

ARUN DUA AND CO.
CHARTERED ACCOUNTANTS

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M. : 98101 25784

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To
The Members of
Cyber Media (India) Limited
New Delhi


- 1) We have audited the attached Balance Sheet of Cyber Media (India) Limited as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Amendment Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;



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- e) On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) In the absence of notification in the official gazette of the Central Government, the company has not made any provision for cess payable under section 441A of the Companies Act, 1956. As per the explanation given to us, the required provision for cess payable shall be made in accordance with the notification, as and when issued by the Central Government in its official gazette.
- g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- ii) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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


Arun Kumar
Proprietor

Membership Number: 082623

New Delhi,
Dated: May 28, 2012

301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

In respect of loans granted, the principal amount is repayable on demand and the interest accrued up to repayment of loan is fully realised.

In respect of loans granted, the receipt of principal amounts and interests are as stipulated and, thus, clause (iii) (d) of paragraph 4 of the Order is not applicable to the Company.

The Company has not taken any loan from Companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Thus, clause (iii) (e), (iii) (f), (iii) (g) of paragraph 4 of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and sale of publications and other allied services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.

(v) In respect of the contracts or arrangement referred to in Section 301 of the Companies Act, 1956 :

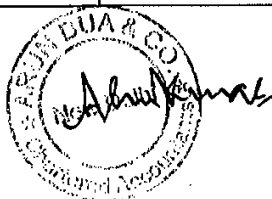
1. In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contacts or arrangements that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
2. In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contacts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.500,000 in respect of each party during the year have been made at a price which appear reasonable as per the information available with the company



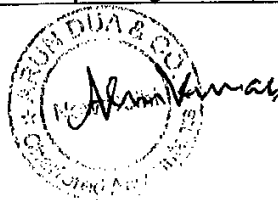
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, and other statutory dues except ESI applicable to it and there are no statutory dues which were outstanding, as at 31st March, 2012 for a period of more than six months from the date they become payable.

According to the information and explanation given to us and the records of the Company examined by us there are no dues of sales tax, income-tax, custom duty, wealth tax, service tax, excise duty, cess or any other statutory dues as at March 31, 2012 which have not been deposited on account of dispute except as under : -

S.NO	Statute	Nature of Dues	Amount	Period of which amount relates	Forum which dispute is pending
1	Income Tax Act, 1961	Tax on Regular Assessment U/S 143(1) of Income Tax Act, 1961	4,447,193	Financial Year ended 31.03.2006	Income Tax Appellate Tribunal New Delhi
2	Income Tax Act, 1961	Tax on Regular Assessment U/S 143(3) of Income Tax	530,095	Financial Year ended 31.03.2007	Income Tax Appellate Tribunal New Delhi



		Act,1961			
3	Income Tax Act,1961	Tax on Regular Assessment 143(3) of Income Tax Act,1961	NIL	Financial Year ended 31.03.2009	Commissioner of Income Tax (Appeals) VI New Delhi
4	Income Tax Act,1961	Tax on Regular Assessment U/S 143(3)/147/254 of Income Tax Act,1961	481,927	Financial Year ended 31.03.2004	Commissioner of Income Tax (Appeals) VI New Delhi
5	Income Tax Act,1961	Tax on Assessment U/S 147/143(3) of Income Tax Act,1961	NIL	Financial Year ended 31.03.2005	Income Tax Appellate Tribunal New Delhi
6	Income Tax Act,1961	Penalty order U/S 271 (1)(c) of Income Tax Act,1961	598,760	Financial Year ended 31.03.2005	Commissioner of Income Tax (Appeals) VI New Delhi
7.	Income Tax Act,1961	Tax on order U/s 201(1)/201(1A) of Income Tax Act,1961	65,257	For the quarter ended as on 30.06.2006	Commissioner of Income Tax-XXX, New Delhi
8.	Tamilnadu General Sales Tax Act, 1959 (TNGST Act)	Penalty under Section 12(3) (b) of the TNGST Act	46,64,471	2001-02 (Transfer under the Scheme of Amalgamation)	Tamilnadu Sales Tax Appellant Tribunal has vide its order dated 15th March, 2010 has set aside the matter to the file of
9	Tamilnadu General Sales Tax Act, 1959	Sales tax Demand Under TNGST Act	31,56,088*	2001-02 (Transfer under the Scheme of Amalgamation)	Assessing Officer to decide the matter a fresh. The



	(TNGST Act)				company has deposited Rs. 56,09,359/- against the alleged demand.
10	Central Sales Tax Act, 1959 (CST Act)	Penalty under section 9(2) read with Section 12(3) (b) of the TNGST Act	64,74,089	2001-02 (Transfer under the Scheme of Amalgamation)	
11	Central Sales Tax Act, 1959 (CST Act)	Sales Tax Demand Under CST Act	43,23,055*	2001-02 (Transfer under the Scheme of Amalgamation)	

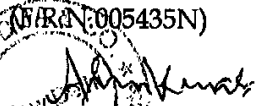
- (x) The Company does not have any accumulated losses at the end of the financial year and the company has not incurred cash losses during the financial year covered by audit and in immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is neither a chit fund Company nor a nidhi Company or a mutual benefit Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
- (xvi) The term loans have been applied for the purpose for which they were raised.
- (xvii) Based on information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short-term basis, which have been used for long-term investments.



- (xviii) The Company has not made any preferential allotment of shares to Companies/firms/parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any monies by way of public issue during the year.
- (xxi) During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Arun Dua & Co.
Chartered Accountants

(M/RAN/005435N)


Arun Kumar
Proprietor

Membership Number: 082623

New Delhi,

Dated: May 28, 2012.

ARUN DUA AND CO.
CHARTERED ACCOUNTANTS

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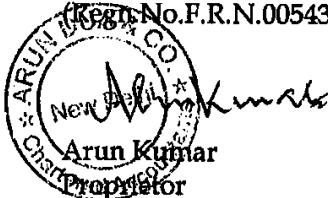
To
The Board of Directors of
Cyber Media (India) Limited
New Delhi

1. We have audited the attached consolidated balance sheet of Cyber Media (India) Limited and its subsidiaries and associates as at March 31, 2012, the consolidated statement of profit and loss for the year ended on that date annexed thereto, and the consolidated cash flow statement for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amount and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements, Accounting Standard 23 - Accounting for Investment in Associates in Consolidated Financial Statements and on the basis of the separate audited financial statements of the Company and its subsidiaries and associates in India and Singapore. We did not audit the financial statement of subsidiaries, whose financial statement reflect total assets of Rs 218,548,949, the total revenue of Rs. 90,496,982 and cash flow amounting to Rs.1,032,760 for the year ended. These financial statement and other financial information have been audited by other auditors whose reports have been submitted to us, and our opinion is based solely on the report of other auditors. The financial statements of Company's subsidiary in United State of America namely of Cyber Media India LLC has not been audited as it is not mandatory as per US GAAP. These financial statement in aggregate reflect total assets of Rs. 411,964,975 as at March 31st, 2012 and total revenue of Rs. 242,036,028 and total expenses of Rs. 216,775,521 for the year ended on that date.



4. On the basis of the information and explanations given to us and on consideration of the separate audit reports of individual audited financial statements of Cyber Media (India) Limited and its aforesaid subsidiaries and associates in India and Singapore, as applicable, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) In the case of the consolidated balance sheet, of the consolidated state of affairs of Cyber Media (India) Limited and its subsidiaries and associates as at March 31, 2012.
 - ii) In case of the consolidated statement of profit and loss, of the consolidated results of operations of Cyber Media (India) Limited and its subsidiaries and associates for the year ended on that date; and
 - iii) In the case of the consolidated cash flow statement, of the consolidated cash flows of Cyber Media (India) Limited and its subsidiaries and associates for the year ended on that date;

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



Membership Number: 082623

New Delhi,
Dated: May 28,2012