva - Bhaskar Publication and Allied Industries Private Limited. - Bhaskar Infrastructure Limited - Bhaskar Industries Limited - Bhaskar Multinet Limited - Bhaskar Exxoil Private Limited - Bhaskar Venkatesh Products Private Limited - Diligent Media Corporation Limited - D B Malls Private Limited - D B Power Limited - R.C. Printer – Raipur - Sharda Solvent Limited - Writers and Publishers Private Limited - M.P. Printer (a unit of Writers and Publishers Private Limited)

* With effect from October 1, 2011.

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Notes to financial statements as at and for the year ended March 31, 2012
(Amounts in Indian Rupees, except share data)

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

	Transactions Year ended		Amount receivable/ (payable) As at	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Advertisement revenue				
Synergy Media Entertainment Limited	3,275,490	-	819,906	-
I Media Corp Limited	13,520,471	14,248,402	2,877,466	723,330
Writers and Publishers Private Limited	26,092,269	18,006,363	4,884	1,113,197
Bhaskar Industries Limited	164,984	159,162	15,968	32,932
Bhaskar Multinet Limited	-	78,853	-	7,639
Sharda Solvent Limited	-	12,901	-	-
Bhaskar Exxoil Private Limited	18,160	21,996	17,200	-
D B Malls Private Limited	346,936	120,516	445,896	98,960
Bhaskar Venkatesh Products Private Limited	2,991,807	1,748,641	3,227,286	1,348,641
DB Power Limited	184,797	-	23,184	-
Abhivyakti Kala Kendra	66,150	-	66,150	-
Sale of magazine				
Bhaskar Publication and Allied Industries Private Limited	292,125	342,686	515,332	223,207
Sale of newspaper				
Bhaskar Publication and Allied Industries Private Limited	9,251,482	7,789,674	-	7,299,995
Printing job revenue				
Bhaskar Publication and Allied Industries Private Limited	4,566,131	3,976,509	568,240	280,445
Salaries, wages and bonus				
Shri Sudhir Agarwal, Managing Director	4,200,000	3,600,000	-	-
Rent income				
Bhaskar Publication and Allied Industries Private Limited	1,020,000	1,020,000	-	-
Rent paid				
Writers and Publishers Private Limited	39,199,514	28,679,176	-	-
Bhaskar Industries Limited	160,000	144,000	-	-
Bhaskar Publication and Allied Industries Private Limited	100,000	100,000	-	-
Bhaskar Infrastructure Limited	3,829,260	3,829,260	-	-
R.C. Printer, Raipur	2,102,153	1,654,500	-	-
Shri Girish Agarwal, Director	100,000	100,000	-	-
Bhaskar Exxoil Private Limited	17,912,044	-	(3,582,775)	-
News collection expenses				
Bhaskar Samachar Seva	12,447,534	37,648,538	(5,483,152)	(12,731,331)
Diligent Media Corporation Limited	2,568,295	1,886,478	(801,996)	(650,422)
Printing job work expenses				
M P Printer (a unit of Writers and Publishers Private Limited)	16,293,261	48,891,299	-	(4,780,453)
Diligent Media Corporation Limited	8,388,262	7,489,292	(314,244)	(173,948)
Bhaskar Printing Press Rajasthan	599,076	6,734,372	(3,379,566)	(3,445,339)
Bhaskar Printing Press MPCG	2,865,869	13,582,184	(977,367)	(3,450,417)
Bhaskar Printing Press CPH2	1,099,657	5,863,675	(285,203)	(338,542)
Bhaskar Printing Press Gujarat	12,915,451	11,326,685	(3,391,898)	(3,305,883)
R.C. Printer, Raipur	-	685,833	-	(223,493)
Royalty				
Diligent Media Corporation Limited	6,168,323	3,970,979	-	-
Advertisement and publicity expenses				
I Media Corp Limited	3,543,788	3,433,912	-	150,471
Abhivyakti Kala Kendra	2,100,000	720,000	-	-
M P Printer (a unit of Writers and Publishers Private Limited)	2,503,920	4,902,095	-	-
Diligent Media Corporation Limited	1,679,163	-	-	-
Interest income from deposits				
Writers and Publishers Private Limited	19,302,740	33,264,382	-	513,770
Bhaskar Multinet Limited	17,836,103	20,132,499	-	6,847,886

D. B. Corp Limited

Notes to financial statements as at and for the year ended March 31, 2012
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30. (b) Details of transactions with related parties:

	Transactions Year ended		Amount receivable/ (payable) As at	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Interest income from loans to subsidiaries				
Divya Prabhat Publications Private Limited	81,371	-	73,234	-
I Media Corp Limited	-	23,758,437	-	-
Sale of fixed assets				
Bhaskar Publication and Allied Industries Private Limited	247,966	5,625,852	205,441	5,625,852
M P Printer (a unit of Writers and Publishers Private Limited)	724,044	-	-	-
DB Power Limited	34,339	-	-	-
Purchase of fixed assets				
Bhaskar Publication and Allied Industries Private Limited	154,354	18,823	-	-
Loan / advances given / (repaid by party)				
I Media Corp Limited	-	(256,620,481)	-	-
I Media Corp Limited	-	55,892,475	-	-
Bhaskar Multinet Limited	-	15,816,658	-	170,750,252
Bhaskar Multinet Limited	(170,750,252)	-	-	-
Divya Prabhat Publications Private Limited	2,500,000	-	2,500,000	-
Writers and Publishers Private Limited	(116,666,668)	(116,666,668)	87,499,992	204,166,662
Advance received / (repaid) for publication of advertisement				
Writers and Publishers Private Limited	(32,237,481)	-	(22,158,895)	(54,396,376)
Advances given during the year for investment in equity shares				
Writers and Publishers Private Limited	-	-	80,000,000	80,000,000
Security Deposit given against lease of properties				
Writers and Publishers Private Limited	290,283,800	-	423,233,800	132,950,000
R.C. Printer, Raipur	16,870,200	-	16,870,200	-
Bhaskar Infrastructure Limited	11,596,765	-	11,596,765	-
Bhaskar Industries Limited	1,619,435	-	1,619,435	-
Security deposit received				
Bhaskar Publication and Allied Industries Private Limited	-	-	(10,000,000)	(10,000,000)
Sale of investments				
Writers and Publishers Private Limited	-	-	60,000,000	60,000,000
Shri Girish Agarwal, Director	-	-	-	50,000
Investments made				
I Media Corp Limited	-	350,000,000	-	-
Shri Sudhir Agarwal, Managing Director	9,995,800	-	-	-
Purchase of Business				
Writers and Publishers Private Limited	350,000,000	-	-	-
News print loan given / (taken)				
M P Printer (a unit of Writers and Publishers Private Limited)	8,926,069	20,894,894	-	15,517,265
Diligent Media Corporation Limited	(14,901,520)	21,279,228	-	1,220,197
Divya Prabhat Publications Private Limited	1,272,550	113,129	-	-
Bhaskar Publication and Allied Industries Private Limited	13,192,331	(27,879,307)	11,340,887	7,144,565
Balance outstanding at the year end				
Synergy Media Entertainment Limited	-	-	(4,929,704)	(5,896,619)
I Media Corp Limited	-	-	844,824	23,472
M P Printer (a unit of Writers and Publishers Private Limited)	-	-	-	(2,080,011)
Diligent Media Corporation Limited	-	-	(8,800,463)	(227,270)
Bhaskar Industries Limited	-	-	-	1,590,148
D B Malls Private Limited	-	-	818,720	796,787
R.C. Printer, Raipur	-	-	44,766	363,205
Bhaskar Multinet Limited	-	-	-	339,214
Divya Prabhat Publications Private Limited	-	-	-	(854,155)
Bhaskar Publication and Allied Industries Private Limited	-	-	129,181,385	72,885,625
Writers and Publishers Private Limited	-	-	-	(11,287,503)
Abhivyakti Kala Kendra	-	-	(40,568)	-
DB Power Limited	-	-	18,715	-

Note: For details of guarantees given by related parties, refer note 5 and 9.

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31. Leases

Rental expenses in respect of operating leases are recognised as an expense in the statement of profit and loss, 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 ₹ 155,561,603 (March 31, 2011 ₹ 115,843,578);
- c) The future minimum lease payments under non-cancelable operating leases:
 - not later than one year is ₹ 203,881,993 (March 31, 2011: ₹ 115,280,172);
 - later than one year but not later than five years is ₹ 836,313,963 (March 31, 2011: ₹ 499,931,012);
 - later than five years ₹ 47,045,335 (March 31, 2011: ₹ 59,302,817).
- d) There are no restrictions imposed in these lease agreements. There are escalation clauses in agreement with some parties. There are no purchase options. There are no sub leases.

32. Commitments

Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 204,615,373 (March 31, 2011: ₹ 148,479,849).

33. Contingent liabilities not provided for

- a) Corporate Guarantee issued by the Company of ₹ 450,000,000 (March 31, 2011: ₹ 450,000,000) in favor of Export Development Canada on behalf of Bhaskar Exxcoils Private Limited.
- b) The Indian Performing Rights Society Limited (IPRS) has filed a suit against the Company on May 27, 2006 before the High Court of Delhi contesting against the refusal by the Company to obtain a license from the IPRS with regards to broadcasting / performing its copyrighted works. The IPRS has prayed for a permanent injunction restraining the Company from infringing any of the copyrights owned by the IPRS as well as for damages in favour of the IPRS. Honorable Delhi high court has denied IPRS 's application for injunction and held that no separate license is required from IPRS.

As a matter of abundant precaution, the Company has provided on best judgment basis ₹ 12,532,140 for the year ended March 31, 2012 and ₹ 10,579,831 for the year ended March 31, 2011 towards the royalty payable to IPRS, if any. 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.

- c) A legal Suit was filed by the Company on July 28, 2008 against Phonographic Performance Limited (PPL) before the Copy Right

Board against the exorbitant rates proposed by PPL for grant of compulsory licenses. The copy right board passed the order on August 25, 2010, by which 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.

PPL has been claiming that the said revised rates are applicable only for the period starting after August 25, 2010 and the royalty for the period earlier to August 25, 2010 would be charged at a higher rate. PPL have 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.

During the year ended March 31, 2012, the Company has paid PPL as per the order dated August 25, 2010. The management has made an adequate provision in the books to take care of demand arising out of suit if any. The management believes that the provision made in the books is sufficient to take care of the final liability for royalty, if any which would be confirmed only after the result of the suit.

- d) There are several defamation and other legal cases pending against the Company and its directors. These include criminal and civil cases. There are certain employee related cases also pending against the Company. In view of large number of cases, it is impracticable to disclose the details of each case.

The estimated amount of claims against the Company in respect of these cases is ₹ 21,858,169 (March 31, 2011: ₹ 16,835,528). 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.

34. Derivative Instruments

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

Particulars	Currency	March 31, 2012		March 31, 2011	
		Amount in foreign currency	Amount in Indian currency ₹	Amount in foreign currency	Amount in Indian currency ₹
Trade payable	USD	2,788,697	140,835,933	468,205	20,396,938
Trade payable	HKD	91,396	598,874	-	-
Other payable	USD	589,418	29,986,615	589,418	26,341,068
Standard Chartered Bank Buyers credit	USD	1,198,332	60,965,161	754,498	33,718,527
HSBC Bank Buyers credit	USD	6,800,647	345,982,897	5,625,420	251,450,010
DBS Bank Buyers credit	USD	7,180,370	365,301,302	-	-
AGCO Finance GmbH	USD	24,261,319	1,234,294,618	28,304,872	1,264,944,748
Advance	EURO	580,500	39,397,084	-	-

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35. Opening and Closing stock of finished goods:

	March 31, 2012	March 31, 2011
Magazines	No. of Copies	No. of Copies
Closing stock	109,500	65,500
Opening stock	65,500	60,000

36. Value of imports on CIF Basis:

Particulars	March 31, 2012	March 31, 2011
	₹	₹
Raw material	1,718,412,099	714,929,410
Stores and spares	39,835,626	17,149,434
Capital goods	1,852,853	-

37. Consumption of raw material:

	March 31, 2012		March 31, 2011	
	Quantity In Kgs.	₹	Quantity In Kgs.	₹
Newsprint	161,910,303	5,070,579,203	141,430,175	3,839,083,276

38. Imported and indigenous raw materials, stores and spares consumed:

	March 31, 2012		March 31, 2011	
	₹	% of total consumption	₹	% of total consumption
i) Raw materials				
Imported	1,547,450,375	30.52%	819,088,777	21.34%
Indigenous	3,523,128,828	69.48%	3,019,994,499	78.66%
Total	5,070,579,203	100.00%	3,839,083,276	100.00%
ii) Stores and spares				
Imported	20,615,385	2.47%	17,149,434	2.92%
Indigenous	815,545,464	97.53%	569,897,425	97.08%
Total	836,160,849	100.00%	587,046,859	100.00%

39. Expenditure in foreign currency (on accrual basis):

Particulars	March 31, 2012	March 31, 2011
	₹	₹
Traveling	182,275	807,586
Financial expenses	21,789,642	24,132,816
Repair & maintenance	13,265,036	-
Others	3,062,156	1,745,074

40. Auditors' remuneration (including service tax):

Particulars	March 31, 2012	March 31, 2011
	₹	₹
As Auditor		
Audit fees	6,526,800	6,195,900
Limited review fees	1,654,500	1,654,500
Tax audit fees	551,500	551,500
Out-of-pocket expenses	551,500	551,500
Total	9,284,300	8,953,400

41. Trade receivables 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, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Synergy Media Entertainment Limited	819,906	-	2,348,565	-
I Media Corp Limited	2,877,466	723,330	11,793,460	15,407,970
Abhivyakti Kala Kendra	66,150	-	66,150	-
Bhaskar Industries Limited	15,968	32,932	71,998	41,154
Bhaskar Multinet Limited	-	7,639	112,884	45,699
Bhaskar Exxoil Private Limited	17,200	-	17,200	21,996
Bhaskar Venkatesh Products Private Limited	3,227,286	1,348,641	3,227,286	1,348,641
Bhaskar Publication & Allied Industries Private Limited	515,332	223,207	515,332	223,207
D B Power Limited	23,184	-	141,773	-
DB Malls Private Limited	445,896	98,960	445,896	729,354
Sharda Solvent Limited	-	-	-	21,085
Writers and Publishers Private Limited	4,884	1,113,197	13,363,967	4,163,551

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42. Details as required under Clause 32 of the listing agreement of 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, 2012	March 31, 2011	March 31, 2012	March 31, 2011
I Media Corp Limited	844,824	23,472	1,371,848	278,203,594
Divya Prabhat Publications Private Limited	2,573,234	-	3,234,760	-
Abhivyakti Kala Kendra	-	-	-	1,321,292
Bhaskar Multinet Limited.	-	177,937,352	194,475,002	178,005,015
Bhaskar Exxoil Private Limited	-	-	-	16,000
Bhaskar Industries Limited	1,619,435	1,590,148	1,619,435	1,590,148
Bhaskar Infrastructure Limited	11,596,765	-	11,596,765	-
Bhaskar Publication & Allied Industries Private Limited	141,295,953	80,030,190	141,295,953	151,318,651
Diligent Media Corporation Limited	-	1,220,197	1,220,197	1,220,197
Direct (OOH) Media Private Limited	-	-	13,236	13,236
DB Publications Private Limited	-	-	6,618	6,618
DB Malls Private Limited	818,720	796,787	1,151,822	796,787
D B Power Limited	18,715	-	989,771	-
R.C. Printers	16,914,966	363,205	16,914,966	-
Writers and Publishers Private Limited	650,733,792	466,342,929	650,733,792	738,180,658

Note:

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

43. Employee benefits:

Defined contribution plan

During the year ended March 31, 2012 and March 31, 2011; the Company contributed the following amounts to defined contribution plans:

Particulars	March 31, 2012	March 31, 2011
	₹	₹
Provident Fund	91,753,637	69,377,216
Employees' State Insurance Corporation	25,572,904	19,234,889
Total	117,326,541	88,612,105

Defined benefit plan

Gratuity

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

Other long term employee benefits

Leave encashment

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

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

Statement of profit and loss:

Net Employee benefit expense (recognised in Employee cost)

Particulars - Gratuity	March 31, 2012	March 31, 2011
	₹	₹
Current service cost	16,058,815	12,303,564
Liability taken over under the scheme of arrangement	(3,385,546)	(1,832,263)
Interest cost on benefit obligation	6,754,086	5,433,826
Expected return on plan assets	(6,109,977)	(4,862,819)
Net actuarial (gain) / loss recognised in the year	364,102	2,795,211
Past service cost	-	-
Net benefit expense	13,681,480	13,837,519
Actual return on plan assets	2,336,535	3,653,690

Balance sheet

Details of Provision and fair value of plan assets

Particulars - Gratuity	March 31, 2012	March 31, 2011
	₹	₹
Benefit obligation	93,350,785	81,867,707
Fair value of plan assets	84,441,788	74,060,336
	(8,908,997)	(7,807,371)
Less: Unrecognised past service cost	-	-
Net liability	(8,908,997)	(7,807,371)

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

Particulars - Gratuity	March 31, 2012	March 31, 2011
Opening benefit obligation/net liability	81,867,707	67,922,829
Interest cost	6,754,086	5,433,826

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Current service cost	16,058,815	12,303,564
Benefits paid	(7,920,476)	(5,378,598)
Actuarial (gains) / losses on obligation	(3,409,347)	1,586,086
Closing benefit obligation	93,350,785	81,867,707

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

Particulars - Gratuity	March 31, 2012	March 31, 2011
	₹	₹
Opening fair value of plan assets	74,060,336	60,785,240
Expected return	6,109,977	4,862,819
Contributions by employer	15,965,397	15,000,000
Benefits paid	(7,920,476)	(5,378,598)
Actuarial gains / (losses) on plan assets	(3,773,446)	(1,209,125)
Closing fair value of plan assets	84,441,788	74,060,336
Actuarial gains / (losses) recognised in the year	(364,102)	(2,795,211)

The Company expects to contribute ₹ 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, 2012	March 31, 2011
	%	%
Investments with insurer	100	100

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

Particulars - Gratuity	March 31, 2012	March 31, 2011
Discount rate	8.50%	8.25%
Expected rate of return on assets	8.50%	8.25%
Employee turnover	1% age related+ 6% service related	1% age related+ 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.

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.

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

	Gratuity				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
	₹	₹	₹	₹	₹
Defined benefit obligation	93,350,785	81,867,707	67,922,829	60,469,425	40,363,900
Plan assets	84,441,788	74,060,336	60,785,240	48,066,911	28,569,088

Surplus / (deficit)	(8,908,997)	(7,807,371)	(7,137,589)	(12,402,514)	(11,794,812)
Experience adjustments on plan liabilities (Gain) / Loss	(42,389)	4,523,864	3,633,997	7,687,325	4,864,820
Experience adjustments on plan assets Gain / (Loss)	(3,773,446)	(1,209,125)	4,780,173	(1,427,487)	308,687

44. Employee stock option scheme 2008, 2010 and 2011

The Company has granted Stock Options to its employees as per its scheme referred to as "DBCL – ESOS 2008", "DBCL- ESOS 2010" and "DBCL-ESOS 2011". During the year ended March 31, 2012 the following schemes were in operation:

	DBCL – ESOS 2008	DBCL – ESOS 2010	DBCL – ESOS 2011
Date of grant	January 5, 2009	May 10, 2010	April 16, 2011
Date of Board Approval	December 23, 2008	March 02, 2010	March 24, 2011
Date of Shareholder's Approval	December 31, 2008	April 24, 2010	March 24, 2011
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, 2012	600,000 options have been approved by the Board and the shareholders, however 491,203 have been granted till the year ended March 31, 2012	3,000,000 options have been approved by the Board and the shareholders, however 234,300 have been granted till the year ended March 31, 2012
Method of Settlement	Equity	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	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	Within five years from the date of vesting
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.	61.95% Discount 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	Option vest on continued association with the Company and achievement of certain performance parameters

The details of activity under DBCL ESOS 2008, ESOS 2010 and ESOS 2011 are as summarized below:

	Number of options					
	ESOS-2008		ESOS-2010		ESOS-2011	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Outstanding at the beginning of the year	275,084	330,387	474,709	-	-	-
Granted during the year	-	-	-	491,203	234,300	-
Forfeited / Cancelled during the year	28,991	19,177	51,904	16,494	30,450	-

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Exercised during the year	14,262	36,126	10,861	-	-	-
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	231,831	275,084	411,944	474,709	203,850	-
Exercisable at the end of the year	118,943	88,358	73,700	-	-	-
Weighted average fair value of options granted during the current year and preceding year	-	-	-	124.97	177.57	-

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

ESOS-2011		
Year	Vesting %	Fair Value
April 16, 2012	20%	170.56
April 16, 2013	20%	174.40
April 16, 2014	20%	177.90
April 16, 2015	20%	181.07
April 16, 2016	20%	183.92

Stock options granted

The weighted average fair value of stock options granted till date is ₹ 101.31, ₹ 124.97 and ₹177.57 for ESOS-2008, ESOS-2010 and ESOS-2011 respectively. The Black and Scholes Options Pricing model has been used for computing the weighted average fair value considering the following inputs:

	March 31, 2012		
	ESOS-2008	ESOS-2010	ESOS-2011
Weighted average share price on the grant date	101.31	124.97	177.57
Weighted average share price during the year	215.98	215.98	215.98
Exercise Price	50% discount to the average of first 30 days closing market price post IPO i.e. ₹ 124	Discount up to a maximum of 30% to the market price. i.e. ₹ 168	Discount up to a maximum of 61.95% to the market price. i.e. ₹ 95

Expected Volatility	0%	0%	29.48%
Historical Volatility	0%	0%	0%
Life of the options granted (Vesting and exercise period) in years	4.5 years	4.5 years	5.5 years
Average risk-free interest rate	5.24%	7.10%	7.84%
Expected dividend rate	0%	0%	0.80%

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

The employee stock compensation cost is accounted using intrinsic value method. 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, 2012	March 31, 2011
	₹	₹
Profit as reported	2,084,730,007	2,673,231,385
Add: Employee stock compensation under intrinsic value method	17,382,609	18,665,802
Less: Employee stock compensation under fair value method	29,834,818	30,462,660
Proforma profit	2,072,277,798	2,661,434,527
Earnings Per Share		
Basic		
- As reported	11.37	14.73
- As adjusted	11.31	14.66
Diluted		
- As reported	11.36	14.70
- As adjusted	11.29	14.64

45. Investments

- a) The Company has invested ₹ 5,775,000 (March 31, 2011: ₹ 5,775,000) in Equity shares and ₹ 350,000,000 (March 31, 2011: ₹ 350,000,000) in Zero coupon Fully Convertible debentures of I Media Corp Limited ['IMCL'], one of the subsidiaries of the Company. The investment in IMCL is a strategic investment.

IMCL has incurred losses during the year and the accumulated losses of IMCL at the close of the year exceed its paid up capital.

IMCL is in the initial years of its operations and such results / position are integral part of operations i.e. initial period in such industry. With the internet market in India booming and internet

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penetration increasing every year, the management expects continuous growth in the business and profitability in the future years. Considering the nature of business as explained, the management of the Company is of the view that there is no diminution other than temporary in the value of this investment.

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, 2012, the Company has made provision of ₹ 97,500,000 (March 31, 2011: ₹ 97,500,000) 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.

46. The detail of Preoperative expenses capitalised during the year are as under.

Particulars	March 31, 2012	March 31, 2011
	₹	₹
Opening Balance of Pre - operative expenses	-	10,927,521
Expenditure during the year :		
Raw materials consumed	5,877,129	2,101,349
Employee benefit expenses	-	115,699
Operating expenses	1,539,808	3,649,569
General administrative and other expenses	7,272,196	5,250,211
Total	14,689,133	22,044,349
Less:- Capitalised during the year	14,689,133	22,044,349
Closing Balance of Pre- operative expenses (Disclosed as Capital work-in-progress)	-	-

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
Place : Mumbai
Date : July 19, 2012

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

per Navin K. Gupta
Partner
Membership No. 75030
Place : Mumbai
Date : July 19, 2012

**For and on behalf of the board of directors of
D. B. Corp Limited**

Managing Director

Director

Company Secretary

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

- An amount of ₹ 5,699,243 (March 31, 2011: ₹ 6,554,207) and ₹ Nil (March 31, 2011: ₹ Nil) was due and outstanding to suppliers as at March 31, 2012 on account of Principal and Interest respectively.
- No interest was paid during the year to any supplier.
- No interest was paid to any suppliers for payments made beyond the appointed date during the accounting year.
- No claims have been received at the end of the year for interest under Micro, Small and Medium Enterprises Development Act, 2006.
- No amount of interest was accrued and unpaid at March 31, 2012.

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.

48. Salaries, wages and bonus include sitting fees paid to Directors ₹ 755,000 (March 31, 2011: ₹ 780,000).

49. 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.

50. Previous year comparatives

Till the year ended March 31, 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956 has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

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Cash flow statement for the year ended March 31, 2012

	For the year ended March 31, 2012 ₹	For the year ended March 31, 2011 ₹
A. Cash flow from operating activities		
Profit before taxation	3,065,430,575	3,669,758,997
Non-cash adjustment to reconcile profit before tax to net cash flows		
Loss on sale and scrape of fixed assets (net)	18,742,046	1,801,825
Interest income (net)	(37,077,496)	(31,813,910)
Depreciation and amortisation	500,020,416	427,635,700
Miscellaneous expenditure written off	15,913,155	15,869,677
Provision for doubtful loans and advances	27,500,000	60,679,338
Provision for diminution in value of investments	-	45,000,000
Bad debts written off (net of provision written back)	9,489,462	3,296,553
Provision for doubtful debts	61,796,563	58,173,429
Unrealised exchange rate fluctuation	(4,211,482)	8,407,005
Operating profit before working capital changes	3,657,603,239	4,258,808,614
Increase / Decrease in working capital		
(Increase) in inventories	(455,805,490)	(6,417,738)
(Increase) in trade receivable	(131,880,937)	(526,955,892)
(Increase) in long term loans and advances	(306,263,217)	(18,893,797)
(Increase) in short term loans and advances	(13,954,734)	(180,093,955)
Increase in trade payable	312,878,760	35,992,987
Increase / (Decrease) in other current liabilities	177,792,902	(31,442,443)
(Decrease) / Increase in long term provisions	(4,746,914)	9,310,319
Increase / (Decrease) in short term provisions	15,795,930	(404,592)
Cash generated from operations	3,251,419,539	3,539,903,503
Direct taxes paid	(909,345,090)	(909,872,984)
Net cash from operating activities (A)	2,342,074,449	2,630,030,519
B Cash flow from investing activities		
Purchase of fixed assets	(1,225,796,605)	(1,431,566,914)
Proceeds from sale of fixed assets	11,486,723	9,863,167
Purchase of investments	(307,345,800)	(372,800,000)
Cash and cash equivalents taken over as per scheme of arrangement	-	27,963,287
Sale of investments	-	20,000,000
Interest received	113,425,616	164,975,346
Intercorporate deposit recovered	269,766,322	370,317,377
Fixed deposit with maturity period more than three months received	164,689,282	764,832,626
Net cash from (used in) investing activities (B)	(973,774,462)	(446,415,111)
C Cash flow from financing activities		
Long-term loan repaid- secured	(300,000,000)	-
Short-term loan taken- secured	376,612,727	14,279,058
Short-term loan repaid- secured	(425,320,118)	(898,851,552)
Long-term loan taken-unsecured	31,107,034	44,406,453
Short-term loan taken-unsecured	199,015,598	4,934,050
Dividend paid	(687,274,325)	(589,854,863)
Dividend distribution tax	(111,510,921)	(97,990,181)
Interest paid	(71,606,972)	(133,578,070)
Proceeds from issuance of shares	3,593,136	4,479,625
Net cash from (used in) financing activities (C)	(985,383,841)	(1,652,175,480)
Net increase in cash and cash equivalents (A)+(B)+(C)	382,916,146	531,439,928
Cash and Cash Equivalents at the beginning of the year	964,634,009	433,194,081
Cash and Cash Equivalents at the end of the year	1,347,550,155	964,634,009
Net increase in cash and cash equivalents	382,916,146	531,439,928

For details of components of cash and cash equivalents - refer note - 17

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
Place : Mumbai
Date : July 19, 2012

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

per Navin K. Gupta
Partner
Membership No. 75030
Place : Mumbai
Date : July 19, 2012

**For and on behalf of the board of directors of
D. B. Corp Limited**

Managing Director

Director

Company Secretary

D. B. Corp Limited

AUDITORS' 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, 2012, and also the Consolidated Statement of Profit and Loss 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 two subsidiaries, whose financial statements reflect total assets of ₹ 65,629,926 (Previous year ₹ 122,888,679) as at March 31, 2012, the total revenue of ₹ 98,631,699 (Previous year ₹ 54,202,236) and cash flows amounting to ₹ 3,429,800 (Previous year ₹ 24,058,050) 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.

S.R. Batliboi & Associates did not audit the financial statements of the one subsidiary, whose financial statements reflect total assets of ₹ 40,728,159 (Previous year ₹ Nil) as at March 31, 2012, the total revenue of ₹ 53,685,907 (Previous year ₹ Nil) and cash flows amounting to ₹ 578,150 (Previous year ₹ Nil) for the year then ended. These financial statements and other financial information have been audited solely by one of the joint auditors Gupta Navin K & Co, whose reports

have been furnished to S.R. Batliboi & Associates and our joint opinion, is based on these reports.

4. We report that the consolidated financial statements have been prepared by the DBCL's management in accordance with the requirements of Accounting Standard (AS) 21 - "Consolidated Financial Statements" 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, 2012;
 - (b) in the case of the consolidated statement of profit and loss, 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 Number: 101049W
Chartered Accountants

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

per Amit Majmudar
Partner
Membership No. 36656
Place: Mumbai
Date: July 19, 2012

per Navin K. Gupta
Partner
Membership No. 75030

D. B. Corp Limited

Consolidated balance sheet as at March 31, 2012

	Notes	March 31, 2012 ₹	March 31, 2011 ₹
Equity and liabilities			
Shareholders' funds			
Share capital	4	1,833,093,540	1,832,842,310
Reserves and surplus	5	7,437,700,416	6,455,910,416
		<u>9,270,793,956</u>	<u>8,288,752,726</u>
Minority Interest (refer note 31)		15,407,602	3,791,742
Non-current liabilities			
Long-term borrowings	6	1,028,578,808	1,384,238,320
Other long term liabilities	7	296,215,193	261,314,339
Deferred tax liabilities (net)	8	745,869,435	694,657,385
Long-term provisions	9	30,707,524	36,194,049
		<u>2,101,370,960</u>	<u>2,376,404,093</u>
Current liabilities			
Short-term borrowings	10	772,249,360	336,780,592
Trade payables	11	1,077,625,829	761,576,889
Other current liabilities	11	1,404,381,672	1,277,476,049
Short-term provisions	9	809,849,657	504,867,439
		<u>4,064,106,518</u>	<u>2,880,700,969</u>
TOTAL		<u>15,451,679,036</u>	<u>13,549,649,530</u>
Assets			
Non-current assets			
Fixed assets	12		
Tangible assets		7,153,180,649	6,343,717,859
Intangible assets		330,031,329	334,293,539
Capital work in progress		449,639,047	412,921,457
Non-current investments	13	460,161,000	162,811,000
Long-term loans and advances	14	871,671,446	629,010,775
Other non-current assets	15	89,996,062	97,758,597
		<u>9,354,679,533</u>	<u>7,980,513,227</u>
Current assets			
Inventories	16	1,185,648,791	728,033,099
Trade receivables	17	2,484,108,883	2,400,812,822
Cash and bank balances	18	1,883,942,178	1,727,157,624
Short-term loans and advances	14	527,429,974	697,263,081
Other current assets	15	15,869,677	15,869,677
		<u>6,096,999,503</u>	<u>5,569,136,303</u>
TOTAL		<u>15,451,679,036</u>	<u>13,549,649,530</u>
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

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

Place: Mumbai
Date: July 19, 2012

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

per Navin K. Gupta
Partner
Membership No. 75030

Place : Mumbai
Date : July 19, 2012

**For and on behalf of the board of directors of
D. B. Corp Limited**

Managing Director

Director

Company Secretary



D. B. Corp Limited

Consolidated statement of profit and loss for the year ended March 31, 2012

	Notes	March 31, 2012 ₹	March 31, 2011 ₹
Income			
Revenue from operations	19	14,515,088,618	12,599,768,221
Other income	20	240,217,783	193,823,321
Total revenue (I)		14,755,306,401	12,793,591,542
Expenses			
Raw materials consumed	21	5,080,423,643	3,839,083,276
Increase in inventories of finished goods		(415,865)	(604,314)
Event Expenses		150,381,106	160,203,482
Employee benefit expenses	22	2,429,281,375	1,845,638,366
Foreign exchange loss / (gain) net	23	101,191,152	(212,403)
Operating expenses	24	1,665,283,638	1,319,362,565
General administration and other expenses	25	909,159,400	785,314,101
Selling and distribution expenses	26	816,134,214	675,714,600
Total expenditure (II)		11,151,438,663	8,624,499,673
Earning before interest, tax, depreciation and amortisation (EBITDA) (I - II)		3,603,867,738	4,169,091,869
Finance costs	27	92,325,399	149,208,691
Depreciation and amortisation expense	12	505,662,827	432,844,418
Profit before tax		3,005,879,512	3,587,038,760
Tax expenses			
Current tax		932,001,378	897,291,887
Deferred tax charge		51,171,781	85,894,427
Provision for tax of earlier years		-	16,500,000
Total tax expenses		983,173,159	999,686,314
Profit for the year before minority interest		2,022,706,353	2,587,352,446
Minority Interest in the profits of Subsidiaries		(1,557,305)	(2,590,845)
Profit for the year attributable to the shareholders of parent company		2,021,149,048	2,584,761,601
Earning per equity share [nominal value of share ₹ 10 (March 31, 2011: ₹ 10)]	28		
Basic		11.03	14.24
Diluted		11.01	14.22
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

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

Place: Mumbai
Date: July 19, 2012

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

per Navin K. Gupta
Partner
Membership No. 75030

Place : Mumbai
Date : July 19, 2012

For and on behalf of the board of directors of D. B. Corp Limited

Managing Director

Director

Company Secretary



D. B. Corp Limited

Consolidated notes to financial statement as at and for the year ended March 31, 2012 (Amount in Indian Rupees, except shares data)

1. Nature of operations

D. B. Corp Limited ('the Company') and its subsidiaries Synergy Media Entertainment Limited ('SMEL'), I Media Corp Limited ('IMCL') and Divya Prabhat Publications Private Limited ('DPPPL') (together referred as 'the Group') are mainly in the business of publishing of newspapers, Radio broadcasting, Event Management, Internet and wind energy. The major brands in publication business are 'Dainik Bhaskar' and 'Business Bhaskar' (Hindi dailies), 'Divya Bhaskar', 'Saurashtra Samachar' (Gujarati dailies), 'Divya Marathi' (Marathi daily), 'DNA English' (English daily) and monthly magazines such as 'Aha Zindagi' and 'Bal Bhaskar', etc. The Company is on air in 17 cities under the brand name 'My FM'. The frequency allotted to the Company is 94.3. SMEL is involved in the event management business. IMCL is involved in the internet business. DPPPL is involved in the publication business. The Group derives revenue mainly from the sale of publications and advertisements published in those publications and aired on radio.

2. Basis of consolidation

The consolidated financial statements ("CFS") are related to the Company and its subsidiary companies namely SMEL, IMCL and DPPPL.

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, 2012
1.	Synergy Media Entertainment Limited	India	56.82% (March 31, 2011: 56.82%)
2.	I Media Corp Limited	India	55% (March 31, 2011: 55%)
3.	Divya Prabhat Publications Private Limited	India	51% (with effect from October 01, 2011)

b) Principles of consolidation:

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

- i) The financial statements of the Company and its subsidiary companies have been combined on a line to line basis by adding together like items of assets, liabilities, income and expenses. The subsidiaries are consolidated from acquisition date till the date they cease to become a subsidiary. The intra group balances and intra group transactions and unrealised profits or losses have been fully eliminated unless cost cannot be recovered.
- ii) The excess of the cost to the Company of its investment in a subsidiary over the Company's portion of equity of the subsidiary, at the date on which the investment in the subsidiary is made, is accounted as goodwill; when the cost to the Company of its investment in the subsidiary is less than the Company's portion of equity of the subsidiary, at the date on which investment in

the subsidiary is made, the difference is accounted as capital reserve.

- iii) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity subsequent to the date of investments as stated above.
- c) 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. Summary of 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 in accordance with generally accepted accounting principles in India. The CFS has 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) Presentation and disclosure

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company and its subsidiaries, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of CFS. However, it has significant impact on presentation and disclosures made in the CFS. The Group has also reclassified the previous year figures in accordance with the requirement applicable in the current year.

c) Change in accounting policy

To align the accounting policy, during the year, "DPPPL" one of the subsidiary of the Company has changed the method of charging depreciation from WDV method to straight line method, as a result of which a sum of ₹ 190,736 has been written back to the statement of profit and loss. Had this change not been made the profit for the year would have been lower by ₹ 190,736 on account of current depreciation and the value of net fixed assets would have been lower by ₹ 190,736.

d) Use of estimates

The preparation of CFS in conformity with Indian GAAP 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.

e) Tangible fixed assets

Fixed assets are stated at cost, less the accumulated depreciation/amortisation and impairment losses, if any. Cost comprises the

D. B. Corp Limited

Consolidated notes to financial statement as at and for the year ended March 31, 2012 (Amount in Indian Rupees, except shares data)

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.

f) 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 land and buildings are amortised on a straight line basis over the period of lease, i.e. lease period as per the agreement

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 ₹ 5,000 are fully depreciated in the year of its acquisition.

g) Intangible assets

Goodwill

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

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

Computer software-ERP

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 amortised 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.

h) Expenditure on new projects

Capital work-in-progress:

Expenditure directly relating to construction activity is capitalised.

Pre-operative expenditure:

Indirect expenditure incurred during construction period is capitalised under the respective asset-head as part of the indirect construction cost, to the extent to which the expenditure is allocable/apportioned 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 statement profit and loss.

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

i) Impairment of tangible and intangible 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 recognised 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.

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

j) 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.

k) 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 recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

l) 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. Cost is determined on a weighted average basis.

Net realisable 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.

m) Revenue recognition

Revenue is recognised 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 recognised as and when advertisement is published /displayed /aired and is disclosed net of trade discounts and service tax.

D. B. Corp Limited

Consolidated notes to financial statement as at and for the year ended March 31, 2012 (Amount in Indian Rupees, except shares data)

Sale of newspaper, magazine, waste paper and scrap

Revenue is recognised 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 recognised on the completion of job work as per terms of the agreement with the customer, and is disclosed net of discounts and service tax.

Revenue from sales of portal and SMS

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

Sale of power

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

Event

Revenue is recognised once the related event is organised and completed.

Interest

Revenue is recognised 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.

n) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in Indian Rupee by applying to the foreign currency amount, the exchange rate between the Indian Rupees 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.

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 recognised 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.

o) 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 statement of profit and loss 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 statement of profit and loss both for gratuity and leave encashment and are not deferred.

p) 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, unrecognised deferred tax assets of earlier years are re-assessed and recognised 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

D. B. Corp Limited

Consolidated notes to financial statement as at and for the year ended March 31, 2012 (Amount in Indian Rupees, except shares data)

such deferred tax assets can be realised. 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.

q) Provisions

A provision is recognised when the Company 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.

r) Borrowing cost

Borrowing costs includes interest and amortisation of term loan processing fees over the period of loans which are incurred in connection with arrangements of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of cost of the respective assets. All other borrowing costs are expensed in the period they occur.

s) 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.

t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also

arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

u) Cash and cash equivalents

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

v) Segment information

Identification of segments

The Group's operating businesses are organised 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.

w) 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 amortised over the vesting period of the option on a straight line basis.

x) Measurement of EBITDA

As permitted by the Guidance note on the Revised Schedule VI to the Companies Act, 1956, the Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/(loss) from continuing operation. In this measurement, the Company does not include depreciation and amortisation expenses, finance cost and tax expenses.

D. B. Corp Limited

Consolidated notes to financial statement as at and for the year ended March 31, 2012
(Amount in Indian Rupees, except shares data)

4 Share capital

Authorised shares

249,000,000 (March 31, 2011: 249,000,000) equity shares of ₹ 10 each

1,000 (March 31, 2011: 1,000), Zero%, non- convertible redeemable preference shares of ₹ 10,000 each

Issued, subscribed and fully paid-up shares

183,308,354 (March 31, 2011: 183,283,231) equity shares of ₹10 each fully paid up

1 (March 31, 2011: 1), Zero%, non - convertible redeemable preference share of ₹10,000 each

Total issued, subscribed and fully paid-up share capital

March 31, 2012	March 31, 2011
₹	₹
2,490,000,000	2,490,000,000
10,000,000	10,000,000
2,500,000,000	2,500,000,000
1,833,083,540	1,832,832,310
10,000	10,000
1,833,093,540	1,832,842,310

a. Reconciliation of number of shares outstanding at the beginning and at the end of the year

Equity shares

	March 31, 2012		March 31, 2011	
	No.	₹	No.	₹
At the beginning of the year	183,283,231	1,832,832,310	181,514,605	1,815,146,050
Issued during the year -Employee Stock Option Plan	25,123	251,230	36,126	361,260
Issued during the year -under the scheme of arrangement (refer note 30 (b))	-	-	1,732,500	17,325,000
Outstanding at the end of the year	183,308,354	1,833,083,540	183,283,231	1,832,832,310

	March 31, 2012		March 31, 2011	
	No.	₹	No.	₹
At the beginning of the year	1	10,000	1	10,000
Outstanding at the end of the year	1	10,000	1	10,000

b. Terms / rights attached to each class of shares

Equity shares:

The Company has only one class of equity shares having a par value ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividend in Indian rupees. The dividend proposed by board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2012, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 5 per share (₹ 4 per share as on March 31, 2011).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

Preference shares:

The Company has class of Zero%, nonconvertible redeemable preference shares having value ₹ 10,000 per share. These preference shares are redeemable at par after five years from the date of allotment i.e. July 31, 2007. Each preference share holder is entitled to one vote per share.

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c. Aggregate number of bonus shares issued, share issued for consideration other than cash, share issued pursuant to the scheme of arrangement during the period of five years immediately preceding the reporting date:

	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
	No.	No.	No.	No.	No.
Equity shares :					
Allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	201	4
Allotted as fully paid up by way of bonus shares	-	-	-	1,638	166,651,212
Allotted as shares issued in pursuant to the scheme of arrangement (refer note 30 (b))	-	1,732,500	-	-	-
Preference shares :					
Allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	1

d Details of shareholders holding more than 5% shares of the Company

Name of shareholders	March 31, 2012		March 31, 2011	
	No.	% of holding	No.	% of holding
Equity shares of ₹ 10 each fully paid				
Ramesh Chandra Agarwal	32,010,062	17.46	32,010,062	17.46
Jyoti Agarwal	19,875,007	10.84	19,906,788	10.86
Sudhir Agarwal	19,139,206	10.44	18,006,206	9.82
Girish Agarwal	16,360,186	8.92	15,227,186	8.31
Pawan Agarwal	18,557,808	10.12	17,424,808	9.51
Bhaskar Infrastructure Limited	12,112,420	6.61	12,112,420	6.61
Peacock Trading and Investments Limited	10,127,247	5.52	10,127,247	5.53

e. Shares reserved for issue under options

For detail of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 40.

5 Reserves and surplus

	March 31, 2012	March 31, 2011
	₹	₹
General reserve		
Balance as per the last financial statements	1,255,620,213	929,597,888
Add: Amount transferred from surplus balance in the statement of profit and loss	210,000,000	300,000,000
Add: Adjustment pursuant to the scheme of arrangement (refer note 30 (b))	-	26,022,325
	1,465,620,213	1,255,620,213
Capital reserve		
Balance as per the last financial statements	-	-
Add: Capital reserve on investment in Divya Prabhat Publications Private Limited	473,310	-
	473,310	-
Securities premium account		
Balance as per the last financial statements	2,372,796,378	2,365,932,438
Add: Additions on ESOPs exercised	5,207,810	6,863,940
	2,378,004,188	2,372,796,378

Consolidated notes to financial statement as at and for the year ended March 31, 2012
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Stock option outstanding (refer note 40)

Gross employee stock options at the beginning of the year	57,831,008	57,831,008
Add: Gross compensation for option granted during the year	36,234,495	-
Less: Deferred employee compensation outstanding at the end of the year	40,248,281	26,166,387
	53,817,222	31,664,621
Less: Value of employee compensation of option exercised	4,611,480	2,745,576
	49,205,742	28,919,045

Surplus in the statement of profit and loss

Balance as per the last financial statements	2,798,574,780	1,363,267,140
Profit for the year	2,021,149,048	2,584,761,601
Less: Appropriations		
Transfer to general reserves	210,000,000	300,000,000
Proposed final equity dividend (amount per share ₹ 1.5 (March 31, 2011: ₹ 2))	275,020,000	366,596,274
Interim equity dividend (amount per share ₹ 3.50 (March 31, 2011: ₹ 2))	641,607,042	363,083,050
Tax on dividend	148,699,823	119,774,637
	3,544,396,963	2,798,574,780
Total reserves and surplus	7,437,700,416	6,455,910,416

6 Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Term loans	₹	₹	₹	₹
Indian Rupee loans from banks (secured)	-	300,000,000	93,439,452	180,000,000
Foreign currency loans from financial institutions (secured)	1,028,578,808	1,084,238,320	205,715,810	180,706,428
	1,028,578,808	1,384,238,320	299,155,262	360,706,428
The above amount includes				
Amount disclosed under the head	-	-	299,155,262	360,706,428
"other current liabilities" (refer note 11)				
	1,028,578,808	1,384,238,320	-	-

The Term loans are secured by:

(a) Indian Rupee loans from banks

IDBI Bank:-

- Exclusive charge on the plant and machinery being acquired out of the financial assistance.
- 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.
- Second charge on all the fixed assets of the Company.
- The loan carries interest @ 12.75% p.a. The loan is repayable in equal quarterly installments but the same has been completely repaid during the current financial year.

UCO Bank:-

Exclusive first charge on the fixed assets to be acquired from the proposed term loan.-

Personal guarantee of directors aggregating to ₹ 93,439,452 (March 31, 2011: ₹ Nil) [Shri Ramesh Chandra Agarwal, Shri Sudhir Agarwal].

The loan carries interest @ 14.75% p.a. The loan is repayable in equal quarterly installments but the same has been completely repaid after the reporting date.

(b) Foreign currency loans from financial institutions

Agco Finance GmbH:-

- The loan carries interest @ LIBOR plus 0.68%. The loan is repayable in 18 consecutive half yearly installments. The loan is secured against first pari passu charge with other lenders on up gradation project assets.

Consolidated notes to financial statement as at and for the year ended March 31, 2012
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7 Other long-term liabilities

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Security deposits (unsecured)	296,215,193	261,314,339	32,912,799	29,034,926
	296,215,193	261,314,339	32,912,799	29,034,926
The above amount includes				
Amount disclosed under the head "other current liabilities" (refer note 11)			32,912,799	29,034,926
	296,215,193	261,314,339	-	-

8 Deferred tax liabilities (net)

	March 31, 2012	March 31, 2011
	₹	₹
Deferred tax liability		
Depreciation	903,205,689	814,707,297
Gross deferred tax liability	903,205,689	814,707,297
Deferred tax assets		
Provision for doubtful debts and advances	89,634,406	61,837,662
Provision for gratuity and leave encashment	20,103,170	16,219,003
Provision for diminution in value of investment	31,633,875	32,387,063
Provision for employee stock option scheme	15,964,803	9,606,184
Gross deferred tax assets	157,336,254	120,049,912
Deferred tax liabilities (net)	745,869,435	694,657,385

9 Provisions

	Long-term		Short-term	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Provision for employee benefits (refer note 39)				
Provision for gratuity	-	-	9,990,463	8,534,419
Provision for leave encashment	30,707,524	36,194,049	21,393,032	5,044,851
	30,707,524	36,194,049	31,383,495	13,579,270
Other provisions				
Provision for tax (net of taxes paid of ₹ 3,575,467,946) (March 31, 2011: ₹ 2,689,297,806)	-	-	78,972,428	58,421,055
Provision for fringe benefit tax (net of taxes paid ₹ 81,867,995) (March 31, 2011: ₹ 81,867,995)	-	-	6,613,317	6,613,317
Provision for wealth tax	-	-	135,000	50,000
Proposed dividend	-	-	596,085,434	366,732,717
Tax on proposed dividend	-	-	96,659,983	59,471,080
	-	-	778,466,162	491,288,169
	30,707,524	36,194,049	809,849,657	504,867,439

Consolidated notes to financial statement as at and for the year ended March 31, 2012
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10 Short-term borrowings

March 31, 2012	March 31, 2011
₹	₹
Secured	
Cash credit facilities from banks (payable on demand)	51,612,055
Buyers' credit from bank	285,168,537
Total secured borrowings	336,780,592
Unsecured	
Buyers' credit from bank	-
Total unsecured borrowings	-
Total short-term borrowings	336,780,592

a Cash credit facilities are secured by:

- **State Bank of Hyderabad and Bank of Maharashtra:**
- First charge on the entire current assets and;
- Second charge on the other movable properties (other than current assets) of the Company.
- Personal guarantees of Directors aggregating to ₹ Nil (March 31, 2011: ₹ 51,612,055) [Shri Ramesh Chandra Agarwal, Shri Sudhir Agarwal, Shri Girish Agarwal and Shri Pawan Agarwal].
- Corporate guarantees of Writers and Publishers Private Limited.
- Interest rates for cash credits are @12.75% p.a. and @13% p.a. for State Bank of Hyderabad and Bank of Maharashtra respectively.

b Buyers' credit facilities are secured by:

- Standard Chartered Bank: First charge on the current assets of the Company.
- HSBC Bank: First pari passu charge over current assets of the Company second charge over plant and machinery of the Company and corporate guarantee of Writers and Publishers Private Limited.
- DBS Bank: First pari-passu charge on current assets of the Company, second pari-passu charge on movable fixed assets.
- Interest rates for buyers' credits are multiline rate (as mutually agreed).

11 Other current liabilities

March 31, 2012	March 31, 2011
₹	₹
Trade payables (refer note 36)	761,576,889
Other liabilities	
Current maturities of long term borrowings (refer note 6)	360,706,428
Current maturities of other long term liabilities (refer note 7)	29,034,926
Payable for capital goods	38,476,256
Accrued expenses	428,690,871
Advances from customers	366,944,400
Interest accrued but not due on term loan and buyers' credit	1,822,950
Statutory liabilities	51,800,218
1,404,381,672	1,277,476,049
Total other current liabilities	2,039,052,938

Consolidated notes to financial statement as at and for the year ended March 31, 2012 (Amount in Indian Rupees, except shares data)

12- Fixed assets

Assets	Gross block				Accumulated depreciation / amortisation				Net block			
	As at April 1, 2011	Transfer in with scheme of arrangement	Additions during the year	Deductions during the year	As at March 31, 2012	Up to April 1, 2011	Transfer in accordance with scheme of arrangement	For the year	On deductions	Up to March 31, 2012	As at March 31, 2012	As at March 31, 2011
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible assets												
Land												
-Freehold	62,234,313	-	-	-	62,234,313	-	-	-	-	-	62,234,313	62,234,313
-Leasehold	29,947,578	-	-	1,042,080	28,905,498	812,040	-	590,369	23,205	1,379,204	27,526,294	29,135,538
Buildings												
- Freehold	674,596,778	-	16,440,364	-	691,037,142	48,389,313	-	22,741,251	-	71,130,564	619,906,578	626,207,465
- Leasehold	509,727,738	-	-	-	509,727,738	575,964	-	6,911,564	-	7,487,528	502,240,210	509,151,774
Leasehold Improvements	64,411,275	-	76,696,045	-	141,107,320	13,995,734	-	11,141,268	-	25,137,002	115,970,318	50,415,541
Plant and machinery (refer note 2 & 3 below)	5,222,697,172	-	923,963,243	18,920,382	6,127,740,033	969,182,508	-	296,866,055	4,217,703	1,261,830,860	4,865,909,173	4,253,514,664
Office equipments	188,267,526	315,000	35,634,272	4,243,637	219,973,161	49,026,929	109,606	12,082,896	1,220,875	59,998,556	159,974,605	139,240,597
Vehicles	26,152,094	-	10,119,762	1,969,321	34,302,535	16,654,723	-	1,940,988	1,461,893	17,133,818	17,168,717	9,497,371
Furniture and fixtures	254,849,727	39,250	52,727,759	7,965,511	299,651,225	76,407,696	16,641	19,510,460	2,677,452	93,257,345	206,393,880	178,442,031
Electric fitting, fans and coolers	269,500,637	169,548	81,699,906	5,334,174	346,035,917	43,886,346	87,757	15,825,132	1,213,921	58,585,314	287,450,603	225,614,291
Computers	391,599,623	708,950	58,557,591	9,485,421	441,380,743	251,286,174	320,411	46,853,012	6,731,171	291,728,426	149,652,317	140,313,449
D.G sets	136,084,664	-	26,017,001	-	162,101,665	16,133,839	-	7,214,185	-	23,348,024	138,753,641	119,950,825
Total tangible assets	7,830,069,125	1,232,748	1,281,855,943	48,960,526	9,064,197,290	1,486,351,266	534,415	441,677,160	17,546,220	1,911,016,641	7,153,180,649	6,343,717,859
Intangible assets												
Computer software - including ERP	38,020,203	-	44,846,725	-	82,866,928	20,836,329	-	8,836,954	-	29,673,283	53,193,645	17,183,874
Goodwill	25,609,517	15,000,000	-	-	40,609,517	23,180,587	123,288	3,928,593	-	27,232,468	13,377,049	2,428,930
Goodwill on consolidation	1,606,190	-	-	-	1,606,190	1,606,190	-	-	-	1,606,190	-	-
One time license fees	512,201,000	-	-	-	512,201,000	197,520,265	-	51,220,100	-	248,740,365	263,460,635	314,680,735
Total intangible assets	577,436,910	15,000,000	44,846,725	-	637,283,635	243,143,371	123,288	63,985,647	-	307,252,306	330,031,329	334,293,539
Total	8,407,506,035	16,232,748	1,326,702,668	48,960,526	9,701,480,925	1,729,494,637	657,703	505,662,827	17,546,220	2,218,268,947	7,483,211,978	6,678,011,398
Capital work-in-progress (refer note 1 and 3 below)											449,639,047	412,921,457
Previous year ended March 31, 2011	7,165,494,067	-	1,261,925,668	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	-

Notes

- For details of pre operative expenses and borrowing costs capitalised refer note 40
- Plant and machinery above include common transmitters infrastructure which are jointly held assets as at March 31, 2012:
Gross block - ₹ 122,386,729 (March 31, 2011: ₹ 127,300,000)
Net block - ₹ 61,782,454 (March 31, 2011: ₹ 101,333,902)
% of Ownership - 30.26% (March 31, 2011: 30.26%)
- Additions during the year includes exchange differences capitalised as follows:

Name of block	March 31, 2012	March 31, 2011
	₹	₹
Plant and machinery	135,795,314	(226,094)
Capital work-in-progress	28,891,019	(216,400)
Total foreign exchange loss / (gain)	164,686,333	(442,494)

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13 Non current investments

	March 31, 2012 ₹	March 31, 2011 ₹
Non trade investments (refer note 41):-		
Quoted investment in equity (valued at cost unless stated otherwise):-		
300,000 (March 31, 2011: 300,000) equity shares of ₹ 10 each fully paid up at a premium of ₹ 65 per share of Ajcon Global Services Limited (Market Value as at March 31, 2012 is ₹ 4,965,000) (March 31, 2011: ₹ 6,330,000) (Provision for diminution in value of investment is ₹ 17,500,000 (March 31, 2011: ₹ 17,500,000))	22,500,000	22,500,000
52,136 (March 31, 2012: Nil) equity shares of ₹ 10 each fully paid up at a premium of ₹ 427.32 per share of Everonn Education Limited (Market Value as at March 31, 2012 is ₹ 13,581,428) (March 31, 2011: ₹ Nil)	22,800,000	
Unquoted investment in equity (valued at cost unless stated otherwise):-		
100,000 (March 31, 2011: 100,000) equity shares of ₹ 10 each fully paid up at a premium of ₹ 140 per share of Dwarkas Gems Limited (Provision for diminution in value of investment is ₹ 15,000,000 (March 31, 2011: ₹ 15,000,000))	15,000,000	15,000,000
14,286 (March 31, 2011: 14,286) equity shares of ₹ 10 each fully paid up at a premium of ₹ 340 per share of Aayam Herbal Private Limited	5,000,000	5,000,000
375,000 (March 31, 2011: 375,000) equity shares of ₹ 10 each fully paid up at a premium of ₹ 30 per share of Arvind Corfoam Private Limited (Provision for diminution in value of investment is ₹ 15,000,000 (March 31, 2011: ₹ 15,000,000))	15,000,000	15,000,000
100,000 (March 31, 2011: 100,000) equity shares of ₹ 10 each fully paid up at a premium of ₹ 390 per share of Micro Secure Solution Limited (refer note 1 below)	40,000,000	40,000,000
81,085 (March 31, 2011: 81,085) equity shares of ₹ 10 each fully paid up at a premium of ₹ 359.95 per share of Naaptol Online Shopping Private Limited (refer note 1 below)	30,000,000	30,000,000
230,415 (March 31, 2011: 230,415) equity shares of ₹ 10 each fully paid up at a premium of ₹ 207 per share of Neesa Leisure Limited	50,000,000	50,000,000
27,778 (March 31, 2011: 27,778) equity shares of ₹ 10 each fully paid up at a premium of ₹ 350 per share of Professionals Coaching Company Private Limited	10,000,000	10,000,000
256,410 (March 31, 2011: Nil) equity shares of ₹ 10 each fully paid up at a premium of ₹ 185 per share of Neesa Leisure Limited	50,000,000	-
225,000 (March 31, 2011: Nil) equity shares of ₹ 10 each fully paid up at a premium of ₹ 440 per share of Micro Secure Solution Limited	101,250,000	-
140,000 (March 31, 2011: Nil) equity share of ₹ 10 each fully paid up at a premium of ₹ 275 per share of Trophic Wellness Private Limited	39,900,000	-
1,100,917 (March 31, 2011: Nil) equity shares of ₹ 1 each fully paid up at a premium of ₹ 26.25 per share of Abbee Consumables and Peripherals Sshope Limited (Provision for diminution in value of investment is ₹ 30,000,000 (March 31, 2011: ₹ Nil))	30,000,000	-
100 (March 31, 2011: 100) equity shares of ₹ 100 each fully paid up of United News of India	10,000	10,000
10 (March 31, 2011: 10) equity shares of ₹ 100 each fully paid up of Press Trust of India	1,000	1,000
Investment in debentures and warrants (valued at cost unless stated otherwise) (refer note 41):-		
Nil (March 31, 2011: 1), Zero%, fully convertible debenture of ₹ 30,000,000 fully paid up of Abbee Consumables and Peripherals Sshope Limited (Provision for diminution in value of investment is ₹ Nil (March 31, 2011: ₹ 30,000,000))	-	30,000,000
200,000 (March 31, 2011: 200,000), Zero%, fully convertible debentures of ₹ 100 each fully paid up of Cubit Computers Private Limited (Provision for diminution in value of investment is ₹ 20,000,000 (March 31, 2011: ₹ 20,000,000))	20,000,000	20,000,000
Nil (March 31, 2011: 2,280,000), Zero%, coupon fully convertible debentures of ₹ 10 each fully paid up of Everonn Education Limited	-	22,800,000
700,935 (March 31, 2011: Nil) convertible warrants of ₹ 53.50 of Edserv Softsystems Limited (refer note 1 below)	37,500,000	-
1 (March 31, 2011: Nil), Zero%, fully convertible debenture of ₹ 8,500,000 each fully paid up of Roxton (Italy) Clothing Private Limited (refer note 1 below)	8,500,000	-
1 (March 31, 2011: Nil), Zero%, fully convertible debenture of ₹ 26,700,000 each fully paid up of DMC Education Limited (refer note 1 below)	26,700,000	-
1 (March 31, 2011: Nil), Zero%, fully convertible debenture of ₹ 25,500,000 each fully paid up of Timbor Home Limited (refer note 1 below)	25,500,000	-
1 (March 31, 2011: Nil), Zero%, fully convertible debenture of ₹ 8,000,000 each fully paid up of Arvind International Limited (refer note 1 below)	8,000,000	-
Aggregate market value as at March 31, 2012 is ₹ 18,546,428 (March 31, 2011: ₹ 6,330,000)	567,661,000	260,311,000
Less: Provision for diminution in value of investments	97,500,000	97,500,000
	460,161,000	162,811,000
Aggregate amount of quoted investment	45,300,000	22,500,000
Aggregate amount of unquoted investment	512,361,000	237,811,000

Notes :

1) These investments contain lock-in-period of twelve months from the date of subscription / allotment.

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14 Loans and advances

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
a Capital advances (unsecured, considered good)				
Advance for capital goods	139,487,216	173,443,930	-	-
Advance for property	152,081,334	93,725,237	-	-
	291,568,550	267,169,167	-	-
b Security deposits (unsecured, considered good)				
Deposit with government authorities	55,395,688	54,721,079	-	-
Security deposit against lease of properties (refer note 32 (b) and 38)	453,320,200	132,950,000	-	-
Deposit with others	71,387,008	86,156,765	63,140	63,690
	580,102,896	273,827,844	63,140	63,690
c Loans and advances to related parties (refer note 32 (b) and 38) (unsecured, considered good)				
Inter corporate deposit	-	88,013,764	87,499,992	271,825,784
Advances recoverable in cash or kind or for value to be received	-	-	282,178,154	235,128,055
	-	88,013,764	369,678,146	506,953,839
d Other loans and advances				
Unsecured considered good				
Advances recoverable in cash or kind or for value to be received	-	-	132,512,376	167,108,301
Advance to employees	-	-	25,176,312	23,137,251
Unsecured considered doubtful	-	-	-	-
Advances recoverable in cash or kind or for value to be received	-	-	5,679,338	5,679,338
	-	-	163,368,026	195,924,890
Less: Provision for doubtful advances	-	-	5,679,338	5,679,338
	-	-	157,688,688	190,245,552
Total loans and advances	871,671,446	629,010,775	527,429,974	697,263,081

Loans, advances and deposits due by directors or other officers, etc.

	March 31, 2012	March 31, 2011
	₹	₹
Directors	Nil	50,000
Other officers of the Company	Nil	Nil
Firm in which directors are partner		
R.C. Printer	16,914,966	363,205
Private companies in which directors are member		
Writers and Publishers Private Limited	650,733,792	466,342,929
Bhaskar Publication and Allied Industries Private Limited	141,295,953	80,030,190
DB Malls Private Limited	818,720	796,787

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15 Other assets

	Non current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Unsecured, considered good unless stated otherwise				
Non-current bank balance (refer note 18)	11,952,000	3,801,380	-	-
Term loan processing fees				
Balance as per last financial statement	93,957,217	109,826,894	15,869,677	15,869,677
Less: Charged to statement of profit and loss	15,913,155	15,869,677	-	-
	78,044,062	93,957,217	15,869,677	15,869,677
	89,996,062	97,758,597	15,869,677	15,869,677

16 Inventories (valued at lower of cost and net realisable value)

	March 31, 2012	March 31, 2011
	₹	₹
Raw materials		
News print	717,654,622	426,614,745
News print in transit	278,563,554	147,250,346
	996,218,176	573,865,091
Finished goods	1,365,326	949,461
Stores and spares	154,875,760	129,561,869
Gift / promotional products	33,189,529	23,656,678
	1,185,648,791	728,033,099

17 Trade receivables (refer note 32 (b), 36 and 37)

	March 31, 2012	March 31, 2011
	₹	₹
Outstanding for a period less than six months from the date they are due for payment		
Unsecured considered good	2,317,952,115	2,233,142,776
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	166,156,768	167,670,046
Unsecured considered doubtful	189,172,057	128,057,034
	355,328,825	295,727,080
Less: Provision for doubtful debts	189,172,057	128,057,034
	166,156,768	167,670,046
	2,484,108,883	2,400,812,822

Consolidated notes to financial statement as at and for the year ended March 31, 2012
(Amount in Indian Rupees, except shares data)

18 Cash and bank balances

	Non current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Cash and cash equivalents				
Balances with banks:				
On current account	-	-	540,059,680	368,682,613
Deposits with original maturity of less than 3 months (refer note 29)	-	-	589,128,466	400,036,096
Cheques on hand / transit	-	-	216,144,182	186,098,676
Cash on hand	-	-	18,264,011	17,154,498
	-	-	1,363,596,339	971,971,883
Other bank balances (refer note 29)				
Deposit with original maturity of more than 3 months but less than 12 months	-	-	517,062,280	240,499,036
Deposit with original maturity of more than 12 months	11,952,000	3,801,380	3,283,559	514,686,705
	11,952,000	3,801,380	1,883,942,178	1,727,157,624
The above includes				
Amount disclosed under the head "other assets - non current assets" (refer note 15)	11,952,000	3,801,380	-	-
	-	-	1,883,942,178	1,727,157,624

	March 31, 2012	March 31, 2011
	₹	₹
19 Revenue from operations		
Sale of products:-		
Sale of newspapers	2,366,076,282	2,084,953,525
Sale of power	6,472,822	10,418,972
Sale of magazines	56,343,543	58,626,779
Portal and wireless revenue	3,110,207	7,489,671
	2,432,002,854	2,161,488,947
Sale of service:-		
Advertisement revenue	11,280,863,290	10,034,151,791
Other operating revenue:-		
Income from event management	188,720,886	175,305,407
Printing job charges	437,034,836	91,351,789
Wastage sale	176,466,752	137,470,287
	802,222,474	404,127,483
Total revenue from operations	14,515,088,618	12,599,768,221
20 Other income		
Excess liabilities / provision written back	72,992,244	40,755,423
Miscellaneous income	51,411,457	11,305,718
Interest income from:-		
Bank deposits	76,203,552	86,750,399
Intercompany deposits	34,869,523	50,838,444
Others	4,741,007	4,173,337
Total other income	240,217,783	193,823,321

Consolidated notes to financial statement as at and for the year ended March 31, 2012
(Amount in Indian Rupees, except shares data)

	March 31, 2012 ₹	March 31, 2012 ₹
21 Raw materials consumed		
News prints		
Opening inventories	573,865,091	619,901,028
Add: Purchased during the year	5,502,776,728	3,793,047,339
	6,076,641,819	4,412,948,367
Less: Closing inventories	996,218,176	573,865,091
	5,080,423,643	3,839,083,276
22 Employee benefit expenses		
Salaries, wages and bonus	2,175,067,217	1,650,745,385
Contribution to provident fund and other funds	120,453,858	91,245,583
Employee stock option scheme	17,382,609	19,934,613
Gratuity expenses	14,070,512	14,212,120
Workmen and staff welfare expenses	102,307,179	69,500,665
	2,429,281,375	1,845,638,366
23 Foreign exchange loss / (gain) net		
Foreign exchange loss / (gain) net	47,595,787	(609,893)
Exchange loss on buyers' credit from banks (net)	53,595,365	397,490
	101,191,152	(212,403)
24 Operating expenses		
Consumption of stores and spares	836,160,849	587,046,859
Printing job work expenses	83,331,827	109,959,802
News collection expenses	141,706,469	159,041,008
Binding expenses	54,283,179	32,016,227
Electricity and water charges	208,715,425	154,613,559
Repairs and maintenance - machinery	142,522,735	109,733,755
License fees	27,059,070	23,749,449
Tower rent and other operating rental	19,380,872	20,257,458
Royalty	66,509,619	68,383,705
Portal and wireless expenses	24,803,895	11,580,351
Other operating expenses	60,809,698	42,980,392
	1,665,283,638	1,319,362,565
25 General administrative and other expenses		
Electricity	71,476,911	50,159,413
Rent	138,366,412	96,810,134
Rates and taxes	6,436,554	3,374,104
Insurance	11,330,807	7,972,532
Repair and maintenance:-		
Building	13,238,834	6,213,960
Other	31,717,016	25,724,776
Legal and professional charges	106,472,285	99,680,477
Postage and telegram	13,398,616	8,600,929
Telephone	41,633,322	37,048,176
Printing and stationary	30,485,888	25,747,992
Traveling	134,244,956	107,223,089
Conveyance	9,233,191	6,796,110
Vehicle running and maintenance	8,328,528	7,409,554
Auditors remuneration	9,483,935	9,103,400
Loss on sale and scrap of fixed assets (net)	19,217,718	1,801,825
Bad debts written off (net of provision written back)	10,745,341	3,411,138
Provision for diminution in value of investments	-	45,000,000
Provision for doubtful debts	62,596,563	61,143,778
Provision for doubtful advances	27,500,000	60,679,338
Sundry office expenses	137,919,161	102,121,301
Bank charges	25,333,362	19,292,075
	909,159,400	785,314,101
26 Selling and distribution expenses		
Advertisement and publicity	150,353,285	125,213,772
Distribution expenses	243,358,123	212,816,228
Business promotion	155,912,263	149,844,277
Survey expenses	266,510,543	187,840,323
	816,134,214	675,714,600
27 Finance costs		
Interest expenses		
On term loans	27,010,679	79,492,865
On banks	16,348,812	23,033,206
On others	33,052,753	30,812,943
Amortisation of term loan processing fees	15,913,155	15,869,677
	92,325,399	149,208,691

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Consolidated notes to financial statement as at and for the year ended March 31, 2012
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28. Earnings per share (EPS)

Particulars	March 31, 2012	March 31, 2011
i) Profit for the year (₹)	2,021,149,048	2,584,761,601
ii) Weighted average number of Equity Shares outstanding for Basic EPS	183,297,890	181,528,139
iii) Basic Earnings per share (₹)	11.03	14.24
iv) On account of shares to be issued under ESOS	255,535	288,673
v) Weighted average number of Equity Shares outstanding for Diluted EPS	183,553,425	181,816,812
vi) Diluted Earnings per share (₹)	11.01	14.22
vii) Nominal value of shares (₹)	10.00	10.00

29. Initial public offer

During the year 2009-10, the Company completed an Initial Public Offer (IPO) of its 18,175,000 equity shares of ₹ 10 each for cash at a price of ₹ 210 each for Retail Investors and ₹ 212 each for other than retail investors. Out of total shares, 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. 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 were ₹ 2,690,065,000. Following were the details of utilisation of IPO proceeds till March 31, 2012 and March 31, 2011.

Particulars	Amount to be utilised as per Prospectus	Actual Utilisation till March 31, 2012	Balance to be utilised/ (excess utilised) as on March 31, 2012
	₹	₹	₹
Setting up new publishing units	600,000,000	799,720,448	(199,720,448)
Upgrading existing plant and machinery	305,000,000	509,811,500	(204,811,500)
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	111,595,721	31,009,279
Total	2,690,065,000	2,566,391,739	123,673,261

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:

- As per the provisions in the Prospectus, the management of the Company has the discretion to change the allocation as well as reschedule the utilisation of IPO proceeds proposed in the prospectus depending on the business scenario and funding requirements. Accordingly, the management has reallocated the proposed utilisation as follows:
 - The proceeds allocated towards Sales and marketing expenses and IPO expenses and lying unutilised would be used for setting up publishing units and upgrading the existing plant and machinery;
 - 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 July 19, 2012 has approved the revised allocation and resultant utilisation of proceeds of IPO till March 31, 2012.

- Pending utilisation, the funds are temporarily held in:

Particulars	Amount	
	₹	
	March 31, 2012	March 31, 2011
Fixed deposit	120,000,000	580,000,000
Balance in current account	3,673,261	12,738,075
Total	123,673,261	592,738,075

30. Scheme of arrangement:

A) Purchase of M.P. Printers business (Unit of Writers and Publishers Private Limited) on slump sale basis

- During the year, the Company has entered in to the business transfer agreement with Writers and Publishers Private Limited [WPPL] to purchase the business of M.P. Printers. M.P. Printers was the unit of 'WPPL' and engaged in the business of commercial printing of books, magazine, annual reports, news papers, calendars and other specialised printing activity.
- WPPL vide its board resolution dated 12th September 2011 had agreed to transfer and sell and the Company [DBCL] has pursuant to the resolution passed by the Executive Committee of the board of directors of the Company on 12th September 2011 has agreed to purchase and acquired the business of M.P. Printers together with its assets, employees, debts and liabilities as a going concern with effect from the transfer date i.e. 16th September 2011.
- As per the agreement, the Company had paid ₹ 350,000,000 as purchase consideration for purchase of "said business" and the same has been paid.
- "Said business" included the entire undertaking of M.P. Printer, which is engaged in commercial printing of newspapers, periodicals & Books including in particular all the assets and liabilities of Said Business existing as on transfer date.
- As prescribed in the scheme, following assets and liabilities of M.P. printer as at September 16, 2011 are transferred to and accounted in the books of the account of the Company at their respective revalued value:-

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Consolidated notes to financial statement as at and for the year ended March 31, 2012
(Amount in Indian Rupees, except shares data)

Particulars	Amount
	₹
Fixed assets	438,390,221
Current Assets	178,331,242
Total Assets	616,721,463
Current liabilities and provision	119,181,350
Secured loans	147,865,175
Total Liabilities	267,046,525
Net Assets	349,674,938

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 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 copies 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 had issued and allotted 1,732,500 fully paid equity shares of ₹ 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 Statement 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.

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

- C) During the year the Company purchased 21,730 equity shares representing 51% stake in Divya Prabhat Publications Private Limited ['DPPPL'] for ₹ 9,955,800.
Due to which the 'DPPPL' became the subsidiary of 'DBCL' with effect from October 01, 2011.
As on March 31, 2012, the following net asset of the 'DPPPL' are included in CFS.

Particulars	Amount ₹
Non-current assets	14,614,894
Current assets	26,113,295
Total assets	40,728,159
Non-current liabilities	2,584,714
Current liabilities	16,976,988
Total liabilities	19,561,702
Net assets	21,166,457

The net profit after tax and revenue of 'DPPPL' included in the CFS for the period from October 01, 2011 is ₹ 932,100 and the total revenue is ₹ 53,685,907 respectively.

31. Minority interest

Pursuant to scheme of arrangement between SMEL and the Company the amount payable to minority has changed from ₹ 44,386,825 to ₹ 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

32. (a) Related parties 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:

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Consolidated notes to financial statement as at and for the year ended March 31, 2012
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Particulars	Related party
Related Parties where control exists	
Key Management Personnel	<ul style="list-style-type: none"> ◆ Shri Sudhir Agarwal, Managing Director ◆ Shri Girish Agarwal, Director
Related Parties with whom transactions have taken place during the year	
Relatives of key management personnel	<ul style="list-style-type: none"> ◆ Shri Ramesh Chandra Agarwal ◆ Shri Pawan Agarwal
Enterprises owned or significantly influenced by key management personnel or their relatives	<ul style="list-style-type: none"> ◆ Abhivvakti Kala Kendra ◆ Bhaskar Printing Press - Rajasthan ◆ Bhaskar Printing Press- MPCG ◆ Bhaskar Printing Press- CPH2 ◆ Bhaskar Printing Press- Gujarat ◆ Bhaskar Samachar Seva ◆ Bhaskar Publication and Allied Industries Private Limited. ◆ Bhaskar Infrastructure Limited ◆ Bhaskar Industries Limited ◆ Bhaskar Multinet Limited ◆ Bhaskar Exxoil Private Limited ◆ Bhaskar Venkatesh Products Private Limited ◆ Diligent Media Corporation Limited ◆ D B Malls Private Limited ◆ D B Power Limited ◆ R.C. Printer – Raipur ◆ Sharda Solvent Limited ◆ Writers and Publishers Private Limited ◆ M.P. Printers (A unit of Writers and Publishers Private Limited) ◆ Prabhat Kiran Private Limited

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

	Transactions Year ended		Amount receivable (payable) As at	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Advertisement revenue				
Writers and Publishers Private Limited	26,092,269	18,006,363	4,884	1,113,197
Abhivvakti Kala Kendra	66,150	-	66,150	-
Bhaskar Industries Limited	164,984	159,162	15,968	32,932
Bhaskar Multinet Limited	-	78,853	-	7,639
Sharda Solvent Limited	-	12,901	-	-
Bhaskar Exxoil Private Limited	18,160	21,996	17,200	-
D B Malls Private Limited	346,936	120,516	445,896	98,960
Bhaskar Venkatesh Products Private Limited	2,991,807	1,748,641	3,227,286	1,348,641
DB Power Limited	184,797	-	23,184	-
Sale of portal and SMS				
Diligent Media Corporation Limited	1,471,364	6,070,248	926,311	1,248,013
Sale of magazine				
Bhaskar Publication and Allied Industries Private Limited	292,125	342,686	515,332	223,207
Sale of newspaper				
Bhaskar Publication and Allied Industries Private Limited	9,251,482	7,789,674	-	7,299,995
Printing job revenue				
Bhaskar Publication and Allied Industries Private Limited	4,566,131	3,976,509	568,240	280,445
Salaries, wages and bonus				
Shri Sudhir Agarwal, Managing Director	4,200,000	3,600,000	-	-
Shri Pawan Agarwal, Director	1,200,000	-	(2,889,300)	-
Rent income				
Bhaskar Publication and Allied Industries Private Limited	1,020,000	1,020,000	-	-

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Consolidated notes to financial statement as at and for the year ended March 31, 2012
(Amount in Indian Rupees, except shares data)

	Transactions Year ended		Amount receivable (payable) As at	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Rent paid				
Writers and Publishers Private Limited	39,499,514	28,679,176	(810,500)	-
Bhaskar Industries Limited	160,000	144,000	-	-
Bhaskar Publication and Allied Industries Private Limited	100,000	100,000	-	-
Bhaskar Infrastructure Limited	3,829,260	3,829,260	-	-
R.C. Printer, Raipur	2,102,153	1,654,500	-	-
Shri Girish Agarwal, Director	100,000	100,000	-	-
Bhaskar Exxoil Private Limited	17,912,044	-	(3,582,775)	-
Prabhat Kiran Private Limited	900,000	-	(1,350,000)	-
News collection expenses				
Bhaskar Samachar Seva	12,447,534	37,648,538	(5,483,152)	(12,731,331)
Diligent Media Corporation Limited	2,568,295	1,886,478	(801,996)	(650,422)
Printing job work expense				
M P Printer (a unit of Writers and Publishers Private Limited)	16,293,261	48,891,299	-	(4,780,453)
Diligent Media Corporation Limited	8,388,262	7,489,292	(314,244)	(173,948)
Bhaskar Printing Press Rajasthan	599,076	6,734,372	(3,379,566)	(3,445,339)
Bhaskar Printing Press MPCG	2,865,869	13,582,184	(977,367)	(3,450,417)
Bhaskar Printing Press CPH2	1,099,657	5,863,675	(285,203)	(338,542)
Bhaskar Printing Press Gujarat	12,915,451	11,326,685	(3,391,898)	(3,305,883)
R.C. Printer, Raipur	-	685,833	-	(223,493)
Prabhat Kiran Private Limited	7,273,790	-	(572,180)	-
Royalty				
Diligent Media Corporation Limited	6,168,323	3,970,979	-	-
Advertisement and publicity expenses				
Abhivyakti Kala Kendra	2,100,000	720,000	-	-
M P Printer (a unit of Writers and Publishers Private Limited)	2,503,920	4,902,095	-	-
Diligent Media Corporation Limited	1,679,163	-	-	-
Interest income from deposits				
Writers and Publishers Private Limited	19,302,740	33,264,382	-	513,770
Bhaskar Multinet Limited	17,836,103	20,132,499	-	6,847,886
Sale of fixed assets				
Bhaskar Publication and Allied Industries Private Limited	247,966	5,625,852	205,441	5,625,852
M P Printer (a unit of Writers and Publishers Private Limited)	724,044	-	-	-
DB Power Limited	34,339	-	-	-
Purchase of fixed assets				
Bhaskar Publication and Allied Industries Private Limited	154,354	18,823	-	-
Loan / advances given / (repaid by party)				
Bhaskar Multinet Limited	-	15,816,658	-	170,750,252
	(170,750,252)	-	-	-
Writers and Publishers Private Limited	(116,666,668)	(116,666,668)	87,499,992	204,166,662
Advance received / (repaid) for publication of advertisement				
Writers and Publishers Private Limited	(32,237,481)	-	(22,158,895)	(54,396,376)
Advances given during the year for investment in equity shares				
Writers and Publishers Private Limited	-	-	80,000,000	80,000,000
Security deposit given against lease of properties				
Writers and Publishers Private Limited	290,283,800	-	423,233,800	132,950,000
R.C. Printer, Raipur	16,870,200	-	16,870,200	-
Bhaskar Infrastructure Limited	11,596,765	-	11,596,765	-
Bhaskar Industries Limited	1,619,435	-	1,619,435	-

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Consolidated notes to financial statement as at and for the year ended March 31, 2012
(Amount in Indian Rupees, except shares data)

	Transactions Year ended		Amount receivable (payable) As at	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Security deposit received				
Bhaskar Publication and Allied Industries Private Limited	-	-	(10,000,000)	(10,000,000)
Sale of investments				
Writers and Publishers Private Limited	-	-	60,000,000	60,000,000
Shri Girish Agarwal, Director	-	-	-	50,000
Investments made				
Shri Sudhir Agarwal, Managing Director	9,995,800	-	-	-
Purchase of business				
Writers and Publishers Private Limited	350,000,000	-	-	-
News print loan given / (taken)				
M P Printer (a unit of Writers and Publishers Private Limited)	8,926,069	20,894,894	-	15,517,265
Diligent Media Corporation Limited	(14,901,520)	21,279,228	-	1,220,197
Bhaskar Publication and Allied Industries Private Limited	13,192,331	(27,879,307)	11,340,887	7,144,565
Balance outstanding at the year end				
M P Printer (a unit of Writers and Publishers Private Limited)	-	-	-	(2,080,011)
Diligent Media Corporation Limited	-	-	(8,800,463)	(227,270)
Bhaskar Industries Limited	-	-	-	1,590,148
D B Malls Private Limited	-	-	818,720	796,787
Bhaskar Multinet Limited	-	-	-	339,214
R.C. Printer, Raipur	-	-	44,766	363,205
Writers and Publishers Private Limited	-	-	-	(11,287,503)
Bhaskar Publication and Allied Industries Private Limited	-	-	129,181,385	72,885,625
Abhivyakti Kala Kendra	-	-	(40,568)	-
DB Power Limited	-	-	18,715	-
Prabhat Kiran Private Limited	-	-	(17,000)	-

Note: For details of guarantees given by related parties, refer note 6 and 10

D. B. Corp Limited

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33. Leases

Rental expenses in respect of operating leases are recognised as an expense in the statement of profit and loss, 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 ₹ 157,747,284 (March 31, 2011: ₹ 117,067,592)
- c) The future minimum lease payments under non-cancellable operating leases;
 - not later than one year is ₹ 207,575,932 (March 31, 2011: ₹ 118,798,210)
 - later than one year but not later than five years is ₹ 840,844,210 (March 31, 2011: ₹ 508,155,199).
 - later than five years ₹ 47,045,335 (March 31, 2011: ₹ 59,302,817).
- d) There are no restrictions imposed in these lease agreements. There are escalation clauses in agreement with some parties. There are no sub leases.

34. Commitments

Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 204,615,373 (March 31, 2011: ₹ 148,479,849).

35. Contingent liabilities not provided for:

- a) Corporate Guarantee issued by the Company of ₹ 450,000,000 (March 31, 2011: ₹ 450,000,000) in favour of Export Development Canada on behalf of Bhaskar Exxcoils Private Limited.
- b) The Indian Performing Rights Society Limited (IPRS) has filed a suit against the Company on May 27, 2006 before the High Court of Delhi contesting against the refusal by the Company to obtain a license from the IPRS with regards to broadcasting / performing its copyrighted works. The IPRS has prayed for a permanent injunction restraining the Company from infringing any of the copyrights owned by the IPRS as well as for damages in favour of the IPRS. Honorable Delhi high court has denied IPRS 's application for injunction and held that no separate license is required from IPRS.

As a matter of abundant precaution, the Company has provided on best judgment basis ₹ 12,532,140 for the year ended March 31, 2012 and ₹ 10,579,831 for the year ended March 31, 2011 towards the royalty payable to IPRS, if any. 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.

- c) 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, by which 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.

PPL has been claiming that the said revised rates are applicable only for the period starting after August 25, 2010 and the royalty for the period earlier to August 25, 2010 would be charged at a higher rate. PPL have 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.

During the year ended March 31, 2012, the Company has paid PPL as per the order dated August 25, 2010. The management has made an adequate provision in the books to take care of demand arising out of suit if any. The management believes that the provision made in the books is sufficient to take care of the final liability for royalty, if any which would be confirmed only after the result of the suit.

- d) There are several defamation and other legal cases pending against the Company and its directors. These include criminal and civil cases. There are certain employee related cases also pending against the Company. In view of large number of cases, it is impracticable to disclose the details of each case.

The estimated amount of claims against the Company in respect of these cases is ₹ 21,858,169 (March 31, 2011: ₹ 16,835,528). 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.

36. Derivative Instruments

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

Particulars	Currency	March 31, 2012		March 31, 2011	
		Amount in foreign currency	Amount in Indian currency ₹	Amount in foreign currency	Amount in Indian currency ₹
Trade payable	USD	2,788,697	140,835,933	468,205	20,396,938
Trade payable	HKD	91,396	598,874	-	-
Other payable	USD	589,418	29,986,615	589,418	26,341,068
Standard Chartered Bank Buyers credit	USD	1,198,332	60,965,161	754,498	33,718,527
HSBC Bank Buyers credit	USD	6,800,647	345,982,897	5,625,420	251,450,010

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DBS Bank Buyers credit	USD	7,180,370	365,301,302	-	-
AGCO Finance GmbH	USD	24,261,319	1,234,294,618	28,304,872	1,264,944,748
Trade Receivables	USD	142,237	7,236,328	94,888	4,230,592
Advance	EURO	580,500	39,397,084	-	-

Bhaskar Industries Limited	1,619,435	1,590,148	1,619,435	1,590,148
Diligent Media Corporation Limited	-	1,220,197	1,220,197	1,220,197
DB Publications Private Limited	-	-	-	6,618
DB Mall Private Limited	818,720	796,787	1,151,822	796,787
Direct (OOH) Media Private Limited	-	-	-	13,236
D.B Power Limited	18,715	-	989,771	-
R.C. Printers	16,914,966	363,205	16,914,966	-
Writers and Publishers Private Limited	650,733,792	466,342,929	650,733,792	738,180,658

37. Trade receivable includes 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, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Abhivyakti Kala Kendra	66,150	-	66,150	-
Bhaskar Industries Limited	15,968	32,932	71,998	41,154
Bhaskar Multinet Limited	-	7,639	112,884	45,699
Bhaskar Exxoil Private Limited	17,200	-	17,200	21,996
Bhaskar Venktesh Products Private Limited	3,227,286	1,348,641	3,227,286	1,348,641
Bhaskar Publication and allied Industries Private Limited	515,332	223,207	515,332	223,207
DB Malls Private Limited	445,896	98,960	445,896	729,354
D B Power Limited	23,184	-	141,773	-
Diligent Media Corporation Limited	926,311	1,248,013	1,197,935	1,248,013
Sharda Solvent Limited	-	-	-	21,085
Writers and Publishers Private Limited	4,884	1,113,197	13,363,967	4,163,551

Note:

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

39. Employee benefits

Defined contribution plan

During the year ended March 31, 2012 and March 31, 2011; the Group contributed the following amounts to defined contribution plans:

Particulars	March 31, 2012	March 31, 2011
	₹	₹
Provident fund	94,626,236	71,751,228
Employees' state insurance corporation	25,827,622	19,494,355
Total	120,453,858	91,245,583

Defined benefit plans

Gratuity

The Parent 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 of the Company is funded with an insurance Company in the form of a qualifying insurance policy. The other three subsidiary Companies do not have any defined benefit gratuity plan.

Other long-term employee benefits

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 recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plan.

38. Details as required under clause 32 of the Listing Agreement of 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, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Abhivyakti Kala Kendra	-	-	-	1,321,292
Bhaskar Multinet Limited	-	177,937,352	194,475,002	178,005,015
Bhaskar Exxoil Private Limited	-	-	-	16,000
Bhaskar Infrastructure Limited	11,596,765	-	11,596,765	-
Bhaskar Publication & Allied Industries Private Limited	141,295,953	80,030,190	141,295,953	151,318,651

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Consolidated notes to financial statement as at and for the year ended March 31, 2012
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Statement of profit and loss:

Net Employee benefit expense (recognised in employee cost)

Particulars – Gratuity	March 31, 2012	March 31, 2011
	₹	₹
Current service cost	17,128,134	12,667,998
Liability taken over under the scheme of arrangement	(3,385,546)	(1832,263)
Interest cost on benefit obligation	6,814,067	5,462,022
Expected return on plan assets	(6,109,977)	(4,862,819)
Net actuarial (gain) / loss recognised in the year	(376,166)	2,777,182
Past service cost	-	-
Net benefit expense	14,070,512	14,212,120
Actual return on plan assets	2,336,535	3,653,690

Balance Sheet

Details of Provision and fair value of plan assets

Particulars – Gratuity	March 31, 2012	March 31, 2011
	₹	₹
Benefit obligation	94,432,251	82,594,755
Fair value of plan assets	84,441,788	74,060,336
	(9,990,463)	(8,534,419)
Less: Unrecognised past service cost	-	-
Net (liability) / asset	(9,990,463)	(8,534,419)

Details of Experience Adjustments on plan assets and plan liabilities

Particulars – Gratuity	March 31, 2012	March 31, 2011
	₹	₹
Experience adjustments on plan liabilities (Gain)/Loss	(706,745)	4,548,612
Experience adjustments on plan Assets Gain/(Loss)	(3,773,443)	(1,209,129)

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

Particulars – Gratuity	March 31, 2012	March 31, 2011
	₹	₹
Opening benefit obligation/net liability	82,594,755	68,275,276
Interest cost	6,814,067	5,462,022
Current service cost	17,128,134	12,667,998
Benefits paid	(7,955,091)	(5,378,594)
Actuarial (gains) / losses on obligation	(4,149,614)	1,568,053
Closing benefit obligation	94,432,251	82,594,755

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

Particulars – Gratuity	March 31, 2012	March 31, 2011
	₹	₹
Opening fair value of plan assets	74,060,336	60,785,240
Expected return	6,109,977	4,862,819
Contributions by employer	16,000,012	15,000,000
Benefits paid	(7,955,091)	(5,378,594)
Actuarial gains / (losses) on plan assets	(3,773,446)	(1,209,129)
Closing fair value of plan assets	84,441,788	74,060,336
Actuarial gains / (losses) to be recognised	376,166	(2,813,240)

The Company expects to contribute ₹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, 2012	March 31, 2011
	%	%
Investments with insurer	100	100

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

Particulars – Gratuity	March 31, 2012	March 31, 2011
Discount rate	8.50%	8.25%
Expected rate of return on assets	8.50%	8.25%
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.

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.

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

	Gratuity				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
	₹	₹	₹	₹	₹
Defined benefit obligation	94,432,251	82,594,755	70,107,539	62,518,153	40,363,900
Plan assets	84,441,788	74,060,336	60,785,240	48,066,911	28,569,088
Surplus / (deficit)	(9,990,463)	(8,534,419)	(9,322,299)	(14,451,242)	(11,794,812)

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Experience adjustments on plan liabilities (Gain) / Loss	(706,745)	4,548,612	1,589,625	5,647,004	4,864,820
Experience adjustments on plan assets Gain / (Loss)	(3,773,443)	(1,209,129)	4,780,173	(1,427,487)	308,687

40. Employee stock option scheme 2008, 2010 and 2011

The Company has granted Stock Options to its employees as per its scheme referred to as “DBCL – ESOS 2008”, “DBCL- ESOS 2010” and “DBCL- ESOS 2011”. During the year ended March 31, 2012 the following schemes were in operation:

	DBCL – ESOS 2008	DBCL – ESOS 2010	DBCL – ESOS 2011
Date of grant	January 5, 2009	May 10, 2010	April 16, 2011
Date of Board Approval	December 23, 2008	March 02, 2010	March 24, 2011
Date of Shareholder's Approval	December 31, 2008	April 24, 2010	March 24, 2011
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, 2012	600,000 options have been approved by the Board and the shareholders, however 491,203 have been granted till the year ended March 31, 2012	3,000,000 options have been approved by the Board and the shareholders, however 234,300 have been granted till the year ended March 31, 2012
Method of Settlement	Equity	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	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	Within five years from the date of vesting
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.	61.95% Discount 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	Option vest on continued association with the Company and achievement of certain performance parameters

The details of activity under DBCL ESOS 2008, ESOS 2010 and ESOS 2011 are as summarize below:

	Number of options					
	ESOS-2008		ESOS-2010		ESOS-2011	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Outstanding at the beginning of the year	275,084	330,387	474,709	-	-	-
Granted during the year	-	-	-	491,203	234,300	-
Forfeited / Cancelled during the year	28,991	19,177	51,904	16,494	30,450	-
Exercised during the year	14,262	36,126	10,861	-	-	-
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	231,831	275,084	411,944	474,709	203,850	-
Exercisable at the end of the year	118,943	88,358	73,700	-	-	-
Weighted average fair value of options granted during the current year and previous year	-	-	-	124.97	177.57	-

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

ESOS-2011		
Year	Vesting %	Fair Value
		₹
April 16, 2012	20%	170.56
April 16, 2013	20%	174.40
April 16, 2014	20%	177.90
April 16, 2015	20%	181.07
April 16, 2016	20%	183.92

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Stock options granted

The weighted average fair value of stock options granted till date is ₹ 101.31, ₹ 124.97 and ₹ 177.57 for ESOS-2008, ESOS-2010 and ESOS-2011 respectively. The Black and Scholes Options Pricing model has been used for computing the weighted average fair value considering the following inputs:

	March 31, 2012		
	ESOS-2008	ESOS-2010	ESOS-2011
Weighted average share price (In ₹)	101.31	124.97	177.57
Exercise Price	50% discount to the average of first 30 days closing market price post IPO i.e. ₹ 124	Discount up to a maximum of 30% to the market price, i.e. ₹ 168	Discount up to a maximum of 61.95% to the market price, i.e. ₹ 95
Expected Volatility	0%	0%	29.48%
Historical Volatility	0%	0%	0%
Life of the options granted (Vesting and exercise period) in years	4.5 years	4.5 years	5.5 years
Average risk-free interest rate	5.24%	7.10%	7.84%
Expected dividend rate	0%	0%	0.80%

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

The employee stock compensation cost is accounted using intrinsic value method. 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, 2012	March 31, 2011
	₹	₹
Profit as reported	2,021,149,048	2,584,761,601
Add: Employee stock compensation under intrinsic value method	17,382,609	18,665,802
Less: Employee stock compensation under fair value method	29,834,818	30,462,660
Proforma profit	2,008,696,839	2,572,964,743

Earnings Per Share		
Basic		
- As reported	11.03	14.24
- As adjusted	10.96	14.17
Diluted		
- As reported	11.01	14.22
- As adjusted	10.94	14.15

41. 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, 2012, the Group has made provision of ₹ 97,500,000 (March 31, 2011: ₹ 97,500,000) 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.

42. 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.

IMCL is in the initial years of its operations and such results / position are integral part of operations i.e. initial period in such industry. 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. Considering the nature of business as explained, the management of the Company is of the view that there is no diminution other than temporary in the value of this investment. IMCL is therefore being viewed as a going concern and accounts have been prepared under the going concern assumption.

43. Segment Information:

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

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43 (b) Segment Information as at and for the year ended March 31, 2012

Particulars	Printing / Publishing		Radio		Event		Others		Inter segment elimination		Consolidation	
	Mar-12	Mar-11	Mar-12	Mar-11	Mar-12	Mar-11	Mar-12	Mar-11	Mar-12	Mar-11	Mar-12	Mar-11
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Revenue												
External revenue	13,823,155,429	11,976,300,761	550,181,933	463,823,199	194,731,634	175,305,407	71,423,323	37,009,888	-	-	14,639,492,319	12,652,439,255
Inter segmental revenue	14,700,215	25,402,823	4,635,046	5,656,867	-	-	3,543,788	3,132,468	(22,879,049)	(34,192,158)	-	-
Total	13,837,855,644	12,001,703,584	554,816,979	469,480,066	194,731,634	175,305,407	74,967,111	40,142,356	(22,879,049)	(34,192,158)	14,639,492,319	12,652,439,255
Segment results	3,087,469,036	3,691,571,860	17,016,398	(22,330,239)	25,218,375	12,033,113	(74,813,473)	(73,499,539)	-	-	3,054,890,337	3,607,775,196
Less : Unallocated corporate expenses net of unallocated income											9,483,936	9,470,037
Operating profit											3,045,406,401	3,598,305,159
Less : Finance cost (net of interest income)											39,526,889	11,266,399
Less : Prior period expenditure											-	-
Less : Tax expenses											983,173,159	999,666,314
Profit for the year											2,022,706,353	2,587,352,446
Other Information												
Depreciation	384,879,368	310,494,621	107,460,156	107,535,168	149,427	150,963	13,173,876	14,663,666	-	-	505,662,827	432,844,418
Non - cash expenses other than depreciation	115,378,788	167,482,368	3,405,162	1,468,777	-	-	1,275,672	3,084,934	-	-	120,059,622	172,036,079
Particulars	Mar-12	Mar-11	Mar-12	Mar-11	Mar-12	Mar-11	Mar-12	Mar-11	Mar-12	Mar-11	Mar-12	Mar-11
Segment assets	13,750,123,935	11,695,122,240	837,062,415	947,518,031	21,787,290	13,345,132	195,620,020	259,955,188	-	-	14,804,593,660	12,915,940,591
Unallocated corporate assets											547,660,992	522,650,548
Segmental liabilities	4,344,793,151	3,810,639,138	196,580,187	189,336,399	9,473,284	(801,714)	22,693,591	20,980,868	-	-	4,573,540,213	4,020,154,691
Unallocated corporate liabilities											1,586,426,615	1,235,718,873
Minority interest											15,407,602	3,791,742
Capital expenditure	1,355,909,431	1,254,260,746	6,852,102	5,971,005	-	-	658,725	1,693,937	-	-	1,363,420,258	1,261,925,688

44. The detail of preoperative expenses capitalised during the year are as under:

Particulars	March 31,2012	March 31,2011
	₹	₹
Opening balance of pre - operative expenses	-	10,927,521
Expenditure during the year :		
Raw materials consumed	5,877,129	2,101,349
Operating expenses	-	3,649,569
Employee benefit expenses	1,539,808	115,699
General admin and other expenses	7,272,196	5,250,211
Total	14,689,133	22,044,349
Less:- Capitalised during the year	14,689,133	22,044,349
Closing balance of pre- operative expenses (Disclosed as capital work-in-progress)	-	-

45. Salaries, Wages and Bonus include sitting fees paid to Directors ₹ 755,000 (March 31, 2011: ₹ 780,000).

46. Goodwill on Consolidation

The excess of the cost to the Company of its investment in the 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 ₹ 1,444,792. The said goodwill was accounted during the year ended March 31, 2007.

47. Previous year comparatives

Till the year ended March 31, 2011, the Group was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956 has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's 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
Place: Mumbai
Date: July 19, 2012

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

per Navin K. Gupta
Partner
Membership No. 75030
Place: Mumbai
Date: July 19, 2012

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

Managing Director

Director

Company Secretary

D. B. Corp Limited

Consolidated cash flow statement for the year ended March 31, 2012

	For the year ended March 31, 2012 ₹	For the year ended March 31, 2011 ₹
A. Cash flow from operating activities		
Profit before taxation	3,005,879,512	3,587,038,760
Non-cash adjustment to reconcile profit before tax to net cash flows		
Loss on sale and scrape of fixed assets (net)	19,217,718	1,801,825
Interest expense (net)	(39,401,838)	(8,423,166)
Depreciation and amortisation	505,662,827	432,844,418
Miscellaneous expenditure written off	15,913,155	15,869,677
Provision for doubtful loans and advances	27,500,000	60,679,338
Provision for diminution in value of investment	-	45,000,000
Bad debts written off (net off provision written back)	10,745,341	3,411,138
Provision for doubtful debts	62,596,563	61,143,778
Unrealised exchange rate fluctuation	(4,211,481)	8,407,005
Operating profit before working capital changes	3,603,901,797	4,207,772,773
Increase / Decrease in working capital		
(Increase) in inventories	(455,462,049)	(6,417,738)
(Increase) in trade receivable	(139,340,358)	(531,058,266)
(Increase) in long-term loans and advances	(305,532,360)	(18,880,207)
(Increase) in short-term loans and advances	(14,492,684)	(115,074,352)
Increase in trade payable	316,048,940	24,791,683
Increase / (Decrease) in other current liabilities	165,840,174	(20,257,245)
(Decrease) / Increase in long-term provisions	(5,486,525)	9,410,553
Increase in short-term provisions	17,804,225	322,456
Cash generated from operations	3,183,281,160	3,550,609,657
Direct taxes paid	(911,365,000)	(910,630,090)
Net cash from operating activities (A)	2,271,916,160	2,639,979,567
B. Cash flow from investing activities		
Purchase of fixed assets	(1,226,812,286)	(1,433,099,453)
Proceeds from sale of fixed assets	12,196,587	9,863,167
Purchase of investments	(307,345,800)	(22,800,000)
Sale of investments	-	20,000,000
Interest received	115,814,082	141,762,180
Intercorporate deposit recovered	272,339,556	101,196,850
Fixed deposit with maturity period more than three months received	226,689,282	702,832,626
Net cash (used in) investing activities (B)	(907,118,579)	(480,244,630)
C. Cash flow from financing activities		
Long term loan repaid - secured	(300,000,000)	-
Short term loan taken - secured	376,612,727	14,279,058
Short term loan repaid - secured	(425,320,118)	(898,851,552)
Long term loan taken - unsecured	34,900,854	44,406,453
Short term loan taken - unsecured	199,437,135	4,934,050
Dividend paid	(687,274,325)	(589,854,863)
Dividend distribution tax	(111,510,920)	(97,990,181)
Interest paid	(71,671,099)	(133,755,648)
Proceeds from issuance of shares	3,593,136	4,479,624
Net cash (used in) financing activities (C)	(981,232,610)	(1,652,353,059)
Net increase in cash and cash equivalents (A)+(B)+(C)	383,564,971	507,381,878
Cash and cash equivalents at the beginning of the year	971,971,883	464,590,005
Cash and cash equivalents taken over as per scheme of arrangement with 'DPPPL'	8,059,485	-
Cash and cash equivalents at the end of the year	1,363,596,339	971,971,883
Net increase in cash and cash equivalents	383,564,971	507,381,878

For details of components of cash and cash equivalents - refer note-18

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
Place: Mumbai
Date: July 19, 2012

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

per Navin K. Gupta
Partner
Membership No. 75030
Place: Mumbai
Date: July 19, 2012

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

Managing Director

Company Secretary

Director



**Statment 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	Divya Prabhat Publications Private Limited
(A) The "Financial Year" of the Subsidiary Companies	31 st March, 2012	31 st March, 2012	31 st March, 2012
(B) Shares of the subsidiary held by D. B. Corp Limited on the above dates: i) Number and face value ii) Extent of holding	136,800 Equity Shares of ₹ 10/- each 56.82%	577,500 Equity shares of ₹ 10/- each 55%	21,730 Equity shares of ₹ 10/- each * 51% *
(C) The net aggregate of Profits/ (Loss) of the subsidiary 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 31 st March, 2012 (i) For the Subsidiaries financial year as in (A) Above (ii) For the Previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries (b) dealt with in the accounts of D.B. Corp Limited for the year ended 31 st March, 2012 amounted to- (i) For the Subsidiaries financial year ended as in (A) above (ii) For the Previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries	₹ 00.16 Crore (NOTE A) ₹ 00.34 Crore NIL NIL	₹ (6.55) Crore (NOTE B) ₹ (9.15) Crore NIL NIL	₹ 00.03 Crore (NOTE C) N.A. NIL NIL

* Divya Prabhat Publications Pvt. Ltd. became subsidiary w.e.f. October 1, 2011

NOTE A:	Synergy Media Entertainment Limited Net Profit/(Loss) for the year ended on 31/03/2012 D.B. Corp Limited extent of holding 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	56.82%	₹ 2,881,812 ₹ 2,881,812*56.82% ₹ 1,637,516 i.e. ₹ 00.16 Crore
NOTE B:	I Media Corp Limited Net Profit/(Loss) for the year ended on 31/03/2012 D.B. Corp Limited extent of holding 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	55.00%	₹ (65,544,259) ₹ (65,544,259) i.e. ₹ (6.55) Crore
NOTE C:	Divya Prabhat Publications Private Limited Net Profit/(Loss) for the year ended on 31/03/2012 D.B. Corp Limited extent of holding 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	51.00%	₹ 638,790 ₹ 638,790*51% ₹ 325,783 i.e. ₹ 00.032 Crore

For and on behalf of the Board,

Managing Director

Director

Synergy Media Entertainment Limited

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 7th Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2012.

Financial Highlights:

The financial performance of the Company for the year ended 31st March, 2012 is summarised as under:

(in ₹)		
Particulars	2011-12	2010-11
Gross Revenue	2,86,42,245	2,38,35,976
Profit/(Loss) Before Depreciation & Amortisation	43,16,729	92,92,679
Less: Depreciation	1,33,539	1,33,539
Profit/(Loss) Before Tax	41,83,190	91,59,140
Less: Tax Expenses	-	-
Deferred Tax Charge/(Credit)	-	59,758
Provision for Income Tax	13,01,378	30,98,944
Net Profit / (Loss) for the Year	28,81,812	60,00,438

Review of Operations:

Your Company continued to perform well in the FY 2011-12 and has been able to register a growth of 20% inspite of an overall slowdown in the sector. There has been a reduction in margins which is mainly attributed to heavy use of Radio in the campaigns. Necessary steps are being taken to improve the margins.

Future Outlook:

Your Company will continue to focus on high yield events and there are tremendous opportunities and good growth potential in this area.

Your Company intends to enter into areas like MICE (Meetings, Incentives, Conventions and Events), exhibitions, conferences and seminars as well as live music and sporting events. Necessary work has already started in the respective areas to attain expertise by the staff.

Dividend:

In view of inadequate profits for the year under review, your Directors do not recommend any dividend for the year ended 31st March, 2012.

Directors:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Pawan Agarwal, Whole Time Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. He has confirmed that he is not disqualified from being appointed as Director pursuant to Section 274(1)(g) of the Companies Act, 1956.

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. that in the preparation of the annual accounts for the year ended 31st March, 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
2. that 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 as at 31st March, 2012 and of the profit of the company for the year ended as on that date;
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. that the Directors had prepared the annual accounts for the financial year ended 31st March, 2012, on a "going concern" basis.

Secretarial Compliance Certificate:

In terms of Section 383A (1) of the Companies Act, 1956 read with Companies (Compliance Certificate) Rules, 2001, your Company has obtained the Secretarial Compliance Certificate for the year ended 31st March, 2012, from Makarand M. Joshi & Co., Practicing Company Secretaries which is attached herewith and forms an integral part of this report.

Audit Committee:

In terms of Section 292A of the Companies Act, 1956, every public company having paid-up share capital of more than ₹ 5 Crore is required to constitute an Audit Committee of the Board of Directors. Demerger of radio business of your Company has resulted in reduction of paid-up share capital below ₹ 5 Crore. Hence, the Board of Directors has dissolved its Audit Committee w.e.f. 20th October, 2011.

Statutory Auditors:

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

The Company has received letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that

they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

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 as amended from time to time.

Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Since, your company does not own any manufacturing facility, disclosure of particulars with respect to conservation of energy and technology absorption as stipulated under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not applicable.

There were no foreign exchange earnings and outgo during the year under review.

Particulars of Employees:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules,

1975, a statement giving certain particulars of the employees is required to be included in this report. However, in terms of the proviso (b)(iv) to Section 219(1) of the Companies Act, 1956, this statement is not sent but is made available at the registered office of the Company for inspection during working hours on working days.

Acknowledgement:

Your Directors wish to express their thankful appreciation to the valued customers, suppliers, bankers and financial institutions for their assistance, continued support, co-operation and guidance. The Directors also wish to thank the employees and executives at all levels for their invaluable contribution.

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

Place: Mumbai
Date: July 19, 2012

Director

Director

COMPLIANCE CERTIFICATE

CIN No. : U92132MP2005PLC018039
 Authorised Capital : ₹ 500,000,000/-
 Paid-Up Capital : ₹ 2,407,500/-

**To,
 The Members of
 Synergy Media Entertainment Limited
 6, Press Complex,
 M. P. Nagar, Zone - I,
 Bhopal, Madhya Pradesh**

We have examined the registers, records, books and papers of Synergy Media Entertainment Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies.
3. The Company being Public Limited Company, the provisions of sections 3(1)(iii) of the Companies Act, 1956 are not applicable.
4. The Board of Directors duly met 7 times on 18th May, 2011, 26th June, 2011, 21st July, 2011, 20th October, 2011, 21st January, 2012, 1st February, 2012 and 23rd March, 2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members, during the financial year under review.
6. The Annual General Meeting for the financial year ended on 31st March, 2011 was held on 7th July, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year under scrutiny.
8. The Company has not advanced any loan to its Directors and persons or firms or companies referred to under Section 295 of the Companies Act, 1956 during the year under consideration.
9. There being no transactions falling within the purview of section 297 of the Companies Act, 1956, the provisions of the same are not applicable.
10. The Company has made entries in the register maintained under section 301 of the Act.
11. No approval was required from Board of Directors, members or previous approval of the Central Government, pursuant to section 314 of the Act during the financial year under review.
12. The Company has not issued any duplicate Share Certificates during the financial year under review.
13. (i) The Company has delivered all the certificates on transfer of shares and there was no allotment/ transmission of shares during the financial year under consideration.
 (ii) The Company was not required to deposit any amount in a separate bank account as no dividend was declared during the financial year under review.
 (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year under review.
 (iv) No provisions as to transferring the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund are applicable.
 (v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. The Company has not appointed any managerial personnel during the period under review and hence, no compliance was required under the provisions of Section 269 read with Schedule XIII of the Act.
16. No sole-selling Agents were appointed by the Company for the year under scrutiny.
17. No approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other Authorities as may be prescribed under the various provisions of the Act were required for the Financial Year under consideration.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued shares/debentures/other security during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.
21. There being no preference shares, the provisions as to redemption of preference shares are not applicable, and the Company has not redeemed any debentures during the year under review.
22. The provisions as to keeping in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares are not applicable.

23. The Company has not invited /accepted any deposit falling within the purview of Section 58A during the financial year under consideration.
24. There are no borrowings made by the Company from the financial institutions, banks and others during the financial year under review and hence, Section 293(1)(d) of the Companies Act, 1956 is not applicable.
25. The Company has not made loans and investments, or given guarantees or provided securities to other bodies corporate during the financial year under consideration. Hence, the provisions of section 372A of the Act are not applicable to the Company for the financial year under consideration.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under review.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under review.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under review.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under review.

30. The Company has not altered its Articles of Association during the year under review.
31. No prosecutions were initiated against or show cause notices received by the Company for alleged offences under the Act. However, the Company has paid additional filing fees under necessary circumstances.
32. The Company has not received any security deposit from its employees during the year under certification and the question of depositing the same as per provisions of section 417(1) of the Act are not applicable
33. The provisions of depositing both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act are not applicable to the Company.

MAKARAND M. JOSHI & CO.
Company Secretaries

Kumudini Paranjape
Partner
C.P. No. 6690

Place: Mumbai
Date: July 19, 2012

ANNEXURE A

Registers as maintained by the Company

1. Register of Charges-u/s 143
2. Register of Members -u/s 150
3. Minutes Book for Board and General Meetings - u/s 193
4. Books of Accounts- u/s 209
5. Register of particulars of contract in which the Directors are interested u/s - 301
6. Register of Directors and Managing Director, Manager and Secretary u/s - 303
7. Register of Directors' shareholdings u/s - 307
8. Share Transfer Register
9. Register of Investments u/s - 372A

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies, during the Financial Year ending on 31st March, 2012

S. N.	Form no. / Return	Filed u/s	Date of filing / registration	Filed within time	If delay whether additional fee paid
1.	Revised Form 25C for appointment of Mr. Pawan Agarwal as Whole Time Director w.e.f. 16 th March, 2009	269	15.04.2011	No	Yes
2.	Form 32 for resignation of Mr. Minender Boga as Company Secretary w.e.f. 22 nd June, 2011	303 (2)	12.07.2011	Yes	N.A.
3.	Form 66 for filing Compliance Certificate for the year ended 31 st March, 2011	383A	05.08.2011	Yes	N.A.
4.	Form 20B for filing annual return as at the Annual General Meeting held on 7 th July, 2011	159	05.09.2011	Yes	N.A.
5.	Form 23AC-XBRL for filing Balance Sheet and Form 23ACA-XBRL for filing statement of Profit & Loss for the year ended 31 st March, 2011	220	11.11.2011	Yes	N.A.
6.	Form 17 for satisfaction of charge dated 30 th January, 2012	138	16.02.2012	Yes	N.A.

Synergy Media Entertainment Limited

AUDITORS' REPORT

To
The Members of Synergy Media Entertainment Limited

1. We have audited the attached Balance Sheet of Synergy Media Entertainment Limited ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 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, 2012;
- b) in the case of the Statement of profit and loss, 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

Place: Mumbai
Date: July 19, 2012

Annexure referred to in paragraph 3 of our report of even date
Re: Synergy Media Entertainment Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part 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 explanations 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 Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(b) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (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 rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- (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, sales-tax, wealth tax, service tax, cess and other material statutory dues applicable to it. The provisions relating to investor education and protection fund, customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth tax, service tax, sales-tax, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to investor education and protection fund, customs duty and excise duty are not applicable to the Company.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax and cess which have not been deposited on account of any dispute. The provisions relating to 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 had no outstanding dues to a financial institution during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced before 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 year.

For S. R. Batliboi & Associates
Firm Registration Number: 101049W
Chartered Accountants

per Amit Majmudar
Partner
 Membership No.: 36656
Place: Mumbai
Date: July 19, 2012

Synergy Media Entertainment Limited

Balance sheet as at March 31, 2012

	Note No.	March 31, 2012 ₹	March 31, 2011 ₹
Equity and liabilities			
Shareholders' funds			
Share capital	3	2,407,500	2,407,500
Reserves and surplus	4	9,256,050	6,374,238
		<u>11,663,550</u>	<u>8,781,738</u>
Non-current liabilities			
Deferred tax liabilities (net)	5	59,758	59,758
		<u>59,758</u>	<u>59,758</u>
Current liabilities			
Trade payables	7	1,506,977	637,664
Other current liabilities	7	3,226,563	3,566,410
Short-term provisions	6	189,453	2,935,180
		<u>4,922,993</u>	<u>7,139,254</u>
Total		<u>16,646,301</u>	<u>15,980,750</u>
Assets			
Non-current assets			
Fixed assets	8		
(i) Tangible assets		849,662	983,201
		<u>849,662</u>	<u>983,201</u>
Current assets			
Trade receivables	10	5,486,508	4,966,797
Cash and bank balances	11	4,443,309	4,072,438
Short-term loans and advances	9	5,866,822	5,958,314
		<u>15,796,639</u>	<u>14,997,549</u>
Total		<u>16,646,301</u>	<u>15,980,750</u>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statement.

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

Place: Mumbai
Date: July 19, 2012

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

Director

Director

Synergy Media Entertainment Limited

Statement of profit and loss for the year ended March 31, 2012

	Note No.	March 31, 2012 ₹	March 31, 2011 ₹
Income			
Revenue from operations	12	28,642,245	23,835,976
Total revenue (I)		28,642,245	23,835,976
Expenses			
Other expenses	13	24,310,811	14,365,719
Total Expenditure (II)		24,310,811	14,365,719
Earning before interest, tax, depreciation and amortisation (EBITDA) (I - II)		4,331,434	9,470,257
Finance costs	14	14,705	177,578
Depreciation	8	133,539	133,539
Profit before tax		4,183,190	9,159,140
Tax Expense			
Current tax		1,301,378	3,098,944
Deferred tax charge		-	59,758
Total tax expenses		1,301,378	3,158,702
Profit for the year		2,881,812	6,000,438
Earning per equity share [nominal value of share ₹ 10 (March 31, 2011: ₹ 10)]	16		
Basic		11.97	24.92
Diluted		11.97	24.92
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statement.

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

Place: Mumbai
Date: July 19, 2012

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

Director

Director

Synergy Media Entertainment Limited

Notes to financial statements as at and for the year ended March 31, 2012

(Amounts in Indian rupees, except share data)

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. 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) Presentation and disclosure

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principle followed of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirement applicable in the current year.

d) Tangible 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.

e) 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.

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

f) 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.

g) Revenue recognition

Event revenue

Revenue is recognised once the related event is organised and completed.

h) 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.

i) 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.

j) 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.

k) 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.

l) Measurement of EBITDA

As permitted by the Guidance note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operation. In this measurement, the Company does not include depreciation and amortization expenses, finance cost and tax expenses.

3. Share capital

	March 31, 2012	March 31, 2011
	₹	₹
Authorised shares		
50,000,000 (March 31, 2011: 50,000,000) Equity Shares of ₹ 10/- each	500,000,000	500,000,000
	500,000,000	500,000,000
Issued, Subscribed and Paid up		
2,40,750 (March 31, 2011: 2,40,750) Equity Shares of ₹ 10/- each fully paid up	2,407,500	2,407,500
Total issued, subscribed and fully paid-up share capital	2,407,500	2,407,500

a Reconciliation of Number of Share Outstanding at the Beginning and at the end of the Year

Equity shares

	March 31, 2012		March 31, 2011	
	Number	₹	Number	₹
At the beginning of the year	240,750	2,407,500	240,750	2,407,500
Outstanding at the end of the year	240,750	2,407,500	240,750	2,407,500

b Terms of equity shares

The Company has only one class of equity shares having a par value ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

c Detail of Shareholder Holding more than 5% Shares of the Company

	March 31, 2012		March 31, 2011	
Name of Shareholder	Number of Shares Held	% of Holding	Number of Shares Held	% of Holding
D. B. Corp Ltd.	136,800	56.82	136,800	56.82
Bhaskar Infrastructure Limited	103,530	43.00	103,530	43.00

4. Reserves and surplus

	March 31, 2012	March 31, 2011
	₹	₹
Securities premium account		
Balance as per the last financial statements	373,800	472,000,000
Less: Reduction pursuant to the scheme of arrangement (refer note 15)	-	471,626,200
	373,800	373,800
Surplus/ (deficit) in the statement of profit and loss		
Balance as per the last financial statements	6,000,438	(770,449,346)
Less: Reduction pursuant to the scheme of arrangement (refer note 15)		770,449,346
(+) Net Profit/(Net Loss) for the current year	2,881,812	6,000,438
	8,882,250	6,000,438
Total reserves and surplus	9,256,050	6,374,238

5. Deferred tax liabilities (net)

	March 31, 2012	March 31, 2011
	₹	₹
Deferred tax liability		
Depreciation	59,758	59,758
Gross deferred tax liability	59,758	59,758
Gross deferred tax assets	-	-
Deferred tax liabilities (net)	59,758	59,758

6. Provisions

	Long-term		Short-term	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Other Provisions				
Provision for tax (net of taxes paid ₹ 4,210,869 (Previous year ₹ 163,764))	-	-	189,453	2,935,180
Total provisions	-	-	189,453	2,935,180

7. Other current liabilities

	March 31, 2012	March 31, 2011
	₹	₹
Trade payables (refer note 19)	1,506,977	637,664
Other liabilities		
Other liabilities	2,787,897	2,335,204
Advance from customer	208,500	334,907
Statutory liabilities	230,166	896,299
	3,226,563	3,566,410
Total other current liabilities	4,733,540	4,204,074

Synergy Media Entertainment Limited

Notes to financial statements as at and aor the year ended March 31, 2012
(Amounts in Indian rupees, except share data)

8. Fixed Assets

Assets	Gross block					Accumulated depreciation					Net block	
	As At April 1, 2011	Transfer in accordance with scheme of arrangement	Additions during the year	Deductions during the year	As At March 31, 2012	Up To April 1, 2011	Transfer in accordance with scheme of arrangement	For the year	On deduc- tions	Up To March 31, 2012	As At March 31, 2012	As At March 31, 2011
Tangible Assets												
Vehicles	1,405,666	-	-	-	1,405,666	422,465	-	133,539	-	556,004	849,662	983,201
Total	1,405,666	-	-	-	1,405,666	422,465	-	133,539	-	556,004	849,662	983,201
Previous year	1,064,948,238	1,063,542,572	-	-	1,405,666	294,236,703	293,947,777	133,539	-	422,465	983,201	-

9.Loans and advances

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Loans and advances to related parties				
Unsecured, considered good				
Advances recoverable in cash or kind or for value to be received	-	-	4,929,704	5,896,619
	-	-	4,929,704	5,896,619
Other loans and advances				
Unsecured considered good				
Advances recoverable in cash or kind or for value to be received			937,118	61,695
	-	-	937,118	61,695
Total loans and advances	-	-	5,866,822	5,958,314

10.Trade receivables

	March 31, 2012	March 31, 2011
	₹	₹
Outstanding for a period less than six months from the date they are due for payment		
Unsecured considered good	5,370,935	4,955,767
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered Good	115,573	11,030
Total trade receivables	5,486,508	4,966,797

11.Cash and bank balances

	Non current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Cash and cash equivalents				
Balances with banks:				
On current account			4,443,309	3,581,016
Cheques in Hand/Transit			-	491,422
Total cash and bank balances	-	-	4,443,309	4,072,438

	March 31, 2012	March 31, 2011
	₹	₹
12 Revenue from operations		
Income from event management	28,642,245	23,835,976
Total revenue from operations	28,642,245	23,835,976
13 Other expenses		
a Event expenses	13,189,734	11,400,200
b General administrative and other expenses		
Electricity	293,755	225,484
Rent	117,986	-
Others	26,838	-
Legal and professional charges	7,351,905	2,200,815
Telephone	79,482	42,891
Printing and stationery	51,998	17,695
Traveling	314,012	-
Conveyance	12,561	-
Vehicle running and maintenance	423,760	353,795
Auditors remuneration (refer note 18)	50,000	50,000
Sundry office expenses	238,828	74,839
	8,961,125	2,965,519
c Selling and distribution expenses		
Advertisement and publicity	2,159,952	-
	2,159,952	-
Total other expenses (a+b+c)	24,310,811	14,365,719
14 Finance costs		
Interest expenses	14,705	177,578
Total finance costs	14,705	177,578

15. Scheme of Arrangement:

Demerger of Radio division and restructuring of share capital :

The Company along with D. B. Corp. 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 Gujarat ("Gujarat High Court") for demerger of Radio division of SMEL and and restructuring of share capital subsequently.

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.

In accordance with the Scheme, the assets and liabilities of Radio division (Net assets) of the Company were transferred at their respective book value to D B Corp Limited and the deficit was debited to Statement of Profit & loss. Further, issued subscribed and paid up equity share capital of the Company was reduced by ₹ 398,842,500 proportionately amongst the equity share holders to ₹ 2,407,500. The credit arising on account of reduction of share capital and the debit balance of Statement of Profit and loss is adjusted against the Securities Premium account. The net assets transferred were as under:-

Particulars	Amount
Fixed assets	769,594,796
Current Assets	369,561,111
Total Assets Transferred	1,139,155,907
Current liabilities and provision	155,086,567
Secured loans	237,666,852

Unsecured loans	646,383,134
Total liabilities transferred	1,039,136,553
Net assets transferred (Debited to Statement of profit and loss)	100,019,354

Further, during the course of restructuring of share capital, the aggregate balance of Statement of Profit & loss including the opening balance as at April 1, 2010 and the loss accounted on transfer of net assets as described above was adjusted against the balance of securities premium account as follows:

Particulars	Amount	Amount
Equity Share capital Account	398,842,500	-
Securities Premium Account	471,626,200	-
Statement of Profit & loss	-	870,468,700

Pursuant to the Scheme, the unsecured loan taken from D.B. Corp Limited was transferred to D.B. Corp Limited and was adjusted in the books of D.B. Corp Limited.

16. Earnings per Share (EPS)

Particulars	March 31, 2012	March 31, 2011
Profit for the year (₹)	2,881,812	6,000,438
Weighted average number of Equity Shares outstanding for Basic EPS	240,750	240,750
Basic Earnings per share (₹)	11.97	24.92
Weighted average number of Equity Shares outstanding for Diluted EPS	240,750	240,750
Diluted Earnings per share (₹)	11.97	24.92

17. (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
Holding Company	- D. B. Corp Limited.
Key Management Personnel	- Shri. Pawan Agarwal Director
Relatives of key management personnel	- Shri. Ramesh Chandra Agarwal - Smt. Kasturi Devi Agarwal - Smt. Jyoti Sudhir Agarwal - Smt. Namita Girish Agarwal - Smt. Nikita Pawan Agarwal

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

	Transactions Year ended		Amount receivable / (payable) As at	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Event Expenses				
D. B. Corp Limited	3,275,490	-	(800,087)	-
Balance outstanding at the year end				
D.B. Corp Limited	-	-	4,929,704	5,896,619

18. Auditors' remuneration (including service tax)

Particulars	March 31, 2012	March 31, 2011
As Auditor		
Audit Fees	55,150	55,150
Total	55,150	55,150

19. Dues to Micro and Small Enterprise

There are no suppliers who are registered with the Company as micro or small enterprise as defined under "The Micro, Small and Medium Enterprise Development Act, 2006". The information regarding the status of suppliers as micro or small enterprise have been determined on the basis of information available with the Company. This has been relied upon by the auditors.

20. Previous year comparatives

Till the year ended March 31, 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956 has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

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**

Place: Mumbai
Date: July 19, 2012

Synergy Media Entertainment Limited

Cash flow statement for the year ended March 31, 2012

	For the Year Ended March 31, 2012 ₹	For the Year Ended March 31, 2011 ₹
A. Cash flow from operating activities		
Profit before taxation	4,183,190	9,159,140
Non-cash adjustment to reconcile profit before tax to net cash flows		
Interest expense (net)	14,705	187,793
Depreciation / amortisation	133,539	133,539
Increase / Decrease in working capital		
(Increase) in trade receivable	(519,711)	(790,637)
Decrease / (Increase) in short term loans and advances	(265,889)	(5,958,315)
Increase / (Decrease) in trade payable	869,313	156,708
Increase / (Decrease) in other current liabilities	(339,847)	(187,793)
Cash generated from operations	4,075,300	2,700,435
Direct taxes paid	(3,689,724)	(163,764)
Net cash from operating activities (A)	385,576	2,536,671
B Cash flow from investing activities		
NET CASH (USED IN) INVESTING ACTIVITIES (B)	-	-
C Cash flow from financing activities		
Interest paid	(14,705)	-
NET CASH (USED IN) FINANCING ACTIVITIES (C)	(14,705)	-
Net Increase in cash and cash equivalents (A)+(B)+(C)	370,871	2,536,671
Cash and Cash Equivalents at the beginning of the Year	4,072,438	53,599,121
Less: Transfer pursuant to demerger		(52,063,354)
Cash and Cash Equivalents at the end of the Year	4,443,309	4,072,438
Net Increase in Cash and Cash Equivalents	370,871	2,536,671
For Details of Components of cash and cash equivalents		
Closing balance	4,443,309	4,072,438
Less: fixed deposit with maturity period of more than three months	-	-
Net cash and cash equivalents at the end of the year (As per notified AS- 3)	4,443,309	4,072,438

For S. R. Batliboi & Associates

Firm Registration Number: 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656

Place: Mumbai
Date: July 19, 2012

For and on behalf of the Board of directors of

Synergy Media Entertainment Limited

Director

Director

I Media Corp LIMITED

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the 6th Annual Report together with the Balance Sheet and Statement of Profit and Loss of the Company for the year ended 31st March, 2012.

Financial Highlights:

The financial results of the Company for the year ended 31st March, 2012 are as under:

(in ₹)

Particulars	2011-12	2010-11
Income	6,99,89,454	3,03,66,260
Expenditure	13,55,33,713	12,18,79,004
Profit/(Loss) for the year before tax	(6,55,44,259)	(9,15,12,744)
Less: Deferred tax Liability /(Assets)	-	-
Fringe Benefit Tax	-	-
Profit /(Loss) after tax	(6,55,44,259)	(9,15,12,744)
Balance Brought forward from previous year	(27,24,30,822)	(18,09,18,078)
Balance carried forward to Balance Sheet	(33,79,75,081)	(27,24,30,822)

Review of Performance:

Your Company is a subsidiary of D. B. Corp Ltd., a flagship listed entity of Dainik Bhaskar Group, India's largest newspaper group in print media sector. Your Company is engaged in providing integrated internet and mobile interactive services across the Country. The Company has in its gamut the websites of Dainik Bhaskar, Divya Bhaskar and Dainik Divya Marathi newspapers in e-paper category and dainikbhaskar.com, divyabhaskar.com, dailybhaskar.com and divyamarathi.com which are internet platforms providing real time news, sports, entertainment, lifestyle, religion, weather, business, gadgets value added content, etc. to the consumers and businesses in different languages-Hindi, Gujarati, English and Marathi. It also has under its umbrella the wireless business vertical deals with short messaging services (SMS) and multimedia messaging services (MMS) through mobile short code '54567' for sending messages including multimedia objects (images, audio, video, rich text) across India.

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, Divya Bhaskar and Divya Marathi 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 absence of any profits for the year under review, the Directors do not recommend any dividend for the year ended 31st March, 2012.

Directors:

In accordance with provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sudhir Agarwal, Director of the company, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. He is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956.

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. that in the preparation of the annual accounts for the year ended 31st March, 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
2. that 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 as at 31st March, 2012 and of the profit of the company for the year ended as on that date;
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. that the Directors had prepared the annual accounts for the financial year ended 31st March, 2012, on a "going concern" basis.

Secretarial Compliance Certificate:

In terms of Section 383A (1) of the Companies Act, 1956 read with Companies (Compliance Certificate) Rules, 2001, your Company has obtained a Secretarial Compliance Certificate for the year ended 31st March, 2012, from Makarand M. Joshi & Co., Practicing Company Secretaries, which is attached herewith and forms an integral part of this report.

Statutory Auditors:

M/s S. R. Batliboi & Associates, Chartered Accountants, Mumbai, the Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and being eligible, they have offered themselves to hold office as statutory auditors from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

The Company has received letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

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 as amended from time to time.

Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Since, your company does not own any manufacturing facility, disclosure of particulars with respect to conservation of energy and technology absorption as stipulated under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not applicable.

The Company earned Foreign Exchange of ₹ 3,86,44,846 and incurred foreign exchange out go of ₹ 7,02,282 during the FY 2011-12.

Particulars of Employees:

None of the employees of the Company is covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

Acknowledgement:

Your Directors wish to express their thankful appreciation to the valued customers, suppliers, bankers and financial institutions for their assistance, continued support, co-operation and guidance. Directors also wish to thank the employees and executives at all levels for their invaluable contribution.

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

Place: Mumbai
Date: July 19, 2012

Director

Director

COMPLIANCE CERTIFICATE

CIN No. : U64202MP2006PLC018676
Authorised Capital : ₹ 50,000,000/-
Paid-Up Capital : ₹ 10,500,000/-

To,
**The Members of
I Media Corp Ltd.
6, Press Complex, M.P. Nagar,
Zone - 1, Bhopal,
Madhya Pradesh - 462011**

We have examined the registers, records, books and papers of I Media Corp Ltd. as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies.
3. The Company being Public Limited Company, the provisions of sections 3(1)(iii) of the Companies Act, 1956 are not applicable.
4. The Board of Directors duly met 6 times on 18th May, 2011, 21st July, 2011, 26th September, 2011, 20th October, 2011, 21st January, 2012 and 23rd March, 2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year under review.
6. The Annul General Meeting for the financial year ended on 31st March, 2011 was held on 7th July, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year under scrutiny.
8. The Company has not advanced any loans to its Directors or persons or firms or companies, referred to under section 295 of the Act.
9. There being no transactions falling within the purview of section 297 of the Companies Act, 1956, the provisions of the same are not applicable.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. No approval was required from Board of Directors, members or previous approval of the Central Government, pursuant to section 314 of the Act during the financial year under review.
12. No issue of duplicate Share Certificates was made by the Company during the financial year under review.
13. (i) The Company has delivered all the certificates on transfer of shares and there was no allotment/ transmission of shares during the financial year under consideration.
(ii) The Company was not required to deposit any amount in a separate bank account as no dividend was declared during the financial year under review.
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year under review.
(iv) No provisions as to transferring the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund are applicable.
(v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There were no appointment of Directors, Additional Directors, Alternate Directors and Directors to fill casual vacancies during the year under review.
15. The Company has not appointed any managerial personnel during the period under review and hence, no compliance was required under the provisions of Section 269 read with Schedule XIII of the Act.
16. No sole-selling Agents were appointed by the Company for the year under scrutiny.
17. No approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other Authorities as may be prescribed under the various provisions of the Act were required for the financial year under consideration.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued shares/debentures/other security during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.

21. There being no preference shares, the provisions as to redemption of preference shares are not applicable, and the Company has not redeemed any debentures during the year under review.
22. The provisions as to keeping in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares are not applicable.
23. The Company has not invited /accepted any deposit falling within the purview of Section 58 A during the financial year under consideration.
24. There are no borrowings made by the Company from the financial institutions, banks and others during the financial year under review and hence Section 293(1)(d) of the Act is not applicable.
25. The Company has not made any loans or investments, and not given any guarantees or provided any security to other bodies corporate and hence the provisions of Section 372A of the Act are not applicable.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under review.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under review.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under review.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under review.
30. The Company has not altered its Articles of Association during the year under review.
31. No prosecutions were initiated against or show cause notices received by the Company for alleged offences under the Act.
32. The Company has not received any security deposit from its employees during the year under certification and the question of depositing the same as per provisions of section 417(1) of the Act does not arise.
33. The provisions of depositing both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act are not applicable to the Company.

MAKARAND M. JOSHI & CO.
Company Secretaries

Kumudini Paranjape
Partner
C.P. No. 6690

Place: Mumbai
Date: July 19, 2012

ANNEXURE A

Registers as maintained by the Company

1. Register of Charges-u/s 143
2. Register of Members -u/s 150
3. Minutes Book for Board and General Meetings - u/s 193
4. Books of Accounts- u/s 209
5. Register of particulars of contract in which the Directors are interested u/s - 301
6. Register of Directors and Managing Director, Manager and Secretary u/s - 303
7. Register of Directors' shareholdings u/s 307
8. Share Transfer Register
9. Register of Investments u/s 372A

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies during the Financial Year ending on 31st March, 2012

S. N.	Form no. / Return	Filed u/s	Date of filing / registration	Filed within Time	If delay whether additional fee paid
1.	Form 66 for filing Compliance Certificate for the year ended 31 st March, 2011	383A	05.08.2011	Yes	N.A.
2.	Form 20B for filing annual return as at the Annual General Meeting held on 7 th July, 2011	159	05.09.2011	Yes	N.A.
3.	Form 23AC-XBRL for filing Balance Sheet and Form 23ACA-XBRL for filing Statement of Profit & Loss for the year ended 31 st March, 2011	220	04.11.2011	Yes	N.A.

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, 2012 and also Statement of Profit and Loss 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 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, 2012;
 - b) in the case of the statement of profit and loss, of the loss for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. Batliboi & Associates
Firm Registration Number: 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Place: Mumbai
Date: July 19, 2012

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 program 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 disposal of a substantial part of fixed assets during the year.
- (ii) Due to the nature of operations, 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 explanations 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 has issued debentures to one company covered in the register maintained under Section 301 of the Act, wherein the maximum amount involved during the year was ₹ 350,000,000 and the year-end balance of debentures taken from such party was ₹ 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 interest has been regular.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- (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 the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956, for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, customs duty, cess and other material statutory dues applicable to it. The provisions relating to investor education and protection fund, wealth-tax, sales-tax and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, customs duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to investor education and protection fund, wealth tax, sales tax and excise duty are not applicable to the Company.
- (c) According to the information and explanations 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's accumulated losses at the end of the financial year are more than fifty percent of its net worth. It has 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 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 year

For S. R. Batliboi & Associates
Firm Registration Number: 101049W
Chartered Accountants

per Amit Majmudar
Partner
 Membership No.: 36656

Place: Mumbai
Date: July 19, 2012

I Media Corp Limited

Balance Sheet as at March 31, 2012

	Notes	March 31, 2012 ₹	March 31, 2011 ₹
Equity and liabilities			
Shareholders' funds			
Share capital	3	10,500,000	10,500,000
Reserves and surplus	4	(337,975,081)	(272,430,822)
		(327,475,081)	(261,930,822)
Non-current liabilities			
Long-term borrowings	5	350,000,000	350,000,000
Deferred tax liabilities (net)	6	-	-
Long-term provisions	7	630,318	1,319,554
		350,630,318	351,319,554
Current liabilities			
Trade payables	8	6,289,268	5,102,604
Other current liabilities	8	17,882,964	13,337,218
Short-term provisions	7	1,656,156	147,105
		25,828,388	18,586,927
Total		48,983,625	107,975,660
Assets			
Non-current assets			
Fixed assets			
(i) Tangible Assets	9	20,707,173	25,413,918
Long-term loans and advances	10	1,531,662	1,531,662
		22,238,835	26,945,580
Current assets			
Trade receivables	11	17,820,792	10,153,635
Cash and bank balances	12	6,327,864	65,265,436
Short-term loans and advances	10	2,596,134	5,611,009
		26,744,790	81,030,080
Total		48,983,625	107,975,660
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statement.

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

Place: Mumbai
Date: July 19, 2012

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

Director

Director

I Media Corp Limited

Statement of profit and loss for the year ended March 31, 2012

	Notes	March 31, 2012 ₹	March 31, 2011 ₹
Income			
Revenue from operations	13	60,211,533	28,626,294
Other income	14	9,777,921	1,739,966
Total Revenue (I)		69,989,454	30,366,260
Expenditure			
Employee benefit expenses	15	64,575,183	45,964,758
Other expenses	16	66,778,596	47,447,269
Total Expenditure (II)		131,353,779	93,412,027
Earning before interest, depreciation and tax (EBIDTA) (I-II)		(61,364,325)	(63,045,767)
Finance cost	17	-	23,758,435
Depreciation	9	4,179,934	4,708,543
Total		4,179,934	28,466,978
Loss before Tax		(65,544,259)	(91,512,744)
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Wealth tax		-	-
Provision for tax of earlier years		-	-
Total tax expenses		-	-
Loss for the year		(65,544,259)	(91,512,744)
Earning per equity share [nominal value of share ₹ 10 (March 31, 2011: ₹ 10)]	21		
Basic and Diluted		(62.42)	(87.15)
Summary of significant accounting policies	2		

The accompanying note are an integral part of the financial statement.

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
Place: Mumbai
Date: July 19, 2012

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

Director

Director

I Media Corp Limited

Notes to financial statements as at and for the year ended March 31, 2012

1. Corporate Information

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

The Company is engaged in providing integrated internet and mobile interactive services across the country. The Company has in its gamut the websites of Dainik Bhaskar, Divya Bhaskar and Dainik Divya Marathi newspapers in e-paper category and dainikbhaskar.com, divyabhaskar.com, dailybhaskar.com and divyamarathi.com which is an internet platform providing real time news, sports, entertainment, lifestyle, religion, weather, business, gadgets value added content and etc. to the consumers and businesses in different language – hindi, Gujarati, English and Marathi. It also has under its umbrella the wireless business vertical deals with short messaging services (SMS) and multimedia messaging services (MMS) through mobile short code '54567' for sending messages including multimedia objects (images, audio, video, rich text) across India.

2. Summary of Significant accounting policies

(a) Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(b) Presentation and Disclosure

During the year ended 31 March 2012, the Revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(c) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(d) Tangible 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.

(e) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

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.

(f) Impairment of tangible and intangible 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 using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(g) 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 statement of profit and loss on a straight-line basis over the lease term.

(h) 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.

(I) Sale of Advertisement

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

(II) 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.

(III) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(i) 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.

(j) Retirement and other employee benefits

- (I) 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 statement of profit and loss in the year in which they accrue.

- (II) 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 statement of profit and loss and are not deferred.

- (III) 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.

(k) 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.

(I) 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.

(m)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

(n) 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.

(o) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

I Media Corp Limited

Notes to financial statements as at and for the year ended March 31, 2012

3 Share Capital	March 31, 2012 ₹	March 31, 2011 ₹
Authorised shares 5,000,000 (March 31, 2011: 5,000,000) equity shares of ₹ 10 each	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid-up capital 1,050,000 (March 31, 2011: 1,050,000) equity shares of ₹ 10 each fully paid up (of the above 577,500 (March 31, 2011: 577,500) shares are held by D.B. Corp Limited, the Holding Company).	10,500,000	10,500,000
	<u>10,500,000</u>	<u>10,500,000</u>

a Reconciliation of number of share outstanding at the beginning and at the end of the year
Equity shares

	March 31, 2012		March 31, 2011	
	Number	₹	Number	₹
At the beginning of the year	1,050,000	10,500,000	1,050,000	10,500,000
Outstanding at the end of the year	1,050,000	10,500,000	1,050,000	10,500,000

b Terms/ right attached to each class of shares

The Company has only one class of equity shares having a par value ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

c Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Out of equity shares issued by the Company, Shares held by holding company and/or their subsidiaries/associates are as below:

Name of Shareholder	March 31, 2012 ₹	March 31, 2011 ₹
D. B. Corp Limited	5,775,000	5,775,000
577,500 Equity share (March 31, 2011: 577,500) of ₹ 10/- each fully paid		

d Detail of Shareholder Holding more then 5% shares of the Company

	March 31, 2012		March 31, 2011	
Name of Shareholder	Number of Shares Held	% of Holding	Number of Shares Held	% of Holding
D. B. Corp Limited	577,500	55.0%	577,500	55.0%
Writers & Publishers Limited	422,500	40.2%	422,500	40.2%

I Media Corp Limited

Notes to financial statements as at and for the year ended March 31, 2012

	March 31, 2012 ₹	March 31, 2011 ₹
4 Reserves and surplus		
Deficit in the statement of profit and loss		
Opening balance	(272,430,822)	(180,918,078)
Net Loss For the current year	(65,544,259)	(91,512,744)
Closing balance	(337,975,081)	(272,430,822)
Total Reserve and Surplus	(337,975,081)	(272,430,822)
5 Long-term borrowings		
Unsecured		
0% Compulsorily Convertible Debentures	350,000,000	350,000,000
350,000 (March 31, 2011: 350,000) 0% Unsecured Compulsorily convertible debentures of ₹ 1,000 each		
Total long-term borrowings	350,000,000	350,000,000
Terms of Debentures		
350,000 0% Unsecured Compulsorily convertible debentures of ₹ 1,000/- (at par) each convertible 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 i.e. 6 th February 2011		
The equity share on conversion of the debentures will be issued at a price calculated after applying an appropriate rate of discount to the fair value determined at the time of conversion		
6 Deferred tax liabilities (net)		
Deferred tax liability		
Depreciation	(1,025,377)	(2,154,568)
Gross deferred tax liability	(1,025,377)	(2,154,568)
Deferred tax assets		
Provision for doubtful debts	318,857	796,132
Provision for gratuity and leave encashment	706,520	453,198
Unabsorbed depreciation and losses	-	905,238
Gross deferred tax assets	1,025,377	2,154,568
Deferred tax liabilities (net)	-	-

I Media Corp Limited

Notes to financial statements as at and for the year ended March 31, 2012

7 Provisions	Long term		Short term	
	March 31, 2012 ₹	March 31, 2011 ₹	March 31, 2012 ₹	March 31, 2011 ₹
Provision for employee benefits				
Provision for gratuity	630,318	727,048	2,279	-
Provision for leave encashment	-	592,506	1,653,877	147,105
Total Provisions	630,318	1,319,554	1,656,156	147,105

8 Other current liabilities	March 31, 2012 ₹	March 31, 2011 ₹
Trade payables (refer note 25)	6,289,268	5,102,604
Total (a)	6,289,268	5,102,604
Other liabilities	15,948,624	10,067,377
Statutory liabilities	1,934,340	3,269,841
Total (b)	17,882,964	13,337,218
Total Other current liabilities (a+b)	24,172,232	18,439,822

Note 9
Fixed assets
I Media Corp Limited

Notes to financial statements as at and for the year ended March 31, 2012

Assets	Gross block			Depreciation			Net block		
	As at	Additions	Deletions/	As at	For the	Deletions/	As at	As at	As at
	1-Apr-11	31-Mar-12	Adjustments	1-Apr-11	Year	Adjustments	31-Mar-12	31-Mar-12	31-Mar-11
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets									
Leasehold improvements	2,566,018	-	-	2,281,210	284,808	-	2,566,018	-	284,808
Computers	15,813,468	521,381	1,755,943	8,767,397	2,517,860	1,092,178	10,193,079	4,385,827	7,046,071
Furniture and fixtures	14,584,939	21,735	-	3,776,729	889,378	-	4,666,107	9,940,567	10,808,210
Office equipments	8,345,952	115,608	626,472	1,071,122	487,888	104,700	1,454,310	6,380,778	7,274,829
Total	41,310,377	658,724	2,382,415	15,896,458	4,179,934	1,196,878	18,879,514	20,707,173	25,413,918
Previous year	39,777,838	1,532,539	-	11,187,915	4,708,543	-	15,896,458	25,413,918	

I Media Corp Limited

Notes to financial statements as at and for the year ended March 31, 2012

10 Loans and advances	Non-Current		Current	
	March 31, 2012 ₹	March 31, 2011 ₹	March 31, 2012 ₹	March 31, 2011 ₹
a Security deposits				
Unsecured, considered good				
Security deposit against lease of properties	1,531,662	1,531,662		
Deposit with others	-	-	63,140	63,690
Total (a)	1,531,662	1,531,662	63,140	63,690
b Other loans and advances				
Loans and advances to employees	-	-	447,253	247,122
Prepaid expenses	-	-	153,962	176,171
Tax deducted at source	-	-	832,434	3,458,626
Interest accrued but not due on fixed deposits	-	-	-	433,905
Service tax input receivable	-	-	1,099,344	1,231,495
Total (b)	-	-	2,532,994	5,547,319
Total loans and advances (a+b)	1,531,662	1,531,662	2,596,134	5,611,009
11 Trade receivables		March 31, 2012 ₹		March 31, 2011 ₹
Trade receivable outstanding for a period less than six months from the date they are due for payment				
Unsecured considered good		15,918,484		7,569,001
Trade receivable outstanding for a period exceeding six months from the date they are due for payment				
Unsecured considered good	1,902,308		2,584,634	
Unsecured considered doubtful	2,068,458		2,576,480	
	3,970,766		5,161,114	
Less: Provision for doubtful debts	2,068,458	1,902,308	2,576,480	2,584,634
Total trade receivables		17,820,792		10,153,635
12 Cash and bank balances			Current	
			March 31, 2012 ₹	March 31, 2011 ₹
Cash and cash equivalents				
Balances with banks:				
Current account			6,275,531	3,218,600
Cash on hand			13,738	11,740
			6,289,269	3,230,340
Other bank balances				
- Deposits with original maturity for more than 3 months but less than 12 months			38,595	62,035,096
			38,595	62,035,096
Total cash and bank balances			6,327,864	65,265,436

I Media Corp Limited

Notes to financial statements as at and for the year ended March 31, 2012

	March 31, 2012 ₹	March 31, 2011 ₹
13 Revenue from operation		
Sale of services:-		
Portal Revenue	59,115,450	25,336,491
SMS Revenue	1,096,083	3,289,803
Total revenue from operation	60,211,533	28,626,294
14 Other income		
Excess Liabilities / provision written back	7,215,172	1,194,696
Interest on fixed deposits	2,468,860	485,302
Miscellaneous income	93,889	59,968
Total other income	9,777,921	1,739,966
15 Employee benefit expenses		
Salaries, wages and bonus	59,842,035	42,192,655
Contribution to provident and other funds	3,127,317	2,538,439
Workmen and staff welfare expenses	1,605,831	1,233,664
Total employee benefit expenses	64,575,183	45,964,758
16 Other expenses		
Operating expenses		
Portal direct expenses	24,397,065	10,255,533
SMS direct expenses	406,830	1,324,818
Total (a)	24,803,895	11,580,351

I Media Corp Limited

Notes to financial statements as at and for the year ended March 31, 2012

	March 31, 2012 ₹	March 31, 2011 ₹
General administration and other expenses		
Subcontractors charges	5,669,526	6,166,080
Traveling and conveyance	4,224,144	2,265,884
Rent	1,467,695	1,224,014
Recruitment charges	1,337,163	1,019,917
Provision for doubtful debts	800,000	2,576,480
Fixed assets written off	475,672	-
Communication expenses	600,024	658,567
Bad debts written off	1,308,022	-
Less: Already provided for	(1,308,022)	508,454
Gas, water and electricity	791,304	830,997
Legal and professional fees	5,311,476	900,088
Sundry office expenses	749,172	648,352
Commission Exp	573,576	-
Repairs and maintenance:		
- Office equipments	147,321	344,455
- Buildings	-	2,434
- Others	497,542	406,193
Printing and stationery	296,731	171,971
As Auditor:		
- Audit fees	100,000	100,000
Security charges	250,834	129,676
Postage and courier	115,847	76,908
Insurance charges	-	10,454
Miscellaneous expenses	239,290	96,766
Exchange difference (net)	35,881	262,606
Bank charges	3,088	3,640
Total (b)	23,686,286	18,403,936
Selling and distribution expenses		
Sales and marketing	18,288,415	17,462,982
Total (c)	18,288,415	17,462,982
Total other expenses (a+b+c)	66,778,596	47,447,269
17 Finance cost		
Interest on loan from holding company		23,758,435
Total finance cost	-	23,758,435

I Media Corp Limited

Notes to financial statements as at and for the year ended March 31, 2012

18 (a) Related party disclosure

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

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	Diligent Media Corporation Limited
Key Management Personnel ('KMP')	Mr. Pawan Agarwal (Director)

18 (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	
	Mar-12 ₹	Mar-11 ₹	Mar-12 ₹	Mar-11 ₹	Mar-12 ₹	Mar-11 ₹	Mar-12 ₹	Mar-11 ₹	Mar-12 ₹	Mar-11 ₹	Mar-12 ₹	Mar-11 ₹
D. B. Corp Limited	-	55,892,475		(23,758,435)		350,000,000	12,597,328	14,198,423	2,002,416	3,132,910	(352,370,131)	(350,728,585)
	-	(278,003,073)	-	-	-	-	-	-	-	-	-	-
Synergy Media Entertainment Limited	-	-	-	-	-	-	923,143	49,979	1,541,372	301,444	(1,352,159)	(54,024)
Diligent Media Limited	-	-	-	-	-	-	-	-	1,471,364	6,070,248	926,311	1,248,013

19 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 recognised for the year ended March 31, 2012 aggregated to ₹ 1,467,695/- (March 31, 2011 ₹ 1,224,014/-).

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

Period	March 31, 2012 ₹	March 31, 2011 ₹
Not later than one year	3,693,939	3,518,038
Later than one year but not later than five years	4,530,247	8,224,187
	8,224,186	11,742,225

20 Employee benefits

Defined Contribution Plan

During the year ended March 31, 2012 and March 31, 2011; the Company contributed the following amounts to defined contribution plans:

Particulars	March 31, 2012 ₹	March 31, 2011 ₹
Provident Fund	2,872,599	2,278,973
Employees State Insurance Corporation	254,718	259,466
Total	3,127,317	2,538,439

Defined Benefit Plan

A- Gratuity

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

B- Leave encashment

In accordance with leave policy, the Company has provided for sick leave entitlement on the basis of an actuarial valuation carried out at the end of the year. Privilege Leave valuation has been done on the basis of actual cost to company. The following table's summaries the components of net benefit expense recognized in the statement of profit and loss and the amounts recognized in the balance sheet for the respective plan.

The amounts recognized in the statement of profit and loss for the year ended March 31, 2012 are as follows:

Particulars	March 31, 2012 ₹	March 31, 2011 ₹
Current service cost	620,450	364,434
Interest cost	59,981	28,196
Expected return on plan assets		-
Recognized net actuarial (gain) loss	(740,268)	(18,029)
Total included in 'employee benefit expense'	(59,836)	374,601

The amounts recognized in the balance sheet are as follows:

Particulars	March 31, 2012 ₹	March 31, 2011 ₹
Present value of obligations	632,597	727,048

Details of Experience Adjustments on plan assets and plan liabilities:

Particulars	March 31, 2012 ₹	March 31, 2011 ₹
Experience adjustments on plan liabilities (Gain)/Loss	(664,356)	24,748

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

Particulars	March 31, 2012 ₹	March 31, 2011 ₹
Defined benefit obligation at beginning of the year	727,048	352,447
Current service cost	620,450	364,434
Interest cost	59,981	28,196
Benefits paid	(34,615)	-
Actuarial (gain) loss	(740,268)	(18,029)
Defined benefit obligation at end of the year	632,597	727,048

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

Particulars	March 31, 2012	March 31, 2011
Discount rate	8.50%	8.25%
Withdrawal Rate	For 0-5 Year 22.00%, p.a. 6 year Above 2.00% p.a.	1% at each age
Future Salary Rise	6.00%	6.00%

21 Earnings Per Share:

Particulars	March 31, 2012 ₹	March 31, 2011 ₹
Net loss after tax for equity shareholders	(65,544,259)	(91,512,744)
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 (₹)	(62.42)	(87.15)
Face Value Per Share (₹)	10	10

22 Earnings in foreign currency (on accrual basis)

Particulars	March 31, 2012 ₹	March 31, 2011 ₹
Advertisement income	38,644,846	13,860,420

23. Expenditure in foreign currency (on accrual basis)

Particulars	March 31, 2012 ₹	March 31, 2011 ₹
Professional Fee	702,282	67,755

24. Un hedged Foreign Currency Exposure

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

Particulars	Currency	March 31, 2012		March 31, 2011	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Trade Receivables	USD	142,237	7,236,328	94,883	4,230,592

25. 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.

26. 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 and such results / position are integral part of operations i.e. initial period in such industry. 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 parent company has provided assurance that it intends to provide adequate business as well financial support to the Company to enable it to continue its operations for the year ending March 31, 2013. Considering the nature of business as explained and business / financial support provided by the parent company, the Company is being viewed as a going concern and accounts have been prepared under the going concern assumption.

27 Previous year comparatives

Till the year ended March 31, 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956 has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

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

Director Director

Membership No. 36656

Place: Mumbai

Date: July 19, 2012

I Media Corp Limited

Cash flow statement for the year ended March 31, 2012

	March 31, 2012 ₹	March 31, 2011 ₹
A. Cash flow from operating activities		
Loss before tax :	(65,544,259)	(91,512,744)
Depreciation	4,179,934	4,708,543
Fixed assets written off	475,672	-
Interest expenses and other financial charges	-	23,762,075
Bad debts written off	-	508,454
Interest income	(2,468,860)	(485,302)
Provision for doubtful debt and advances	800,000	2,576,480
Operating loss before working capital changes	(62,557,513)	(60,442,494)
Movements in working capital		
(Increase) /decrease in trade receivables	(8,467,158)	(441,220)
Decrease /(increase) in loans and advances	3,014,875	(323,893)
(Decrease)/ increase in current liabilities and provisions	6,552,224	(395,025)
Cash generated from operations	(61,457,572)	(61,602,632)
Direct taxes paid	-	(593,344)
Net cash from operating activities (A)	(61,457,572)	(62,195,976)
B. Cash flow from investing activities		
Purchases of fixed assets(net)	51,140	(1,532,539)
Interest received	2,468,860	51,397
Bank deposits having maturity of more than 90 days	61,996,501	(62,035,096)
Net cash (used in) investing activities (B)	64,516,501	(63,516,238)
C. Net cash from financing activities		
Proceeds from issue of debentures	-	350,000,000
Unsecured loan taken	-	55,892,475
Unsecured loan repaid	-	(256,620,483)
Interest paid	-	(23,762,075)
Net cash from financing activities (C)	-	125,509,917
Net increase in cash and cash equivalents (A+B+C)	3,058,929	(202,296)
Cash and cash equivalents at the beginning of the year	3,230,340	3,432,637
Cash and cash equivalents at the end of the year	6,289,269	3,230,340
Components of cash and cash equivalent at the end of the year		
Cash and bank balances	6,327,864	65,265,436
Less: Bank deposits having maturity of more than 90 days	(38,595)	(62,035,096)
Total	6,289,269	3,230,340

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
Place: Mumbai
Date: July 19, 2012

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

Director

Director

Divya Prabhat Publications Private Limited

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 6th Annual Report together with the Balance Sheet and Statement of Profit and Loss for the year ended 31st March, 2012.

Financial Highlights:

The financial results of the Company for the year ended 31st March, 2012 are as under:

(in ₹)

Particulars	2011-12	2010-11
Income	5,36,85,907	5,39,53,054
Expenditure	5,15,71,782	5,12,15,450
Profit/(Loss) for the year before tax	21,14,125	27,37,604
Less: Provision for deferred tax	(28,787)	40,269
Provision for Tax	12,00,000	8,20,000
Profit/(Loss) After tax	9,42,912	18,77,335
Less: Income Tax Adjusted from earlier years	10,812	13,64,976
Add: Balance Brought forward from previous year	1,34,677	6,22,318
Profit available for Appropriation	10,66,777	11,34,677
Less: Transfer to General Reserve	-	10,00,000
Balance carried forward to Balance Sheet	10,66,777	1,34,677

Review of Performance:

During the year under review, the Company was involved in consolidating its operations and despite tough economic conditions, the Company achieved a turnover of ₹ 537 lacs in FY 2011-12 as compared to ₹ 540 lacs in previous financial year.

Future Prospects:

During the year under review, consolidation and restructuring in operations resulted in the Company becoming 51% subsidiary of D. B. Corp Ltd., an established entity in print media having pan India presence. Your directors are of view that continued patronage and guidance from holding Company and synergy in operations will take company to new heights.

Dividend:

In view of inadequate profits for the year under review, your directors do not recommend any dividend for the year ended 31st March, 2012.

Directors:

Pursuant to the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Pawan Agarwal, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. He has confirmed that he is not disqualified from being appointed as director pursuant to Section 274(1)(g) of the Companies Act, 1956.

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:

- that in the preparation of the annual accounts for the year ended 31st March, 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- that 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 as at 31st March, 2012 and of the profit of the company for the year ended as on that date;
- that 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;
- that the directors had prepared the annual accounts for the financial year ended 31st March, 2012 on a "going concern" basis.

Particulars of Employees:

During the year under review, 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 from time to time.

Holding Company:

Your Company became a subsidiary of D. B. Corp Limited (DBCL), a flagship listed entity of Dainik Bhaskar Group w.e.f. 1st October, 2011. DBCL operates in the media sector. In Print Media, it publishes, develops, edits, prints, distributes and markets newspapers and other publications. DBCL publishes various newspapers under different brands including 'Dainik Bhaskar', 'Divya Bhaskar' and 'Dainik Divya Marathi' and is one of India's most widely read newspaper groups. In addition, DBCL also holds radio licenses and operates the radio stations in various cities.

Auditors:

M/s Gupta Navin K. & Co., Chartered Accountants, Gwalior, the Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting of the Company and being eligible, they offer themselves to hold office as Statutory Auditors from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

Public Deposits:

The Company has not invited and / or accepted any deposits, within the meaning of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975 as amended from time to time.

Particulars Regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

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

There was no foreign exchange earnings and outgo during the year under review.

Acknowledgement:

Your directors wish to express their appreciation 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.

**For and on behalf of the Board of Directors
For Divya Prabhat Publications Private Limited**

Place: Bhopal
Date: June 26, 2012

Director

Director

Divya Prabhat Publications Private Limited

AUDITORS' REPORT

To,
The Members of
Divya Prabhat Publications Private Limited

1. We have audited the attached Balance Sheet of **DIVYA PRABHAT PUBLICATIONS PRIVATE LIMITED** as at 31st March, 2012, the statement of Profit & Loss 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 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto 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 in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - (c) The Balance Sheet, statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account.

- (d) In our opinion, the Balance Sheet, statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent possible.
- (e) As per information and explanations given to us by the Directors of the Company, we report that none of the Directors is disqualified from being appointed as Director of the Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanation given to us, the said account read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and
 - (ii) In the case of the statement of profit & Loss, of the Profit for the year ended on that date.
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Gupta Navin K. & Co.
Firm Registration Number: 006263C
Chartered Accountants

per Navin K. Gupta
Partner
Membership No. 75030
Place: Bhopal
Date: June 26, 2012

Divya Prabhat Publications Private limited Annexure to Auditor's Report

(1) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.

(2) In respect of its inventories:

- (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

(3) In respect of loans:

- (a) The Company has not granted secured/unsecured loans to Companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act 1956.
- (b) Not applicable, as the Company has not given any loan.
- (c) Not applicable, as the Company has not given any loan.
- (d) Not applicable, as the Company has not given any loan
- (e) The Company has taken loan from Companies covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was ₹ 25.73 Lacs and the year end balance of the loans taken from such parties was ₹ 25.73 Lacs.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

- (g) In respect of loans taken by the Company, the interest and principal amount is repayable on demand and as informed to us, that no notices have been received from the parties concerned about its repayment, the question of irregularity of repayment of loan/interest does not arise.

- (4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and also for sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.

(5) In respect of transactions covered under Section 301 of the Companies Act, 1956:

- (a) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lacs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

- (6) The Company has not accepted any deposits from the public.
- (7) In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
- (8) It is informed to us that company is not covered under Companies (Cost accounting records) Rules, 2011 prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

(9) In respect of statutory dues:

- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (10) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in immediately preceding financial year.
- (11) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
- (12) 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.
- (13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (14) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv), of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (15) The Company has not given any guarantees for loan taken by others from Banks or financial institutions and prima facie prejudicial to the interest of the Company.
- (16) The Company has not raised any term loan during the year.
- (17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilised short-term resources towards repayment of long term borrowings and vice versa.
- (18) During the year, the Company has made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. In our opinion the terms of the issue of shares is not prejudicial to the interest of the company.
- (19) The Company has not issued any debenture during the year.
- (20) The Company has not raised any money through public issue.
- (21) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Gupta Navin K. & Co.
Firm Registration Number: 006263C
Chartered Accountants

per Navin K. Gupta
 Partner
 Membership No. 75030

Place: Bhopal
Date: June 26, 2012

Divya Prabhat Publications Private Limited

Balance Sheet as at March 31, 2012

	Note No.	March 31, 2012 ₹	March 31, 2011 ₹
EQUITY AND LIABILITIES			
(1) SHAREHOLDER'S FUNDS			
(a) Share capital	3	426,080	100,000
(b) Reserves and surplus	4	20,740,377	5,134,677
(2) NON- CURRENT LIABILITIES			
(a) Long-term borrowings	5	2,573,232	-
(b) Deferred tax liabilities (net)	6	11,482	40,269
(3) CURRENT LIABILITIES			
(a) Short-term borrowings	7	4,215,359	2,568,840
(b) Trade payables	8	1,591,451	8,937,296
(c) Other current liabilities	9	10,120,312	7,989,539
(d) Short-term provisions	10	1,049,866	(324,477)
TOTAL		40,728,159	24,446,144
ASSETS			
(1) NON- CURRENT ASSETS			
(a) Fixed assets	11		
(i) Tangible assets		1,226,010	802,583
(ii) Intangible assets		13,377,049	-
(b) Long term loans and advances	12	11,835	10,858
(2) CURRENT ASSETS			
(a) Inventories	13	1,810,202	1,443,539
(b) Trade receivables	14	18,190,226	17,314,514
(c) Cash and cash equivalents	15	5,275,011	4,696,861
(d) Short term loans and advances	12	837,826	177,789
TOTAL		40,728,159	24,446,144
Summary of significant accounting policy	2		

Notes annexed to and forming part of Balance sheet and Statement of Profit and Loss

As per our separate report attached

For GUPTA NAVIN K. & Co.,
Firm Registration No.: 006263C
CHARTERED ACCOUNTANTS

For and on behalf of the board of directors of
Divya Prabhat Publications Private Limited

NAVIN K. GUPTA
Partner
Membership No.: 75030
Place: Bhopal
Date: June 26, 2012

Director

Director

Divya Prabhat Publications Private Limited

Statement of Profit and Loss for the year ended March 31, 2012

	Note No.	March 31, 2012 ₹	March 31, 2011 ₹
INCOME			
Revenue from operations	16	53,684,930	53,952,608
Other income	17	977	446
TOTAL REVENUE		53,685,907	53,953,054
EXPENSES			
Raw material consumed	18	22,332,003	25,821,255
Employees benefit expenses	19	12,659,716	12,295,772
Other expenses	20	14,833,901	12,937,101
TOTAL EXPENDITURE		49,825,620	51,054,128
Profit before finance cost, tax, depreciation and amortisation (EBITDA)		3,860,287	2,898,926
Finance costs	21	172,932	44,845
Depreciation and amortisation expense	11	1,573,230	116,477
Profit Before Tax		2,114,125	2,737,604
Tax expenses			
Current tax		1,200,000	820,000
Deferred tax charge		(28,787)	40,269
Income tax adjustment for earlier years		10,812	1,364,976
Total tax expenses		1,182,025	2,225,245
Profit for the year		932,100	512,359
Earning per equity share [nominal value of share ₹ 10 (Previous year : ₹ 10)]	22		
Basic		33.83	51.24
Weighted average no. of shares		27,551	10,000
Diluted		33.83	51.24
Weighted average no. of shares		27,551	10,000
Summary of significant accounting policy	2		

Notes annexed to and forming part of Balance sheet and Statement of Profit and Loss

As per our separate report attached

For GUPTA NAVIN K. & Co.,
Firm Registration No.: 006263C
CHARTERED ACCOUNTANTS

For and on behalf of the board of directors of
Divya Prabhat Publications Private Limited

NAVIN K. GUPTA
Partner
Membership No.: 75030
Place: Bhopal
Date: June 26, 2012

Director

Director

Divya Prabhat Publications Private Limited

Notes to financial statements as at and for the year ended March 31, 2012

1. Nature of operations

Divya Prabhat Publications Private Limited ["DPPPL"] ("the Company") is in the business of publishing newspapers. The brands in publishing business are 'Prabhat Kiran' (Hindi Evening Daily). The Company derives its revenue mainly from the sale of the publications and advertisements published in the publications.

2. Summary 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 of the company have been prepared in accordance with generally accepted accounting principles in India. 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, except for change in accounting policy explained below.

b) Change in accounting policy

During the year ended March 31, 2012, the Revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principle followed of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirement applicable in the current year.

Change in method of depreciation

During the year, the company has changed the method of charging depreciation from WDV method to straight line method, as a result of which a sum of ₹ 190,736 has been written back to the statement of profit and loss. Had this change not been made the profit for the year would have been lower by ₹ 190,736 on account of current depreciation and the value of net fixed assets would have been lower by ₹ 190,736.

c) 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.

d) 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.

e) Intangibles

Brand

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

f) 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.

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

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) 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.
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.	

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.

Advertisements

Revenue is recognized as and when advertisement is published/displayed/ and is disclosed net of discounts & credit notes.

Sale of Newspaper, 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.

Interest

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

j) Retirement and other employee benefits

The company has made the Gratuity provision for the eligible employees. Other retirement benefit will be accounted for as and when the same will be paid by the company.

k) 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 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.

l) Provision

A provision is recognized when the company 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 of the amount of the obligation. 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.

m) 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.

n) 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.

(o) Measurement of EBITDA

As permitted by the Guidance note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earning before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operation. In this measurement, the Company does not include depreciation and amortization expenses, finance cost and tax expenses.

3. SHARE CAPITAL

	March 31, 2012 ₹	March 31, 2011 ₹
a) Authorised : 2,000,000 (Previous year 2,000,000) Equity shares of ₹ 10 each	20,000,000	20,000,000
b) Issued, Subscribed & Paid up:42,608 (Previous year 10,000 Equity shares of ₹ 10 each fully paid up	426,080	100,000
TOTAL	426,080	100,000

c) Reconciliation of Number of Share Outstanding at the Beging and at the end of the Year

Name of shareholders	March 31, 2012		March 31, 2011	
	No.	₹	No.	₹
At the beginning of the period	10,000	100,000	10,000	100,000

Issued during the period	32,608	326,080	-	-
Outstanding at the end of the period	42,608	426,080	10,000	100,000

- d) Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

Name of shareholders	March 31, 2012	March 31, 2011
	No.	No.
DB Corp Ltd.- Holding company	21,730	-

- e) Detail of shareholder holding more than 5% shares of the company

Name of shareholders	March 31, 2012		March 31, 2011	
	No.	% of hold	No.	% of hold
D.B. Corp Limited	21,730	51.00	-	-
Prabhat Sojatia and Sunil Sojatia	20,878	49.00	-	-
Sudhir Agrawal	-	-	6,000	60.00
Prabhat Sojatia	-	-	4,000	40.00

- f) The company has only one class of shares referred to as equity shares having a face value of ₹ 10/- each holder of equity shares is entitled to one vote per share and proportionate amount of dividend if declared to the total number of shares.

4. RESERVES AND SURPLUS:

	March 31, 2012		March 31, 2011	
	₹		₹	
General reserve				
Balance as per the last financial statements	5,000,000		4,000,000	
Add: amount transferred from surplus balance in the statement of profit and loss	-	5,000,000	1,000,000	5,000,000
Security premium account				
Balance as per the last financial statements	-		-	
Add: additions during the year	14,673,600	14,673,600	-	-
Surplus/ (deficit) in the statement of profit and loss				
Balance as per the last financial statements	134,677		622,318	
Profit for the year	932,100		512,359	
Less: Appropriations :				
Transfer to general reserve	-	1,066,777	1,000,000	134,677
TOTAL		20,740,377		5,134,677

	March 31, 2012 ₹	March 31, 2011 ₹
5. LONG TERM BORROWINGS		
Unsecured loans	2,573,232	-
TOTAL	2,573,232	-
6. DEFERRED TAX LIABILITY (NET)		
Deferred tax liability		
Depreciation	150,183	40,269
Gross deferred tax liability	150,183	40,269
Deferred tax assets		
Provision for gratuity	138,701	-
TOTAL	11,482	40,269
7. SHORT TERM BORROWINGS		
Unsecured		
Security deposits received	4,215,359	2,568,840
TOTAL	4,215,359	2,568,840
8. TRADE PAYABLES		
Payables for trade and services	1,591,451	8,937,296
TOTAL	1,591,451	8,937,296
9. OTHER CURRENT LIABILITIES		
Other liabilities	9,879,647	7,752,125
Statutory liabilities	240,665	237,414
TOTAL	10,120,312	7,989,539
10. SHORT-TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity	448,869	-
Other provisions		
Provision for tax (net of taxes paid)	600,997	(324,477)
TOTAL	1,049,866	(324,477)

Divya Prabhat Publications Private Limited

Notes to financial statements as at and for the year ended March 31, 2012

11. FIXED ASSETS

Assets	Gross Block			Accumulated Depreciation/Amortisation			Net Block		
	As At April 1, 2011	Additions during the year	As At March 31, 2012	Up To April 1, 2011	Depreciation due to change in method from WDV to SLM	For the year	Up To March 31, 2012	As At March 31, 2012	As At March 31, 2011
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets									
Office Equipments	314,999	241,995	556,994	94,208	(58,506)	15,056	50,758	506,236	220,791
Furniture and Fixtures	39,250	-	39,250	14,385	(8,653)	2,485	8,217	31,033	24,865
Electric Equipments	169,548		169,548	81,625	(46,047)	8,054	43,632	125,916	87,923
Computers & Printers	692,200	131,711	823,911	223,196	(77,530)	115,420	261,086	562,825	469,004
Intangible Assets									
Goodwill	-	15,000,000	15,000,000	-	-	1,622,951	1,622,951	13,377,049	-
Total	1,215,997	15,373,706	16,589,703	413,414	(190,736)	1,763,966	1,986,644	14,603,059	802,583
	1,215,997	15,373,706	16,589,703	413,414	(190,736)	1,763,966	1,986,644	14,603,059	802,583
Previous year ended March 31, 2011	746,698	469,299	1,215,997	296,937	-	116,477	413,414	802,583	449,761

12. LOANS & ADVANCES

	Non- current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	₹	₹	₹	₹
Security deposits : (unsecured considered good): Deposit with government authorities	11,835	10,858	-	-
Other loans and advances: (Unsecured considered good) Advances recoverable in cash or kind or for value to be received			837,826	177,789
TOTAL	11,835	10,858	837,826	177,789

March 31, 2012
₹

March 31, 2011
₹

13. INVENTORIES

(As valued and certified by the management)

Raw material	1,810,202	1,443,539
TOTAL	1810202	1,443,539

14. TRADE RECEIVABLES

(Unsecured considered good)

Outstanding for a period exceeding six months		
From the date they are due for payment	1,488,908	2,970,025
Others	16,701,318	14,344,489
TOTAL	18,190,226	17,314,514

15. CASH & CASH EQUIVALENTS

Balances with banks:		
On current account	4,690,360	4,360,260
Cash on hand	584,651	336,601
TOTAL	5,275,011	4,696,861

16. REVENUE FROM OPERATIONS

Sale of products:		
Sale of newspapers	10,917,652	13,469,137
Wastage sale	724,057	664,418
Sale of service:		
Advertisement income	42,043,221	39,819,053
TOTAL	53,684,930	53,952,608

17. OTHER OPERATING INCOME

Interest received from bank	977	446
TOTAL	977	446

	March 31, 2012 ₹	March 31, 2011 ₹
18. RAW MATERIAL CONSUMED		
Opening stock	1,443,539	1,731,265
Add : Purchase (including expenses)	22,698,666	25,533,529
Less : Closing stock	1,810,202	1,443,539
TOTAL	22,332,003	25,821,255
19. EMPLOYEES BENEFIT EXPENSES		
Salary, wages and allowances	12,198,830	12,131,170
Gratuity expenses	448,869	-
Employees welfare expenses	12,017	164,602
TOTAL	12,659,716	12,295,772
20. OTHER EXPENSES :		
Operating expenses:		
Printing job work expenses	7,824,335	8,017,582
News collection expenses	107,192	100,755
Other operating expenses	222,616	293,732
Electricity and water charges	204,000	204,000
(a)	8,358,143	8,616,069
General administrative and other expenses:		
Electricity	121,684	86,044
Rent	1,200,000	600,000
Repair and maintenance		
Building	70,000	124,306
Others	229,375	165,670
Legal and professional charges	143,872	151,637
Postage and telegram	43,720	44,804
Communication charges	265,921	274,245
Printing and stationery	115,891	99,496
Traveling	66,929	419,154
Conveyance	101,578	53,116
Auditors remuneration	49,635	49,635
Bad debts written off	1,255,879	1,413
Sundry office expenses	55,877	63,826
Preliminary expenses written off	-	49,800
(b)	3,720,361	2,183,146
Selling and distribution expenses :		
Distribution expenses	1,965,026	1,559,750
Business promotion	790,371	578,136
(c)	2,755,397	2,137,886
TOTAL	(a+b+c) 14,833,901	12,937,101
21. FINANCIAL COST :		
Interest expenses:		
On others	130,790	-
Bank charges	42,142	44,845
TOTAL	172,932	44,845

22. Earnings per share

Particulars	March 31, 2012	March 31, 2011
i) Profit/ (Loss) for the year (₹)	932,100	512,359
ii) Weighted average number of Equity Shares outstanding for Basic EPS	27,551	10,000
iii) Basic Earnings per share (₹)	33.83	51.24
iv) Weighted average number of Equity Shares outstanding for Diluted EPS	27,551	10,000
v) Diluted Earnings per share (₹)	33.83	51.24
vi) Nominal value of shares (₹)	10	10

23.(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
Key Management Personnel	- Shri Pawan Agarwal, Director - Shri Sunil Sojatia, Director - Shri Prabhat Sojatia, Director
Relatives of key Management Personnel	- Shri Ramesh Chandra Agarwal - Smt. Kasturi Devi Agarwal - Shri Sudhir Agarwal - Shri Girish Agarwal - Smt. Nikita Pawan Agarwal - Smt. Alka Sojatia - Smt. Sapana Sojatia
Enterprises owned or significantly influenced by key management personnel or their relatives	- Writers & Publishers Private Limited - Prabhat Kiran Private Limited - Dainik Prabhat Kiran - Bhasker Multinet Limited

(b) Detail of transactions with related parties

	Transactions Year ended March 31, 2012 ₹	Amount receivable (payable) As at March 31, 2012 ₹
Salaries, wages and bonus		
Shri Pawan Agarwal	1,200,000	(2,889,300)
Shri Sunil Sojatia	300,000	(1,345,500)
Shri Prabhat Sojatia	300,000	(1,345,500)
Rent expenditure		
Writers and Publishers Private Limited	300,000	(810,500)
Prabhat Kiran Private Limited	900,000	(1,350,000)
Interest expenditure		
D.B. Corp Limited	81,371	-

Printing job work expense		
Prabhat Kiran Private Limited	7,273,790	(572,180)
Loan / advances taken		
D.B. Corp Limited	2,500,000	(2,573,232)
News print loan taken		
D.B. Corp Limited	1,272,550	-
Balance outstanding at the year end		
Prabhat Kiran Private Limited	-	(17,000)

24.(a) Additional information as per the requirement of the Schedule VI of the Companies Act, 1956.

	March 31, 2012	March 31, 2011
i) Raw Material Consumed		
News Print Paper (Quantity in MT)	727.956	998.978

b) Managerial Remuneration

During the year under consideration the company has paid the managerial remuneration to the following directors:

Particulars	March 31, 2012 ₹	March 31, 2011 ₹
Prabhat Sojatia	300,000	600,000
Sunil Sojatia	300,000	600,000
Pawan Agrawal	1,200,000	1,200,000
Total	1,800,000	2,400,000

25. Previous year comparatives

Till the year ended March 31, 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956 has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

As per our separate report attached.

For Gupta Navin K. & Co.,

Firm Registration No.: 006263C

Chartered Accountants

Navin K. Gupta
Partner

Membership No. 75030
Place: Bhopal
Date: June 26, 2012

For and on behalf of the
Board of Directors of

Divya Prabhat Publications
Private Limited

Director

Director

Divya Prabhat Publications Private Limited

Cash flow statement for the year ended March 31, 2012

	For the year ended March 31, 2012 ₹	For the year ended March 31, 2011 ₹
A. Cash flow from operating activities		
Profit before taxation	2,114,125	2,737,604
Non-cash adjustment to reconcile profit before tax to net cash flows		
Interest expense/ (income) (net)	129,813	(446)
Depreciation / amortization	1,573,230	116,477
Miscellaneous expenditure	-	49,800
Bad debts written off	1,255,879	1,413
Operating profit before working capital changes	5,073,047	2,904,848
Increase / Decrease in working capital		
(Increase) in inventories	(366,663)	287,726
(Increase) in trade receivable	(2,131,591)	(1,673,120)
Decrease / (Increase) in long-term loans and advances	(977)	-
Decrease / (Increase) in short-term loans and advances	(660,037)	93,807
Increase / (Decrease) in trade payable	(7,345,845)	1,212,520
Increase / (Decrease) in other current liabilities	2,130,773	4,030,927
Increase / (Decrease) in short term provisions	448,869	-
Cash generated from operations	(2,852,424)	6,856,708
Direct taxes paid	(285,338)	(1,603,232)
Net cash from operating activities (A)	(3,137,762)	5,253,476
B Cash flow from investing activities		
Purchase of fixed assets	(15,373,706)	(469,299)
Interest received	977	446
NET CASH (USED IN) INVESTING ACTIVITIES (B)	(15,372,729)	(468,853)
C CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings taken- unsecured	1,646,519	(2,540,605)
Long term borrowings taken - unsecured	2,573,232	-
Interest paid	(130,790)	-
Proceeds from issuance of shares	14,999,680	-
NET CASH (USED IN) FINANCING ACTIVITIES (C)	19,088,641	(2,540,605)
Net Increase in cash and cash equivalents (A)+(B)+(C)	578,150	2,244,018
Cash and Cash Equivalents at the beginning of the Year	4,696,861	2,452,843
Cash and Cash Equivalents at the end of the Year	5,275,011	4,696,861
Net Increase in Cash and Cash Equivalents	578,150	2,244,018
For Details of Components of cash and cash equivalents - refer note - 15		
Closing balance	5,275,011	4,696,861
Less: fixed deposit with maturity period of more than three months		
Net cash and cash equivalents at the end of the year (As per notified AS- 3)	5,275,011	4,696,861

As per our separate report attached

For GUPTA NAVIN K. & Co.,
Firm Registration No.: 006263C
CHARTERED ACCOUNTANTS

NAVIN K. GUPTA
Partner
Membership No.: 75030
Place: Bhopal
Date: June 26, 2012

For and on behalf of the board of directors of
Divya Prabhat Publications Private Limited

Director

Director

NOTES

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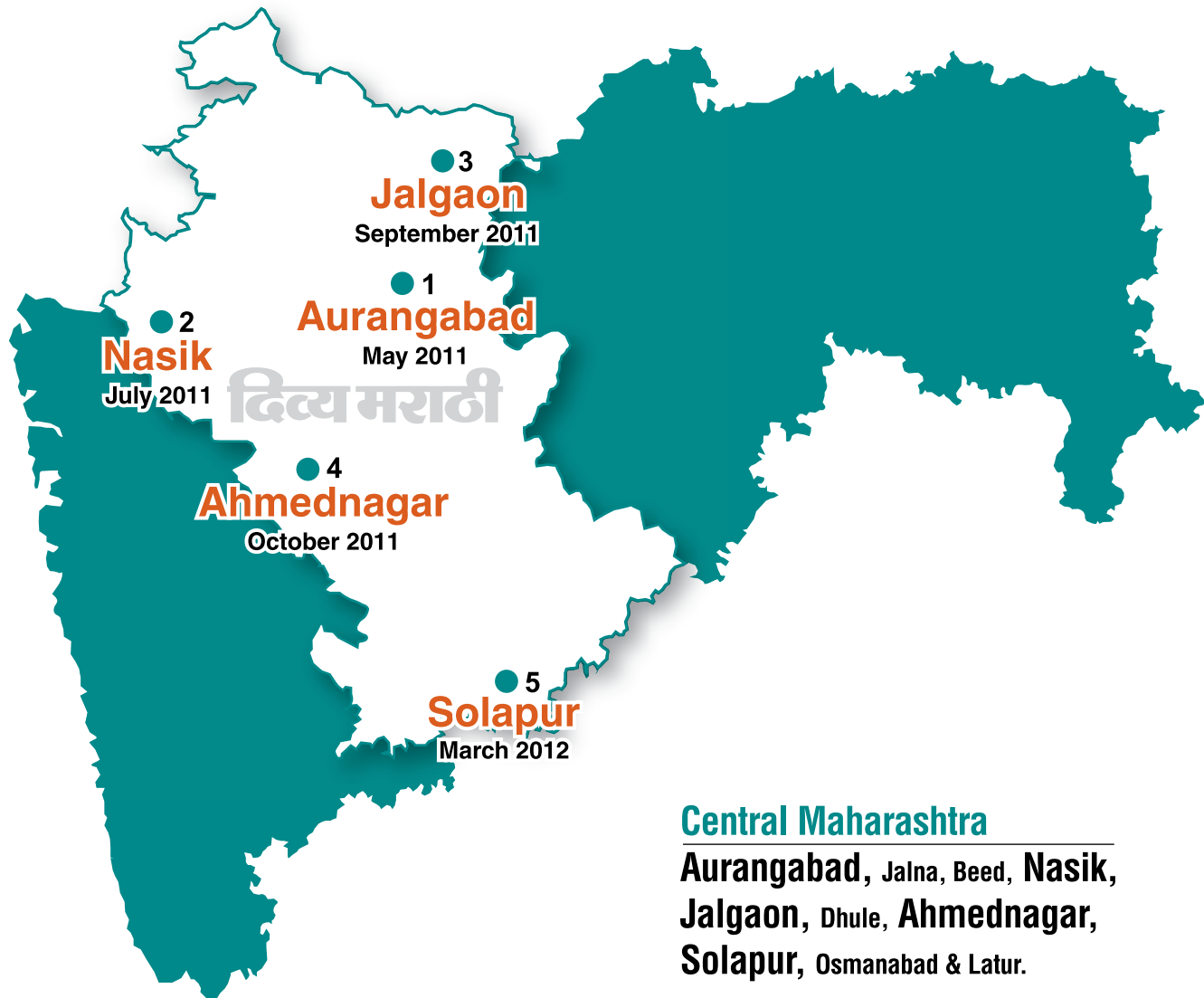
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Divya Marathi completes one year of success in Maharashtra



COMPLETE COVERAGE OF CENTRAL MAHARASHTRA
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