

**BOARD OF DIRECTORS:**

SHRI BHUPATBHAI C. VADODARIA	:	CHAIRMAN EMERITUS
SHRI KIRAN B. VADODARIA	:	CHAIRMAN & MANAGING DIRECTOR
SHRI MANOJ B. VADODARIA	:	DIRECTOR
SHRI DILIP D. PATEL	:	DIRECTOR
SHRI N. R. MEHTA	:	DIRECTOR
SHRI O.P. BHANDARI	:	DIRECTOR
SHRI N.V.VASANI	:	DIRECTOR
MS. DEEPAL G. TRIVEDI	:	DIRECTOR

**COMPANY SECRETARY & MANAGER [LEGAL]:**

SHRI S.N. THAKAR

**AUDITORS:**

M/S. DHIRUBHAI SHAH & CO.,  
CHARTERED ACCOUNTANTS  
AHMEDABAD

**BANKERS:**

DENA BANK  
RELIEF ROAD  
AHMEDABAD.

**REGISTERED OFFICE:**

“SAMBHAAV HOUSE”,  
OPP: CHIEF JUSTICE’S BUNGALOW  
BODAKDEV, AHMEDABAD- 380 015  
GUJARAT.

**BOMBAY OFFICE:**

“ABHIYAAN HOUSE”  
4/A/B, GOVT. INDUSTRIAL ESTATE  
CHARCOAP, KANDIWALI [WEST]  
MUMBAI – 400 067.

**REGISTRARS & SHARE TRANSFER AGENTS**

**MCS LIMITED**

101, FIRST FLOOR, SHATDAL COMPLEX  
OPP: BATA SHOW ROOM, ASHRAM ROAD  
AHMEDABAD – 380 009 [GUJARAT]

<b>:INDEX:</b>	
<b>PARTICULARS</b>	<b>PAGE NO.</b>
NOTICE	02
DIRECTORS’ REPORT	03-06
MANAGEMENT DISCUSSION & ANALYSIS	07-08
REPORT ON CORPORATE GOVERNANCE	09-14
AUDITORS’ REPORT	15-17
BALANCE SHEET AND PROFIT & LOSS ACCOUNT	18-19
SCHEDULES FORMING PART OF ACCOUNTS	20-36
CASH FLOW STATEMENT	37-38

**NOTICE**

**NOTICE** is hereby given that the **TWENTIETH ANNUAL GENERAL MEETING** of the members of **Sambhaav Media Limited** will be held on **MONDAY, the 21<sup>ST</sup> JUNE 2010 at 10.00 A.M.** at the Registered Office of the Company at "**Sambhaav House**", **Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad – 380 015** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at **31st March, 2010**, the Profit & Loss Account for the year ended on that date together with the Schedules and Notes attached thereto forming part of Final Accounts, and the Reports of the Auditors and Directors thereon.
2. To appoint a director in place of Shri. N. R. Mehta, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Shri O.P. Bhandari, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**BY ORDER OF THE BOARD OF DIRECTORS,**

**Place :** AHMEDABAD  
**Date :** 17<sup>TH</sup> May, 2010.

**S. N. THAKAR**  
*COMPANY SECRETARY  
& MANAGER [LEGAL]*

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND ON BEHALF OF HIM AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING. A PROXY FORM IS ENCLOSED.
2. Members are requested to bring their copy of the Annual Report to the meeting, as no extra copies will be distributed at the meeting hall as a measure of economy.
3. Members desiring any information as regards accounts are requested to write to the Company **at least 7 days before the meeting** to enable the management to keep the information ready.
4. Members are requested to be in their seats at the meeting before the meeting commences to avoid interruption in the proceedings.
5. Members are requested to intimate change of registered address, if any, at the Registered Office of the Company or to the Company's Registrar and Share Transfer Agents at their address mentioned elsewhere in this report.
6. The Register of Members and Share Transfer Books of the Company shall remain **closed from 18-06-2010 to 21-06-2010 (Both days inclusive)** pursuant to Clause 16/19 of the Listing Agreement and also in compliance of Section 154 of the Companies Act, 1956.
7. The Company has signed Tripartite Agreement with **NSDL and CDSL** for dematerializing of its Equity Shares. The ISIN allotted to your Company is **INE699B01027**.

**DIRECTORS' REPORT**

To,  
The Members,

**Sambhaav Media Limited**

Your Directors have great pleasure in presenting herewith the **Twentieth Annual Report** together with the Audited Statement of Accounts of the Company for the year ended on **31st March 2010**.

**FINANCIAL RESULTS:**

(Rs. in Lacs)

Particulars	Current Year Ended 31st March, 2010	Previous Year Ended 31st March, 2009
Total Income	<b>3459.81</b>	3627.42
Profit before Depreciation	<b>749.46</b>	656.65
Less: Depreciation	<b>417.06</b>	466.70
Operative Profit before Tax	<b>332.40</b>	189.95
Less: Exchange Rate Loss/ FCNR	<b>(0.23)</b>	79.43
Profit before Tax	<b>332.63</b>	110.52
Less: Provision for Income Tax /FBT	<b>140.00</b>	14.35
Less: IncomeTax for Previous Year	<b>0.00</b>	11.60
Less: Deferred Tax Liabilities	<b>(34.14)</b>	84.00
Less: Prior Period adjustments	<b>16.00</b>	23.73
Profit/ (Loss) after Tax	<b>210.77</b>	(23.16)

**DIVIDEND:**

The philosophy of the conservative pattern of the management of the Company, the Board believe that the strength of your Company lies in identification, execution and successful implementation of the projects in the Print as well as Outdoor Media coupled with suitable expansion, diversification proposal in the different business verticals in which your Company operates and to strengthen the long term prospects and ensuring the sustainable growth in assets and revenue; your Directors consider this to be strategic interest of the Company and believe that this will greatly enhance the long term shareholders' value and therefore for the year under review the Board do not recommend dividend for the financial year 2009-10.

**PRINT MEDIA :**

People of Gujarat is celebrating **Swarnim Jayanti** of foundation of Gujarat State and we too joined with them by celebrations as our both publications "**Sambhaav Metro**" a Gujarati noon newspaper published from Ahmedabad and "**Abhiyaan**" a Gujarati weekly published from Ahmedabad are entering into its 25th Year. We are very much thankful to all our readers, Advertisers, writers and staff members for their wholehearted support and cooperation extended by them during the journey of our consistent progress and development.

During the first half of this Financial Year under review, the Heat Set Rotary Machine has come in to operations, which has helped us to reduce the production cost of "Abhiyaan" weekly. Unlike others we are also maintaining good reading articles, novels with fixed numbers of pages per issue. During the current financial year we have also launched subscription drive for "Abhiyaan" for which we have received very good response from our readers. The management is also planning to bring out some niche periodical publication during the current financial year. We are also trying to

## **SAMBHAAV MEDIA LIMITED**

add some more newspapers / periodicals in our job work division in the coming period which will enhance the job work revenue also.

### **OUT OF HOME (OOH) MEDIA :**

**The Out Of Home (OOH)** can't be turned off, turned over, thrown out or ignored. It works continually day and night and acts as a final reminder while people are in route to shop or at point of purchase. In the current scenario it plays a vital and effective role for drawing attention of the mass of the public and having resultant effect for increased effective marketing phenomenon in the modernized system of media world.

Further, OOH is also playing significant role for development of brand image. The Industries is growing at the rate of around 7% per year. The growth of OOH is still higher in fast developing countries like China and India.

The Municipal Corporations and local authorities have also realized the presence and value added benefits of OOH to generate more revenue after abolition of Octroi Duty by many of the States in the Country.

Most of the metros and big cities are having digital billboards and LED screen which are getting very good response from the Advertisers with the effective and popular media tool in the recent environment and sophisticated and appealing era of communication.

As it is known to all of us, that during last year's global recessions, the Indian economy has not suffered much compared to other countries due to the strong fundamentals of lending systems and concepts of our country. The Government of India has also played very significant role for the same, but yes there was slowdown in all the industries as compared to the growth of earlier periods.

The slowdown mainly affected us on the outdoor part of the business. In fact, we could see it coming and hence, we concentrated on focusing on our key clients and the effort was towards growing the business organically. We have also taken corrective steps to surrender non-viable project /assets to curtail the volume of losses. But at the same time we have concentrated for erection / acquiring new sites and as such during the year under operation, we have further erected 150 new modern bus shelters in the City of Ahmedabad for AMTS. Further, we have also acquired the Advertising rights for hoardings sites in the prime locations at Mithakhali Under Bridge, Shreyas Fly Over and Income Tax Under Bridge from the Western Railways and the erection of sites are under process. Your Directors would also like to inform that recently, the Company has acquired advertising rights on Ashram Road from Ahmedabad Municipal Corporation. Consequent to all these developments it will add an additional income / revenue during the current financial year and having positive impacts on our operational working in the coming period ahead.

SML also wants to utilize the non conventional electricity power for the New Modern Bus Shelters erected by it and as such the Company has already offered to install solar power systems to Ahmedabad Municipal Transport Services which is under active considerations at their end.

It has been foreseen about technology coming to India in the OOH domain, but the same yet not been seen anything on a larger scale or substantial volumes. Any way it has been believe that the digital billboards or LED screens would definitely come in a very big way in future.

Today Outdoor is being seen as much better organized than what it was used to be a decade back. Due to the same trend even the government cannot be negligent about it, and the authorities are waking up to the fact that out door could be a great revenue earner for them. In the end of the current situation, the media owners have to more professional with self regulatory modes, if this business has to survive for long enough and move towards becoming a more organized and professional Industry and get its due share for the advertising spent.

### **EXPANSIONS & DIVERSIFICATION PROJECTS:**

Directors of your Company envisage for the proposed prospective plans of expansions in the operative areas of the Company's business and also plans for beneficial diversified projects in the power generation by way of installations of the Solar Energy Projects. Further, Directors of your Company are also in the process of acquiring Land at Makarba in the Ahmedabad District for the purpose of the expansion of its printing business. The Company has already entered in to the agreement for purchase of land and has also paid the necessary advances.

Recently the Government of India has liberalized the policy for non-conventional power source project and the Company is also exploring for Solar Electricity Project for about 10 to 15 MW power generating project on its own land situated in the Rajkot District of the State of Gujarat.

Your Directors are also exploring the positive avenues for the installation of LED Hoarding sites in Ahmedabad city.

**PREFERENTIAL CONVERTIBLE WARRANTS- EQUITY ISSUE:**

Directors of your Company envisages the requirement of huge funds for the long terms capital as well as working capital requirements for the various expansion and diversification programmes for the Company's effective operations in the coming period. In order to implement the various proposals the Board has approved the Preferential Allotment of Convertible Warrants in to Equity to the tune of 10% of the present paid up capital of the Company viz: 1,46,11,084 with the Share Premium Amount which will have the additional funding to the tune of Rs 65.02 crores for the Company's business . The requisite Board and Members' approval have been accorded for the same and the procedure for In Principle approval from both the Stock Exchanges, BSE and NSE is under way and after obtaining the same all necessary formalities will be made and with the resultant effect the present paid up capital of the Company will be increased to Rs.160.72 lacs ( Previous Year Rs.146.11 lacs) in the coming period.

Consequent to the enhanced funds in the Company will create a positive scenario for making implementation of various expansion and diversifications in the best interest of the Company and the same will have impacts on increased revenue and operations in the coming years.

**PUBLIC DEPOSITS:**

During the year under review, the Company has not accepted any Deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

**INSURANCE:**

All the existing properties of the Company including Plant & Machinery, Building, and Stocks and the Licensed Properties taken for the Company's Out Door Media business etc. are adequately insured from the possible risks envisaged by the Management of the Company.

**DIRECTORATE:**

Your Directors bring to your kind notice that Shri N. R. Mehta and Shri O.P. Bhandari who retire by rotation at the ensuing Annual General Meeting, being eligible they offer themselves for reappointment for the further period and the same to be approved by the members

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, Your Directors and the management of the Company hereby confirm:

1. That in the preparation of the Final Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to the material deviations wherever required.
2. That the management of the Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit & Loss of the Company for that period.
3. That the management of the Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
4. That they the management of the Company has prepared the annual accounts on a going concern basis.

**LISTING AGREEMENT:**

The Equity shares of the Company are presently listed at the Bombay Stock Exchange (**BSE**), and National Stock Exchanges (**NSE**). The Company has duly paid the Annual Listing Fees up to 31st March, 2011 to BSE and NSE.



## **SAMBHAAV MEDIA LIMITED**

Adequate care is being taken to comply the norms and guidelines as per the applicable provisions of the Listing Agreement with the Company.

The Company's Equity Shares are under 'Compulsory Demat'. The ISIN allotted to the Company is **INE699B01027**. As required by the SEBI's Circular, the Company has appointed M/s MCS Limited as its Registrar & Share Transfer Agent also to undertake transfer of physical share certificates besides acting as Electronic Registrars.

### **CORPORATE GOVERNANCE:**

The management of the Company has generally implemented the procedure and adopted practices in conformity with the Code of Corporate Governance as enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Management Discussion & Analysis and Corporate Governance Report are made a part of the Annual Report. A certificate from the Company Secretaries regarding compliance of the conditions of Corporate Governance is given in Annexure, which is attached hereto and forms part of the Directors' Report.

### **STATUTORY AUDITORS:**

M/s. Dhirubhai Shah & Co., Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a certificate from them that their appointment if approved by the shareholders would be within the ceiling prescribed under section 224(1B) of the Companies Act, 1956. The Members are requested to appoint auditors to hold office until the conclusion of the Next Annual General Meeting of the Company.

### **AUDITORS' REPORT:**

The Auditors' Report for the year ended 31st March, 2010 and the notes forming part of the accounts referred to in the Auditors' Report are self-explanatory and give required complete information.

### **EMPLOYEES:**

During the year under review, no employee of the Company was in receipt of remuneration in excess of the limits prescribed in Section 217(2A) of the Companies Act, 1956.

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

Details of foreign exchange earnings and outgo form part of Notes to the Balance Sheet for the period under review. Conservation of energy has always been of immense importance to your Company and all the equipments consuming energy have been placed under continuous and strict monitoring. In view of the nature of the operations, no report on the other matters is required to be made under Sections 217(1)(e) of the Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

### **MATERIAL CHANGES:**

No material changes have taken place since the closure of the financial accounts up to the date of the report, which may substantially affect the financial performance, or the statement of the Company.

### **APPRECIATIONS & ACKNOWLEDGMENTS :**

Your Directors take this opportunity to acknowledge with gratitude for the trust reposed in the Company and by the Shareholders, Investors, and Readers/Customers, Corporations and Government Authorities. Directors of your Company specifically express their gratitude to the Bankers of the Company, Dena Bank who has extended very good support to the Company for execution of all the projects in time. Further, your Directors also keenly appreciate the dedication & commitment of the Employees without which the sustained progress of the Company would not have been possible.

**FOR AND ON BEHALF OF THE BOARD**

**KIRAN B. VADODARIA**  
*Chairman & Managing Director*

**Place :** Ahmedabad  
**Date :** 17<sup>TH</sup> May, 2010.

## **MANAGEMENT DISCUSSION & ANALYSIS [2009-10]**

As per the requirement of the provisions of the Listing Agreement, as part of the Directors' Report or in addition thereto a Management Discussion & Analysis Report forming part of the Annual Report to the Members is given below discussing the key issues:

### **THE SCENARIO:**

During the year under the review there is considerable improvement in the recessionary trend and gradually the economy tries to stabilize the routine operations. The countries like India having conservative concepts and approach faced the resultant effects on its economy, growth rate and developmental plans with some lesser impacts compared to the other developed and developing Countries in the Global World. Due to the same there was possible effective impacts in the financial operations and results for the Companies in various segments of the Industries.

Due to the above scenario in overall working of various projections prepared by the management have been become difficult to achieve as per the desired targets due to the recession in market situation for almost all the industries in the Country. Looking to the various adverse circumstances faced by the management, still the Company tries to rationalize for the present working results with the consistent and hard efforts by the dedicated teamwork. Further, SML has to explore the other additional areas with sound expansion and diversified projects of operations along with the sustainable present activities to fill up the gap of revenue loss and profitability and the Company has tried to come out of the last year's losses to the current financial year's profitability. The management of the Company still to achieve the positive results in the coming financial year with hard works on war basis with consistent improving operations ahead.

SML is also concentrating with its best of efforts for the voluminous and qualitative job work operations and timely implementations of the orders in the best interest of the Company's revenue growth. Further, the Company has to explore for other optional sources to add and enhance for more incomes to minimize the adverse marketing trends and effects. In the Directors' Report also it has been emphasized for the need of all the possible integrated and sincere team work for making satisfactory progress and improved working results to come out from negative scenario to the positive scenario and to achieve the desired targets and completion of projects well in time.

In the Directors' communication to the Members / Shareholders the Company is trying to achieve more positive results with its considerable hard efforts both in the field of Print Media as well as Out Door Media in spite of the above gradual improved situation and anticipating better working in the ensuing period.

### **THE STRENGTH:**

During the current year's operations , Sambhaav Media Limited [SML] is having variety of qualitative media publications improved modern multi colour and multi dimensional successful afternoon tabloid "**SAMBHAAV METRO**" and qualitative ,impressive, redesigned and well acclaimed the multi-colours weekly "**ABHIYAAN**" with increasingly positive response from the learned readers due to its qualitative contents with the consistent improvements to their satisfaction.

The Company's marketing segment makes constant research and development in the various modernized concepts by way of introducing the novel ideas of advertising projects having the aim of giving the optimum level of the satisfaction to the client network and also trying to give the optimum level of value added benefits. This will help to the Company to work with more effective and efficient measures by making implementation of professional approach in comparison with the traditional and conservative policies adopted by the other players in the market.

Further the **Sambhaav Group** following the scientific and modern out look with skilled and result oriented work force at various levels of Management, which will positively generate high level of human resource productivity and efficiency envisaging higher level of business growth with enhanced level of profitable operations for the Company in the coming years.

### **OPPORTUNITIES & THREATS:**

In the improved present situation in comparison with the past operational difficulties, no doubt, in the field of Print Media and Electronic Media players poses considerable area of opportunities along with the inherent threats. By overcoming the loopholes and limitations in the working the golden rule survival of fittest always prevails in every field of business activity and similar case is with this most sensitive industry in the media world. Constant adoption of the modernization and technological upgradation in present infrastructure will definitely help and assist to the

## **SAMBHAAV MEDIA LIMITED**

Company in the improve scenario for achieving the desired targets and improved level of development which will be the future line of activities for the SML group .

Irrespective of the possible past adverse market influence and possible hindrances and obvious practical hardships on the path of progress for the Company as generally laid down herein, management of the Company tries to overcome the said hindrances with the hard works and dedicated efforts in the coming period with positive team efforts and foresighted effective policies.

1. In the present age of cutthroat competition Media business and Industry has to play leading role for the development and growth in the country by achieving the international standards and modus operandi to prove its best. This philosophy of the management will provide a bright opportunity for the Sambhaav Group to achieve positive results in the field of Print Media and Out Door Media Projects
2. In spite of virtual price war and to cater better for the satisfaction of the customers/ clientele among the Gujarati Dailies, each one trying to create situation for war of survival, the Sambhaav Group with the improved Novel concepts will try to occupy better situation not only in Ahmedabad but also other important cities of Gujarat and further look forward for future growth and development with the visionary approach.
3. SML with its continued effective activities and operations attracted the attention of the General Public at large by further acquisition of Rights of Outdoor Advertising and Publicity in the posh areas of Ashram Road, Reputed Hoardings Sites from Western Railways at prominent places like Mithakhali Under Bridge, Shreyas Fly Over, Income Tax Under Bridge, along with the Modern Bus Shelters, in the Metro City of Gujarat and Advertisement Displays during the year and having projects under process and active consideration to acquire similar type of Rights in the other leading cities like Vadodara, Rajkot, Jamnagar & so on will improve the viability in the operations for the Out Door Business.

### **SEGMENTWISE / PRODUCTWISE PERFORMANCE:**

The Company is operating its business in the main two broad segments of activities viz. Publication of Newspapers & Magazines [Print Media] and Out Door Media. Both the segments are having trend of considerable improvement inspite of the adverse market scenario during the year 2009-10.

### **INTERNAL CONTROL SYSTEM:**

SML is having constant improved mechanism for establishment and improvement of independent, effective and adequate Internal Control Systems and further ensures for effective improvement and development in the coming period. All the Assets, Owned Properties as well as Licensed Properties acquired and used by the Company are properly safeguarded by suitable Insurance Policies giving protection against all losses from contingencies, risk factors and unauthorized uses and disposition and all transactions are properly and suitably recorded, authorised and reported in the MIS Report in the Weekly, Regular Fortnightly and Monthly monitoring meetings. Deviations are being properly checked, rectified, reported and controlled and suitable plans & objectives are under active control of the Management. Further, suitable and Adequate professional approach with sound managerial control on the Company's day to day operations are being implemented as effective tools and measures for the desired level of efficiency of the Company's business operations to be achieved.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE & OUTLOOK:**

During the year under review the Company has come out of the spell of losses with improved results. Further, Company's Turnover reached to the level of Rs. 3461 Lacs compared to the Previous Year of Rs.3626 Lacs. The Company's PBT is Rs. 332.63Lacs compared to the Previous Year of Rs. 110.52 Lacs. The Company's Management constantly envisaging for better working results inspite of prevailing adverse market conditions with satisfactory growth level in the coming years.

### **HUMAN RESOURCES:**

In the field of Human Resource and its management the Company has tried to maintain satisfactory, peaceful and cordial relations with its employees and further plans to improve better. As it is universally accepted fact to consider the most valuable asset of Human Resource, the management of the Company always aiming to establish a unique trend in the Industry in the coming future with the concepts of improved, effective, efficient systems and result oriented professional approach to be achieved in this area by getting better and motivated work force in the best interest of the Organization with an ideal to achieve its best in the industry.

**REPORT ON CORPORATE GOVERNANCE**

**CORPORATE GOVERNANCE:**

The philosophy of the management of the Company and its Board to reach for the better Corporate Governance practices, enable the Board to manage and control the affairs of the Company in an efficient and effective manner.

As per the clause 49 of the Listing Agreement, the Company has implemented the Code of Corporate Governance. Further with the formation of various committees within the organization of the Company, Company is complying with various provisions of Listing Agreement, SEBI, Companies Act and Stock Exchanges.

**COMPOSITION OF BOARD OF DIRECTORS:**

The Company has sufficient number of professional and independent directors on its Board, and the present composition of the Board is as under:

Name of Director	Category	Attendance at Board & Audit Committee Meeting		Whether attended AGM Held on 30.06.09	No. of Directorship in other public limited companies	No. of Committee position held in other public limited Companies	
		Board	Audit Comm.			Chairman	Member
Bhupatbhai C. Vadodaria	PE	5	—	NO	NIL	NIL	NIL
Kiran B. Vadodaria, Chairman	PE	5	—	YES	2	NIL	NIL
Manoj B. Vadodaria	PNE	5	—	YES	2	1	1
Dilip D. Patel	INE	2	4	NO	NIL	NIL	NIL
N.R. Mehta	INE	5	4	YES	NIL	NIL	NIL
O.P. Bhandari	INE	5	4	YES	1	NIL	NIL
Ms. Deepal G. Trivedi	E	5	—	NO	NIL	NIL	NIL
N.V.Vasani	INE	5	—	NO	1	NIL	NIL

\*\*PE = Promoter Executive, PNE = Promoter Non Executive,

INE= Independent Non Executive, E=Executive

**DETAILS OF BOARD MEETINGS HELD DURING THE YEAR:**

Date of Board Meeting	02-06-2009	30-07-2009	30-10-2009	31-01-2010	30-03-2010
Board Strength	8	8	8	8	8
No. of Directors Present	7	8	7	8	7

**COMPOSITION OF VARIOUS COMMITTEES OF THE BOARD:**

The Board has constituted various committees as required under clause 49 of the Listing Agreement.

**[A] SHARE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE:**

The Share Transfer & Investors' Grievance Committee (STIGC) consists of two Non-Executive Directors, Shri N.R. Mehta as Chairman and Shri Manoj B. Vadodaria as member. The STIGC looks after all matters pertaining to transfer, transmission, issue of duplicate share certificate, etc. as also investors' grievances.

## SAMBHAAV MEDIA LIMITED

1. Name of Non- Executive director heading the committee: Shri N R Mehta.
2. Name & Designation of Compliance Officer: Shri S.N. Thakar: Company Secretary & Manager [Legal].

The Shareholders complaints received during the year have been resolved satisfactorily and at the end of the year no complaints were pending for redressal.

### [B] AUDIT COMMITTEE:

The Audit Committee consists of Three Directors. Shri N. R. Mehta as Chairman and Shri D.D. Patel and O.P. Bhandari as the members of the said committee. The attendance by each member is shown in he previous table. The term of reference of the committee are in accordance with that specified in clause 49 of the Listing Agreement with the Stock Exchanges.

### [C] REMUNERATION COMMITTEE:

The Company has one Managing Director, Shri Kiran B. Vadodaria and Two Whole Time Directors Shri Bhupatbhai C. Vadodaria, Chairman Emeritus and Ms. Deepal G. Trivedi

The remuneration payable to them has been fixed by the Board of Directors as per Section 198,269,309 read with Schedule XIII of the Companies Act, 1956 after receiving sanction from the Shareholders in the duly held Annual General Meeting.

Non-Executive Directors are paid only sitting fees. The remuneration of any proposed appointee to the Board shall be in conformity with the provisions of the Companies Act, 1956.

(Rs.in Lacs)

Name of Director	Remuneration	Commission	Value of perquisites/ Reimbursement of expenses	Sitting Fees	Total Remuneration
Shri Bhupatbhai C. Vadodaria Chairman Emeritus	3.00	NIL	NIL	NIL	3.00
Shri Kiran B Vadodaria Chairman & Managing Director	3.75	NIL	1.91	NIL	5.66
Ms. Deepal G. Trivedi Director	2.06	NIL	NIL	NIL	2.06
<b>TOTAL:</b>	<b>8.81</b>	<b>NIL</b>	<b>1.91</b>	<b>NIL</b>	<b>10.72</b>

### FUNCTIONS OF THE INVESTOR GRIEVANCE AND SHAREHOLDERS' COMMITTEE:

As the committee is functioning very actively and positively, no complaints were received from the investors regarding share transfers, dematerialization or any other service. There is no work pending with the committee. The committee keeps records of shareholders, stock exchange, RTA, CDSL, NSDL and SEBI for proper and smooth handling of the functions and resolving any queries. The committee meets on the last date of every month to approve share transfer, dematerialization, filing necessary records with the authorities, resolving investor complaints and proper checking of records.

All the functions and area of work of the committee is defined in the clause 49 of the listing agreement. It updates the authorities from time to time. The transactions that took place in the year under review are as under

### ESTABLISHMENT OF INFORMATION SYSTEM BETWEEN COMMITTEES AND BOARD WITHIN THE COMPANY:

The committee collects information on various subject matters from the departmental head of the Company. The independent committee considers internal auditors' report at the same time. Any discrepancy observed is brought to the notice of the functional head. The committee is also directed to submit all the papers to the Board of Directors along with all the reports of independent professionals as well as functional heads and its own minutes, proceedings etc. The board directs the committee on various points to take action and supervise the functions of the departmental heads.

**MEANS OF COMMUNICATIONS: (Quarterly Results)**

The Unaudited Quarterly Results along with the Notes were published in the Newspapers as under:

Newspapers	Date of Publications of Results for the Quarter ended			
	31-03-2009	30-06-2009	30-09-2009	31-12-2009
Business Standard	04-06-2009	31-07-2009	31-10-2009	01-02-2010
Loksatta-Jansatta	04-06-2009	31-07-2009	31-10-2009	31-01-2010

Website of the Company: [www.sambhaav.com](http://www.sambhaav.com)

**OTHER DETAILS :**

**DISTRIBUTION OF SHAREHOLDING AS AT 31ST MARCH, 2010:**

No. of Equity Shares held	No. of Shares	% to Total	No. of holders	% to Total
Up to 5000	6127158	4.19	4793	89.97
5001 to 10000	1953228	1.34	250	4.69
10001 to 50000	3755778	2.57	190	3.57
50001 to 100000	2382524	1.63	32	0.60
100001 & Above	131892152	90.27	62	1.17
<b>Total</b>	<b>146110840</b>	<b>100</b>	<b>5327</b>	<b>100</b>

**Market Quotations Of The Shares Recorded At Bombay Stock Exchange [BSE] During April- 2009 to March-2010.**

Month	Price		VOLUME No. of Shares	Index	
	High	Low		High	Low
April - 2009	2.23	1.90	2025255	11492.10	9546.29
May - 2009	2.50	1.83	162335	14930.54	11621.30
June - 2009	3.01	2.31	162129	15600.30	14016.95
July - 2009	2.58	1.80	115414	15732.81	13219.99
August - 2009	2.35	1.94	162790	16002.46	14684.45
September - 2009	4.45	2.04	464265	17142.52	15356.72
October - 2009	3.15	2.39	229420	17493.17	15805.20
November - 2009	2.64	2.11	151699	17290.48	15330.56
December- 2009	2.40	1.96	187492	17530.94	16577.78
January - 2010	3.20	2.17	176176	17790.33	15982.08
February - 2010	2.79	2.29	119891	16669.25	15651.99
March - 2010	3.07	2.23	229199	17793.01	16438.45

**DISCLOSURES:**

- (i) Disclosures on material significant related party transactions i.e. Transactions of the Company of material nature, with its promoters, the directors or the management their subsidiaries or relative etc. that may have potential conflict with the interest of Company at large, the transactions did not have any potential conflict with the interest of the Company.
- (ii) Details of non-compliance by the Company, penalties imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: **NIL**

**GENERAL SHAREHOLDERS' INFORMATIONS**

**GENERAL BODY MEETINGS:**

- Location and time where Last Three AGMs held : Sambhaav House, Bodakdev, Ahmedabad
- Dates : 30-06-2007-10 a.m., 10.06.2008-10 a.m.,30-06-2009- 10.a.m.
- Whether any Special Resolutions passed in the previous three AGMs : Special Resolution in AGM Dtd. 10-6-2008.
- Whether any Extra Ordinary General Meeting was held during the year. : Extra Ordinary General Meeting was held on 27.08.2009 at 10:00a.m at the Registered Office of the Company for Appointment of New Statutory Auditors of the Company.
- Whether special resolutions were put through postal ballot exercise, details of voting pattern, person who conduct the postal ballot exercise : None of the special resolutions were required to be put through postal ballot.
- Whether special resolutions are proposed to be conducted through postal ballot : No.
- Procedure for postal ballot : Not applicable.
- The Company has not issued GDR/ADR/ Warrants.

Address for correspondence for the convenience of the Shareholders / Investors either at the Company's Registered Office or RTA are mentioned in the following table.

<b>Registered Office</b>	"Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev,Ahmedabad – 380 015.Book Closure Dates : <b>18<sup>TH</sup> JUNE, 2010 to 21<sup>ST</sup> JUNE, 2010. [Both days inclusive]</b>
20th AGM	<b>MONDAY the 21<sup>ST</sup> JUNE, 2010 AT 10 A.M.</b>
Listing of Shares	<b>The Stock Exchange, Mumbai BSE CODE NO: 511630 The National Stock Exchange NSE SYMBOL: "SAMBHAAV"</b>
Registrar of Share Transfer Agent (RTA)	<b>M/s MCS Limited 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009.</b>
Compliance Officer	<b>MR. S.N. Thakar : Company Secretary &amp; Manager [Legal]</b>
<b>* COMPANY'S ISIN NO : FOR EQUITY SHARES</b>	<b>INE699B01027</b>

**NOTE:** The above Report has been approved by the Board of Directors at its Meeting held on **17<sup>TH</sup> May, 2010.**

### **CFO CERTIFICATION**

I, Paresh A Vaghela in the capacity of the CFO of the Company hereby certify that :

- a) I have reviewed the financial statements and cash flow statement for the year ended March 31, 2010 and to the best of my knowledge and belief:
  - (i) these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statement together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws & regulations.
- b) To the best of my knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2010 are fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. I have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which I am aware and steps have been taken to rectify these deficiencies.
- d) I have indicated to the Auditors and to the Audit Committee:
  - (i) Significant changes in the internal control over financial reporting during the year.
  - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**Place :** Ahmedabad  
**Date :** 17<sup>TH</sup> May, 2010

**PARESH A. VAGHELA**  
*Chief Financial Officer*

**R.S. SHARMA & ASSOCIATES**

Company Secretaries

Office : 402, Panchdep Complex, Nr. Mayur Colony, Mithakhali Six Roads, Ahmedabad-380 009.

---

To  
The Members,  
**Sambhaav Media Limited.**

**SUB: Corporate Governance Compliance Certificate.**

In accordance with Clause 49 of the Listing Agreement entered into by Sambhaav Media Limited (The Company) with the Stock Exchanges, Mumbai and National Stock Exchange, we have examined all relevant records of the Company relating to its compliance of conditions of Corporate Governance as stipulated in Clause 49 for the financial year ended **31st March 2010.**

It is the responsibility of the Company to prepare and maintain the relevant necessary records under the SEBI guidelines, Listing Agreement and other applicable laws. Our responsibility is to carry out an examination on the basis of our professional judgment so as to award a reasonable assurance of the correctness and completeness of the records for the purpose of this certificate.

We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of certification and have been provided with such records documents certificates, etc. as had been required by us.

We certify that from the records produced and the explanations given to us by the Company for the Purposes of this certificate and to the best of our information, the Company has complied with all the mandatory requirement of the said Clause 49 of the listing agreement.

**FOR: R.S. SHARMA & ASSOCIATES**  
**Company Secretaries**

**Place :** Ahmedabad.  
**Date :** 17<sup>TH</sup> May, 2010.

**R.S. Sharma**  
Membership No: 3126 CP No.: 2118.

**AUDITORS' REPORT**

To,  
The Members of  
**SAMBHAAV MEDIA LIMITED,**

1. We have audited the attached balance sheet of **SAMBHAAV MEDIA LIMITED as at March 31, 2010** and also the profit and loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, 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 -
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit;
  - (b) In our opinion, proper books of account as required by the law, have been kept by the Company so far as appears from our examination of those books;
  - (c) The balance sheet, profit & loss account and the cash flow statement dealt with by this report are in agreement with the books of account of the Company;
  - (d) In our opinion the balance sheet, profit & loss account and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanation given to us the Balance Sheet, Profit and Loss account and Cash Flow statement read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India subject to:

*Notes no. 5 of Notes to Accounts of Schedule "N" regarding the treatment of expenditure in the new territory / region as "Deferred Revenue Expenditure" amounting to Rs. 1,50,32,998/- in our view contrary to Accounting Standard 26 "Intangible Assets".*

- (a) In the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010; and
- (b) In the case of the profit & loss Account, of the Profit of the Company for the year ended on that date; and
- (c) In the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

**For Dhirubhai Shah & Co.**  
*Chartered Accountants*

**Harish B. Patel**  
*Partner*

Membership No.: 14427

**Place :** Ahmedabad  
**Date :** 17<sup>th</sup> May, 2010

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE REPORT OF THE AUDITORS**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals. In our opinion, the programme of verification is reasonable having regard to the size of the Company and the nature of its assets. We have been informed that no material discrepancies were noticed on such verification.  
(c) According to the information and explanation given to us, the Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
2. (a) As explained to us, the inventories have been physically verified during the year by the management except inventories lying with third parties, which have been confirmed and stock in transit which have been subsequently received. In our opinion, the frequency of verification is reasonable.  
(b) As explained 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) On the basis of our examination of the inventory records, we are of the opinion that, the Company is maintaining proper records of inventory. Discrepancies noticed on physical verification of inventory as compared to book records were not material and the same have been properly dealt with in the books of account.
3. (a) As explained to us, the Company has not granted any loans , secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Act.  
(b) Not applicable in the view of (a) above.  
(c) Not applicable in the view of (a) above.  
(d) Not applicable in the view of (a) above.  
(e) As explained to us, the Company has not granted any loans , secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Act.  
(f) Not applicable in the view of (e) above.  
(g) Not applicable in the view of (e) above.
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 the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. (a) We have been informed that particulars of contracts or arrangements required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
(b) In our opinion and according to the information and explanation given to us, all the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any fixed deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and rules framed there under.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the companies Act, 1956.
9. (a) The Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues with appropriate authorities.  
There are no undisputed statutory dues outstanding as at 31.03.2010 for a period for more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the details disputed statutory dues are as follows.

Particulars	Amount	Matters where Pending appeal filed with
Income Tax Demand for the A.Y. 2005 – 06	Rs. 11,44,739/-	Gujarat High Court

10. The Company has no accumulated losses as at 31.03.2010. The Company has not incurred cash losses during the financial year covered by our audit and also during the immediately preceding financial year.
11. According to the information and explanations given to us, Company has not defaulted in repayment of debt to financial institutions and debenture holders during the year.
12. According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any Bank or Financial Institution.
13. In our opinion, the Company is not a chit fund or Nidhi/ mutual benefit / society. Therefore clause 4(xiii) of the Companies (Auditors 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 (Auditors Report) Order, 2003 is not applicable to the Company.
15. The Company has not given any guarantees for loans taken by others from Banks or Financial Institution.
16. The term loan obtained by the Company has been applied for the purpose for which it was raised.
17. 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 except, Equity Share Capital of Rs. 1,32,82,800/- with a share premium of Rs. 11,95,45,200/- was raised in the financial year 2007-08 and has been utilized in current financial year 2009-10 for purchase of fixed assets and operating activities.
18. According to the information and explanations given to us, the Company has not made preferential allotment of shares during the year under audit.
19. According to the information and explanations given to us, the Company has not issued any debentures during the year under audit.
20. According to the information and explanations given to us, the Company has not raised any money by way of public issue during the year under audit.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Dhirubhai Shah & Co.**  
*Chartered Accountants*

**Harish B. Patel**  
*Partner*  
Membership No.: 14427

**Place :** Ahmedabad  
**Date :** 17<sup>TH</sup> May, 2010

**SAMBHAAV MEDIA LIMITED**
**BALANCE SHEET as at 31st March, 2010**

PARTICULARS	Schedule	Current Year 31/03/2010		Previous Year 31/03/2009
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>Sources of Funds :</b>				
<b>Shareholders' Funds :</b>				
Share Capital	A		14 61 10 840	14 61 10 840
			<u>14 61 10 840</u>	<u>14 61 10 840</u>
<b>Reserves and Surplus :</b>				
Capital Reserve	B	2 28 011		2 28 011
Share Premium A/c		11 95 45 200		11 95 45 200
General Reserve		9 34 51 204		7 23 74 034
			21 32 24 415	19 21 47 245
			<u>35 93 35 255</u>	<u>33 82 58 085</u>
<b>Loan Funds :</b>				
Secured Loans	C	35 31 12 099		30 21 38 318
			35 31 12 099	30 21 38 318
<b>Total :</b>			<u><u>71 24 47 354</u></u>	<u><u>64 03 96 403</u></u>
<b>Application of Funds :</b>				
<b>Fixed Assets :</b>				
Gross Block	D	52 30 61 524		49 54 48 929
Less : Depreciation		17 65 67 110		13 51 07 943
		34 64 94 414		36 03 40 986
Add : Capital work-in-progress		30 46 576		1 17 07 957
		34 95 40 990		37 20 48 943
Add : Patent Rights (On Amalgamation)		1 20 000		1 50 000
			34 96 60 990	37 21 98 943
<b>Investments</b>	E		2 21 363	1 54 619
<b>Current Assets, Loans &amp; Advances :</b>				
Inventories	F	1 07 26 234		20 88 553
Sundry Debtors		20 02 10 425		17 79 92 870
Cash and Bank Balances		6 17 99 413		3 85 44 225
Loans and Advances		15 77 38 289		11 03 52 420
		43 04 74 361		32 89 78 068
Less : Current Liabilities & Provisions :	G			
Current Liabilities		5 79 23 881		6 42 95 207
Provisions		1 49 00 000		9 00 000
		7 28 23 881		6 51 95 207
			35 76 50 480	26 37 82 861
<b>Deferred Tax Liabilities</b>		1 07 30 468		1 41 44 571
			(1 07 30 468)	(1 41 44 571)
<b>Deferred Revenue Expenditure</b>		1 56 44 989		1 84 04 551
(to the extent not written off or adjusted)			1 56 44 989	1 84 04 551
<b>Total :</b>			<u><u>71 24 47 354</u></u>	<u><u>64 03 96 403</u></u>
<b>Accounting Policies</b>				
As per our attached report of even date :				

**FOR AND ON BEHALF OF THE BOARD**
**For, DHIRUBHAI SHAH & CO**  
Chartered Accountants

**KIRAN B VADODARIA**  
Chairman & Mg. Director

**N R MEHTA**  
Director

**HARISH B PATEL**  
Partner  
M. No. 14427

**N V VASANI**  
Director

**S N THAKAR**  
Company Secretary  
& Manager (Legal)

**Place :** Ahmedabad  
**Date :** 17<sup>TH</sup> May 2010

**Place :** Ahmedabad  
**Date :** 17<sup>TH</sup> May 2010

**PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2010**

PARTICULARS	Schedule	Current Year 31/03/2010 Amount (Rs.)	Year Ended 31/03/2009 Amount (Rs.)
<b>Income</b>			
Income from Operations	<b>H</b>	33 01 81 931	34 89 06 490
Other Income	<b>I</b>	1 57 98 836	1 38 35 566
Increase/(Decrease) in Stock	<b>J</b>	1 53 524	( 1 50 601)
		34 61 34 291	36 25 91 455
<b>Expenditure</b>			
Operating, Administrative and Other Expenses	<b>K</b>	23 78 59 256	25 94 86 093
Interest and Financial Charges	<b>L</b>	3 33 29 257	3 74 40 114
Depreciation		4 17 06 014	4 66 70 353
		31 28 94 527	34 35 96 560
<b>Operating Profit before tax</b>		3 32 39 764	1 89 94 895
Less: Exchange rate loss (FCDL)		(22 976)	79 43 384
Profit before Tax and Prior Period items		3 32 62 740	1 10 51 511
Less : Prior Period Adjustment (Net)		15 99 673	23 73 014
Profit before Tax		3 16 63 067	86 78 497
Less: Income Tax for Previous Year		0	11 60 370
Less: Income Tax for Current Year		1 40 00 000	9 00 000
Less: Deferred Tax Liabilities / (Assets)		(34 14 103)	83 99 861
Less: Provision for FBT		0	5 34 991
<b>Profit/(Loss) after Tax transfer to General Reserve</b>		<b>2 10 77 170</b>	<b>( 23 16 725)</b>
No. of Equity Shares outstanding		14 61 10 840	14 61 10 840
Earning per Share (Basic & Diluted)		0.14	(0.02)
Face value per Share		Re.1/-	Re.1/-
Accounting Policies	<b>M</b>		
Notes on Accounts	<b>N</b>		

As per our attached report of even date :

**FOR AND ON BEHALF OF THE BOARD**

**For, DHIRUBHAI SHAH & CO**  
Chartered Accountants

**KIRAN B VADODARIA**  
Chairman & Mg.Director

**N R MEHTA**  
Director

**HARISH B PATEL**  
Partner  
M. No. 14427

**N V VASANI**  
Director

**S N THAKAR**  
Company Secretary  
& Manager (Legal)

**Place :** Ahmedabad  
**Date :** 17<sup>TH</sup> May 2010

**Place :** Ahmedabad  
**Date :** 17<sup>TH</sup> May 2010

**SAMBHAAV MEDIA LIMITED**
**Schedules Forming Part of Accounts**

PARTICULARS	As at 31st March, 2010 Amount (Rs.)	As at 31st March, 2009 Amount (Rs.)
<b>Schedule - A : Share Capital</b>		
<b>Authorised :</b>		
20,00,00,000 Equity Shares of Re. 1/- each (P.Y. 20,00,00,000 Equity Shares of Re. 1/- each)	20 00 00 000	20 00 00 000
<b>Issued, Subscribed and paid up :</b>		
9,64,28,000 equity Shares of Re. 1/- each fully paid up [P.Y.9,64,28,000 equity Shares of Re. 1/- each fully paid up] including 2,87,60,000 equity Shares of Re. 1/- each fully paid up [P.Y. 2,87,60,000 Equity Shares of Re.1/- each fully paid up] issued to the shareholders of amalgamated Company Samvaad Communication Limited pursuant to scheme of Amalgamation without payment being received in cash.	9 64 28 000	9 64 28 000
3,64,00,040 Equity Shares of Re. 1/- each fully paid up [P.Y.3,64,00,040 Equity Shares of Re.1/- each issued as fully paid up] to the shareholders of amalgamated companies M/s.Abhiyaan Press and Publication Pvt. Ltd. and M/s.Aider Publishers Pvt. Ltd. pursuant to Scheme of Amalgamation without payment being received in cash.	3 64 00 040	3 64 00 040
1,32,82,800 Equity Shares of Re. 1/- each fully paid up issued to M/s. Shyam Equities Pvt. Ltd. on preferential basis	1 32 82 800	1 32 82 800
<b>Total :</b>	<b>14 61 10 840</b>	<b>14 61 10 840</b>
<b>Schedule - B : Reserves and Surplus</b>		
<b>Capital Reserve :</b>	2 28 011	2 28 011
<b>Share Premium A/c</b>	11 95 45 200	11 95 45 200
<b>General Reserve :</b>		
Opening Balance	7 23 74 034	7 46 90 758
Add : Profit/(Loss) for the year	2 10 77 170	(23 16 725)
	9 34 51 204	7 23 74 034
<b>Total :</b>	<b>21 32 24 415</b>	<b>19 21 47 245</b>

PARTICULARS	As at	
	31st March, 2010	31st March, 2009
	Amount (Rs.)	Amount (Rs.)
<b>Schedule - C : Loan Funds</b>		
<b>Secured Loans :</b>		
Cash Credit - Dena Bank(*) (#)	2 42 33 340	2 95 33 534
WCDL - Dena Bank (#)	9 00 00 000	6 79 93 455
Term Loan - Dena Bank(**) (#)	23 82 53 367	20 29 79 786
	<hr/>	<hr/>
	35 24 86 707	30 05 06 775
Term Loan (Against Hypothecation of cars)	6 25 392	16 31 543
	<hr/>	<hr/>
		35 31 12 099
		<hr/>
		30 21 38 318
		<hr/>
<b>Total :</b>	<b>35 31 12 099</b>	<b>30 21 38 318</b>
	<hr/> <hr/>	<hr/> <hr/>

\* Above facilities are against hypothecation of Stock and Book Debts.

\*\* Above facilities are against hypothecation of Plant & Machinery and Other Fixed Assets & against assignment of hoarding rights.

# Other collateral securities are as follows:

- (a) Equitable mortgage of immovable property known property situated at 'Adarsh Building' at Ahmedabad, Land at Gandhinagar and Negative lien on Immovable Property known as 'Sambhaav House'. Further more Personal Guarantees given by three directors and others.
- (b) Equitable mortgagage of Fixed Assets Floor No.2 to Floor No. 9 situated at 'Sambhaav House' belongs to M/s. Pearl Stockholding Pvt. Ltd. and its guarantee.
- (c) Bank have released the Immovable property known as "Abhiyaan House" at Mumbai (Rs 788.57 lacs), Land at Silvassa (Rs 35.10 lacs) and Land at Makarba R.S No 207 (F.P.No 9) (Rs 345.60 lacs) belongs to other. The sales proceeds for land at Makarba R.S. No. 207 ( F.P. No. 9) and land at Silvassa amounting to Rs. 345.60 lacs and Rs. 35.10 lacs respectively has been kept in Fixed Deposit with the Bank. The same can be utilised for purchase of new property in future.

## Schedule - D : Fixed Assets (At cost /Book Value)

Particulars	Gross Block				Depreciation					Net Block	
	As at 01/04/2009	Additions during the year	Deductions during the year	As at 31/03/2010	As at 01/04/2009	Prior Period Adjust-ment	For the year	Sale or Adjustment	Up to 31/03/2010	As at 31/03/2010	As at 01/04/2009
Land	3 73 06 417	0	19 76 765	3 53 29 652	0	0	0	0	0	3 53 29 652	3 73 06 417
Building	7 88 04 238	0	2 60 00 000	5 28 04 238	73 57 192	0	9 65 573	1 05 950	82 16 815	4 45 87 423	7 14 47 046
Land & Buidling	5 26 04 589	0	0	5 26 04 589	62 37 523	0	8 57 455	0	70 94 978	4 55 09 611	4 63 67 066
Plant & Machinery	4 01 38 797	1 57 08 794	0	5 58 47 591	1 88 49 255	0	42 85 705	0	2 31 34 960	3 27 12 631	2 12 89 542
Furniture	2 55 32 153	97 476	0	2 56 29 629	1 35 21 010	0	16 11 416	0	1 51 32 426	1 04 97 203	1 20 11 143
Office Equipments	1 99 34 028	19 97 541	1 65 912	2 17 65 657	1 48 42 743	0	8 40 529	0	1 56 83 272	60 82 385	50 91 285
Vehicle	1 20 89 613	24 500	9 69 220	1 11 44 893	59 09 055	0	7 66 608	1 86 001	64 89 662	46 55 231	61 80 558
OOH Properties contractual *	20 67 23 560	3 70 83 312	0	24 38 06 872	6 68 71 090	88 334	3 07 00 403	0	9 76 59 827	14 61 47 045	13 98 52 470
OOH Properties owned	2 23 15 534	19 07 706	94 837	2 41 28 403	15 20 075	-43 230	16 78 325	0	31 55 170	2 09 73 233	2 07 95 459
<b>Total :</b>	<b>49 54 48 929</b>	<b>5 68 19 329</b>	<b>2 92 06 734</b>	<b>52 30 61 524</b>	<b>13 51 07 943</b>	<b>45 104</b>	<b>4 17 06 014</b>	<b>2 91 951</b>	<b>17 65 67 110</b>	<b>34 64 94 414</b>	<b>36 03 40 986</b>
Previous year	38 78 45 786	10 82 52 010	6 48 867	49 54 48 929	8 85 10 773	0	4 66 70 353	73 184	13 51 07 943	36 03 40 986	29 93 35 013

\* OOH Properties like Hoarding / Gantries / Kiosks / Bus Shelters included in the above schedule are the assets whose useful life is determined by contractual period. The amount amortised during the year is included in the depreciation.

PARTICULARS	As at 31st March, 2010		As at 31st March, 2009
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>Schedule - E : Investments</b>			
<b>Quoted Investments :</b>			
As per Annexure - A		4 56 000	4 56 000
Less: Provision for Diminution in the value of Investment		2 98 437	3 65 181
		<u>1 57 563</u>	<u>90 819</u>
<b>Unquoted Investments :( At Cost )</b>			
Asian Fertilizer Ltd. (25,000 Shares of Rs.10/- each fully paid up)	25 000		25 000
Ojas Technochem Ltd. (200 Shares of Rs.10/- each fully paid up)	200		200
Kanaiya Foods Ltd. (100 Shares of Rs.10/- each fully paid up)	100		100
The Kalupur Commercial Co-Op. Bank Ltd. (500 Shares of Rs. 25/- each fully paid)	12 500		12 500
Shri Laxmi Co-op. Bank Ltd. (100 Shares of Rs. 10/- each fully paid)	1 000		1 000
Shamrao Vitthal Co.-op. Bank Ltd. (2500 Shares of Rs.10/- each fully paid up)	25 000		25 000
		<u>63 800</u>	<u>63 800</u>
<b>Total :</b>		<u><b>2 21 363</b></u>	<u>1 54 619</u>

**Annexure - A : Investments (At Cost)**

Sr No.	Name of the Script	As at 31st March, 2010		As at 31st March, 2009	
		Quantity (Nos.)	Cost (Rs.)	Quantity (Nos.)	Cost (Rs.)
1	Gujarat State Financial Corporation Ltd	28 800	4 31 000	28 800	4 31 000
2	Rama Newsprint & Paper Ltd	625	25 000	625	25 000
	<b>Total :</b>		<u><b>4 56 000</b></u>		<u><b>4 56 000</b></u>

PARTICULARS	As at 31st March, 2010 Amount (Rs.)	As at 31st March, 2009 Amount (Rs.)
<b>Schedule - F : Current Assets, Loans and Advances</b>		
<b>Inventories :</b>		
(As taken, valued and certified by the management)		
News Print	83 29 140	14 31 968
Stores and spares	1 04 173	1 90 331
Goods in transit	16 73 143	0
Finished Goods	5 39 863	3 86 339
Waste Paper	79 915	79 915
	1 07 26 234	20 88 553
<b>Sundry Debtors :</b>		
Unsecured Considered good (less than six months)	12 95 46 299	12 54 09 459
Others (considered good) (more than six months)	7 06 64 126	5 25 83 411
Consider Doubtful	22 61 271	20 64 371
	7 29 25 397	5 46 47 782
Less : Provision for Doubtful Debts	22 61 271	20 64 371
	7 06 64 126	5 25 83 411
	20 02 10 425	17 79 92 870
<b>Cash and Bank Balances :</b>		
Cash on Hand	1 04 618	85 829
Balance with Scheduled Banks :		
- in Current Accounts	1 59 89 062	19 31 145
- in Fixed Deposit Account	4 57 05 733	3 65 27 251
	6 16 94 795	3 84 58 396
	6 17 99 413	3 85 44 225
<b>Loans and Advances :</b>		
(Unsecured) (Considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	1 34 67 765	99 28 109
Considered Doubtful	70 94 613	70 94 613
	2 05 62 378	1 70 22 722
Provision for Doubtful	70 94 613	70 94 613
	1 34 67 765	99 28 109
Advance Against Capital Expenditure	4 57 59 750	4 00 09 750
Due from Staff	2 42 453	1 17 518
Loans to Others	0	1 11 488
Deposits	3 19 45 960	3 82 88 652
Due from Associate Company	4 54 39 608	94 76 303
Advance Payment of Income-tax	2 08 82 753	1 24 20 600
	15 77 38 289	11 03 52 420
<b>Total :</b>	<b>43 04 74 361</b>	<b>32 89 78 068</b>

PARTICULARS	Year Ended on	
	31st March, 2010	Year Ended on 31st March, 2009
	Amount (Rs.)	Amount (Rs.)
<b>Schedule - G : Current Liabilities and Provisions</b>		
<b>Current Liabilities :</b>		
Sundry Creditors	3 50 12 074	4 09 92 068
Other Liabilities	1 79 09 407	1 59 49 756
Advance from customers	15 16 375	29 23 673
Trade Deposits	34 86 025	44 29 710
		6 42 95 207
	5 79 23 881	
<b>Provisions :</b>		
Provision for Taxation	1 49 00 000	9 00 000
<b>Total :</b>	<b>7 28 23 881</b>	<b>6 51 95 207</b>
<b>Schedule - H : Income from operations</b>		
Publications Income	12 10 60 672	10 67 92 073
Job Work Income (Gross) (TDS Rs.4,04,690/- P.Y. Rs.4,63,536/-)	2 00 47 210	1 98 34 883
Out Door Media Income	18 90 74 049	22 22 79 534
<b>Total :</b>	<b>33 01 81 931</b>	<b>34 89 06 490</b>
<b>Schedule - I : Other Income</b>		
Interest (Gross) (TDS Rs.2,40,489/- P.Y. Rs.11,69,007/-)	59 55 432	66 36 924
Profit on Sale of Fixed Assets	34 23 235	5 390
Sundry Debit/Credit Balances Written-back (Net)	20 79 407	97 808
Rent Income (TDS Rs.5,67,357/- P.Y.Rs. Rs.9,49,541/-)	34 47 049	54 50 532
Insurance claim received	42 857	82 666
Miscellaneous Income (TDS Rs. Nil P.Y.Rs. Nil/-)	7 32 019	9 80 285
Excess provision written back	1 18 837	5 81 961
<b>Total :</b>	<b>1 57 98 836</b>	<b>1 38 35 566</b>
<b>Schedule - J : Increase/(Decrease) in stock</b>		
Finished Goods		
Opening Stock	3 86 339	5 36 940
Less : Closing Stock	5 39 863	3 86 339
<b>Total Increase/(Decrease) in stock of Finished Goods</b>	<b>1 53 524</b>	<b>(1 50 601)</b>

PARTICULARS	Year Ended on		Year Ended on
	31st March, 2010		31st March, 2009
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>Schedule - K : Operating, Administrative and Other Expenses</b>			
<b>Printing and Publications Expenses :</b>			
Consumption of Raw Material	1 77 51 623		3 22 31 967
Printing Materials and Other Expenses	1 89 89 515		2 61 86 911
Electric Power	19 92 698		19 68 908
Publications Expenses & Other	10 41 514		10 02 720
		<u>3 97 75 350</u>	<u>6 13 90 506</u>
<b>Out of Home Media Direct Expenses :</b>			
License and other fees	11 21 49 489		11 63 71 441
Flex Printing & Mounting Charges	94 29 555		93 61 508
Electric Power Expenses	54 45 412		59 38 509
Other Expenses	35 74 989		22 34 309
		<u>13 05 99 445</u>	<u>13 39 05 767</u>
<b>Payment to and Provision for Employees :</b>			
Salaries and Bonus	2 17 48 995		2 32 54 726
Contribution to P. F. and Other Funds	4 94 310		5 10 993
Staff Welfare Expenses	4 77 961		5 18 890
Provision for Leave Encashment	3 87 829		0
Provision for Gratuity Liability	1 89 982		3 77 566
		<u>2 32 99 077</u>	<u>2 46 62 179</u>
		10 72 081	17 75 967
<b>Directors' Remuneration :</b>			
<b>Establishment Expenses :</b>			
Rent, Rates and Taxes		39 26 335	35 12 605
Insurance		6 51 884	6 55 120
Travelling Expenses		11 30 413	20 87 582
Legal & Professional Charges		95 39 759	57 22 671
Postage and Telephone Expenses		17 43 403	20 57 470
		<u>1 69 91 794</u>	<u>1 40 35 448</u>
<b>Repairs and Maintenance Expenses :</b>			
- Building	4 16 899		4 45 945
- Machinery	4 46 652		3 52 407
- Others	46 45 102		46 67 930
		<u>55 08 653</u>	<u>54 66 282</u>
Auditors' Remuneration		1 92 510	2 64 000
Other Expenses		46 31 548	75 09 883
Donation		4 50 000	2 35 000
		<u>2 77 74 505</u>	<u>2 75 10 612</u>
Selling & Distribution Expenses		49 29 671	81 25 525
Bad Debts / Sundry Debit Balance Written Off		51 98 819	6 52 413
Provision for Bad & Doubtful Debts		22 61 271	0
Provision for Diminution in value of Investments		(66 744)	1 20 534
Loss on Sales of Assets		2 26 219	26 354
Amortisation of Expenses		27 59 562	12 86 235
Amortisation of Patents Rights (Abhiyaan)		30 000	30 000
		<u>1 53 38 798</u>	<u>1 02 41 061</u>
<b>Total :</b>		<b><u>23 78 59 256</u></b>	<b><u>25 94 86 093</u></b>
<b>Schedule - L : Interest &amp; Financial Charges</b>			
Bank Interest & Charges		62 84 462	75 97 678
Interest On Term Loan		2 50 17 842	2 80 16 355
Interest - Others		20 26 953	18 26 081
<b>Total</b>		<b><u>3 33 29 257</u></b>	<b><u>3 74 40 114</u></b>

**Schedule M : Significant accounting policies and practices**

**1. Basis of Preparation of Financial Statements**

The accounts have been prepared on the basis of historical cost convention on the accrual basis of accounting in accordance with generally accepted accounting principle in India and are in compliance with the accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

**2. Revenue Recognition**

Company follows mercantile system of accounting and recognizes significant items of income on accrual basis.

- i) Sales of publications are recognized at the time of dispatch and stated net of trade discount.
- ii) Advertisement revenue is recognized on the basis of publication and stated net of trade discount.
- iii) Share of combined advertisement revenue received from and given to other publications of associate companies are accounted on the basis of predetermined basis.
- iv) Sales of outdoor properties are recognized at the time of display.
- v) Interest income is recognized on the time proportion basis taking into account the amount outstanding and the applicable rate of interest.
- vi) Dividend income is recognized when the right to receive the dividend is established.

**3. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialised.

**4. Retirement Benefits**

Employee Benefits:-

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 Employee Benefits (Revised 2005) "Revised AS 15".

Contribution to provident fund and Pension fund scheme are paid in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.

The Company has defined benefit plans namely Gratuity for all the employees, the liability for which is determined on the basis of an actuarial valuation at the year end by an independent actuary, liability, if any, is provided for in the books.

Actuarial Gains and Losses comprise of experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense.

**5. Inventories**

- i) Raw Materials & Stores and spares are valued at cost on FIFO basis. Newsprint & Printing Materials (including Ink and Plates) are valued at cost on FIFO basis.
- ii) Stores and spares issued to consuming departments during the year are treated as consumed.
- iii) Newsprint in the process of utilization and/or remaining with department at the year-end is included in the inventory at the close of accounting year.

## SAMBHAAV MEDIA LIMITED

---

- iv) Finished Goods are valued at Cost or Net Realizable Value whichever is lower.
- v) Stock of Waste Paper is accounted at realisable value.

### 6. Sundry Debtors and Loans and Advances

Sundry debtors and Loans and Advances are stated after making adequate provisions for doubtful balances. Some of the balances of Sundry Debtors, Sundry Creditors, Loans & Advances are subject to confirmation.

### 7. Fixed Assets

Fixed Assets are stated at cost of acquisition/construction less accumulated depreciation and impairment loss, if any. Cost includes taxes, duties, freight and other incidental expenses related to acquisition/construction. Interest on borrowings, to finance acquisition of fixed assets during construction period is capitalized. Renewals and replacements are either capitalized or charged to revenue as appropriate, depending upon the nature of long-term utility of such renewals and/or replacement

The development and erection expenses incurred in preparation of gantries, hoarding, kiosks, bus shelters etc. for outdoor advertisement purpose on the space are licensed for use for specific periods are capitalized under the heading Hoarding / Gantries / Bus Shelters, etc.

### 8. Depreciation and Amortization

Depreciation is provided on straight-line basis u/s 205 (2) (b) of the Companies Act, 1956, at the rates prescribed in the Schedule XIV of the said Act in respect of Fixed Assets lying and situated at "Head Office" and Mumbai" units of the Company.

In respect of assets of Aider Publication Pvt. Ltd. Merged Company, Depreciation is provided on written down value basis u/s 205 (2) (a) of the Companies Act, 1956 at the rates prescribed in schedule XIV of the said Act.

Depreciation on assets added / disposed-off during the year has been provided on pro-rata basis with reference to the month of addition / disposal. Amortizing revalued amount over the residual life considered by the valuer provides the depreciation on revalued assets.

Depreciation on hoardings and gantries owned by the Company on SLM basis at the rate applicable to Building as provided under Schedule XIV of the Companies Act, 1956. Depreciation on such assets is provided on SLM basis at the rate as applicable to Plant & Machinery provided under Schedule XIV of the Companies Act on single shift basis

Patent Rights are amortized over a period of 12 years.

Assets such as Hoarding, Gantries and Kiosks whose life is determined by contractual periods i.e. the license period, are written off over such period.

The Company is amortizing 1/5th of total expenses incurred in Financial Year 2005-06 on launch / promotion of 'Sambhaav Metro', an afternoon daily.

### 9. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered impairment loss. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

## **10. Investments**

Investments intended to be held for more than a year are classified as long term investment and all other investments are classified as current investments. Long term investments are stated at cost or market value whichever is less. The cost of Investment / Stock of Trade Securities includes brokerage and other expenses, if any.

Current investments are stated at lower of cost and fair value on an individual investment basis.

A provision for diminution is made to recognize a decline, other than temporary, in the value of investments.

## **11. Foreign Currency Transactions**

Foreign currency transactions during the period are recorded at the exchange rate prevailing on the date of transaction. Balances in form of current assets and current liabilities in foreign currency if any, outstanding at the close of the year, are converted in Indian currency at rates prevailing on the date of balance sheet.

Foreign currency assets and liabilities covered by forward contracts/derivatives are stated at the contracted rate, while those not covered by the contracts are restated at rates prevailing at the balance sheet date.

All exchange rate differences are dealt with in the profit and loss account.

## **12. Taxes on Income**

Provision for tax is made for current taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws.

Deferred tax resulting from "timing differences" between accounting and taxable profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as at the balance sheet date.

Deferred tax assets is recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such assets can be realized.

## **13. Deferred Revenue Expenditure**

The Company has policy of writing off all deferred revenue expenditure during the tenure of the project subject to maximum 10 years.

## **14. Provisions, Contingent liabilities and Contingent Assets**

Provision is recognized when an enterprise has a present obligation as a result of past events and 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 determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each balance sheet date.

## **15. Prior Period Adjustments**

All items of income / expenditures pertaining to prior period (except those not exceeding Rs. 5000/- in each case which are accounted through respective revenue accounts) are accounted through "Prior Period Adjustment Account".

# SAMBHAAV MEDIA LIMITED

## SCHEDULE N NOTES ON ACCOUNTS :

### 1. Dues to Micro, Small and Medium Enterprises

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

### 2. Contingent liabilities not provided for: (Not acknowledged by the Company)

<b>Particulars</b>	<b>2009-2010</b>	<b>2008-2009</b>
Income Tax Demand for the A.Y. 2005 – 06	Rs. 11,44,739/-	NIL

3. a) Necessary provision for income tax for the year under consideration has been made.  
 b) The determination of deferred tax liability in terms of AS-22 relating to Accounting for Taxes on Income as issued by the Institute of Chartered Accounts of India is provided:

#### **Deferred Tax Assets 31.03.2010**

Arising on account timing differences in:

Leave Encashment	3,87,829
Gratuity	1,89,982
Bonus	5,983
Preliminary Exp written off / Deferred Revenue Expenses	21,47,571
Provision for Doubtful Debts	22,61,271
Amortization of Patent rights	30,000

**Total** 50,22,636

#### **Deferred Tax Liability**

Arising on account of timing difference in:

Depreciation	-51,20,273
--------------	------------

**Total** (51,20,273)

Net Deferred Tax Liability / (Assets) (1,01,42,909)

**Deferred Tax arising during the year** **(34,14,103)**

4. Hitherto the Company was providing depreciation on hoardings and gantries owned by the Company on SLM basis at the rate applicable to Building as provided under Schedule XIV of the Companies Act, depreciation on such assets is provided on SLM basis at the rate as applicable to Plant & Machinery provided under Schedule XIV of the Companies Act on single shift basis.
5. As per accounting policy adopted in relation to the treatment of the expenditure incurred in the conduct of outdoor publicity business in the territory / region hitherto unexploited, the Company had incurred an expenditure classified under the head "Deferred Revenue Expenditure". Since the composite project has been awarded to the Company for a period of 8 years. The Company has decided to write of this amount in an equal number of years during the tenure of the project.

**6. Directors Remuneration**

[Rs. In Lacs]

Particulars	2009-2010			2008-2009		
	Salary	Perquisites & Allowance	Total	Salary	Perquisites & Allowance	Total
a) Chairman Emeritus	3.00	Nil	3.00	3.00	Nil	3.00
b) Chairman & Managing Director	3.75	1.91	5.66	10.00	1.16	11.16
c) Director	2.06	Nil	2.06	3.60	Nil	3.60
<b>Total</b>	<b>8.81</b>	<b>1.91</b>	<b>10.72</b>	<b>16.60</b>	<b>1.16</b>	<b>17.76</b>

**7. Auditors Remuneration (Excluding of Service Tax):**

[Rs. In Lacs]

Particulars	2009-2010	2008-2009
a) Audit Fees	0.80	0.74
b) Tax Audit Fees	0.30	0.45
c) Certification Work	0.00	0.45
d) Limited Review Fees	0.60	1.00
e) Reimbursement of Expenses	0.05	0.00
<b>Total</b>	<b>1.75</b>	<b>2.64</b>

**8. Quantitative Information**

[Rs. In Lacs]

[Copies in Nos.]

Dailies & Periodicals	2009-2010		2008-2009	
	Copies	Amount	Copies	Amount
<b>a) Sales</b>				
Dailies	9117053	68.38	12613190	80.30
Periodicals	1751963	136.52	3584095	266.73
<b>Total</b>		<b>204.90</b>		<b>347.03</b>

Excludes Complimentary Copies

Dailies : 337352 (Previous Year : 384866 )

Periodicals : 32382 (Previous Year : 64005 )

[Rs In Lacs]

[Copies in Nos.]

Particulars	2009-2010		2008-2009	
	Copies	Amount	Copies	Amount
<b>b) Stock of Finished Materials</b>				
Opening Stock	46276	3.86	79429	5.37
Closing Stock	64950	5.40	46276	3.86

**9. Details of Raw Materials Consumed**

[Rs In Lacs]

Particulars	2009-2010			2008-2009		
	Qty. (Kgs.)	Ream	Amount	Qty. (Kgs.)	Ream	Amount
Newsprint	626555	—	177.52	987177	—	322.32
Art Paper	—	—	—	—	—	—
Other	—	—	66.14	—	—	55.27

**10. Other information required in items of para 4C and 4D of Part II of Schedule-VI to the Companies Act, 1956**

2009-2010                      2008-2009

(A) Licensed Capacity Not Applicable              Not Applicable

**(B) Installed Capacity (As certified by Management)**
2009-10

**Newsline -30** : 5 Units – Plus 4 Hi tower & capacity of Printing 4 pages per unit of 546 mm cut-off @ 30,000 copies per hour (Total 20 Pages inclusive of 6 pages in colour)

**Orient (Super)** : 4 Units – Capacity of Printing 4 pages per unit of 546 mm cut-off @ 30,000 copies per hour (16 pages inclusive of 2 pages in colour)

**HM – 30** : 4 Units – 2 Hi Tower & 4 Mono Units, Capacity of Printing 4 pages per unit of 546 mm cut-off @ 30,000 copies per hour (Total 24 Pages inclusive of 8 pages in colour).

**Mitsubishi Lithopia 750** : Heat Set Machine 4 page back to back colour printing of 546mm cut off @ 45,000 copies per hour.

2008-09

**Newsline -30** : 5 Units – Plus 4 Hi tower & capacity of Printing 4 pages per unit of 546 mm cut-off @ 30,000 copies per hour (Total 20 Pages inclusive of 6 pages in colour)

**Orient (Super)** : 4 Units – Capacity of Printing 4 pages per unit of 546 mm cut-off @ 30,000 copies per hour (16 pages inclusive of 2 pages in colour)

**HM – 30** : 4 Units – 2 Hi Tower & 2 Mono Units, Capacity of Printing 4 pages per unit of 546 mm cut-off @ 30,000 copies per hour (Total 16 Pages inclusive of 8 pages in colour).

**(C) Production**
2009-10

5608.82 lacs Pages printed which includes 4833.82 Lacs pages printed for others, 1286.36 Lacs pages (18.42 lacs copies) for Periodicals printed by others.

2008-09

5052.76 Lacs Pages printed which includes 3996.20 Lacs pages printed for others, 2394.37 Lacs pages (35.59 lacs copies) for Periodicals printed by others.

Particulars	2009-2010				2008-2009			
	Indigenous		Imported		Indigenous		Imported	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>(D) Consumption of Raw Materials</b>								
Newsprint	118.12	66.54	59.40	33.46	118.66	36.42	203.66	63.18
Printing Material	66.14	100.00	Nil	—	55.27	100.00	Nil	—
<b>(E) Expenditure in Foreign Currency</b>	<u>Amount</u>				<u>Amount</u>			
CIF Value of Import								
Capital Goods	Nil				Nil			
Newsprint	126.66				201.94			
Traveling	0.00				6.53			
Internet	0.00				0.04			
<b>(F) Earnings in Foreign Currency</b>								
Sales of Periodicals	0.25				0.07			

**11. The Company has entered into transactions with related parties the particulars of which are disclosed as under:**

Nature of Transaction	2009-10		2008-09	
	Name of Associate Company / Persons	Amount Rs.	Name of Associate Company / Persons	Amount Rs.
1. Share of advertisement income paid	Traders Pvt. Ltd.	15,15,955	Traders Pvt. Ltd.	5,57,481
2. Expenses recovered	Traders Pvt. Ltd.	13,81,115	Traders Pvt. Ltd.	3,73,252
3. Expenses Reimbursed	Traders Pvt. Ltd.	22,040	Traders Pvt. Ltd.	53,598
4. Others	Traders Pvt. Ltd.	18,37,745	Traders Pvt. Ltd.	5,15,98,397
	Nila Infrastructure Ltd.	14,78,668	Nila Infrastructure Ltd.	2,52,57,282
5. Purchase / Capital Items	Traders Pvt. Ltd.	NIL	Traders Pvt. Ltd.	4,15,00,000
	Pearl Stockholding Pvt. Ltd.	NIL	Pearl Stockholding Pvt. Ltd.	2,90,000
	Nila Infrastructure Ltd.	3,82,31,618	Nila Infrastructure Ltd.	4,36,49,911
6. Sale of Capital Items	Pearl Stockholding Pvt. Ltd.	1,90,800	Pearl Stockholding Pvt. Ltd.	4,80,000
	Nila Infrastructure Ltd.	5,43,800	Nila Infrastructure Ltd.	NIL
	Traders Pvt. Ltd.	3,70,00,000	Traders Pvt. Ltd.	NIL
7. Rent Received	Nila Infrastructure Ltd.	4,49,820	Nila Infrastructure Ltd.	4,57,531
	Pearl Stockholding Pvt. Ltd.	66,180	Pearl Stockholding Pvt. Ltd.	1,84,879
	Traders Pvt. Ltd.	3,17,664	Traders Pvt. Ltd.	52,944
8. Salary Paid	Mr. Deep Vadodaria	2,07,000	Mr. Deep Vadodaria	2,88,000
	Ms. Megha Vadodaria	NIL	Ms. Megha Vadodaria	1,10,166
9. Consultancy Fees	Mr. Girish Trivedi	25,000	Mr. Girish Trivedi	2,00,000

**12. Segment Information:**

- (I) The Company is engaged in the business of printing and publishing of newspapers and periodicals and also of outdoor advertising. These businesses are considered as primary segments. In determining the revenue results, the identifiable segment revenues and expenses are allocated in relation to the operating activities of the segment and common expenditure is allocated on a reasonable basis. Likewise, the assets and liabilities also have been allocated on the basis of relationship to the operating activities.

(II) The Company operates mainly within Gujarat and does not have operation in Economic environments with different risk and returns. Hence it is considered as operating in single geographical environment.

(Rs in Lacs)

PARTICULARS	2009-2010			2008 -2009		
	Print Media	Out Door Media	Total	Print Media	Out Door Media	Total
<b>REVENUE :</b>						
External Revenue	1411.08	1890.74	3301.82	1266.27	2222.79	3489.06
Inter segment Revenue						
<b>Total Revenue</b>	<b>1411.08</b>	<b>1890.74</b>	<b>3301.82</b>	<b>1266.27</b>	<b>2222.79</b>	<b>3489.06</b>
<b>RESULT :</b>						
Segment Result	894.73	-381.67	513.06	587.48	-330.19	257.29
Less: Unallocable Other Expenditure			316.01			308.86
Add: Unallocable Other Income			119.58	128.52	9.83	138.35
<b>Profit before Taxation</b>			<b>316.63</b>			<b>86.78</b>
<b>OTHER INFORMATION :</b>						
Segment Assets	1573.61	4249.26	5822.87	1369.09	3814.10	5183.19
Unallocable Assets			2137.15			2014.17
<b>Total Assets</b>			<b>7960.02</b>			<b>7197.36</b>
Segment Liabilities	362.63	3499.14	3861.77	335.14	3017.54	3352.68
Unallocable Liabilities			504.59			462.10
<b>Total Liabilities</b>			<b>4366.37</b>			<b>3814.78</b>
<b>Capital Expenditure</b>						
Segment Capital Expenditure	157.09	389.91	547.00	491.18	556.87	1048.05
Unallocable Capital Expenditure			21.20			34.47
<b>Total Capital Expenditure</b>			<b>568.19</b>			<b>1082.52</b>
<b>Depreciation</b>						
Segment Depreciation	42.86	323.79	366.64	28.60	388.68	417.28
Unallocable Depreciation			50.42			49.42
<b>Total Depreciation</b>			<b>417.06</b>			<b>466.70</b>

**13. Defined contribution towards Gratuity and Leave Encashment :**

The following table sets out the status of gratuity scheme plans as at 31st March, 2010.

[Amounts in Rs.]

PARTICULARS	March 31, 2010		March 31, 2009	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>Changes in the present value of obligation :</b>				
Present value of obligation (Opening)	10,93,424	3,11,851	10,79,117	4,10,058
Interest cost	76,540	21,830	75,538	28,704
Past service cost	—	—	—	—
Current service cost	1,02,494	72,728	1,02,077	70,459
Curtailement Cost / (Gain)	—	—	—	—
Settlement Cost / (Gain)	—	—	—	—
Benefits paid	72,692	—	3,63,259	—
Actuarial (Gain) / Loss	31,716	2,93,271	1,99,951	(1,97,370)
Present value of obligation (Closing)	12,31,482	6,99,680	10,93,424	3,11,851

Continued...

Defined Contribution Plans...Continued

[Amounts in Rs.]

PARTICULARS	March 31, 2010		March 31, 2009	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Changes in the fair value of plan assets				
Present value of plan assets (Opening)	—	—	—	—
Expected return on plan assets	—	—	—	—
Actuarial Gain / (Loss)	—	—	—	—
Employers Contributions	—	—	—	—
Employees Contributions	—	—	—	—
Benefits paid	—	—	—	—
Fair Value of Plan Assets (Closing)	—	—	—	—
<b>Percentage of each category of plan assets to total fair value of plan assets at the year end</b>				
Bank Deposits (Special Deposit Scheme, 1975)	—	—	—	—
Debt Instruments	—	—	—	—
Administered by Life Insurance Corporation of India	—	—	—	—
Others	—	—	—	—
<b>Reconciliation of the present value of defined benefit obligation and the fair value of assets</b>				
Present value of funded obligation as at the year end	2,65,070	—	—	—
Fair value of plan assets at the year end	2,65,070	—	7,15,858	—
Funded (Assets)/ Liability recognized in the balance sheet	2,65,070	—	10,93,424	—
Present value of non-funded obligation as at the year end	9,66,412	6,99,680	—	3,11,851
Unrecognized past service cost	—	—	—	—
Unrecognised Actuarial (Gains) / Losses	—	—	—	—
Non-funded net liability recognized in the balance sheet	9,66,412	6,99,680	3,77,566	3,11,851
<b>Amount recognized in the balance sheet</b>				
Present value of obligation as at the year end	12,31,482	6,99,680	10,93,424	3,11,851
Fair value of plan assets as at the year end	2,65,070	—	7,15,858	—
(Assets) / Liability recognized in the balance sheet	9,66,412	6,99,680	3,77,566	3,11,851
Expenses recognized in the profit & loss account				
Current service cost	1,02,494	72,728	1,02,077	70,459
Past service cost	—	—	—	—
Interest cost	76,540	21,830	75,538	28,704
Expected return on plan assets	—	—	—	—
Curtailment Cost / (Credit)	—	—	—	—
Settlement Cost / (Credit)	—	—	—	—
Net Actuarial (Gain) / Loss	31,716	293,271	1,99,951	(1,97,370)
Employee's Contribution	—	—	—	—
Total expenses recognized in the profit & loss account	1,89,982	3,87,829	3,77,566	98,207
Principal actuarial assumption (Rate of Discounting)				
Rate of Discounting	7.00%	7.00%	7.00%	7.00%
Expected return on plan assets	8.50%	—	—	—
Rate of increase in salaries	4.00%	4.00%	4.00%	4.00%
Attrition Rate (Employees opting for early retirement)	—	—	—	—

# SAMBHAAV MEDIA LIMITED

## 14. Earnings per Share (Accounting Standard 20)

Particulars	2009-2010	2008-2009
Profit / (Loss) after Tax	2,10,77,170	(23,16,725)
No. of equity shares outstanding during the year	14,61,10,840	14,61,10,840
Nominal value per share	Re. 1	Re. 1
Basic EPS / Diluted EPS	0.14	(0.02)

15. Previous year's figures have been regrouped and rearranged wherever necessary.

## 16 Balance Sheet Abstracts & Company's General Business Profile:

### I Registration Details :

Registration No.	14094	State Code	04
Balance Sheet Date	31st March, 2010		

### II Capital raised During the Year (Amount in Rs. Thousand)

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

### III Position of mobilization and Deployment of Funds : (Amount in Rs. Thousand)

<b>Total Liabilities</b>	7 23 177	<b>Total Assets</b>	7 23 177
<b>Sources of Funds :</b>		<b>Application Of Funds :</b>	
Paid-up capital	1 46 111	Net Fixed Assets	3 49 661
Reserve and Surplus	2 13 224	Investment	221
Secured loan	3 53 112	Net Current Assets	3 57 650
Unsecured Loan	NIL	Misc Expenditure	15 645
Deferred tax	10 730	Accumulated Losses	NIL

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

Turnover and Other Income	3 46 134	Total Expenditure	3 12 895
( + ) Profit / ( loss ) before tax	33 239	( + ) Profit / ( loss ) after tax	21 077
Earning per share ( Rs )	0.14	Dividend Rate	NIL

### V General name of three principal products / services of Company (as per monetary terms)

Products / Service Description	Item code No	Item code No
Newspapers - Daily	49021001	Journal/ Periodicals 49021002
Outdoor Media ( Hoardings )	49021004	

As per our attached report of even date :

**FOR AND ON BEHALF OF THE BOARD**

**For, DHIRUBHAI SHAH & CO**  
Chartered Accountants

**KIRAN B VADODARIA**  
Chairman & Mg. Director

**N R MEHTA**  
Director

**HARISH B PATEL**  
Partner  
M. No. 14427

**N V VASANI**  
Director

**S N THAKAR**  
Company Secretary  
& Manager (Legal)

**Place :** Ahmedabad  
**Date :** 17<sup>TH</sup> May 2010

**Place :** Ahmedabad  
**Date :** 17<sup>TH</sup> May 2010

**CASHFLOW STATEMENT**

PARTICULARS	For the Year Ended on 31/03/2010		For the Year Ended on 31/03/2009
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>1 CASH FLOWS FROM OPERATING ACTIVITIES</b>			
A Profit/(Loss) before tax		3 16 63 067	(23 16 725)
B Adjustments			
Add : Expenses			
i. Depreciation / Amortisation	4 17 06 014		4 66 70 353
ii Prior Period Depreciation / Amortisation	45 104		0
iii Amortisation of Patents Rights	30 000		30 000
iv Preliminary Expenses written off	27 59 562		12 86 235
v Interest and Financial charges	3 33 29 257		3 74 40 114
vi Provision for Diminution in value of Investments	0		1 20 534
vii Bad Debts Written off	51 98 819		6 52 413
viii Provision for Bad & Doubtful Debts	22 61 271		0
ix Provision for gratuity liability	1 89 982		3 77 566
x Provision for Leave Encashment	3 87 829		0
xi Loss on Sale of Fixed Assets	2 26 219		26 354
	<u>8 61 34 057</u>		<u>8 66 03 569</u>
Less : Income			
i. Interest Income	59 55 432		66 36 924
ii Sundry Debit/Credit Balances Written-back (Net)	20 79 407		97 808
iii Profit on Sale of Assets	34 23 235		5 390
iv Excess Dimunation in value of investment written back	66 744		0
v Excess Provision written back	1 18 837		0
	<u>1 16 43 655</u>		<u>67 40 122</u>
		7 44 90 402	7 98 63 447
<b>Operating Profit before Working Capital Changes</b>		<b>10 61 53 469</b>	<b>7 75 46 722</b>
C (Increase)/Decrease in Current Assets			
i Inventories	(86 37 681)		44 06 580
ii Debtors	(2 96 77 645)		(3 77 19 517)
iii Loans and Advances	(4 73 85 869)		4 41 39 304
iv Misc. Expenses not written off	0		(1 71 80 570)
		<u>(8 57 01 195)</u>	<u>(63 54 203)</u>
D Increase/(Decrease) in Current Liabilities		(47 50 893)	1 89 65 654
E Increase/(Decrease) in Working Capital Borrowings		1 67 06 351	3 07 72 042
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>3 24 07 732</b>	<b>12 09 30 214</b>

PARTICULARS	For the Year Ended on 31/03/2010		For the Year Ended on 31/03/2009
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>2 CASH FLOWS FROM INVESTING ACTIVITIES</b>			
a Sale of Fixed Assets	4 38 19 756		6 71 731
b (Purchase)/Sales of Fixed Assets	(5 98 65 905)		(11 99 59 967)
c Interest Income	59 55 432		66 36 924
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(1 00 90 717)</b>	<b>(11 26 51 312)</b>
<b>3 CASH FLOW FROM FINANCING ACTIVITIES</b>			
a Proceeds / (Repayment) of Long Term Borrowing (Net)	3 42 67 430		(8 44 26 111)
b Interest and Financial Charges	(3 33 29 257)		(3 74 40 114)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>9 38 173</b>	<b>(12 18 66 225)</b>
Net Change in Cash & Cash Equivalents		2 32 55 191	(11 35 87 323)
Cash and Cash Equivalents at the beginning of the year		3 85 44 222	15 21 31 545
<b>Cash and Cash Equivalents at the end of the year</b>		<b>6 17 99 413</b>	<b>3 85 44 222</b>

Note : Figures in Bracket indicate Negative figures.

As per our attached report of even date :

**FOR AND ON BEHALF OF THE BOARD**

**For, DHIRUBHAI SHAH & CO**  
Chartered Accountants

**KIRAN B VADODARIA**  
Chairman & Mg.Director

**N R MEHTA**  
Director

**HARISH B PATEL**  
Partner  
M. No. 14427

**N V VASANI**  
Director

**S N THAKAR**  
Company Secretary  
& Manager (Legal)

**Place :** Ahmedabad  
**Date :** 17<sup>TH</sup> May 2010

**Place :** Ahmedabad  
**Date :** 17<sup>TH</sup> May 2010



**SAMBHAAV MEDIA LIMITED**

**SAMBHAAV MEDIA LIMITED**

**Registered. Office :** "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad – 380 015.

**PROXY**

I/We \_\_\_\_\_ Folio/DPID \_\_\_\_\_ Of \_\_\_\_\_ being a Member/s of Sambhaav Media Limited, Ahmedabad hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the **20TH Annual General Meeting** of the Company held on **Monday the 21<sup>ST</sup> June 2010 at 10.00 A.M.** at Registered Office and any adjournment thereof.

Affix a Revenue Stamp of Re. 1/-

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Signature(s) of Member(s)  
Across the Revenue Stamp

**NOTE:** The Proxy must be deposited at the Registered Office of the Company, not less than 48 hours before the time fixed for the meeting.

**SAMBHAAV MEDIA LIMITED**

**Registered. Office :** "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad – 380 015.

**ATTENDANCE SLIP**

(Please complete this Attendance Slip and hand it over at the entrance of the Hall.)

I hereby record my presence at the **20TH Annual General Meeting** of the Company held on **Monday the 21<sup>ST</sup> June 2010 at 10.00 A.M.** at "Sambhaav House", Bodakdev, Ahmedabad-380 015.

Folio/DPID/Client ID No. \_\_\_\_\_ No. of Shares held: \_\_\_\_\_

Full Name of the Shareholder/Proxy: \_\_\_\_\_

Signature of Shareholder/Proxy: \_\_\_\_\_

**NOTE:** Only Shareholders of the Company or their proxies will be allowed to attend the meeting.

