



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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CYBER MEDIA (INDIA) LTD.

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Notice is hereby given that **Twenty Eighth Annual General Meeting** of the members of Cyber Media (India) Limited will be held on Wednesday, the 29th 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

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st 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.
2. To appoint a Director in place of Mr. Pradeep Gupta who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Krishan Kant Tulshan who retires by rotation and being eligible offers himself for re-appointment.
4. 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

5. 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 Director's Relatives (Office or Place of Profit) Rules, 2003 (hereinafter called 'the Rules') and subject to the approval of the Central 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 pay 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 benefits 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 1 st October, 2010
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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 Bonus – subject to 8.33% 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 to EPF – 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 filing the application to the Central Government seeking its approval for the payment of remuneration."

6. 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 31 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:

Article 103

"Subject to the provisions of section 198, 309, 310, 311 and 314 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 a 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 be 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 out of 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 /or journeys."

RESOLVED FURTHER THAT Mr. Krishan Kant Tulshan, Director and Ms. Shilpi Gupta, Company Secretary, be and 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/-

Shilpi Gupta

Company Secretary

Place : New Delhi

Date : August 12, 2010

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 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. 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 of Board Committees, 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 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-Projects', in the Company with effect from 2nd February 2009,

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

Mr. Dhaval Gupta holds bachelors degree in Economics and Cultures of Asia (Honors) from University of Wisconsin-Madison and is having rich experience of working in various national and international organizations viz. International Data Corporation (IDC), Asia/Pacific in Singapore, 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 would immensely help the Company in successfully running the existing projects and implementing the new projects envisaged by the Company.

Keeping in view of the duties performed by Mr. Dhaval Gupta and considering his qualification, expertise, experience and knowledge, and the compensation for similar grade/ position in the similar industry, the Board of Directors upon recommendation of selection committee formed pursuant to the Director's Relatives (Office or Place of Profit) Rules, considered it desirable to increase the annual remuneration from Rs.5,98,364 (Five Lacs Ninety Eight Thousand Three Hundred and Sixty Four) approved by members at the time of appointment 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 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, 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 your Company within the meaning of Section 6 of the Companies Act, 1956 payment of remuneration to him on above mention scale required approval of the share holders in terms of provision 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 terms & conditions of appointment of employees in similar categories. Your Directors recommend the resolution for your approval.

None of the Director, other than Mr. Pradeep Gupta may be deemed to be concerned or interested in the resolution.

Item No. 6

The Board of Directors at the Board Meeting held on 26th July 2010, discussed about the valuable contribution and time devoted by the directors in the businesses of the Company and it was felt that the compensation in the form of sitting fee paid to the Directors needs to be revised.

In view of above, It was observed that 'Article 103 ' Articles of Associations of the Company, which relates to the payment of sitting fee to the directors, is required to be altered and as per the 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.

**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 **Twenty Eighth** 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, 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.

Indian Subsidiaries include IDC (India) Limited, CyberMedia 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 LLC., Publication Services Inc., Content Matrix LLC, and Global Services Media LLC.

The Company has sought the approval from Central Government under section 212(8) of the Companies Act, 1956, which exempts the Company 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.

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/investor 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.

LISTING AT STOCK EXCHANGES

The shares of the Company are listed on the National Stock Exchange of India and The Bombay Stock Exchange. The annual listing fee for the financial year 2010-11 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. 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.

DIRECTORS IDENTIFICATION NUMBER

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

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.

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

Your Directors recommend their re-appointment.

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 2010 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	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%

MATERIAL CHANGES AND COMMITMENTS FROM THE END OF FINANCIAL YEAR TO THE DATE OF BALANCE SHEET

There are no material changes / events after the date of the Balance Sheet.

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

Pradeep Gupta Chairman &
Krishan Kant Tulshan Executive Director

Place : New Delhi

Date : August 12, 2010 Managing 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 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 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 HR.

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	42,454
b) Foreign Exchange Expenditure	28,886

Efforts and Initiatives in relation to Exports: The Company's publications are well accepted globally. Company is continuously putting efforts for more global recognition.

Development of new export markets for products and services and export plans:

The Company is Looking at Asia Pacific region to enhance its media business. The Company expects growth in media services business through US & UK markets.

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

Pradeep Gupta Chairman &
Krishan Kant Tulshan Executive Director

Place : New Delhi

Date : August 12, 2010 Managing Director

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:

The Indian Media & Entertainment (M&E) industry went through a tough phase in last two years due to the economic slowdown which impacted businesses in the country. The industry which is dependent on advertising for almost 38 percent of its revenues, was hit due to shrinking ad budgets of the corporate world - says FICCI-KPMG Indian Media & Entertainment Industry Report 2010. The report further states that the industry as a whole registered a very modest growth of around 1.4 percent in 2009 compared to 12 percent in 2008 and it is poised for recovery in 2010, riding on the back of improved economic growth. The Indian M&E Industry, is growing at a compound annual growth rate (CAGR) of 13% to reach the size of Rs. 1091 billion by 2014.

M&E Industry (INR billion)	2009	2010P	2011P	2014P	CAGR (2009-14)
Films	89	96	105	137	9.00%
Television	257	289	337	521	15.00%
Print	175	190	206	269	9.00%
Radio	8	9	10	16	16.00%
Music	8	9	10	17	16.00%
Animation & VFX	20	23	28	47	19.00%
Gaming	8	10	14	32	32.00%
Internet	8	11	15	29	30.00%
Outdoor	14	15	17	24	12.00%
Total Size	587	652	742	1091	13.00%

(Source: FICCI-KPMG Report 2010)

Print Media is projected to grow at a CAGR of 9% over the next five years to reach around Rs. 269 billion in 2014 and this growth is achievable through sustained growth in advertisement revenues due to increased advertising spends, improving literacy levels in the country, optimization of cover prices leading to improved penetration and growth in sales volume, increasing importance of regional print etc.

2. Media Services:

As per Dataquest Top 20, the Indian IT – BPO industry aggregated Rs. 551.32 billion in FY10 as against Rs. 511.5 billion in FY09. The growth slowed down because of global recession. Yet, a 8% growth augurs well for the industry during tough times.

Content Management Solutions continue to be a key growth area. Cost pressures on international content business is resulting in higher outsourcing.

Another area showing good growth is custom publishing. A number of Companies are now looking at reaching out to their high value customers directly by focusing on custom-published solutions in form of magazines, case studies etc.

II. Opportunities and Threats:

Opportunities:

Media:

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

Media Services:

- Inorganic growth

Threats:

Media

- High level of competition
- Entry of foreign media
- Dependence of ads spend

Media Services

- Geopolitical movements against outsourcing

III. Segment wise performance:

The EBITDA has turned positive from Rs. (9.21) million in FY09 to Rs. 37.97 million in FY10 due to stringent cost control measures initiated by the Company and organizational restructuring. However, the overall revenue of the Company decrease from Rs.1216 mn to Rs.1,011 mn. The Company continued its shift towards higher share of media services. The media services now account for more than half of the total revenue, its share rose from 49% in FY09 to 53.37% in FY10.

Segment Wise Revenue Mix

