



28th Annual Report
2009-10

DIRECTORS

Pradeep Gupta
Ashok Agarwal
Rohit Chand
Kulmohan Singh Mehta
Shyam Malhotra
Krishan Kant Tulshan

BANKERS

State Bank of Mysore

AUDITORS

Arun Dua & Co.
Chartered Accountants

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#14-03, High Street Centre, 1 North Bridge Road,

Singapore - 179 094

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TDA Group, 800 W. El Camino Real Suite 380

Mountain View, CA 94040

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Notice is hereby given Twenty Eighth Annual General Meeting of the members of Cyber Media (India) Limited will be held on Wednesday, the 23rd day of September, 2010 at 04.00 p.m. at Singhania Hall, PHD Chambers of Commerce, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110 016, to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Profit and Account for the year ended March, 2010 and the Audited Balance Sheet and Audited Cash Flow Statement as on that date and the reports of the Directors and Auditors thereon.
- To appoint a Director in place of Mr. Pradeep Gupta who retires by rotation and being eligible offers himself for re-appointment.
- To appoint a Director in place of Mr. Krishan Kant Tulshan who retires by rotation and being eligible offers himself for re-appointment.
- To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Arun Dua & Co., Chartered Accountants, retiring auditors are eligible for re-appointment.

SPECIAL BUSINESS

- To consider and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution: -

RESOLVED THAT pursuant to the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred as the Act) including any statutory modification(s), or re-enactment thereof for the time being in force) read with Directors' Relatives (Office or Place of Profit) Rules, 2003 (hereinafter called the Rules) and subject to the approval of the Government, consent of the members be and is hereby accorded to increase the remuneration of Mr. Dhaval Gupta, relative (son) of Mr. Pradeep Gupta, Chairman and Managing Director of the Company, holding office or place of profit in Company as Manager-Projects , to a package of Rs. 8,00,000 (Rupees Eight Lacs) per annum including allowances and benefits, amenities and facilities including accommodation, medical facilities, leave travel assistance, personal accidents insurance, superannuation fund, retiring gratuity and provident fund benefit applicable to other employees occupying similar posts with in the same salary scale or grade, in structure as tabulated below with such increments not exceeding thirty percent on the completion of every year and promotions to higher grades as the Board on recommendation of the selection committee deem fit considering qualification, experience and performance of Mr. Dhaval Gupta.

Remuneration shall be paid as follows:

Time scale : Three Years commencing from 1st October, 2010

Salary structure:

Annual remuneration	7,99,984
Fixed Component	6,15,372
Variable Component	1,84,612
Basic Salary	20,800
House Rent Allowance	15,600
Utility Allowance	4,160

Special Allowance	625
City Compensatory Allowance	1,600
Conveyance Allowance	800
Total Monthly Remuneration	43,585
Annual Payments as applicable	
Basic Salary subject to 80% of Basic Salary	20,800
Medical Reimbursement subject to one month of Basic Salary	20,800
LTA subject to one month of Basic Salary	20,800
Employer contribution EPFO subject to 12% of Basic Salary	29,952

RESOLVED FURTHER THAT the above tabulated structure of salary may be varied as per the recommendation of selection committee and in accordance with the Company's rules and regulations as are applicable on other employees of the Company.

RESOLVED FURTHER THAT The Board of Directors of the Company be and is here by authorized to vary/fix the remuneration of Mr. Dhaval Gupta with in above mention ceiling during the period of three years.

RESOLVED FURTHER THAT Mr. Krishan Kant Tulshan, Director and Ms. Shilpi Gupta, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may necessary or desirable to give effect to the above resolution including the filing the application to the Central Government seeking its approval for the payment of remuneration.

RESOLVED THAT pursuant to the provisions of Section 314 and all other applicable provisions of the Companies Act 1956, the Articles of Association of the Company be and are hereby altered by replacing existing Article 103 with the following Article:

RESOLVED THAT pursuant to the provisions of Section 314 and all other applicable provisions of the Companies Act 1956, the Articles of Association of the Company be and are hereby altered by replacing existing Article 103 with the following Article:

Subject to the provisions of section 198, 309, 310, 311 of the Act, the remuneration payable to the Directors of the Company may be as hereinafter provided.

Unless otherwise determined by the Company in the general meeting each director shall be entitled for a sitting fee of such amount for attending any meeting of Board of Directors or committee thereof as may be determined by the Board of Directors within the ceiling as prescribed under Rule 10B of the Companies (Central Government s) General Rules & forms, 1956 or any other rule or notification from time to time. Subject to the Provision of section 309(4) of the Act the directors shall also be entitled to receive commission at such rate as may from time to time be determined by the Company in general meeting but not exceeding 3% of the net profits of the Company in each financial year (to be computed in the manner prescribed in section 198 of the Act) in such proportion as may determined by the directors from time to time and in default of determination in equal proportions. The Company may pay to any director who for the time being is resident outside the place at which any meeting of the directors may be held and who shall come to that place for the purpose of attending such meeting and also to any director in respect of any other journeys made by him for and on behalf of the Company if traveling, boarding, lodging and other

incidental expenses in respect of such meeting and journeys.

RESOLVED FURTHER THAT Mr. Krishan Kant Tulshan, Director and Ms. Shilpi Gupta, Company Secretary, are hereby severally authorised to do all acts, deeds and things as are necessary to give effect to the resolution.

By the order of the Board
For Cyber Media (India) Limited

Sd/-

Place :New Delhi
Date :August 12,2010

Shilpi Gupta
Company Secretary

with/the consent of members sought through Annual General Meeting held on 08 September 2009.

Mr. Dhaval Gupta holds bachelors degree in Economics and Culture of Asia (Honors) from University of Wisconsin-Madison, U.S. and is having rich experience of working in various national and international organizations viz. International Corporation (IDC), ABC Corporation, U.S. Framingham, MA, USA, Naukri.com, New Delhi, India and Cadence Design Systems, Inc., San Jose, CA, USA.

Due to his outstanding performance, the Company has entered into many new projects and it is felt that his presence will immensely help the Company in successfully running the existing projects and implementing the new projects envisaged by the Company.

Notes:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote on his/her behalf and the proxy need not be a member of the Company. The instrument of proxy, duly filled and stamped, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolution/authority, as applicable. Form of proxy is enclosed.
- 2) A proxy may not vote except on a poll.
- 3) The register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 22, 2010 to Wednesday, September 29, 2010 (both days inclusive).
- 4) Members/Proxies should bring Attendance Slips along with copy of the Annual Report to the meeting.
- 5) Members who are holding Company's shares in dematerialised form are required to bring details of their Depository Account Number for identification.
- 6) Members holding equity shares in physical form are requested to notify the change of address/ dividend mandate, if any, to the Company's Registrar and Share Transfer Agent, Link Intime Private Ltd., The Central Second Floor, Naraina Industrial Area, Phase II, New Delhi- 110028.
- 7) As per the provisions of the Companies Act, 1956, facilities for making nomination is available to the Shareholders in respect of shares held by them. Nomination forms may be obtained from the Company's Registrar and Share Transfer Agent.
- 8) In terms of Articles of Association of the Company, Mr. Pradeep Gupta, and Mr. Krishan Kant Tulshan, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Brief resume of these Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships on various Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is provided in the Report on Corporate Governance form a part of the Annual Report. The Board of Directors recommends their respective re-appointments.

Keeping in view of the duties performed by Mr. Dhaval Gupta and considering his qualification, expertise, experience, knowledge, and the compensation for similar grade/ position in the similar industry, the Board of Directors recommends the selection committee formed pursuant to Director's Relatives (Office or Place of Profit) Rules, 1980, it desirable to increase the annual remuneration from Rs. 5,00,000 (Five Lacs Ninety Eight Thousand Three Hundred and Sixty Rupees) to Rs. 8,00,000 (Rupees Eight Lacs) per annum including allowances and benefits, amenities and facilities including accommodation, medical facilities, leave travel assistance, personal insurance, superannuation fund, retiring gratuity and provident fund benefits applicable to other employees occupying similar posts with in the same salary scale or grade, as tabulated in the resolution with such increments not exceeding thirty percent on the completion of every year and promotions to higher grades as the Board on recommendation of the selection committee deem fit considering qualification, experience and performance of Mr. Dhaval Gupta.

Since Mr. Dhaval Gupta is related to the Chairman of the Company within the meaning of Section 6 of the Companies Act, 1956, payment of remuneration to him on above mentioned terms requires approval of the share holders in terms of section 314 (1B) of the Act. further, the approval of the central government is also required after obtaining consent of the shareholder.

The remuneration proposed to be offered to Mr. Dhaval Gupta is commensurate with the qualification, experience and facilities of appointment of employees in similar category. Your Directors recommend the resolution for your approval. None of the Director, other than Mr. Pradeep Gupta, is deemed to be concerned or interested in the resolution.

Mr. Pradeep Gupta, Mr. Krishan Kant Tulshan, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. It is noted that the compensation in the form of sitting fee to the Directors needs to be revised.

In view of above, it was observed that Article 103 A of the Association of the Company, which relates to the payment of sitting fee to the directors, is required to be altered in terms of provisions of Companies Act, 1956, alteration of Articles of Association requires consent of members. Your Directors recommend the resolution for your approval.

All the Directors are interested in the resolution.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 5

Mr. Dhaval Gupta, relative (son) of Mr. Pradeep Gupta, Chairman and Managing Director was appointed as Manager of Projects, in the Company with effect from 01 January 2009,

By the order of the Board
For Cyber Media (India) Limited

Sd/-

Shilpi Gupta
Company Secretary

Place: New Delhi
Date : August 12, 2010

Dear Members,

Your Directors are pleased to present the Eighteenth Annual Report on the business and operations of your Company together with the Audited Annual Accounts of the Company for the financial year ended 31st March, 2010.

FINANCIAL RESULTS

The comparative financial position of the Company for the year under report and the previous year is as follows in accordance with the provisions of clause (a) of sub-section (1) of section 217 of the Companies Act, 1956:

(Rupees Million)

Particulars	Consolidated		Standalone	
	FY 10	FY 09	FY 10	FY 09
Total Income	1,011.37	1,216.82	388.10	578.93
Expenditure				
- Direct Expenses	492.37	635.21	234.77	341.31
- Personnel Expenses	317.93	385.57	99.88	123.68
- Other Expenses	163.28	205.26	67.02	87.11
EBIDTA	37.79	(9.22)	(13.57)	26.83
- Financial Expenses	44.57	51.09	17.58	20.65
- Depreciation	47.01	49.49	15.45	18.48
- Exceptional Expenses		3.98		
Profit Before Tax for the Year	(53.79)	(113.78)	(46.60)	(12.30)
Provision for Taxation	(19.61)	(35.58)	(16.72)	(2.74)
Profit After Tax for the Year	(34.18)	(78.20)	(29.88)	(9.56)

FINANCIAL/OPERATION PERFORMANCE REVIEW

Last two years have been extremely challenging for the Media & Media Services industry owing to worldwide recessionary trends. The trend now seems to be reversing with the indicators of growth depicting positive signals. Despite a negative growth in the topline on consolidated basis, the EBIDTA is positive at Rs. 37.97 million as against a negative of Rs. 9.22 million in the preceding financial year. This has been achieved through stringent cost control measures, organizational restructuring and strategic planning viz: giving significantly more weightage to media services segment when media segment is passing through an era of doldrums.

CONSOLIDATED FINANCIAL STATEMENT

As stipulated by Clause 32 of the Listing Agreement with the Stock Exchanges, the consolidated financial statements have been prepared by the Company in accordance with applicable Accounting Standards notified under section 209 of the Companies Act, 1956 and other applicable pronouncements of the Institute of Chartered Accountants of India. The Audited consolidated financial statements together with Auditors Report form part of the Annual Report.

DIVIDEND

Your Directors have not declared any dividend for the year 2009-10.

RESERVES

No portion of profits has been transferred to General Reserve Account during the financial year.

SUBSIDIARIES AND ASSOCIATE COMPANIES

Your Company has twelve subsidiaries, out of which six are Indian Companies and six are foreign Companies.

and applied them consistently and made judgment. The relation between the Company and its employees estimates that are reasonable and prudent so as to remain cordial throughout the year. Not a single day a true and fair view of the state of affairs of the Company is expected due to any strike or bad relations with at the end of the financial year and of the progress of the Company for that period.

That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities.

That the Directors had prepared the annual accounts on an ongoing concern basis.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance as per Clause 49 of the Listing Agreement along with the certificate of Auditor s of the Company confirming compliance of various practices of Corporate Governance is set out in Annexure forming part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the Listing Agreement is annexed to this report.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Pradeep Gupta, Chairman & Managing Director and Mr. Krishan Kant Tulshan, Executive Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Your Directors recommend their re-appointment.

AUDITORS

M/s. Deep Dua & Co., Chartered Accountants, the Statutory Auditors of the Company, retire at the ensuing Annual Meeting. Being eligible, they offer themselves for re-appointment. They have furnished a certificate stating their re-appointment would be within the limits specified under section 224(1B) of the Companies Act, 1956.

Your Directors recommend their re-appointment.

DIRECTORS IDENTIFICATION NUMBER

Pradeep Gupta: 00007520; Krishan Kant Tulshan: 00009764; Shyam Malhotra: 0000645; Rohitasava Chand: 00011150; Ashok Agarwal: 00019511; Kulmohan Singh Mehta: 00034726.

AUDIT COMMITTEE RECOMMENDATION

During the year there was no such recommendation of the Audit Committee which was not accepted by the Board. Hence there is no need for the disclosure of the same in Report.

HUMAN RESOURCE DEVELOPMENT

The Company has always valued its employees. The HR department is geared towards ensuring recruitment, retention and development of the best talent in the industry with focus to contribute, strive towards excellence continuously.

AUDITORS REPORT

The observations made by the Auditors with reference to the accounts for the year ended 31st March 2010 are self-explanatory and therefore, do not call for any comments under Section 217(3) of the Companies Act, 1956.

The Company practices various interactive sessions Building, Motivation and on Stress Management to keep employees motivated and improve their work style. The Company has also conducted various training programs across departments for enhancing the Sales, Editing and Managerial skill of the employees.

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956

The information required to be furnished under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, is given under:

INDUSTRIAL RELATIONS

Name	Prad eep Gupta	Shyam Malhotra	Krishan Kant Tulshan
Designation	Chairman and Managing Director	Executive Director	Executive Director
Age	55	55	47
Remuneration (in Rs.)	2,923,200	3,083,000	2,885,400
Nature of employment	Full time Employee	Full time Employee	Full time Employee
Other terms and conditions	Appointed for a period of three years from March 1, 2010 to February 28, 2013	Appointed for a period of three years from March 1, 2010 to February 28, 2013	Appointed for a period of three years from March 1, 2010 to February 28, 2013
Nature of duties	Overall management, administration of the organisation	Information Technology and HR	Accounts, Finance, Corporate and Legal
Qualifications	B.Tech, MBA	B.Tech, MBA	B Com (Hons), FCA
Experience	27	27	25
Date of commencement of Employment	10.09.1982	01.10.1995	07.02.1997
Last Employment		Eicher Goodearth Limited	
Percentage of equity shares	26.39%	0.07%	0.87%

ANNEXURE A TO THE DIRECTOR S REPORT AS PER SECTION 217 (1) (e) OF COMPANIES ACT, 1956.

Information relating to conservation of energy, technology absorption, research and development and foreign exchange earning and outgo forming part of directors report in terms of section 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 as follows:-

A. Conservation of Energy

The operations of the Company are not energy-intensive. However, significant measures are taken to reduce energy consumption by using energy efficient equipment. The Company constantly evaluates and invests in new technology to make its infrastructure more energy efficient and also under cost reduction measure the management has internally issued different circulars for use of natural light in place of tube lights; Administration keep a regular check on whether the Computer systems provided to the employees have been shut down properly at the time of closure of office etc.

No new investment is made on such energy saving devices during the financial year. Further since energy costs comprise a very small part of your Company stotal expenses, the financial implications of these measures are not material.

B. Technology absorption

Research and Development (R & D)

i) Specific areas in which R & D carried out by the Company

The Company firmly believes in that research and development of new techniques and processes will help the Company grow and thus it is taking steps to upgrade and modernize its processes by adopting latest technology developments in the field. However presently Research & Development costs comprise a very small part of your Company s total expenses and hence the financial implications of these measures are not material.

The Company uses latest equipment and state of the art technology to provide a sophisticated and tech friendly environment to its employees.

Company uses a diverse mix of technology platforms across its national and regional headquarters that s partly driven by business need; partly by its publications need to test a lot of technologies they write about both within its extensive testandbin a real business environment; and finally, by its need to use a number of the technology areas that it evangelizes, such as intranet applications and the Linux platform.

CyberHouse and all three CyberMedia regional headquarters are also wireless-enabled, with

Media

Launched print edition of MIT s Technology Review.

Company has transitioned its product Living Digital to online format.

Company has launched its product on e-reader and iPad platforms.

Its product Halsbury Law Monthly was suspended

Each of the brands continued to serve their respective communities through print products, websites and face-to-face events. The media business for FY10 was Rs. 477.89 mn (previous year Rs. 643.24 mn).

a. Print The Company continues to maintain strong market share in B2B media.

In some of the other areas such as biotech and entrepreneurship, the Company is a pioneer and has no competitors.

b. Events: The Company now conducts over 100 events and has created some strong properties such as EmTech, CIO Summit, CEO Conclave, C-Change, Solution Provider Summit, e-Revolution, eGov Summit, SMB Forum, IT Panchayats etc.

c. Internet The network of sites drew 915,000 visits (912,000) with overall page views of 6.35 (5.65 million last year) and subscriber base of 350,000 (300,000 last year).

d. Television The Company launched the Season II of ICICI SME CEO Knowledge Series on CNBC TV 18 and CNBC Awaaz. It also launched an innovative television show to showcase ICT applications for the masses titled E-Kranti which successfully completed 26 episodes on DD National (Hindi Belt). The Company also signed an MOU with Entrepreneurship Development Institute, Ahmedabad to launch a project titled Entrepreneurship Unleashed across various Indian states.

Note: The figures given in brackets () relate to previous year 2008-09.

IV. Outlook

With the economic scenario also showing signs of improvement, we are targeting growth through focus on innovation and cost efficiency across segments. We believe that through better understanding of the consumers, migration to digital formats, and sustained efforts in innovation we shall be able to achieve our growth targets.

1. DARE, our magazine on Entrepreneurship, was honored with the Asian Multimedia Publishing Award, at the Asian Publishing Convention, held at Manila in July 2009 for delivering content and advertising using its multimedia project, Saahas. The project was declared as the most outstanding amongst 74 entries from 44 countries.

2. BioSpectrum India edition was referred to as a model for catalytic development of an industry segment and profiled in the revised Millennium Biotech Policy of Government of Karnataka.

V. Risks and Concerns

1. Global Economic Crises

Significant hit of economic recession had a manifold fallout impact on the print media and publication Industry. Even though the recovery has started taking place, it will take some time for the industry to revive completely. The Company is however targeting growth through innovation and focus on cost efficiency.

2. Competition

Despite the entry of newer media players in the industry, the Company continues to maintain its strong market share because of its close relationship with advertisers and strong bonding with its readers.

Media Services:

a. Content Services The top line for FY10 was Rs. 383 mn (382 mn).

b. Market Research IDC India Ltd. remains the market leader in IT and Telecom market research. The top line for FY10 was Rs. 129 mn (169 mn).

c. Content Distribution The revenue for FY10 was Rs. 40 mn (36 mn).

VI. Internal Control Systems and Their Adequacy

The Company has adequate control procedures commensurate with its size and nature of business. The internal control systems are well documented, policies, guidelines, authorizations and approval procedures. The company has an audit committee, which comprises of

three non-executive independent directors Dr. Ashok Agarwal (Chairman), Mr. Rohitasava Chand and Mr. Most Mehta. The audit committee's observations are acted upon by the management.

VIII Human Resources

The Company has always valued its employees. The HR department is geared towards ensuring recruitment and retention and development of the best talent in industry with focus to contribute, strive to excellence continuously.

The Company practices various interactive sessions Team Building, Motivation and on Stress Management to keep the employees motivated and improve their work style. The Company has also conducted various training programs across departments for enhancing the Sales, Edit and Managerial skill of the employees. The total employee strength at the end of financial year 2009-10 was 450.

Cautionary Statements

Certain statements in this Annual Report may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes. Local political or economic developments, technological risks and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. Cyber Media (India) Limited will not be in anyway responsible for any statements based on such statements and undertakes no obligations to publicly update these forward-looking statements to reflect subsequent events or circumstances.

VII. Performance Review (Rupees Million)

Particulars	Consolidated		Standalone	
	FY 10	FY 09	FY 10	FY 09
Total Income	1,011.37	1,216.82	388.10	578.93
Expenditure				
- Direct Expenses	492.37	635.21	234.77	341.31
- Personnel Expenses	317.93	385.57	99.88	123.68
- Other Expenses	163.28	205.26	67.02	87.11
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- Financial Expenses	44.57	51.09	17.58	20.65
- Depreciation	47.01	49.49	15.45	18.48
- Exceptional Expenses		3.98		
Profit Before Tax for the Year	(53.79)	(113.78)	(46.60)	(12.30)
Provision for Taxation	(19.61)	(35.58)	(16.72)	(2.74)
Profit After Tax for the Year	(34.18)	(78.20)	(29.88)	(9.56)

The company had initiated measures in FY10 to address profitability concerns. The measures have started yielding results. EBITDA of the Company on consolidated basis has turned positive from Rs. (9.21) million in FY09 to Rs. 37.97 million in FY10 due to stringent cost control measures adopted by the Company. On standalone basis the turnover declined from Rs. 578.93 million FY09 to Rs. 388.10 million in FY10. The expenses of the Company both on consolidated

1. Company s Philosophy on Code of Governance names of Companies in which they hold Directorship and the membership of the Committees of the Board is as under
The Company believes that in order to create wealth for all stakeholders it is imperative to adhere to the norms of good corporate governance.

a) Mr. Pradeep Gupta aged

The management believes that in order to be one with the corporate as well as the social environment, an enterprise must conform to ethical business principles, processes and methodologies, so as to construct a robust structure, which besides generating value for its investors ensures effective discharge of its social obligations.

2. Board of Directors

(i) Composition

The Board of Directors of the Company consists of persons who are professionally sound and competent in their respective field. The Board of Directors comprises of six Directors of whom three are Executive Directors and three are Non-Executive Independent Directors.

The composition of the Board asst March, 2010 is as follows:

Name	Category	Other Directorships*	Committee Membership/ Chairmanship in other companies	
			Chairman	Member
Mr. Pradeep Gupta	Promoter Chairman and Managing Director	10	Nil	Nil
Mr. Shyam Malhotra	Executive Director	7	Nil	Nil
Mr. Krishan Kant Tulshan	Executive Director	8	Nil	Nil
Mr. K. S. Mehta	Non-Executive Independent Director	1	Nil	Nil
Dr. Ashok Agarwal	Non-Executive Independent Director	3	Nil	1
Mr. Rohit Chand	Non-Executive Independent Director	9	Nil	5

* Number of Directorships in other Companies excludes directorships held in private limited companies, foreign companies and companies under section 25 of the Companies Act, 1956.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per requirement of Clause 49) across all Companies in which he is a Director.

None of the Non-Executive Directors of the Company hold any shares/convertible instruments in the Company, except Mr. K. S. Mehta who holds 47,173 (0.475) Equity Shares of the Company.

The Constitution of the Board as well as of the various Committees of the Board conforms to the requirements of the Code of Corporate Governance.

Brief resume of the Directors who are proposed to be re-appointed at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and

The annexure referred to in the auditors report to the Thus, clause (iii) (e), (iii) (f), (iii) (g) members of Cyber Media India Limited (the Company) for 4 of the Order are not applicable to the Company. the year ended March 31, 2010. We report that:

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and sales publications and other allied services. Further, the basis of our examination of the books and records of the Company, and according to the information and explanations given to us we have neither come across nor have been informed of any continuing failure or correct major weakness in the aforesaid internal control procedures.
- b) The fixed assets are physically verified by the management according to a phased programme designed to cover the assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption. In respect of the contracts or arrangement referred in Section 301 of the Companies Act, 1956 :

- (ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. In our opinion and according to the information and explanation given to us, the transactions made pursuant to contacts or arrangements that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) 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. In our opinion and according to the information and explanation given to us, the transactions made pursuant to contacts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.500,000 in respect of each party during the year have been made at a price which appear reasonable as per the information available with the company.
- c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

- (iii) The Company has granted unsecured loans of Rs. 5,423,621/- (including interest) to Companies covered in the register maintained under Section 301 of the Companies Act, 1956, as detailed below: (vi) The Company has not accepted any deposits from the public. (vii) In our opinion, the Company has an internal system commensurate with the size and nature of business.

Relationship	Associate
--------------	-----------

Name	Cyber Astro Limited (viii)
------	----------------------------

Closing Balance at the end of the year (Rs.)	5,423,621
--	-----------

Maximum amount due at any time during the year (Rs)	5,423,621 (ix)
---	----------------

In our opinion the rate of interest and other terms and conditions on which loans have been granted to Companies listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company. (viii) The Central Government has not prescribed the maintenance of any cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the Company. (ix) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, and other statutory dues applicable to it and there are no statutory dues which were outstanding, as at March, 2010 for a period of more than six months from the date they become payable.

In respect of loans granted, the receipt of principal amounts and interests are as stipulated and, thus, clause (iii) (d) of paragraph 4 of the Order is not applicable to the Company. According to the information and explanation given to us and the records of the Company examined by us there are no dues of sales tax, income-tax, customs duty, wealth tax, service tax, excise duty, cess or any other statutory dues as at March 31, 2010 which have been deposited on account of dispute except as mentioned below:

The Company has not taken any loan from Companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, under : -

- (x) The accumulated losses of the Company at the end of the financial year are not more than 50% of long-term investments. The Company has incurred cash losses of Rs. 31,155,581 in the financial year but not in the immediately preceding Financial Year.
- (xi) Based on our audit procedure and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is neither a chit fund Company nor a nidhi Company or a mutual benefit Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
- (xvi) The terms have been applied for the purpose for which they were raised.
- (xvii) Based on information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds
- (xviii) The Company has not made any preferential allotment of shares to Companies/firms/parties covered in the register maintained under section 30 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any monies by way of public issue during the year.
- (xxi) During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- New Delhi,
Dated: August 12, 2010.

For Arun Dua & Co.
Chartered Accountants
(Regn.No. F.R.N.005435N)

Arun Kumar
Proprietor
Membership Number: 082623

CYBER MEDIA (INDIA) LIMITED

BALANCE SHEET AS AT 31st MARCH 2010

(all figures in INR)

	Schedule No.	As at 31st March 2010	As at 31st March 2009
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	100,012,420	100,012,420
Share Warrants Forfeited		11,285,726	11,285,726
Reserves & Surplus	2	231,894,486	264,366,334
		<u>343,192,632</u>	<u>375,664,480</u>
Loan Funds			
Secured Loans	3	155,311,861	172,641,510
Unsecured Loans	4	9,211,156	3,850,000
		<u>164,523,017</u>	<u>176,491,510</u>
Deferred Tax Liabilities			14,218,000
Total		<u><u>507,715,649</u></u>	<u><u>566,373,990</u></u>
Application of Funds			
Fixed Assets			
Gross Block	5	268,697,263	261,834,049
Less: Depreciation		127,019,118	112,135,977
Net Block		141,678,145	149,698,072
Capital Work in Progress		79,311	79,311
		<u>141,757,456</u>	<u>149,777,383</u>
Deferred Tax Assets		2,556,000	
Investments	6	274,035,188	274,034,688
Current Assets, Loans & Advances			
Inventories	7	3,265,546	1,28,889
Sundry Debtors	8	143,361,682	164,501,647
Cash & Bank Balances	9	10,540,012	21,219,660
Loans & Advances	10	48,225,193	44,898,358
		<u>205,392,438</u>	<u>247,548,554</u>
Less:			
Current Liabilities & Provisions			
Current Liabilities	11	107,782,732	106,535,237
Provisions	12	16,692,810	17,938,199
		<u>124,475,542</u>	<u>124,473,436</u>
Net Current Assets		80,916,891	123,075,118
Miscellaneous Expenditure	13	8,450,114	19,486,801
Total		<u><u>507,715,649</u></u>	<u><u>566,373,990</u></u>
Significant Accounting Policies	19		
Notes to the Accounts	20		
Balance Sheet Abstract & Company s	21		
General Business Profile			

Schedules referred above form an integral part of this Balance Sheet.

As per our report attached

For and on behalf of

For and on behalf of Board of Directors

Arun Dua & Co
Chartered Accountants
(Regn.No.F.R.N.005435N)

Pradeep Gupta
Chairman & Managing Director

Arun Kumar
Proprietor
Membership No. 082623

Krishan Kant Tulshan
Executive Director

New Delhi
Dated : August 12,2010

Shilpi Gupta
Company Secretary

CYBER MEDIA (INDIA) LIMITED

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

(all figures in INR)

	Schedule No.	Year Ended 31st March 2010	Year Ended 31st March 2009
INCOME			
Sales & Services Income		380,966,988	567,822,508
Other Income	14	7,131,094	11,106,145
		<u>388,098,082</u>	<u>578,928,653</u>
EXPENDITURE			
Direct Expenses	15	234,774,315	341,310,999
Personnel Expenses	16	99,883,137	123,683,773
Other Expenses	17	67,016,518	87,114,173
		<u>401,673,970</u>	<u>552,108,945</u>
EBITDA		<u>(13,575,888)</u>	<u>26,819,708</u>
Financial Expenses	18	17,579,693	20,648,105
Depreciation & Amortization	5	15,454,369	18,479,500
		<u>33,034,062</u>	<u>39,127,605</u>
PROFIT BEFORE TAX		<u>(46,609,950)</u>	<u>(12,307,896)</u>
Provision for Taxes			(12,307,896)
Deferred Tax		(16,774,000)	(4,281,000)
Fringe Benefit Tax			1,500,000
Wealth Tax		49,320	34,200
		<u>(16,724,680)</u>	<u>(2,746,800)</u>
Profit After Tax		<u>(29,885,270)</u>	<u>(9,561,096)</u>
Balance brought forward		1,409,731	10,121,076
Available for appropriations		<u>(28,475,539)</u>	<u>559,980</u>
Appropriations			
Dividend Tax			(849,751)
Balance carried forward		<u>(28,475,539)</u>	<u>1,409,731</u>
		<u>(28,475,539)</u>	<u>559,980</u>
Earnings Per Share			
Equity Share of par value of Rs. 10/- each			
Before exceptional items			
Basic		(2.99)	(0.96)
Diluted		(2.99)	(0.96)
After exceptional items			
Basic		(2.99)	(0.96)
Diluted		(2.99)	(0.96)
Number of shares used in computing earnings per share			
Basic		10,001,242	10,001,242
Diluted		10,001,242	10,869,843
Significant Accounting Policies	19		
Notes to the Accounts	20		
Balance Sheet Abstract & Company s	21		
General Business Profile			

Schedules referred above form an integral part of this Profit and Loss Account.

As per our report attached

For and on behalf of

Arun Dua & Co
Chartered Accountants
(Regn.No.F.R.N.005435N)

Arun Kumar
Proprietor
Membership No. 082623

New Delhi
Dated : August 12,2010

For and on behalf of Board of Directors

Pradeep Gupta
Chairman & Managing Director

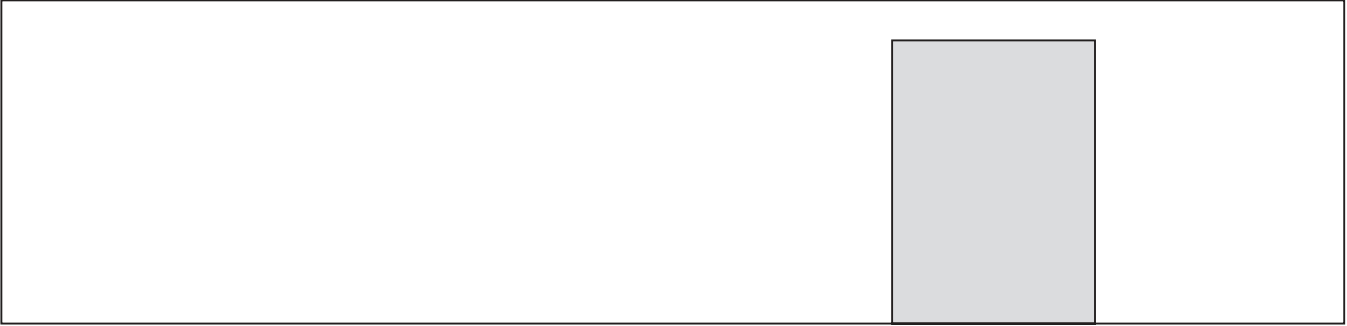
Krishan Kant Tulshan
Executive Director

Shilpi Gupta
Company Secretary

CYBER MEDIA (INDIA) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

(all figures in INR)

	As at 31st March 2010	As at 31st March 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	(46,609,950)	(12,307,896)
Adjustments for:		
Depreciation and Amortization	15,454,369	18,479,500
Difference in foreign exchange	1,202,118	(3,070,560)
Deferred Revenue Expenditure	8,450,110	8,450,110
Loss on sales of assets	679,255	217,832
Employee Benefits	(1,245,389)	2,481,972
Interest Income	(1,731,396)	(1,966,392)
Dividend Income		(5,000,000)
Interest Expense	16,637,170	18,692,822
	<u>39,446,238</u>	<u>38,285,283</u>
Operating Profit before Working Capital Changes	(7,163,712)	25,977,387
Adjustments for:		
(Increase) Decrease in Inventories	13,663,343	(202,129)
(Increase) Decrease in Debtors	21,139,965	1,744,402
(Increase) Decrease in Loans and Advances	580,089	2,195,099
(Decrease) Increase in Current Liabilities	1,247,495	48,254,640
	<u>36,630,892</u>	<u>51,992,011</u>
Cash Generated from Operations	29,467,180	77,969,398
Income tax paid	3,956,246	(13,794,285)
Net Cash from Operating Activities	<u>25,510,935</u>	<u>64,175,113</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Inflow:		
Sale of fixed assets	453,600	181,235
Interest received	1,731,396	1,966,392
Dividend received		5,000,000
	<u>2,184,996</u>	<u>7,147,627</u>
Outflow:		
Acquisition of fixed assets	8,567,297	2,225,650
Purchase of investments	500	
	<u>8,567,797</u>	<u>2,225,650</u>
Net Cash from Investing Activities	<u>(6,382,801)</u>	<u>4,921,977</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Inflows:		
Proceeds from Unsecured loans	5,361,156	825,000
	<u>5,361,156</u>	<u>(41,603,732)</u>
Outflows:		
Dividend Paid (Including dividend tax)		5,000,726
Interest Paid	16,637,170	18,692,822
Payment of Secured Loan	17,329,649	42,428,732
	<u>33,966,819</u>	<u>66,122,280</u>
Net Cash from Financing Activities	<u>(28,605,663)</u>	<u>(65,297,280)</u>



CYBER MEDIA (INDIA) LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(all figures in INR)

	As at 31st March 2010	As at 31st March 2009
SCHEDULE 1		
SHARE CAPITAL		
Authorized 12,500,000 (12,500,000) Equity Shares of Rs. 10/- each	125,000,000	125,000,000
Issued, Subscribed, Called and Paid Up		
3,815,304 (3,815,304) Equity Shares of Rs. 10/- each, fully paid up in cash	38,153,040	38,153,040
6,185,938 (6,185,938) Equity Shares of Rs. 10/- each, fully paid up issued as bonus shares by capitalization of general reserves	61,859,380	61,859,380
Total	<u>100,012,420</u>	<u>100,012,420</u>
SCHEDULE 2		
RESERVES AND SURPLUS		
Securities Premium Account As per last Balance Sheet	132,956,602	135,543,179
Less: IPO expenses written off	2,586,577	2,586,577
	130,370,025	132,956,602
General Reserve As per last Balance Sheet	130,000,000	130,000,000
Profit & Loss Account	(28,475,539)	1,409,731
Total	<u>231,894,486</u>	<u>264,366,333</u>
SCHEDULE 3		
SECURED LOANS*		
Loans and Advances from Banks		
Term Loan**	58,726,089	80,245,537
Cash Credit	96,436,789	91,833,635
	155,162,878	172,079,172
Loans and Advances from Others		
Term Loan***	148,983	562,338
Total	<u>155,311,861</u>	<u>172,641,510</u>
* Secured by charge over certain assets of the Company (see note 1 of schedule 20)		
** Payable within one year	22,019,193	22,333,047
*** Payable within one year	148,983	413,548
SCHEDULE 4		
UNSECURED LOANS		
Other Loans and Advances Sundry Parties	9,211,156	3,850,000
Total	<u>9,211,156</u>	<u>3,850,000</u>

CYBER MEDIA (INDIA) LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(all figures in INR)

	As at 31st March 2010	As at 31st March 2009
SCHEDULE 6 INVESTMENTS		
Long Term		
Trade Unquoted		
Cyber Media Careers Limited 4,462,399 (4,462,399) Equity Shares of Rs. 10/ each fully paid up	44,623,990	44,623,990
Cyber Media Foundation Limited 250,000 (250,000) Equity Shares of Rs. 10/ each fully paid up	2,500,000	
Cyber Astro Limited 75,000 (75,000) Equity Shares of Rs. 10/ each fully paid up	750,000	
	<u>47,873,990</u>	<u>47,873,990</u>
Subsidiary Companies-unquoted		
Cyber Media India Online Limited 11,435,700 (11,435,700) Equity Shares of Rs. 1/ each fully paid up	12,497,600	12,497,600
IDC (India) Limited 150,000 (150,000) Equity Shares of Rs. 10/ each fully paid up	1,500,000	1,500,000
Cyber Media Digital Limited 100,070 (100,070) Equity Shares of Rs. 10/ each fully paid up	1,000,700	1,000,700
Cyber Media Events Limited 50,070 (50,070) Equity Shares of each fully paid up	500,700	500,700
Cyber Media Services Limited 9,000 (89,950) Equity Shares of Rs. 10/ each fully paid up	80,500,000	80,499,500
Cyber Holdings Limited 50,070 (50,070) Equity Shares of each fully paid up	500,700	500,700
Cyber Media Singapore Pte. Limited 30,000 (30,000) Equity Shares of each fully paid up	836,400	836,400
Cyber Media India LLC Representing 100% ownership interest	128,825,098	128,825,098
	<u>226,161,198</u>	<u>226,160,698</u>
Total	<u>274,035,188</u>	<u>274,034,688</u>
Aggregate face value of Unquoted Investments	193,373,288	193,372,788
SCHEDULE 7 INVENTORIES		
Newsprint	3,265,546	16,928,889
Total	<u>3,265,546</u>	<u>16,928,889</u>

CYBER MEDIA (INDIA) LIMITED
SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2010

(all figures in INR)

	As at 31st March 2010	As at 31st March 2009

CYBER MEDIA (INDIA) LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31ST MARCH 2010

(all figures in INR)

	Year Ended 31st March 2010	Year Ended 31st March 2009
SCHEDULE 14		
OTHER INCOME		
Dividend from Subsidiary Companies		5,000,000
Rentals		420,750
Interest on Loans to Subsidiaries-Gross	502,580	672,757
Interest on Loans to Others-Gross	547,957	547,956
Interest on Fixed Deposits Gross	680,859	745,679
Exchange Rate Difference (Net)		3,070,560
Miscellaneous Income	5,399,698	648,442
Total	7,131,094	11,106,145
Tax Deducted at Source :		
Interest on Loan to Subsidiaries	100,516	152,447
Interest on Loan to Others	102,526	124,164
Interest on Fixed Deposits	67,497	162,217
Others		97,153
SCHEDULE 15		
DIRECT EXPENSES		
Consumption of Newsprint		
Opening Stock	16,928,889	16,726,760
Add: Purchases	7,886,091	30,476,818
	24,814,980	47,203,578
Less Closing Stock	3,265,546	16,928,889
	21,549,434	30,274,689
Content Expenses	80,352,780	88,009,958
Discount/Commission on Sales & Services	87,955,083	144,840,995
Packing & Despatch	11,736,333	22,319,030
Printing & Processing	33,180,685	55,866,328
Total	234,774,315	341,310,999
SCHEDULE 16		
PERSONNEL EXPENSES		
Salaries, Bonus & Allowances	92,012,612	114,212,293
Contribution to PF & Other Funds	4,573,121	5,447,243
Staff Welfare	2,533,501	3,375,855
Staff Recruitment & Training	763,903	648,382
Total	99,883,137	123,683,773

CYBER MEDIA (INDIA) LIMITED

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

(all figures in INR)

	Year Ended 31st March 2010	Year Ended 31st March 2009
SCHEDULE 17		
OTHER EXPENSES		
Rent	9,165,654	8,673,316
Rates & Taxes	175,777	20,016
Printing & Stationary	1,515,162	2,507,813
Correspondence & Communication	4,743,341	9,406,244
Travelling & Conveyance	14,972,210	18,857,218
Vehicle Running & Maintenance	2,197,466	2,749,722
Insurance	290,648	221,742
Electricity & Water	1,448,702	3,271,864
Repair & Maintenance Building	532,888	344,057
Repair & Maintenance Plant & Machinery	775,314	1,565,572
Repair & Maintenance Others	236,391	682,607
Directors Fees	58,000	56,000
Legal & Professional Charges	9,349,816	7,366,226
Remuneration to Statutory Auditors	83,000	82,725
Newspaper, Books & Periodicals	774,186	1,082,830
Miscellaneous Expenses	65,77,908	8,242,240
Advertisement & Publicity	12,238,682	21,766,149
Exchange Rate Difference (Net)	1,202,118	
Loss on sale of assets	679,255	217,832
Total	<u>67,016,518</u>	<u>87,114,173</u>
SCHEDULE 18		
FINANCIAL EXPENSES		
Interest on Bank Term Loan	5,025,607	7,216,471
Interest on Cash Credit Facility	10,915,923	11,293,631
Interest on Other Loans	695,640	182,720
Financial Charges	<u>16,637,170</u>	<u>18,692,822</u>
	942,523	1,955,283
Total	<u>17,579,693</u>	<u>20,648,105</u>

SCHEDULE 19

Statement of Significant Accounting Policies

The significant accounting policies adopted by the Company in respect of these financial statement, are set out below:

- 1) Basis of Preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956, and pronouncements of the Institute of Chartered Accountants of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The management evaluates all recently issued or revised accounting standards on an ongoing basis.
- 2) Revenue Recognition

Revenues of all material items and nature are recognized in accordance with Accounting Standard 9, i.e., at the time of rendering of services or sales. If at the time of rendering of services or sales there is significant uncertainty in ultimate collection of the revenue, then the recognition is postponed and in such cases revenue is recognized only when it becomes reasonably certain that ultimate collection will be made. When uncertainty of collection of revenue arises subsequently after the recognition, provision for the uncertainty in collection made rather than adjustment in revenue already recognized. Turnover includes gross value of goods and services and service tax. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking in to account year the amount outstanding and rate applicable.
- 3) Fixed Assets, Intangible Assets and Capital Work-In - Progress

Fixed Assets are stated at cost less accumulated depreciation. Direct costs are capitalized until fixed assets are ready to use. Capital work-in progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not ready for their intended use at the balance sheet date. Intangible assets are recorded at the consideration paid for acquisition.
- 4) Depreciation/ Amortization

Depreciation is provided on the straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act 1956 on all the assets. Intangible Assets are amortized in accordance with Accounting Standard 26 on Intangible Assets. Purchased Intangible Assets are accordingly amortized on a straight line method over their estimated useful lives of 10 years. Software licenses are a purchase cost below Rs.5000 are fully amortized in the year of acquisition itself.

The cost of internally generated Intangible assets are accordingly amortized on a straight line method over their useful life of 10 years.

Depreciation for assets purchased / sold during a period is proportionately charged. Individual low cost assets (acquired for less than Rs. 5,000/-) are entirely depreciated in the year of acquisition

5) Investments
 Investments are the investments made to enhance the Company's business interests. Investments are classified as current and long-term based on management intention at the time of purchase. Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost and provision is recorded to recognize any decline, other than temporary, in the carrying value of each investment.

6) Inventory
 Inventory of Newsprint, goods in transit are stated at cost or net realizable value, whichever is lower. Cost includes all cost of purchase, cost of conversion and other incurred in bringing the inventories to their present location and condition. Cost formulae used are First In First Out, Average cost, or Specific Identification, as applicable.

7) Foreign Currency Transactions
 Transactions in Foreign Currency are recorded at the exchange rate prevailing at the date of transaction. Monetary items are restated at year-end foreign exchange rates. Resultant exchange differences arising on payment of liabilities are recognized as income or expense in the year in which they arise.

8) Retirement Benefits
 The Company's contribution to the Employees Provident Fund is charged to the profit and loss account on time proportion basis taking in to account year the amount outstanding and rate applicable.

b) Short term employee benefits (Medical, Leave travel allowance, etc.) expected to be paid in exchange for the services rendered are recognised on undiscounted basis

d) Gratuity and Leave encashment are provided for on the basis of an actuarial valuation using projected unit credit method (PUCM).

9) Taxation
 Income tax is computed using the tax effect accounting method; where income tax is accrued in the same period in which the related revenue and expenses arise. Provision is made for income tax annually based on the liability computed, after considering tax allowances and exemptions. Provision is also recorded when it is estimated that a liability due to disallowances or matters is probable.

The differences that result between the profit computed before income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or liability is recognized.

asset or deferred tax liability is recorded for shares used in computing basic earnings per share is the differences, namely the differences that originate in the weighted average number of shares outstanding during accounting period and reverse in another, based on the period. The number of shares used in computing Diluted tax effect of the aggregate amount being considered. This comprises weighted average shares considered for tax effect is calculated on the accumulated timing differences Basic EPS, and also the weighted average number differences at the end of an accounting period based on equity shares which could have been issued on the prevailing enacted or substantively enacted regulations conversion of all dilutive potential equity shares. The Deferred tax assets are recognized only if there is a dilutive effect, if any, of potential equity shares on a reasonable or virtual certainty that they will be realized ignored as per the requirement of accounting standard -20 on Earning Per Share . and are reviewed for the appropriateness of the respective carrying values at each balance sheet date.

13) Provisions ,Contingent Liabilities and contingent Assets

10) Borrowing Cost

Borrowing cost attributable to the acquisition of a qualifying asset is capitalized as a result of past events and it is probable of the cost of that asset. A qualifying asset is one that will be an outflow of resources .Contingent liability takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Provisions involving substantial degree of estimation measurement are recognized when there is 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. Contingent liability is not recognized but disclosed in the financial statement.

11) Impairment of Assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash generating units).

14) Deferred Revenue Expenditure

Deferred Revenue Expenditure represents new projects implementation cost to be amortized over a period of 60 months or earlier equally, commencing from the month of commencement of commercial activities of the project. Initial Public Offering (IPO) Expenses are written off from share premium account as per section 78(2) (c) of the Companies Act in five equal accounting year commencing with the year of listing of equity share on the designated stock exchange.

12) Earnings Per Share

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extraordinary / exceptional items. The number of shares are charged to the Profit & Loss Account.

SCHEDULE 20
NOTES TO THE ACCOUNTS

1) Particulars of securities charged against secured loans taken by the Company are as follows: (Rs

Particulars	As At 31.03.2010	As at 31.03.2009	Security Charged
Term Loan from Banks: State Bank of Mysore:- Medium Term Loan Buyer s Credit	57,312	71,768 5,120	First charge on all the present and future, movable (excluding those charged to hire-purchasers) and immovable assets including current assets of the Company. Personal guarantee of Mr. Pradeep Gupta.
ICICI Bank Limited	74	967	Secured against specific vehicles.
HDFC Bank Limited	1,340	2,390	Secured against specific vehicles.
Total	58,726	80,245	
Cash Credit Facilities from Banks: State Bank of Mysore	96,436	91,834	First charge by way of hypothecation on the entire inventory, consumables, book-debts and receivables.
Term Loan from Others: Kotak Mahindra Primus Limited	113	381	Secured against specific vehicles.
Maruti Country Wide Auto Financial Services Limited	36	45	Secured against specific vehicles.
GMAC F inancial Services (India) Private Limited		136	Secured against specific vehicles.
Total	149	562	
Grand Total	155,311	172,641	

2) Taxation

Breakup of net deferred tax liabilities into major components of the respective balances is (Rs. in thousands):

Deferred Tax Assets/Liabilities	As at 01.04.2009	Charged / (Credited) to Profit & Loss Account	As at 31.03.2010
Deferred Tax Liabilities (A):			
Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation	24,105	47	24,152
Deferred Tax Assets (B):			
Employees Benefits	6,097	(424)	5,673
Business losses	3,790	17,245	21,035
Net Deferred Tax Liability/(Asset) (A - B)	14,218	(16,774)	(2,556)

Deferred tax credit has been calculated using the income tax rates as applicable to assessment year 2010. Assets and liabilities are being offset as they relate to taxes on income levied by the same governing tax laws.

3) Employee Benefits

In accordance with AS 15 notified under the Companies (Accounting Standards) Rules 2006, the requisite disclosures are as follows:

a. Description of the type of plan(s):

i. Gratuity Plan:

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The liability is calculated in accordance with the Payment of Gratuity Act, 1972.

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8) Directors Remuneration:

(Rs.' 000)

Particulars	As at 31.03.2010	As at 31.03.2009
Salaries, allowances & bonus	8,524	8,310
Contribution to Provident & other funds	367	367

9) Licensed Capacity, Installed Capacity & Actual Production:

Since the Company is not a manufacturing organization, there is no information required to be disclosed for capacity, installed capacity & actual production.

10) Newsprint Consumption:

(Rs.' 000)

Class of Goods	As at 31.03.2010		As at 31.03.2009	
	Quantity (kg)	Value	Quantity (kg)	Value
Newsprint	304,284	21,817	582,842	30,274

11) Value of Materials Consumed:

(Rs.' 000)

Class of Goods	As at 31.03.2010		As at 31.03.2009	
	%	Value	%	Value
Imported	82.43	17,982	63.71	19,288
Indigenous	17.57	3,835	36.29	10,986
Total	100	21,817	100	30,274

12) Value of Imports on CIF Basis:

(Rs.' 000)

Particulars	As at 31.03.2010	As at 31.03.2009
Newsprint	3,254	20,347

13) Earnings in Foreign Exchange:

(Rs.' 000)

Particulars	As at 31.03.2010	As at 31.03.2009
Advertisement	32,979	72,138
Subscription	79	123
Research & Survey	109	1,799
Event Management Income	9,287	287

14) Expenditure in Foreign Currency:

(Rs.' 000)

Particulars	As at 31.03.2010	As at 31.03.2009
Royalty	5,227	426
Travelling Expenses	494	2,525
Others	23,165	52,956

15) Dividend Remitted to Non Resident Shareholders in Foreign Currency

Particulars	As at 31.03.2010	As at 31.03.2009
Number of shareholders	15	15
Number of shares held	3,959	4,505
Amount of dividend remitted Rs.	Nil	Nil
Year to which it relates	NA	NA

17) Segment Reporting:

The Company is engaged in the Media business which is identified as the only and primary business segment of the Company. Further all the operating facilities located in India. The information required to be given for secondary segment is as under:

(Rs. in '000)

Geographical Segment	Sales		Carrying Cost of Assets				Capital Expenditure		
	2009	2010	2008	2009	2009	2010	2008	2009	
India	346,693		504,868		623,741		671,360	8,567	2,226
Outside India	41,405		74,060						
Total	388,098		578,928		623,741		671,360	8,567	2,226

18) Contingent Liabilities:

a. Guarantees given to State Bank of Mysore to secure facilities of:

i. As per Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets following liabilities: Guarantees given to State Bank of Mysore to secure facilities of Rs 17.50 million to IDFC Limited, to Cyber Media Digital Limited and Rs. 10 million, to Cyber Media India Online Limited (Formerly Cyber Media Online Limited), subsidiaries of Cyber Media (India) Limited.

ii. Stand by letter of credit favouring Citi Bank, New York to secure the term loan of USD 3.4 million (Previous Year Rs. 177.38 million) sanctioned to Cyber Media India LLC towards the assets purchase of Cyber Media Group, California. The outstanding amount has been increased due to conversion of closing balance of the loan in foreign exchange rates.

b. Total of bank guarantees outstanding as at year end amounting to Rs. 245,700/ given to customs and port department against which 100% margin has already been deposited with the bank. Total of letter of Credit outstanding as at year end were amounting to Rs.3,655,330 against import of paper.

c. Income tax demand on regular assessment by the revenue authorities disputed in appeal as under :

S. No.	Nature of Dues	Amount	Period of Which amount relates	Forum where dispute is pending
1.	Tax on Regular Assessment U/S 143(1) of Income Tax Act, 1961	4,447,193	Financial Year ended 31.03.2006	Commissioner of Income Tax (Appeals) IV, New Delhi
2.	Tax on Regular Assessment U/S 143(3) of Income Tax Act, 1961	530,095	Financial Year ended 31.03.2007	Commissioner of Income Tax (Appeals) VI, New Delhi

19) Other Notes:

