

CYBER MEDIA



29th Annual Report
2010-11

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

CYBER MEDIA (INDIA) LTD.

Registered Office

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Corporate Office

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Tel : +91 (124) 4822222, Fax: (124) 2380694

Bangalore Office

206-207, 2nd Floor, #73, Shree Complex,
St. Johns Road, Bangalore - 560 042
Tel: +91 (80) 4341 2333, Fax (80) 4123 8750

401A, Blue Cross Chambers,
11, Infantry Road Cross,
Bangalore - 560 001

Chennai Office

5-B, 6th Floor, Gemini Parsn Apartments,
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Tel : +91 (44) 2822 1712, Fax : (44) 2822 2092

Secunderabad Office

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Mumbai Office

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Koregaon Park, Pune - 411 001
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Kolkata Office

23/54, Garihat Road, Ground Floor,
Near South City College, Kolkata - 700 029
Tel: +91 (33) 6525 0117

Singapore Office

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

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

Notice is hereby given that **Twenty Ninth Annual General Meeting** of the members of Cyber Media (India) Limited will be held on Friday, the 23rd day of September, 2011 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, 2011 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. Shyam Malhotra who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rohit Chand 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 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 Shareholders of the Company and Central Government, consent of the Board be and is hereby accorded to increase the remuneration of Mr. Dhaval Gupta, relative (son) of Mr. Pradeep Gupta, (Chairman & Managing Director) of the Company, holding office or place of profit in Company as "Project - Manager", to a pay package of Rs. 9,67,915 (Rupees Nine Lakh Sixty Seven Thousand Nine Hundred and Fifteen) 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	: Five Years commencing from 1 st October, 2011
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Salary structure:

Annual remuneration	967,915
Fixed Component	744,550
Variable Component	223,365
Basic Salary	25,440
House Rent Allowance	19,080
Utility Allowance	5,088
Special Allowance	625
City Compensatory Allowance	1,600
Conveyance Allowance	800
Total Monthly Remuneration	52,633
Annual Payments – as applicable Bonus – subject to 8.33% of Basic Salary	25,440
Medical Reimbursement – subject to one month of Basic Salary	25,440
LTA – subject to one month of Basic Salary	25,440
Employer contribution to EPF – subject to 12% of Basic Salary	36,634

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 five 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."

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

**Place : New Delhi
Date : May 27, 2011**

**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 Friday, September 16, 2011 to Friday, September 23, 2011 (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. Shyam Malhotra, and Mr. Rohit Chand, 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 (2) 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 postal ballot on 23rd March 2010.

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.8,00,000 (Rupees Eight Lakh) approved by members at the time of appointment to Rs. 9,67,915 (Rupees Nine Lakh Sixty Seven Thousand Nine Hundred and Fifteen) 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 and promotions to higher grades as the selection committee deem fit considering qualification, experience and performance.

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.

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

**Place : New Delhi
Date : May 27, 2011**

**Shilpi Gupta
Company Secretary**

Dear Members,

Your Directors are pleased to present the **Twenty Ninth 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, 2011.

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 11	FY 10	FY 11	FY 10
Total Income	940.82	1,011.37	492.54	388.1
Expenditure				
- Direct Expenses	440.91	492.37	258.85	234.78
- Personnel Expenses	273.69	317.93	117.29	99.88
- Other Expenses	133.35	163.27	75.09	67.01
EBITDA	92.87	37.80	41.31	(13.57)
- Financial Expenses	39.25	44.57	22.62	17.58
- Depreciation	49.28	47.01	16.82	15.45
- Exceptional Expenses	—	—	—	—
Profit Before Tax for the Year	4.34	(53.78)	1.87	(46.60)
Provision for Taxation	1.92	(19.61)	(1.84)	(16.72)
Profit After Tax for the Year	2.42	(34.17)	3.71	(29.88)

FINANCIAL/OPERATION PERFORMANCE REVIEW

The consolidated revenue of the Company for the financial year ended March 31, 2011 stood at Rs. 940.82 million as against previous year's revenue of Rs. 1,011.37 million. The EBITDA on consolidated basis for the financial year ended March 31, 2011 rose to Rs. 92.87 million from Rs. 37.80 million. The EBITDA on standalone basis turned positive at Rs. 41.31 million from a negative of Rs. 13.57 million. Further, the financial year ended March 31, 2011 was a turnaround year for the Company as net profit both on consolidated basis as well as standalone basis turned positive at Rs. 2.42 million and Rs. 3.71 million respectively."

The Hon'ble High Court of Delhi vide its order dated March 30, 2011 approved the Scheme of Amalgamation of CyberMedia India Online Limited, Cyber Media Digital Limited, Cyber Media Events Limited and Cyber Holdings Limited with the Company from appointed date April 1, 2009. As per the Scheme of amalgamation, your company issued and allotted equity shares of the Company to the shareholders of CyberMedia India Online Limited as per the share exchange ratio approved under the scheme viz. 1 Equity Share of the Company for every 2 Equity Shares held in CyberMedia India Online Limited.

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 2010-11.

RESERVES

Subsequent to approval of scheme of amalgamation, all the reserves of the Transferor Companies become the corresponding reserves of the transferee Company. Consequently, Rs. 23.04 million has been transferred to General Reserve Account and Rs. 13.56 million has been transferred to Securities Premium Account.

SUBSIDIARIES AND ASSOCIATE COMPANIES

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

Indian Subsidiaries include Cyber Media Research Limited (formerly known as IDC (India) Limited), and Cyber Media Services Limited.

During the financial year under review, name of one of our wholly owned subsidiary viz. IDC (India) Limited was changed to Cyber Media Research 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.

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.

The Ministry of Corporate Affairs, Government of India, issued a General Circular No.2/2011 dated February 8, 2011 and granted a general exemption for complying with the provisions of Section 212 of the Companies Act, 1956 subject to certain conditions. Accordingly, the Board of Directors of the Company as its meeting held on May 27, 2011 decided to comply with the conditions as stipulated in the said circular. A brief of the conditions are given hereunder for reference:

- The annual accounts of the subsidiary(s) and other related information shall be made available to Shareholders of the holding and subsidiary Companies and on demand the copies of the same shall also be furnished to the shareholders.
- The annual accounts of the subsidiary(s) shall be kept for inspection to the shareholders in the Registered office of the Company and/or the subsidiaries concerned.
- The statement of financials of the subsidiaries will form part of the abridged Annual Report.

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 2011-12 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. Shyam Malhotra, Executive Director and Mr. Rohit Chand, 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.

DIRECTORS IDENTIFICATION NUMBER

Mr. Pradeep Gupta: 00007520; Mr. Krishan Kant Tulshan: 00009764; Mr. Shyam Malhotra: 00006456; Mr. Rohitasava Chand: 00011150; Dr. Ashok Agarwal: 00019511; Dr. 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 2011 are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

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.

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

No employee of the Company is covered under the limits pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

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 **Krishan Kant Tulshan**
Chairman & **Director**

Place: New Delhi
Date : May 27, 2011

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	-N.A.

as a percentage of total turnover

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	93660
b) Foreign Exchange Expenditure	16814

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 continuously 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 **Krishan Kant Tulshan**
Chairman & **Director**

Place: New Delhi
Date : May 27, 2011

Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

Performance Overview

FY11 was the turnaround year for the Company. In FY 09 and FY 10, the Company had suffered losses for the first time in its 29 year history. The focus of the management was on exiting loss making businesses in order to bring the Company into black. As a result of this, the Company moved into profitability which will form the basis for sustained growth in future.

(Rs. Million)

	FY-07	FY-08	FY-09	FY-10	FY-11
Total Income	970.73	1130.07	1216.82	1011.37	940.82
EBIDTA	145.21	151.49	(9.22)	37.79	92.87
Net Profit	67.24	54.41	(78.21)	(34.18)	2.42

The Company continued its reign as the top most B2B media company in India. As per Print Week the top B2B publishers in India are:-

Top Publishing Companies-b2b magazines

- 1 CyberMedia
- 2 Infomedia18
- 3 The Express Group
- 4 9.9 Media
- 5 Images Group
- 6 Haymarket Media
- 7 Spenta Multimedia
- 8 India Infrastructure
- 9 IDG
- 10 UBM

Source: Print Week

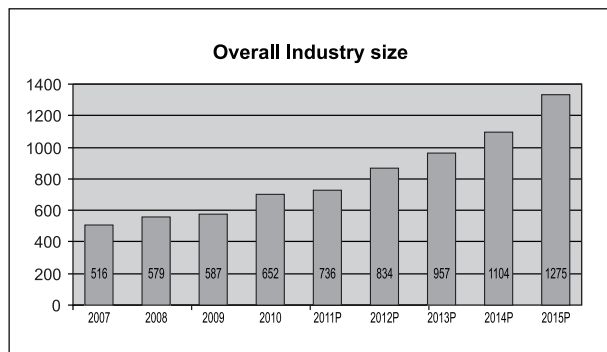
I. Industry Structure and Developments:

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 achieved 11% growth in 2010 and is projected to grow at a CAGR of 14% over next five years, according to a FICCI-KPMG report.



Backed by positive industry sentiment and growing media consumption, the industry is estimated to achieve a growth rate of 13% in 2011. Overall the industry is expected to touch Rs. 1275 billion by 2015. Overall for the M&E industry, the year 2010 was a year of great dynamism with growth across most sectors led by a strong recovery in advertising spends. For publishers, advertising continues to generate over three quarters

of total revenues, with just over a quarter coming from subscription. According to a Reuters report, for the first time in three years publishers have seen an overall increase in advertising revenues.

In India, the print sector witnessed a growth of 10% in 2010 and is expected to continue to grow at a similar pace over the next five years to touch INR 310 billion. Regional print is expected to grow at a higher rate at 12%.

Most sectors such as TV, radio, print witnessed a double digit growth. Television and print resumed their pace of growth as did radio and out of home media. Sectors such as gaming, digital advertising and animation VFX are expected to show tremendous potential in coming years. For the M&E industry in India, 2010 witnessed a shift in favour of digital technologies.

Another interesting trend in the M&E space is the growth of social media as an influencer. Social media has reached 84% of the online user base. Given the interactive ability of the medium to provide direct access to consumers, media companies and advertisers are expected to leverage this platform to understand consumer behavior and influences. Companies are also increasingly experimenting with various online marketing strategies as the global reach of social media is expanding.

The second decade of the millennium presents tremendous opportunity for the M&E sector. While on one hand, new technologies enable performance enhancement, operational optimization, and revolutionize content delivery mechanisms; on the other hand changing media consumption habits and market forces compel them to act fast before they are obligated to change themselves. Continued sustenance of players will depend on how quickly and homogeneously the sector integrates factors impacting their business performance.

2. Media Services:

As per Nasscom Strategic Review 2011, the Indian IT-BPO sector is estimated to aggregate revenues of USD 88.1 billion in FY 2011. During this period, direct employment is expected to reach nearly 2.5 million.

As per the report, customers are looking at India more and more as a strategic partner in specific business areas to drive productivity gains and business outcomes. Factors include domain expertise, process excellence, the ability to leverage technology to enhance operating efficiencies and greater scalability.

As per Nasscom, strong economic growth, rapid enhancement in technology infrastructure, increasingly competitive Indian organizations, enhanced focus by the government and emergence of business models that help provide IT to new customer segments are the key drivers for increased technology adoption in India.

II. Opportunities and Threats:

Opportunities:

- Media:

- Digitalization
- Regionalisation
- Convergence and impact of new media