

DIRECTORS

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

BANKERS

State Bank of Mysore

AUDITORS

N.K. Goel & Co.

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CYBER MEDIA

CYBER MEDIA (INDIA) LTD.

Registered Office

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Corporate Office

Cyber House, B-35, Sector-32, Institutional Area,
Gurgaon - 122 002 (Haryana)

Bangalore Office

205, 2nd Floor, #73, Shree Complex,
St. Johns Road, Bangalore - 560 042
Tel: +91 (080) 4123 8238, Fax (080) 4123 8750

Chennai Office

5-B, 6th Floor, Gemini Parsn Apartments, 599,
Mount Road, Chennai - 600 006
Tel : +91 (044) 2822 1712, Fax : (044) 2822 2092

Secunderabad Office

Room No. 5&6, 1st Floor, Srinath Commercial Complex,
S.D. Road, Secunderabad - 500 003
Tel: +91 (040) 2784 1970, Fax: (040) 2789 8134

Mumbai Office

Road No. 16, D-7/1, MIDC, Andheri East, Mumbai - 400 093
Tel : +91 (022) 2838 6171, 2838 7171, Fax : (022) 2838 7242

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D/4, Sukhwani Park, North Main Road,
Koregaon Park, Pune - 411 001
Tel: +91 (020) 6400 4065, Fax: (020) 26119313

Kolkata Office

Room #307, 3rd Floor, Ballygung A.C. Market 46/31/1,
Gariahat Road, Kolkata - 700 019
Tel: +91 (033) 6525 0117

Singapore Office

#14-03, High Street Centre, 1 North Bridge Road,
Singapore - 179 094
Tel: 00-63369142, Fax : 00-63369145

U.S. Office

TDA Group, 800 W. El Camino Real Suite 380
Mountain View, CA 94040
Tel: 650 919 1200, Fax: 650 919 1210

NOTICE

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Notice is hereby given that **Twenty Seventh Annual General Meeting** of the members of Cyber Media (India) Limited will be held on Tuesday, the 8th day of September, 2009 at 10.30 a.m. at the 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

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2009 and the Audited Balance Sheet and Audited Cash Flow Statement as on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K.S Mehta who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Dr. Ashok Agarwal who retires by rotation and being eligible offers himself for re-appointment.
4. To consider, and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Sections 190, 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s Arun Dua & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company, in place of the retiring Auditors M/s N.K. Goel & Co., Chartered Accountants, to examine and audit the accounts of the Company for the financial year 2009-2010, at such remuneration as may be mutually agreed between the Board of Directors and the Auditors."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to section 314(1) of the Companies Act, 1956 and read with Director's Relatives (Office or Place of Profit) Rules, 2003 and/or any amendment or substitution thereof and other provisions of the Act as may be applicable, subject to such other consents, approvals, permissions as may be required, the shareholders, be and hereby approve the appointment of Mr. Dhaval Gupta, relative (son) of Mr. Pradeep Gupta, Chairman and Managing Director, to hold an office or place of profit under the Company as 'Manager-Projects', with effect from 2nd February 2009, together with the usual allowances and benefits, amenities and facilities including accommodation,

medical facilities, leave travel assistance, personal accidents insurance, superannuation fund, retiring gratuity and provident fund benefits applicable to other employees occupying similar posts with in the same salary scale or grade, with authority to Board of Directors to sanction at their discretion and in due course, promotion to the next higher grade or grades and to give increments within that grade or grades as may deem fit or proper and on such terms and conditions and on such remuneration as may be decided by the Board of Directors, provided that the aggregate remuneration payable to Mr. Dhaval Gupta shall not exceed Rs. 50,000 (Rupees Fifty Thousand only per month)".

"RESOLVED FURTHER THAT the shareholders hereby approve the following break-up of Remuneration:

Annual remuneration	5,98,364.00
Fixed Component	4,60,280.00
Variable Component	1,38,084.00
Basic Salary	14,500
House Rent Allowance	10,875
Utility Allowance	2,900
Special Allowance	625
City Compensatory Allowance	1,600
Conveyance Allowance	800
Total Monthly Remuneration	31,300
Annual Remuneration	4,60,280
Annual Payments – as applicable	
Bonus – subject to 20% of Basic Salary	34,800
Medical Reimbursement – subject to one month of Basic Salary	14,500
LTA – subject to one month of Basic Salary	14,500
Employer contribution to EPF – subject to 12% of Basic Salary	20,880

"RESOLVED FURTHER THAT the remuneration payable and other terms and conditions for the appointment Mr. Dhaval Gupta as aforesaid will be subject to such modification(s) as the shareholders may suggest or require which the Directors are hereby authorized to accept on behalf of the Company".

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

**Place : New Delhi
Date : June 23, 2009**

**Sd/-
Shilpi Gupta
Company Secretary**

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 September 01, 2009 to September 08, 2009 (both days inclusive).

4. *Members/Proxies should bring their 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., A-40, Second Floor, Naraina Industrial Area, Phase II, New Delhi-110028.*
7. *As per the provisions of the Companies Act, 1956, facility for making nomination is available to the Shareholders in respect of shares held by them. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.*
8. *In terms of Articles of Association of the Company, Mr. K.S Mehta and Dr. Ashok Agarwal, 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 as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company recommends their respective re-appointments.*

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 4

Appointment of Statutory Auditors

Presently the Company's accounts are being audited by M/s N.K. Goel & Co.,. The Auditors have informed the Company that they do not wish to seek re-appointment as Statutory Auditors of the Company for the financial year 2009-2010.

The Company has received a special notice from a Member of the Company, in terms of the provisions of the Companies Act, 1956 ("Act") signifying its intention to propose the appointment of M/s Arun Dua & Co., Chartered Accountants, as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

In view of the above, and based on the recommendations of the Audit Committee, the Board of the Directors have, at their meeting held on June 23, 2009, proposed the appointment of M/s Arun Dua & Co., Chartered Accountants, as the Statutory Auditors in place of M/s N K. Goel & Co. for the financial year 2009-10.

M/s Arun Dua & Co., Chartered Accountants, have expressed their willingness to act as Statutory Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Act.

The Members' approval is being sought for the appointment of M/s Arun Dua & Co., Chartered Accountants, as the Statutory Auditors and to authorise the Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to the Auditors.

The Board of Directors recommend their appointment and none of the Directors is interested in the Resolution.

Item No. 5:

The Board of Directors in their meeting held on 27th January 2009 and subject to approval of the shareholders appointed Mr. Dhaval Gupta, son of Mr. Pradeep Gupta, Chairman and Managing Director as Manager-Projects with effect from 2nd February, 2009.

Mr. Dhaval Gupta has done B.S. Economics (Honors) and B.S. Cultures of Asia (Honors) from University of Wisconsin-Madison in the year 2005. He has worked for various national and international organizations viz. International Data Corporation (IDC), Asia/Pacific in Singapore, International Data Corporation (IDC), U.S. Framingham, MA, USA, Naukri.com, New Delhi, India and Cadence Design Systems, Inc., San Jose, CA, USA. His presence would give enough leverage to the Company to enter into new projects in the present global scenario.

The proposed monthly remuneration as given in the proposed resolution is comparable with professionals in the Industry with similar qualifications and experience.

The Directors recommend passing of the resolution as special resolution as set out at Item No. 5 for approval.

None of the Directors are interested in the resolution except Mr. Pradeep Gupta.

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

**Place : New Delhi
Date : June 23, 2009**

**Sd/-
Shilpi Gupta
Company Secretary**

DIRECTORS' REPORT

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Dear Members,

Your Directors are pleased to present the **Twenty Seventh** Annual Report on the business and operations of your Company together with the Audited Annual Accounts of the Company for the financial year ended on 31st March, 2009.

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 09	FY 08	FY 09	FY 08
Total Income	1,216.82	1,130.07	578.93	702.06
Expenditure				
- Direct Expenses	635.21	540.42	341.31	372.96
- Personnel Expenses	385.57	298.14	123.68	151.75
- Other Expenses	205.26	151.49	87.11	97.90
- Financial Expenses	51.09	29.35	20.65	21.75
- Exceptional Expenses	3.98	—	—	—
- Depreciation	49.49	30.72	18.48	22.37
Profit Before Tax for the Year	(113.78)	79.95	(12.31)	35.33
Provision for Taxation	(35.58)	25.54	(2.74)	14.46
Profit After Tax for the Year	(78.21)	54.41	(9.56)	20.87

FINANCIAL/OPERATION PERFORMANCE REVIEW

The top-line of the Company on consolidated basis grew by 7.68% though the margins were severely impacted and the Company suffered a loss because of the global recession. The Company has continued its overall strategy of de-risking the business by expanding the media services business as well as reducing the dependence on print ads. Media services now account for 48% of the total turnover as against 34% in the previous corresponding period. The US recession impacted the two acquisitions made by the Company in the US. Consequently, the service business profitability was impacted adversely. Measures have been initiated in H2 2008-09 to address profitability concerns. The impact is likely to be visible in H1 of 2009-2010. The slowdown in the Indian economy also affected the media business due to reduced media spends. However, the Company has maintained its market share. The Company has initiated cost control measures and organizational restructuring, which should result in an improved situation in 09-10.

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 2008-09.

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.

Indian Subsidiaries include:

IDC (India) Limited, Cyber Media India Online Limited, Cyber Media Services Limited, Cyber Media Digital Limited, Cyber Media Events Limited and Cyber Holdings Limited.

Foreign subsidiaries include Cyber Media Singapore Pte Limited and Cyber Media India LLC.

Further Cyber Media India LLC has four subsidiaries viz: TDA Group Inc., Publication Services Inc., Content Matrix LLC, and Global Services Media LLC.

The Company has applied to the Central Government under section 212(8) of the Companies Act, 1956, seeking an exemption from attaching a copy of the Balance Sheet, Profit & Loss Accounts, Director's Report and Auditors Report of the subsidiary companies and other documents required to be attached under section 212(1) of the Act to the Balance Sheet of the Company and the said approval is expected shortly. Accordingly, the said documents are not being attached with the Balance Sheet of the Company. A gist of the financial performance of the subsidiaries is contained in the report. The annual accounts of the subsidiaries companies are open for inspection by any member/investor and the Company will make available these documents/details upon request by any Member of the Company or it's subsidiaries interested in obtaining the same.

The companies which are associate to the Company are Cyber Astro Limited; Cyber Media Careers Limited and Cyber Media Foundation Limited.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits under the provisions of Section 58A of the Companies Act, 1956, and Rules made there under.

BUY BACK OF SHARES

The Company has not exercised the buy back of its equity shares during the year under review.

FORFEITURE OF WARRANTS CONVERTIBLE INTO EQUITY SHARES ISSUED BY THE COMPANY ON PREFERENTIAL BASIS

The Company had allotted 1,000,124 warrants convertible into equity shares to the Promoters on preferential basis on 13th July, 2007. However, due to the non exercise of option of conversion by the respective allottees within the prescribed period of 18 months, the amount paid in terms of clause 13.1 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 was forfeited.

LISTING AT STOCK EXCHANGES

The shares of the Company are listed on the National Stock Exchange and Bombay Stock Exchange. The annual listing fee for the financial year 2009-10 has been paid.

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

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 amended, has been given in Annexure A to this report.

DIRECTOR'S RESPONSIBILITY STATEMENT

Directors Responsibility Statement prepared in accordance with sub-section 2AA of Section 217 of the Companies Act, 1956 regarding compliance with the accounting standards, accounting policies while preparing the financial results of the Company is as follows:

The Directors hereby state:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the Directors had selected such accounting policies and applied them consistently and made judgment 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 and loss 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.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. K.S. Mehta, Non- Executive Independent Director and Dr. Ashok Agarwal, Non-Executive Independent 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.

DIRECTOR IDENTIFICATION NUMBER

Pradeep Gupta: 00007520, Krishan Kant Tulshan: 00009764, Shyam Malhotra : 00006456, Ashok Agarwal: 00019511, Rohit Chand: 00011150, K. S Mehta: 00034726

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.

INDUSTRIAL RELATIONS

The relation between the Company and its employees remained cordial throughout the year. Not a single day was

spent idle due to any strike or bad relations with the employees.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance as per Clause 49 of the Listing Agreement alongwith the certificate of the Auditor's of the Company confirming compliance of the various practices of Corporate Governance is set out in the 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.

AUDITORS

M/s N.K. Goel & Co., the Statutory Auditors of the Company hold office, in accordance with the provisions of the Companies Act, 1956, upto the conclusion of the forthcoming Annual General Meeting to be held on September 08, 2009. M/s N.K. Goel & Co. have communicated that they are not seeking re-appointment as Statutory Auditors of the Company for the financial year 2009-10 at the ensuing Annual General Meeting. The Company has received a special notice from a Member of the Company, in terms of the provisions of the Companies Act, 1956 signifying the intention to propose the appointment of M/s Arun Dua & Co., Chartered Accountants, as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. M/s Arun Dua & Co., Chartered Accountants, have expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed their eligibility. In this regard, attention of Members is invited to item no. 4 of the Notice convening the forthcoming Annual General Meeting.

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 this Report.

AUDITORS REPORT

The observations made by the Auditors with reference to notes on accounts for the year ended 31st March 2009 are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

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 as under:

Name	Pradeep Gupta	Shyam Malhotra	Krishan Kant Tulshan
Designation	Chairman and Managing Director	Executive Director	Executive Director
Age	54	54	46
Remuneration	2,883,600	3,105,600	2,688,000
Qualifications	B.Tech, MBA	B.Tech. MBA	B.Com (Hons) FCA
Experience	27	27	22
Date of commencement of Employment	10.09.1982	01.10.1995	07.02.1997
Last Employment	-	Eicher Goodearth Limited	-

ACKNOWLEDGEMENT

Your Directors would like to take this opportunity to express sincere thanks to the valued members and associates of the Company with a special reference to the valuable services and support of The State Bank of Mysore.

The Directors would also like to express their deep sense of appreciation to all the employees who are committed to strong work ethics, excellent performance and commendable teamwork and have thrived in a challenging environment.

The Directors thank the valued customers for the continued patronage extended by them to your Company. Finally, the Directors wish to express their gratitude to the valued shareholders for their unwavering trust and support.

**For and on behalf of the Board of Directors of
Cyber Media (India) Ltd**

**Place: New Delhi
Date : June 23, 2009**

**Pradeep Gupta
Chairman &
Managing Director**

**Krishan Kant Tulshan
Executive Director**

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's total 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 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 test labs and in 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 Wi-Fi access points deployed, and wireless-enabled laptops with editors and managers. Virtually every employee has a PC in a fully networked environment.

The applications include Circulation, Accounts, CRM, and HR2.

ii) Benefits derived as a result of the above R&D

By virtue of the above initiatives, the Company is able to adopt appropriate technology for rendering better services at competitive prices.

iii) Future plan of action

The Company continues to evaluate and adopt innovative and high quality products and technologies to meet the dynamic consumer needs and drive growth. Continuous focus on reducing costs to fund the growth and reduce the operating costs.

iv) Expenditure on R & D

a) Capital	- N.A.
b) Recurring	- N.A.
c) Total	- N.A.
d) Total R & D expenditure as a percentage of total turnover	- N.A.

Due to nature of the business of the Company, the Company is not into any specific research, therefore, all the expenditures incurred for the activities mentioned in B(i) above, are charged to the respective expenditures accounts and cannot be separately identified.

No imported technology is required by the Company.

C. Foreign Exchange Earnings and Outgo

As per the requirements of clause (e) of sub-section 1 of Section 217 of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, the detail of foreign earnings and outgo is as follows:

Foreign Exchange Particulars	(Rs. In '000)
a) Foreign Exchange Earnings	74347
b) Foreign Exchange Expenditure	55213
Efforts and Initiatives in relation to Exports: The Company's publications are well accepted globally. Company is continuously putting efforts for more global recognition.	

MANAGEMENT DISCUSSION AND ANALYSIS

I. Industry Structure and Developments

Your company is engaged in two segments of business activity. These are:

- 1 Media
- 2 Media Services

1. Media:

2008 was a testing time for the Entertainment and Media (E&M) industry. As per the KPMG-FICCI report on the Entertainment & Media Industry, 2008 "With the global economic slowdown affecting advertising spends, sectors like television, print, radio and outdoor that depend on advertising revenues were affected". However, despite this situation, the report looks forward for better days.

India's Media & Entertainment Industry

Year	Size (\$bn)	% growth
2005	7.72	–
2006	8.9	15.28%
2007	10.4	16.85%
2008	11.68	12.31%
2009	12.56	7.53%
2010	13.94	10.99%
2011	15.82	13.49%
2012	18.22	15.17%
2013	21.04	15.48%

CAGR for 2009-13: 12.5% (Source: KPMG-FICCI Report)

The sector grew 15% annually in the last five years to \$11.68 bn industry in 2008. The growth rate is expected to remain subdued at 7.5% in 2009 and 10% in 2010, according to the report.

The projection for 2009-13 has been reduced to 12.5% compound annual growth rate (CAGR) from the earlier prediction of 18% for the period of 2008-12. Yet, over the next five years, the industry is projected to cross the mark of \$21 bn from \$11.68 bn in 2008.

Print media, the second largest segment of the industry, is expected to grow to \$5.32 bn in 2013 from \$3.45 bn in 2008 with a CAGR of 9%.

Indian Advertising Industry

Advertising Segments(\$ bn)

Segment	2008	2009 Proj	YoY Growth	2013 Proj	CAGR (09-13)
Print	2.16	2.3	5.9%	3.48	10.0%
Television	1.66	1.76	6.9%	3.12	13.5%
OOH	0.20	0.36	9.9%	0.58	12.7%
Radio	0.16	0.18	9.5%	0.32	14.2%
Internet	0.12	0.16	35.5%	0.42	28.1%

Source: KPMG-FICCI report on the Entertainment & Media industry

The key trends in media industry include:

- Growth in media audience
- Launch of new media properties
- Move towards new media especially internet & mobile
- Growth of language publishing
- Increased foreign investments and international alliances
- Emergence of media conglomerates

2. Media Services:

As per Nasscom Strategic Review 2009, the Indian IT-BPO industry is estimated to aggregate revenues of about USD 71.7 bn in FY 2009. The industry generated direct

employment for 2.23 million.

The BPO sector aggregated revenues of about USD11.7 bn in FY 2009.

As per the report, Content Management Solutions is one of the key growth area for the industry in the future. Content applications and collaborative applications will witness high market growth rates, thereby increasing their market size.

As per Nasscom, diversification has been the key focus for India, with its strategies to garner new markets, new verticals, new customer segments and new service lines. The hallmarks of the Indian IT-BPO industry were strong fundamentals, a robust enabling environment and enhanced value delivery capability.

II. Opportunities and Threats:

Opportunities:

— Media:

- Migration to digital formats like online, mobile
- Consolidation and integration
- Continued content fragmentation
- Growth in media consumption
- More B2B categories/niche markets emerging

— Media Services:

- Inorganic growth
- Global recession may accelerate outsourcing

Threats:

— Media

- Worldwide slowdown in the print industry
- High level of competition
- Entry of foreign media
- Dependence of ads spend

— Media Services

- Global recession
- Geopolitical movements against outsourcing
- Slow down of Indian economy
- Fluctuating Rs:\$ rate

Reorganization:

To meet the challenges of the changes taking place, the company decided to restructure its business, so that it could address the opportunities and counter the threats.

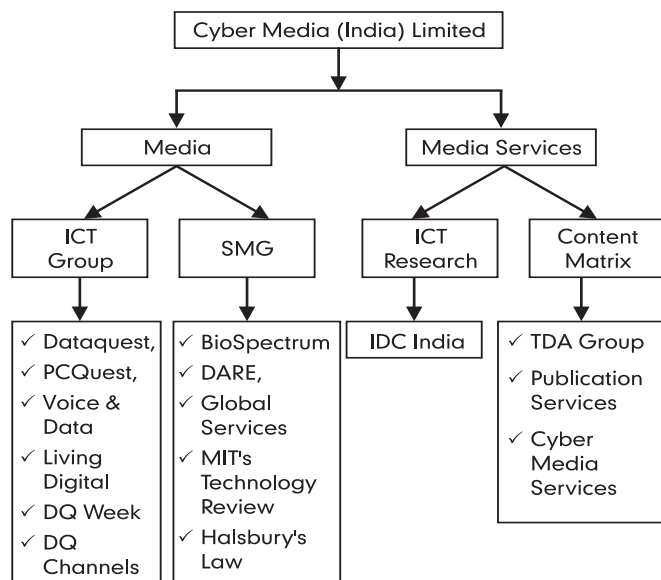
Our media business was earlier divided by the type of offering. Publishing, events, online and television were separate businesses or business units. Media business is however getting more integrated. With new forms of digital media (e.g. mobile) it was necessary for each brand to address these opportunities as well. There was a need to mash-up the activities under product brands.

This has now been done. Publishing, events, on-line and mobile have been integrated under different brands. The media group now has two sub-groups – one in which all the ICT brands are placed (Dataquest, PCQuest, Voice&Data, Living Digital, DQ Week and DQ Channels) and the other under which all the other initiatives are placed (BioSpectrum, DARE, Global Services, MIT's Technology Review & Halsbury's Law). Television still remains an independent unit, as it is a new growing initiative for the company. With this mash-up, the products will become community-centric and will provide reads, views, eyeballs and handshakes depending upon the communities' requirements.

This added with the earlier change which puts CMS, TDA and PubServ under one media services umbrella viz.

Content Matrix, means that the structure becomes simple, linear and has greater responsibility and accountability.

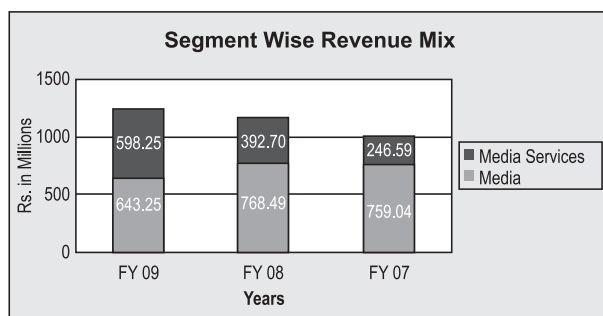
In line with these changes, the company is also proposing to merge its subsidiaries into the parent company. This will also result in simpler accounting and administrative procedures.



III. Segment wise performance:

The second half of the year 2008-09 hit us due to global recession and in order to reduce its impact, the Company went in for very aggressive cost cutting. The overall revenue of the company grew from Rs.1130 mn to Rs.1216 mn. The company continued its shift towards higher share of media services. The media services share of the total revenue rose from 33% in FY08 to 49% in FY09.

Segment Wise Revenue Mix



Media

- The Company in continuation with its trend of launching new media portfolios has introduced the Indian edition of MIT's Technology Review, the oldest technology magazine in the world.
- The Company successfully conducted the EmTech Event, where it released the pilot issue of Technology Review.
- In line with the US trends of going online, the Company has transitioned its product Global Services to an online format.
- Further, Voice & Data Connect has been integrated with Voice & Data.

- DARE became an interactive media platform for the Indian Entrepreneurs and the entire entrepreneurial ecosystem. It created five short films - "Sahas" - for aspiring entrepreneurs which were shown in various multiplexes to over 3,000 entrepreneurs.

Each of the brands continued to serve their respective communities through print products, websites and face-to-face events. The media business for FY09 was Rs. 643.25 mn (previous year 768.49 mn).

- a. Print :** The Company continues to maintain strong market share in B2B media. The B2B industry is chartered by TAM/ADEX whose report is expected by July 2009. Therefore, the market share movement is not available.

However, as per internal data tracked by us, we have gained market share. In ICT sector there is sheer dominance of the Company. Out of a total of 7779 ad pages carried by all ICT publications, the Company got 4499 ad pages i.e. 58% share of total ad pages. The next nearest rival was at 651 ad pages i.e. 8% share of total ad pages.

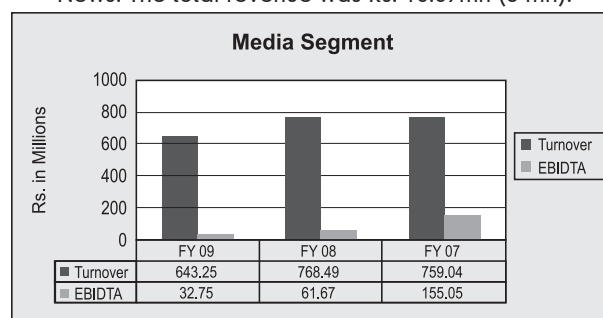
In some of the other areas such as biotech and entrepreneurship, the Company is a pioneer and has no competitors.

The total numbers of ad pages amongst all our publications were 5625 (6134). The print business contributed to 72% of total media revenue.

- 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. Events contributed to 17% of total media revenue.

- c. Internet:** The network of sites drew 912,000 visitors (850,000). Over 300,000 surfers subscribe to various newsletters. Online business contributed to 7% of total media revenue.

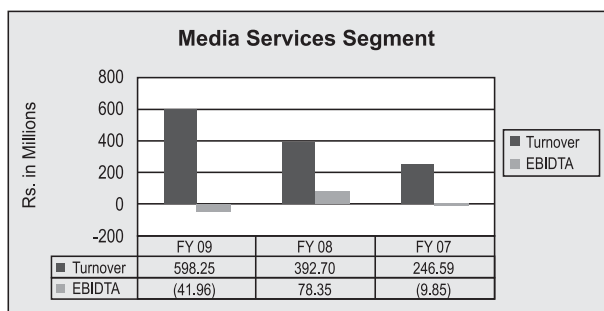
- d. Television:** The Company launched the ICICI SME CEO Knowledge Series on CNBC TV 18 and CNBC Awaaz. It also did 52 episodes of India on the Move on DD News. The total revenue was Rs. 10.69mn (3 mn).



Media Services:

Our Media Services business has been impacted by US slowdown; we suffered a loss of USD 948,000 in the US.

- a. Content Services** – The top line for FY09 was Rs. 382 mn (183 mn).
- b. Market Research** – IDC (India) Ltd. remains the market leader in IT and Telecom market research. The top line for FY09 was Rs. 169 mn (157 mn).
- c. Content Distribution** – The revenue for FY09 was Rs. 36 mn (53 mn).



Note : The figures given in brackets () relate to previous year 2007-08.

IV. Outlook

With the recovery process taking place in India, we shall definitely see growth in the sector and our business. In the US it may take some more time for the economy to recover, however our custom publishing business has already started showing improvement. Consequently, the Company is taking a conservative approach in view of the uncertainties in the market.

Recognitions

1. BioSpectrum Asia, the prestigious life sciences magazine won the Asian Publishing Award, 2008 under the "innovative business model category".
2. The IDC brand was ranked amongst the top ten firms in consultancy space in year 2009 in a survey conducted by Business Today-Cirrus.
3. The Company was honored with the "Media Excellence Award" by Amity International Business School and Amity Global Business School for "Best Information Communication & Technology Publications".
4. DARE, our magazine on Entrepreneurship, was honored with 'L-RAMP Award of Excellence 2008' by Indian Institute of Technology-Madras and Rural Innovations Network. This award was given in Media/Journalist category in recognition of efforts in showcasing numerous innovations and budding entrepreneurs.

V. Risks and Concerns

1. Global Recession:

Due to global recession the media industry worldwide is under lot of pressure, but we have geared up and have taken steps to mitigate the threat from dependence on ad income by migrating to other formats like mobile, online and also by growing its media services business.

2. Competition:

Despite the entry of foreign 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.

3. Currency Fluctuation:

The Company has taken no steps against currency fluctuation risks.

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 three

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

VII. Performance Review

(Rupees Million)

Particulars	Consolidated		Standalone	
	FY 09	FY 08	FY 09	FY 08
Total Income	1,216.82	1,130.07	578.93	702.06
Expenditure				
– Direct Expenses	635.21	540.42	341.31	372.96
– Personnel Expenses	385.57	298.14	123.68	151.75
– Other Expenses	205.26	151.49	87.11	97.90
– Financial Expenses	51.09	29.35	20.65	21.75
– Exceptional Expenses	3.98	—	—	—
– Depreciation	49.49	30.72	18.48	22.37
Profit Before Tax for the Year	(113.78)	79.95	(12.31)	35.33
Provision for Taxation	(35.58)	25.54	(2.74)	14.46
Profit After Tax for the Year	(78.21)	54.41	(9.56)	20.87

Despite the economic slowdown, the Company on consolidated basis has shown a growth of 7.9%. The consolidated turnover of the Company increased from Rs. 1,130.07 million in 07-08 to 1,216.82 million in 08-09. However, on standalone basis the turnover declined from 702.6 million to 578.93 million. The expenses of the Company (on consolidated basis) increased from 1019.40 in 07-08 to 1277.13 in 08-09 whereas, on stand alone basis the expenses declined this year to Rs. 572.75 million as against Rs. 644.36 million last year.

VIII. Human Resources

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.

The Company practices various interactive sessions on 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 2008-09 was 450.

Cautionary Statements

Certain statements in this Annual Report may be forward-looking statement. 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 action taken based on such statements and undertakes no obligations to publicly update these forward-looking statements to reflect subsequent events or circumstances.