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- **Board of Directors**
Khalid A. H. Ansari - Chairman
Tarique Ansari - Managing Director
Narayan Varma
Nana Chudasama
I.Venkat
Dilip Cherian
Adille Sumariwalla
- **Company Secretary & Compliance Officer**
Ms. Vidya Shembekar
- **Auditors**
M/s Haribhakti & Co.
Chartered Accountants
701, Leela Business Park,
Andheri Kurla Road,
Mumbai - 400 059.
- **Bankers**
Bank of Baroda
Tardeo, Mumbai- 400 034.
- **Registrar & Transfer Agent**
Link Intime India Private Limited
C-13, Pannalal Silk Mill Compound,
L.B.S. Marg, Bhandup-West,
Mumbai - 400 078.
Tel No. 2596 3838 Fax No. 2594 6969
- **Registered Office**
Peninsula Centre, Dr.S.S. Rao Road,
Near M.G. Hospital,
Parel, Mumbai - 400 012.
Tel: 6701 7171, Fax: 2415 0009
Website: www.middaymultimedia.com
Email: cs@mid-day.com
- **Press**
Plot No. R-847/3, T.T.C. Industrial Area,
Rabale, Navi Mumbai.
- **Solicitors & Legal Advisors**
Mulla & Mulla & Craigie Blunt & Caroe
Economic Laws Practice

**29th Annual General Meeting
on Tuesday, July 20, 2010
at 11.00 a.m.
at Hall of Harmony, Nehru Centre,
Dr. Annie Besant Road, Worli,
Mumbai - 400 018**

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Chairman's Note

Dear Shareholders,

The Financial Year 2009 – 2010 was a year of survival and turnaround. We had survived the worst recession during our times and were coming back from one of the biggest slumps that the world economy has seen for sometime. Our single point agenda was to retain our readers and our clients through these turbulent times.

The Indian Advertising Industry remained subdued during the year. Whatever little growth was registered came out of the tier II cities in the country. Advertisers in general were cautious in their approach and therefore despite the economy showing signs of rebound, advertisements spends continued to lag behind. We were faced with a subdued advertisement market and intense competition in our key cities.

I am pleased to announce that despite such trying circumstances, your Company has been able to register an astonishing turnaround in results. Despite registering a slightly lower topline of Rs. 125 Crores for the Group, the operating teams were able to significantly bring down the group losses from Rs. 40 Crores last year to Rs. 4 Crores in the current year.

During the year:

The Management teams in both our business segments of Publishing and Radio had a single minded focus of rationalizing operational costs. Despite the full year operations of seven stations, Radio was also able to register a lower net loss. I am pleased to announce that despite a very tough year in the Radio Industry, the Radio top line grew from Rs. 28 Crores to Rs. 30 Crores. The Publishing business was able to significantly cut back on fixed and variable costs to register a Rs. 28 Crore swing in PBIT from a negative 14 Crores in last year to a positive PBIT of Rs. 14 Crores in the current year. This was indeed a significant turnaround.

Both our businesses have contributed to the improved operating margins. Our Publishing business has created a robust business model and delivered one of the most successful financial results in last five years. Our Radio business has successfully protected the bottom line in a sluggish advertisement market and created a business model to be future ready to exploit market potential in the current year.

Both our businesses won significant awards and recognition in their industries.

Segment Performance:

Publishing Segment

At the outset, I would like to remind the Shareholders that in the year 2008-09, the Publishing business had been transferred from Mid-day Multimedia Limited to Midday Infomedia Limited in the month of July 08. Therefore, current year's Publishing figures are for all 12 months in Midday Infomedia Limited and previous year's Publishing business figures have been split up into Mid-day Multimedia Limited for 3 months and Midday Infomedia Limited for 9 months.

The Publishing business registered a lower topline of Rs. 95 Crores as compared to the last year's figure of Rs. 102 Crores. However, due to the efforts of the operating teams, we were able to significantly reduce major cost items like Newsprint cost and Employee cost. The only benefit of a slack economy was that Newsprint prices were substantially lower as compared to the earlier years. We could purchase Newsprint at an average of US \$ 525 as compared to the peak price of US \$ 900 of the earlier year. The Dollar-Rupee movement also worked in our favour. The combination of lower Newsprint prices and rationalization of circulation numbers brought down our Newsprint costs from a figure of Rs. 44 Crores to around Rs. 19 Crores in the current year. We also rationalized headcount and implemented a 12% cut in Salaries across the Board, for most of the year, resulting in lowering Staff costs from Rs. 33 Crores to 27 Crores. Selling and Distribution costs were also brought down from Rs. 10 Crores to Rs. 8 Crores.

The Publishing business has been able to garner significant rewards and recognitions, both nationally as well as internationally. Your Company's Publishing business has been the proud recipient of host of awards from international organizations like INMA and WAN-IFRA. Our website, Mid-day.com has also won a Silver award for the best news site by Indian Digital Media.

Mid-day has taken a leadership position in the innovation space and has been ranked number One in innovations across the country by a survey conducted by the Pitch Magazine.



Chairman's Note

I would like to remind the Shareholders that for the past two years we have been looking out for Financial/Equity Investment in our Company. I am pleased to announce that Jagran Prakashan Limited (JPL), has agreed to invest in our Publishing business. The Board of Directors of both the Companies, i.e. Mid-day Multimedia Limited (MML) and Jagran Prakashan Limited (JPL) have approved the merging of Publishing business of MML with JPL. As a result of this scheme of arrangement, if approved by the High Court and our Shareholders and Creditors, our Publishing business will be merged with JPL. For the de-merged Publishing business, all the Shareholders of MML will receive 2 (two) shares of JPL for every 7 (seven) shares of MML held by them on the record date.

This merger has substantial cost and strategic advantages. On the cost side, combined purchase of Newsprint, Printing materials, common usage of Infrastructure and Printing facilities can substantially reduce the cost base of the Publishing business. On the strategic front, new launches of the Publications under the Mid-day Group, in the markets where JPL has strong, presence can lead to significant benefits.

Radio Segment:

As stated earlier, despite a subdued Media industry, Radio business has been able to grow its topline from Rs. 28 Crores last year to over Rs. 30 Crores in the current year. This is the result of our unique programming strategy and the strong brand of Radio One that we have been able to create in the market. Due to the focus on operating cost and despite a full year of operations for all the seven stations, the net loss for the year has decreased from Rs. 17 Crores last year to Rs. 15 Crores in the current year.

It gives me great pleasure in announcing that the Management team of the Radio business have been able to garner significant victories in the marketing and branding space and in terms of its connect with readers. This is reflected in the rankings and also in the national survey conducted by the Pitch Magazine which rated Radio One as the number one Radio brand in the country. The Radio industry is growing at a crisp rate and will be the main business under Mid-day Multimedia Limited after the de-merger of the Publishing business is approved by the MML Shareholders'. Our Radio business is well poised to take advantage of this growing sector and we should be able to achieve a positive EBITDA in the Financial Year 2010-2011 and achieve substantial growth thereon. We are eagerly awaiting the new Government recommendations on the Radio industry on such important issues like Foreign Direct Investments and enhanced tenure of Radio licences. Some of these announcements could be immensely beneficial to your Company and the industry alike.

Going Forward:

Our immediate focus in the Financial Year 2010-11 will be two-fold. The first will be to complete the merger of MML's Publishing business with JPL after taking requisite approvals from the High Courts, our Shareholders and our Creditors. We would also continue to focus on our Radio business and in building Radio One as a unique and distinct brand in the Radio space, loved by our listeners and our advertisers alike. At the Company level, we are fast approaching the break-even point and at the industry level, there are a range of exciting developments that are waiting to take place.

Acknowledgement:

I would like to thank our Board Members for their guidance and our Bankers and Vendors for their continued support.

I would also like to express my deep gratitude to our Shareholders, our Readers and our Listeners for supporting and encouraging us at this critical juncture of our journey.

Thank you,

Khalid A.H.Ansari

Chairman

Place: Mumbai

Management Discussion & Analysis

Environment

Fiscal year 2008-09 forced industries to relook at their future plans. Industries were forced to draw plans with bottom line & cash flow focus. Media Industry was no exception and ended up facing the most challenging time during the last two years. The industry is significantly dependent upon the advertising revenue and economic slow down has greatly impacted the advertising spent across all the industries. Though revenues were subdued during the year under review, the later part of the year created a hope for the better advertising market in the coming times.

Group Performance

Our businesses were also impacted due to a lackluster advertising market. Group reported marginally lower top line of Rs. 12,492 lakh as compared to Rs. 12,996 lakh in FY 2008-09. During the year, the Group concentrated on operating costs and manage to reduce losses by 90% from Rs. 4,011 lakh to Rs. 393 lakh.

Publishing Business

The Publishing business was transferred from Mid-Day Multimedia Limited to Midday Infomedia Limited (MIL) as on July, 2008. Therefore the publishing business (MIL) represents 9 months of operation during FY 2008-09 and in the current year it represents the full year of operation i.e 12 months.

As per Industry experts, the effect of Economic slowdown is clearly visible on the revenues of the media houses especially operating in the Metro cities due to their proximity to the International markets.

Our Publishing business grew by 8% during 2nd Half of the year over last year laid by recovery in advertising market. Our operating team delivered significant reduction in Newsprint, Employee and Selling & Distribution cost. We rationalized our salary structure across board and as a result, our staff cost is lower by 18%. The newsprint prices were also in the range of USD 500 - 550 per metric ton during current year. Newsprint cost was also lower on account of exchange rate and rationalization of its usage.

The continuous effort on rationalizing cost has resulted Publishing business to achieve positive PBIT of Rs. 16.86 lakh in current year against negative PBIT of Rs. 14.05 lakh in FY 2008-09.

Radio

The pie of the industry is gradually growing in the advertisement market and is expected to be closer to the world average spent on radio to the over all media industry. The Phase 2 license reforms changed the way in which the Radio Industry was operating, and now the next big step in the industry will be Phase 3 license reforms and announcement in support of the industry by the Government to improve operating environment for the existing players.

In the year under review, we have registered revenue growth of 8% in a lackluster advertising market. Our Radio stations continued to control their operating cost which also contributed to the improved financial statements.

Future Outlook

The Media and Entertainment Industry is expected to register a CAGR of 13% over five years and would reach Rs. 1,091 billion in FY 2014. Print industry is expected to reach at Rs. 269 billion in FY 2014 with a CAGR of 9%. Radio is expected to touch Rs. 16 billion by FY 2014 at a CAGR of 16%. Like in the past, the revenue growth in both the segments will be highly dependent on the landscape of advertising spend in the future. (Source: FICCI Frames 2010)

Thus, As far as Media and Entertainment Industry is concerned, the long term outlook remains buoyant with steady market recovery in a short run.

Financial Performance

Company Financials

Operations in the company represent income from financial and investment activities with its subsidiaries. During the year, Company has registered profit before tax of Rs. 250 lakh with the tax expense of Rs. 54 lakh. As a result, the Company has recorded a Net Profit after Tax of Rs. 196 lakh for FY 2009-10.

Management Discussion & Analysis

Group Financials

At Group level, The Company has earned Operating revenue Rs. 12,492 lakh against 12,996 lakh of previous year. During the year, the company has recorded operating profit before interest, taxes and exceptional items Rs. 413 lakh against loss of Rs. 2,860 lakh for FY 2009-10.

For better understanding, group financials have been analyzed separately for publishing Segment and Radio Segment.

Publishing Segment

Publishing Revenue in FY 2009-10 has registered a decline of 7% from Rs. 10,196 lakh to Rs. 9,485 lakh as compared to previous year as a result of weak advertising market condition primarily during the first half of the year.

Cost analysis

The cost structure of Publishing segment as a proportion to Net sales is analyzed in the table below:

Particulars	Current Year (Rs. In lakh)	(% to Net Sales)	Previous Year (Rs. In lakh)	(% to Net Sales)
Cost of of printing	2,668	28	5,362	53
News Expenses	219	2	274	3
Employee Cost	2,675	28	3,265	32
Selling And Distribution	789	8	1,018	10
Other Operational Exp	1,154	12	1,277	13
Interest & Finance Charges	385	4	333	3
Depreciation	265	3	304	3

Note: Above figures represent full 12 months of operations of publishing business in Midday Infomedia Limited in current year and 9 months of operations in last year in Midday Infomedia Limited and 3 months of operations in Midday Multimedia Limited.

Cost of Printing

The cost of printing has declined substantially by 50 % from Rs. 5,362 lakh in 2008-09 to Rs. 2,668 lakh in FY 2009-10. This is mainly because price of newsprint was cheaper by 42% as compared to earlier year. Also, favorable exchange rate during the year had helped to bring down the newsprint cost.

News Expenses

News expenses are at Rs. 219 lakh in FY 2009-10 as compared to Rs. 274 lakh in the previous year.

Employee Cost

Employee cost has declined by 18 % from Rs. 3,265 lakh to Rs. 2,675 lakh as a result of measures taken to curb staff cost to practical levels to counter the recessionary trend.

Selling & Distribution Cost

Selling & Distribution expenses are at Rs. 789 lakh in 2009-10 as compared to Rs. 1,017 lakh in FY 2008-09, registering a decline of 23%.

Other Operational Expenses

Other operational expenses have decreased by 10 % to Rs. 1,154 lakh from Rs. 1,277 lakh in the previous year.

Depreciation

Depreciation (including amortisation) is Rs. 265 lakh in FY 2009-10 as compared to Rs. 304 lakh in previous year.

Finance charges

Interest and Finance charges are at Rs. 385 lakh in FY 2009-10 as compared to Rs. 333 lakh in FY 2008-09.

Management Discussion & Analysis

The Publishing segment has registered profit before tax Rs. 1,436 lakh as compared to loss of Rs. 1,693 lakh in FY 2008-09.

Radio Segment

Operating revenues for this segment for FY 2009-10 have registered a growth of 8% from Rs. 2,803 lakh to Rs. 3,031 lakh in FY 2008-09 despite the economic slowdown.

Cost Analysis

cost structure of Radio segment as a proportion to Net sales is analyzed in the table below:

Particulars	Current Year (Rs. In lakh)	(% to Net Sales)	Previous Year (Rs. In lakh)	(% to Net Sales)
Radio license fees	338	11	326	12
Employee Cost	794	26	914	33
Operating expenses	1,389	46	1,310	47
General and Administration exp.	685	23	755	27
Interest & Finance Charges	860	28	1,024	37
Depreciation	1,153	38	1,111	40

Radio License Fees

Radio license fees have increased to Rs. 338 lakh from Rs. 326 lakh in the previous year.

Employee Cost

Employee cost has decreased from Rs. 914 lakh to Rs. 794 lakh. This is a result of cost rationalisation.

Operating Expenses

Operating expenses are at Rs. 1,389 lakh in FY 2009-10 as compared to Rs. 1,310 lakh in FY 2008-09.

General & Administration Expenses

The lower advertising spend has resulted into decrease in the general & administration expenses by 10% from Rs. 755 lakh to Rs. 685 lakh in the previous year.

Depreciation

Depreciation (including amortization) is Rs. 1,153 lakh in FY 2009-10 as compared to Rs. 1,111 lakh in previous year.

Finance charges

Interest and finance charges are at Rs. 860 lakh in FY 2009-10 as compared to Rs. 1,024 lakh in 2008-09 registering 16% decrease.

As a result the Net Loss after tax for this segment is at Rs. 1,522 lakh against Rs. 1,746 lakh in the previous year.

CAPITAL EMPLOYED

For the Company

Own Funds

During the year company has made allotment of shares under ESOP scheme on account of which share capital of the company has increased to Rs. 5,230 lakh from Rs. 5,223 lakh.

Loan Funds

Loan fund of the company comprised unsecured loan of Rs. 930 lakh as against unsecured loan 995 lakh in previous year.

Management Discussion & Analysis

Gross Block

The Gross Block has decreased to Rs. 45 lakh from Rs. 57 lakh.

Investments

Investment of the company has increased from Rs. 9,631 lakh to Rs. 12,206 lakh. The Company has invested Rs. 2,577 lakh in Radio subsidiary and liquidated 2 lakh of other investment.

Net Current Assets

The Company has cash and bank balances of Rs. 0.84 lakh as on balance sheet date.

Other current assets which represents sale consideration receivable from MIL on account of slump sale transaction is Rs. 1,686 lakh as on March 10 as against Rs. 2,344 lakh as at last March 09 on account of receipt from MIL.

Loan and advances balances have reduced from Rs. 5,185 lakh in FY 2008-09 to Rs. 3,269 lakh in FY 2009-10 because of repayment of loan by radio subsidiary.

Current liabilities and provisions have decreased from Rs. 103 lakh to Rs. 36 lakh as on March 2010.

Rewards and Recognition

MiD DAY has been bagging international as well as Indian awards consistently year on year for its Innovative Brand Properties and also for customized Innovations for Clients and Brands.

During the year your Company brings home the following awards:

4 ASIAN MULTIMEDIA PUBLISHING AWARDS- Manila, Philippines

- MiD DAY's Bollywood Lunch Contest won an Excellence Award in the Multimedia Communication category
- MiD DAY Happy Hours @ Work won an Excellence Award in the Multimedia Communication category and Advertising Delivery category
- MiD DAY Corporate Cricket League won an Excellence Award in the Multimedia Advertising Delivery category

IFRA Asia Awards

Prestigious award for the MiD DAY's Visa + Pizza Hut IMPACT & ACTIVATION in the Cross Media Advertising Category

Indian Digital Media Awards

Silver Honours at the first ever Indian Digital Media Awards (IDMA) for the Best News Site of the Year.

INMA (New York) with 1 Gold, 3 Silver, 2 Bronze Highest number of awards across the world

- Gold and Silver in the category of Marketing Campaign that had the most profound effect on business
- Silver and Bronze for initiative of "Vodafone Presents India 9to5".
- Silver and Bronze for "Don't Talk and Drive & Don't Drink and Drive Campaign" in the category of Public Relations and Community Service

Human Resource Management

Employee Internal Employee Satisfaction Survey revealed very healthy employee satisfaction index once again, with improvement in some areas over last year. This shows that employee relations within the company continues to be positive. The focus this year has been to align departmental and individual KRAs with the larger organizational objectives. As a first time initiative, we have put in place quantifiable performance parameters for senior Editorial colleagues, thereby aligning content strategy with business.

To counter recessionary trend in the economy and its impact on business, effective measures were taken to curb staff cost to practical levels. The Management's constant focus on employee engagement and satisfaction has contributed to retaining key talents in both the businesses.

Management Discussion & Analysis

Employee Stock Option

To enable employees to participate in the future growth and success of the company, the Company had instituted an Employees Stock Option Scheme 2005. The Company has obtained Shareholder's approval at the EGM held on January 8, 2007 to grant 10,00,000 Options to the 'TRUST' Mid Day Exports Private Ltd.' formed for grant of ESOPs to employees.

The Employee Stock Option Scheme 2005 is in accordance with the Securities and Exchange Board of India (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999. The eligibilities and number of options to be granted to an employee is determined on the basis of the employee's work performance and approval of the compensation committee.

As of 31st March 2010, 23,000 options have been exercised by the employees. Other statutory disclosures as required by the revised SEBI guidelines on ESOPs are given in the Annexure to this report.

None of the management employees or whole time directors have received options exceeding 5% of the value of the options issued for the year ended March 2010. Likewise, no employee has been issued share options, during the year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

Adequacy of Internal Controls

Mid-Day Multimedia Limited has an internal audit and control system. The company has appointed a firm of chartered accountants, ASP & Co., as Internal Auditors. The internal audits are conducted at regular intervals and a report is submitted to the Audit committee at its meeting held every quarter. Besides this, special audits are also carried out from time to time. An extensive programme of internal audit supplements the internal control systems. Internal Audit at Mid-Day Multimedia Ltd includes evaluation of all operations and use of information technology. The audit committee of the company reviews the findings and directs the senior management to take effective steps to upgrade these systems for better control.

Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'Forward Looking Statements' within the meaning of applicable laws and regulations. Your Company undertakes no obligation or liability to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise actual results, performance of achievements could differ materially from those either expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward looking statements and read in conjunction with financial statements included herein.

Mid-Day Multimedia Limited & Subsidiaries

Historical Data: Consolidated

Rs. in Lakh

Sr No	Particulars	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
1	Operating Revenue	12,492	12,996	12,429	12,079	11,512
2	Profit Before Interest and Tax	542	(2,939)	(1,506)	(987)	1,334
3	Profit After Tax	(393)	(4,011)	(1,783)	(1,570)	619
4	Earning Per Share - Basic	0.12	(6.65)	(1.94)	(2.40)	1.48
5	Capital Employed	20,312	22,544	22,647	23,745	21,288

Corporate Governance

The Directors present the Company's report on Corporate Governance for the year ended March 31, 2010.

Company's Philosophy on Corporate Governance

Corporate Governance is an internal system consisting of policies, procedures and people, which serve the needs of shareholders and other stakeholders. It is a process of directing and controlling management activities with good business savvy, objectivity, accountability and integrity.

Corporate Governance is the acceptance by management of the unchallengeable rights of shareholders as the true owners of the corporation and of their own role as trustees on behalf of the shareholders. It is about commitment to values, ethical business conduct and a process of making a distinction between personal & corporate funds in the management of a company.

Corporate governance is a multi-faceted subject. It includes the relationships among the various stakeholders involved and the goals for which the corporation is governed. The principal stakeholders are the shareholders, management, board of directors, employees, customers, creditor, suppliers, regulators, and the community at large.

It is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers, and complying with the legal and regulatory requirements.

At Mid Day, we believe that there is a need to continuously improve on the various aspects of Corporate Governance with an overall view to earn the trust and respect of the lenders, Members and shareholders.

The Company firmly believes that Good corporate governance is a tool for socio-economic development.

The main aim of corporate governance is to ensure the accountability of certain individuals in an organization through mechanisms that try to reduce or eliminate the problems in the organisation.

Board of Directors

Composition of the Board

Mr. I.Venkat has been appointed as a Director of the Company w.e.f. 29.10.2009.

Mr. Dilip Cherian has been appointed as a Director with effect from 28.01.2010 on the board of the company.

Mr. Nikhil Khattau has resigned as a Director from the Board as well as from the Remuneration Committee w.e.f. 24.02.2010.

As on 31.03.2010 there were eight board members, four of whom were independent directors.

On 20.04.2010, Mr. Rakesh Jhunjunwala has resigned as a Director from the Board.

The Company has a Non-Executive Chairman. All Board members are professionals from diverse fields. The day-to-day management of the company is conducted by the Managing Director subject to supervision and control of the Board of Directors.

No Director of the Company is a Chairman of more than five Board Committees or a Member of more than ten Board Committees as stipulated under the Corporate Governance Clause of the Listing Agreement.

The Company has adopted a Code of Conduct for Board members and Senior Management Personnel of the Company. The Company has received confirmations from all Board members regarding compliance of the Code for the year ended March 31, 2010.

Corporate Governance

Director	Executive/ Non-Executive/ Independent	Other Directorships (Public Limited Co.)*	Chairman/ Membership Of Board Committees in other Public limited companies*	
			Chairmanship	Membership
Mr. Khalid A. H. Ansari	Non-Executive	2	-	-
Mr. Tarique Ansari	Executive	1	-	-
Mr. Narayan Varma	Independent	1	-	-
Mr. Nana Chudasama	Independent	3	-	-
Mr. Dilip Cherian	Independent	2	-	-
Mr. Rakesh Jhunjhunwala	Non-Executive	11	-	-
Mr. Adille J. Sumariwalla	Non-Executive	-	-	-
Mr. I. Venkat	Independent	2	-	-

* Excluding directorships in Mid-Day Multimedia Limited.

- Committees considered are Remuneration Committee, Audit Committee and Shareholders /Investors' Grievance Committee excluding Mid-Day Multimedia Limited.

Information about Directors appointed

Name of the Director	Mr. I. Venkat	Mr. Dilip Cherian
Date of Birth	14.10.1947	10.04.1956
Date of Initial appointment	29.10.2009	28.01.2010
Expertise in specific functional areas	<ul style="list-style-type: none"> • Since 1970, he has been in Communication profession. • 1987 onwards joined Board of Directors of Ushodaya Enterprises Limited, publishers of Eenadu Telugu Newspaper and ETV group of channels. • Founder Member and member of Board of Governors of MRUC, Mumbai. • Recently inducted into INMA Board of Directors. 	<ul style="list-style-type: none"> • He has vast experience of over 15 years in the journalistic and media sector. • He is a Consulting Partner with Perfect Relations Limited, a company which he founded in 1992. The Company advises CEOs and country management teams on External Communications, Internal Communications and Public Affairs. • He writes regular columns for The Asian Age, The Indian Express and Mid-Day.
Qualifications	Graduate in Science	M.A. (Economics)
Directorships held in other Public Companies	<ul style="list-style-type: none"> • Ushodaya Enterprises Limited • Object One Info System Limited 	<ul style="list-style-type: none"> • Perfect Relations Limited • Radio Mid-Day West (India) Limited
Membership of Committees in other Public Limited Companies	NIL	NIL

Corporate Governance

Information about Directors re-appointed

Name of the Director	Mr. Khalid A.H. Ansari	Mr. Adille J. Sumariwalla
Date of Birth	03.09.1937	01.01.1958
Date of Initial appointment	12.03.1981	31.01.2005
Expertise in specific functional areas	The son of freedom fighter Abdul Hamid Ansari, he is the recipient of several honours and awards, including India's coveted civilian award, the Padma Shri. He started the Earth Summit Times for the United Nations in New York and has also been the Managing Director and Executive Editor of the Khaleej Times, Dubai. He has covered six Olympic Games and other international sports events as a journalist, as well as various political, economic and cultural events across five continents. As Chairman, he provides the vision and guidance that keeps Mid-Day Multimedia Ltd humming.	This world-class athlete and recipient of India's highest honour for sportspersons - the Arjuna Award - has worked with Tata Engineering for 15 years in various capacities. He was also CEO with the Asian Age and Vice President with Sai Service Group of Companies.
Qualifications	Bachelors degree in Law, a Masters degree in Political Science from Bombay University and a Master's degree in Journalism & Mass Communication from Stanford University, USA.	Master's degree in Commerce (Management) from University of Mumbai and an Executive MBA from the Asian Institute of Management, Manila.
Directorships held in other Public Companies	<ul style="list-style-type: none"> • Mid-Day Outdoor Limited • Radio Mid-Day West (India) Limited 	NIL
Membership of Committees in other Public Limited Companies	NIL	NIL

Details of Directors Shareholding as on 31.03.2010

Sr. No.	Name of the Director	No. of shares held	Relationship between Directors
1	Mr. Khalid A.H. Ansari	43,38,055	Father of Mr. Tarique Ansari
2	Mr. Tarique Ansari	43,37,298	Son of Mr. Khalid Ansari
3	Mr. Rakesh Jhunjunwala*	22,50,000	N.A
4	Mr. Adille J. Sumariwalla	5,875	N.A

*Mr. Rakesh Jhunjunwala has sold his entire stake in Mid-Day Multimedia Ltd. on April 8, 2010.

Corporate Governance

Board Meetings

Board meetings are held at the Registered Office of the Company. The Board is responsible for the management of the business and meets regularly for discharging its role and functions. The members of the board have complete freedom to express their views and all the decisions are taken on the basis of a consensus arrived at after detailed discussion on each item of the agenda. The functions, role, accountability and responsibilities of the Board are clearly defined in advance.

The items placed at the meetings of the Board include the following:

- Quarterly results for the Company and its subsidiaries
- Capital Budgets and any updates
- Annual operating plans and budgets
- Financial statements such as cash flow, inventories, sundry debtors and any other claims/liabilities of substantial nature
- Opportunities for expansion, modernization, new projects etc.,
- Financial plans, budgets and review of the same
- Performance of each Segment
- The information on recruitment and remuneration of senior officers just below the board level
- Review compliance of all laws applicable to the company including all requirements of the Listing Agreement with both the Stock Exchanges
- Investment proposals, if any
- Proposals for Joint venture/ collaborations;

A detailed agenda is sent in advance along with comprehensive note on each item to enable the Board to take immediate decision during the board meeting. The minutes of the Board meeting are circulated along with agenda papers and are confirmed at the subsequent Board Meeting.

Details of Board meetings held during the financial year 2009-10 and the number of Directors present

Sr. No.	Date of the Board meeting	Total strength of the board	No of Directors present
1	May 19, 2009	7	5
2	July 16, 2009	7	5
3	October 29, 2009	8	7
4	January 28, 2010	8	6

Corporate Governance

Attendance of Directors

Directors	Relationship With other Directors	Sitting Fees Paid for the year 2009-2010 (In Rs)	No. of Board Meetings Attended out of 4 meetings held during the year	No. of Committee Meetings Attended	Attended Last AGM held on July 16, 2009
Mr. Khalid A. H. Ansari	Father of Mr. Tarique Ansari	40,000	4	-	Yes
Mr. Tarique Ansari	Son of Mr. Khalid A. H. Ansari	NIL	4	4	Yes
Mr. Narayan Varma	--	80,000	4	4	Yes
Mr. Nana Chudasama	--	80,000	4	4	Yes
Mr. Adille J. Sumariwalla	--	40,000	4	-	Yes
Mr. Rakesh Jhunjhunwala	--	NIL	NIL	-	No
Mr. Nikhil Khattau	--	10,000	1	-	No
Mr. I. Venkat	-	20,000	2	-	No
	TOTAL	2,70,000			

Committees of the Board

I. Audit Committee

The company has an Audit Committee, comprising of three Directors as mentioned hereunder. The composition, procedure, role/function of the committee complies with the requirements of the Companies Act, 1956 as well as those of Clause 49 of the Listing Agreement with Stock Exchanges.

The Chief Financial Officer and the representatives of Internal Auditors are the permanent invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary of the Audit Committee.

Mr. Narayan Varma, Chairman of the Audit Committee was present at the Annual General Meeting held on July 16, 2009.

Role

The Audit Committee of the Company, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Safeguarding of assets and adequacy of provisions for all liabilities.
- Efficiency and effectiveness of operations,
- Reliability of financial and other management information and adequacy of disclosures
- Compliance with all relevant statutes.

The role of the Committee includes the following:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

Corporate Governance

- b) Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by the auditors;
- c) Reviewing with the management the financial statements before submission to the Board.
- d) Reviewing with the management, external and internal auditors, the adequacy of internal control system;
- e) Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity.
- f) Discussion with the external auditors, before the audit commences, on nature and scope of audit, as well as after conclusion of the audit, to ascertain any areas of concern and review the comments contained in their management letter;
- g) Reviewing the Company's financial and risk management policies;

The Audit Committee met four times during the year to deliberate on the aforesaid matters. Details of the meetings are given below.

Members	Category	Meetings held	Meetings attended
Mr. Narayan Varma- Chairman	Independent	4	4
Mr. Nana Chudasama	Independent	4	4
Mr. Tarique Ansari	Executive	4	4

2. Shareholders/Investors' Grievance Committee

The company has constituted Shareholders/Investors' Grievance Committee of the Board of Directors to look into the specific complaints received from the shareholders of the company.

Mr. Rakesh Jhunjhunwala has resigned as the Chairman of the Shareholders and Investors' Grievance Committee w.e.f. April 20, 2010. In his place, Mr. Adille J. Sumariwalla was appointed as the Chairman of the committee.

Members	Category
Mr. Adille J. Sumariwalla – Chairman	Non-Executive
Mr. Tarique Ansari	Executive

The Committee looks into the redressal of shareholders and investor's complaints with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend etc.

Investor Services - Complaints Received during the Year ended 31st March 2010

There were no investor complaints pending at the beginning or end of the financial year 2009-2010.

3. Remuneration Committee

During the year Mr. Nikhil Khattau has resigned as the Chairman of the Remuneration Committee. In his place Mr. Dilip Cherian was appointed as the Chairman of the Remuneration Committee by a circular resolution passed by the board members dated 15.04.2010.

The Remuneration Committee comprises the following:

Members	Category
Mr. Dilip Cherian	Chairman
Mr. Khalid Ansari	Non-executive
Mr. Nana Chudasama	Independent

Corporate Governance

Remuneration Policy

The remuneration of the Managing Director is decided by the Remuneration Committee based on criteria such as Industry Benchmarks, the Company's performance vis-à-vis industry, performance /track record of the Managing Director and is reported to the Board of Directors. Remuneration comprises a fixed component viz. Salary and Perquisites.

Remuneration of employees largely consists of base remuneration, perquisites and performance linked employee stock option plan. The components of the total remuneration vary for different cadres and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled, individual performance etc. The objectives of the remuneration policy are to motivate employees to excel in their performance, recognise their contribution, and retain talent in the organisation and reward merit.

Remuneration to Directors

Mr. Tarique Ansari, Managing Director was paid a remuneration of Rs. 44,35,147/- by way of Salary & Bonus, Perquisites Rs. 1,70,815/- and PF/PPF contribution to the extent of Rs. 5,06,820/- for the year ended March 31, 2010, which are within the limits prescribed by Schedule XIII of the Companies Act, 1956. Apart from this, none of the directors were entitled to any remuneration except sitting fees for attending board meetings and committee meetings.

Subsidiary Companies

Midday Infomedia Limited and Radio Mid-Day West (India) Limited are material non-listed Indian subsidiaries of the Company. Their turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. Copies of the Minutes of the Board Meetings of the Subsidiary Companies are individually given to all the Directors and tabled at the subsequent Board Meetings.

General Body Meetings

Annual General Meetings for the last 3 years and Extra-Ordinary General Meeting were held as under:

Financial Year	Date of AGM/EGM	Venue & Time of AGM	Special Resolutions passed at AGM/EGM for
EGM	08.01.2007	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubhash Marg, Mumbai . 400 001 at 11.00 a.m.	<ul style="list-style-type: none"> • Increase in Authorised Share Capital • Alteration of Articles of Association • Issue of equity shares and share warrants to Promoters and issue of equity shares and convertible preference shares to others • Modification of Employee Stock Option Scheme 2005
2006-07	31.07.2007	Kamalnayan Bajaj Hall Auditorium, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021 at 4.30 p.m	No Special Resolution was passed
2007-08	25.07.2008	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	No Special Resolution was passed
2008-09	16.07.2009	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	No Special Resolution was passed

Corporate Governance

Disclosures

The particulars of transactions between the Company and its related parties as per the Accounting Standards is set out under Schedule O of Main company accounts and Schedule P of Consolidated accounts. There are no materially significant related party transactions, which have potential conflict with the interest of the company at large.

The Company has complied with the requirements of the Stock Exchanges/ SEBI/ Statutory Authorities on all matters relating to capital markets, since listed.

Code of Conduct

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The said Code has been communicated to the Directors and the members of the Senior Management. The Code of Conduct has also been posted on the Company's website www.middaymultimedia.com

Means of Communication

Quarterly, half-yearly and annual results of the Company were published in the leading English and vernacular news papers. The results and other important information also periodically updated on the Company's website viz. www.middaymultimedia.com. The Company also gives important press releases from time to time.

Compliances

The Company's Secretarial Department, headed by the Company Secretary, is responsible for compliance in respect of Company and other allied laws, SEBI, Stock Exchange rules and regulations and NSDL/CDSL requirements.

Compliance of Accounting Standards:

Company has complied with the Accounting standard 17- Segment Reporting & Accounting Standard 18- Related Party Disclosures. The details of which are given under Schedule O of the main Balance Sheet and under Schedule P of the Consolidated Balance Sheet.

Shareholders' Information

General Information for Shareholders

Date of Book Closure	Tuesday, July 13, 2010 to Tuesday, July 20, 2010.
Date, Time & Venue of the AGM	Tuesday, July 20, 2010 at 11.00 a.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
Dividend Payment	No Dividend
Listing on Stock Exchanges	1) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. Tel: 2272 1233, 2272 1234 2) The National Stock Exchange of India Ltd., “Exchange Plaza”, Bandra-Kurla Complex, Bandra (East) Mumbai – 400 051 Tel: 2659 8100-114
Listing fees	Annual Listing fees paid for the year 2010-2011 to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
Listing on Stock Exchange outside India	Not Applicable
Registered office of Company	Peninsula Centre, Dr. S. S. Rao Road, Parel, Mumbai - 400 012. Tel: 6701 7171 Fax: 24150009 E-mail - investors@mid-day.com, cs@mid-day.com Web site: www.middaymultimedia.com
Correspondence related to dividends may be addressed to	M/s Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup-West, Mumbai - 400 078. Tel: 2596 3838, Fax: 2594 6969
Share Transfer System	The shares of the Company are traded in dematerialised form only.
Stock Code	Bombay Stock Exchange Limited, Scrip Code - 532416 National Stock Exchange - MID-DAY EQ NSDL/CDSL - ISIN - INE747B01016

Market Price Data

(Rs.)

MONTH	BSE (High)	BSE (Low)	NSE (High)	NSE (Low)
April, 2009	15.40	11.80	15.30	11.70
May, 2009	20.70	13.00	20.65	13.15
June, 2009	23.45	16.55	23.45	16.50
July, 2009	18.90	15.20	18.50	15.00
August, 2009	24.50	17.30	24.90	17.10
September, 2009	28.05	22.90	28.20	22.85
October, 2009	26.30	19.20	26.95	19.10
November, 2009	28.15	17.80	28.00	17.70
December, 2009	25.30	22.10	25.85	22.20
January, 2010	26.60	20.00	26.85	20.00
February, 2010	23.40	20.20	23.50	20.25
March, 2010	29.50	21.25	29.45	21.00

Shareholders' Information

Share Price Performance

Company's Share Price	BSE	NSE
1.04.2009	Rs. 12.10	Rs. 11.70
31.03.2010	Rs. 28.35	Rs. 28.25
Increase in %	134.29	141.45

The Distribution of Shareholding as on 31st March 2010

No. of Equity Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares	% to total Shares
1-500	22673	83.78	3895493	7.37
501-1000	2364	8.74	2013464	3.81
1001-2000	1023	3.78	1617720	3.06
2001-3000	319	1.18	839290	1.59
3001-4000	145	0.54	526090	1.00
4001-5000	140	0.51	677138	1.28
5001-10000	222	0.82	1660025	3.14
10001 and above	176	0.65	41606056	78.75
TOTAL	27062	100.00	52835276	100.00

Category of Shareholders as on 31 March, 2010

Category	No. of Shareholders	No of Shares Held	Voting Strength (%)
Individuals	26167	15340725	29.03
Companies/Clearing Members/Trusts	843	8573732	16.22
FII's	3	1822664	3.45
Promoters Group	8	26996675	51.10
Mutual Funds, Banks, Financial Institutions	1	35000	0.07
Non Resident Indians	40	66480	0.13
TOTAL	27062	52835276	100.00

Financial Calendar (tentative and subject to change)

Particulars	Date
Annual General Meeting	July 20, 2010
Financial reporting for 1st Qtr ended June 30, 2010	July 2010
Financial reporting for 2nd Qtr ended September 30, 2010	October 2010
Financial reporting for 3rd Qtr ended December 31, 2010	January 2011
Financial reporting for 4th Qtr ended March 31, 2011	May 2011
Annual General Meeting for the year ended March 31, 2011	July 2011

Shareholders' Information

Investors Correspondence:

Investors' correspondence may be addressed to:

M/s Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup-West,
Mumbai – 400 078.
Tel: 2596 3838,
Fax: 2594 6969

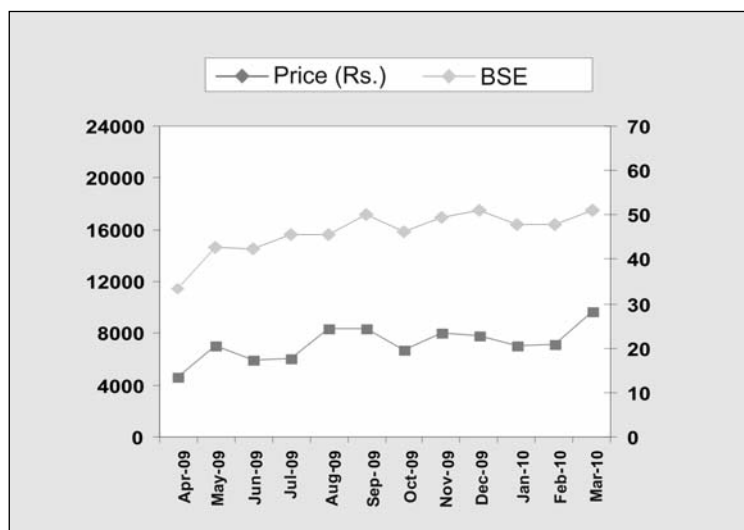
Nomination Facility:

The members holding shares in dematerialised form can contact their respective Depository participant (DP) for availing of the nomination facility.

Share Price Comparison with BSE Sensex

- CLOSING PRICE
- BSE SENSEX

MONTH	BSE SENSEX	Price
Apr-09	11403.25	13.40
May-09	14625.25	20.70
Jun-09	14493.84	17.45
Jul-09	15670.31	17.60
Aug-09	15666.64	24.45
Sep-09	17126.84	24.50
Oct-09	15896.28	19.55
Nov-09	16926.22	23.35
Dec-09	17464.81	22.85
Jan-10	16357.96	20.65
Feb-10	16429.55	20.95
Mar-10	17527.77	28.35



DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2010.

For **Mid Day Multimedia Limited**

Tarique Ansari
Managing Director

Mumbai: May 5, 2010

Mid-Day Multimedia Limited

Directors' Report

TO THE MEMBERS,

Your Directors hereby present their 29th Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31st March 2010.

Financial Performance

	(Rs. In Lakh)	
	2009-10	2008-09
Profit before Interest, Depreciation, Taxes & Exceptional Items	372	548
Less : Interest	121	118
Depreciation	1	97
Add: Exceptional & Extra Ordinary Items	-	(1,540)
Profit before taxes	250	(1,207)
Less: Provision for Taxation	54	151
Net Profit after Tax	196	(1,358)
Add: Balance brought from the previous year	2418	3,776
Total	2614	2,418
Profit available for appropriation	2614	2,418

Note: Previous years' figures are not comparable as in last year there was 3 months operation of publishing business.

As required under the Accounting Standards, Segment-wise financial statements, related party transactions, calculation of earnings per share, provision of deferred tax liability and Consolidated Accounts of the Company and its four subsidiaries are made a part of the Annual Report. The consolidated statements of the company have been prepared in accordance with Accounting Standard 21 on Consolidated Financial Statements.

Company Performance

The Company is operating in Publishing Business and Radio Business through its subsidiaries, Midday Infomedia Limited and Radio Mid-Day West (India) Limited respectively. Operations in the company represent income & expense from financial and investment activities with its subsidiaries. The Company has recorded a Net Profit after Tax of Rs. 196 Lakh for FY 2009-10 as against loss of Rs. 1,358 Lakh during Last year.

Scheme of Arrangement

The Scheme has been approved by the respective boards of Mid-Day Multimedia Limited and Jagran Prakashan Limited .

This Scheme proposes to demerge the investment arm of Mid-Day Multimedia Limited, holding investment in Midday Infomedia Limited, comprising of the entire Publishing Business and all the assets, rights, claims, title, interest, licenses, liabilities and authorities pertaining to the Publishing Business ("Demerged Undertaking") and transfer it to Jagran Prakashan Limited. The proposed demerger of the Demerged Undertaking envisaged in this Scheme, is aimed at achieving the following business and commercial objectives and is expected to result in the following benefits for MML and the Transferee Company:

- Demerger of the Demerged Undertaking would enable MML to streamline its operations by being focused in the Radio Business and explore strategic options to grow the Radio Business and to rationalize its management, businesses and finances;
- The Transferee Company's existing management expertise and quality system in the print media sector are expected to further enhance the performance of the Print Business.

Mid-Day Multimedia Limited

Directors' Report

- The strong marketing network across the country of the Transferee Company is expected to bring to the Print Business new advertisers and thus increase the advertisement revenue.
- The Transferee Company is expected to pass on the benefits of scale of economy to the Demerged Undertaking which along with the Transferee Company is also expected to benefit from various other synergies between the two resulting in cost savings.
- The pan India presence of the Transferee Company through its various publication brands and other media related businesses and the resources at its disposal will help in meeting more effectively the high intensity competition in Mumbai being faced by the Print Business and in rapid expansion of various publication brands, internet properties and other related activities of MIFL, thereby enhancing the value of MIFL and its own business in the interest of all the stake holders of both the companies.

The respective boards of directors feel that the Scheme is beneficial to the respective shareholders, creditors, employees and all stakeholders of MML as well as the Transferee Company. The Scheme is expected to contribute in furthering and fulfilling the objects of both the companies and in the growth and development of their respective businesses

Dividend

In order to preserve cash for the operating businesses, your Directors do not recommend any dividend for the financial year 2009-2010.

Fixed Deposits

Your company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the balance sheet date.

Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association, Mr. Khalid Ansari and Mr. Adille Sumariwalla, directors retire by rotation and are eligible for re-appointment.

Mr. I. Venkat has been appointed as an additional Director of the Company with effect from 29.10.2009.

Mr. Dilip Cherian has been appointed as an additional Director of the Company with effect from 28.01.2010.

Mr. Nikhil Khattau has resigned as a Director from the Board as well as from the Remuneration Committee w.e.f. 24.02.2010.

Mr. Rakesh Jhunjhunwala has resigned as a Director of the company on 20.04.2010

Corporate Governance

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance Practices followed by the Company together with a certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this Report.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors based on the representations received from the Operating Management, confirm that-

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
2. They have, in selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments 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 of the Company for that year;

Mid-Day Multimedia Limited

Directors' Report

3. They have taken proper and sufficient care to the best of their knowledge and ability, 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 preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis.

Auditors

The auditors, M/s Haribhakti & Co., Chartered Accountants, retire as auditors of the Company at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

Subsidiary Companies

As required under section 212 (1) (e) of the Companies Act, 1956, the audited statements of accounts, along with the report of the Board of Directors and respective Auditors' Reports thereon for the year ended March 31, 2010 relating to the following subsidiaries of the Company are annexed.

- Midday Infomedia Limited
- Radio Mid-Day West (India) Limited
- Mid-Day Broadcasting South (India) Private Limited
- Mid-Day Radio North (India) Limited, Mid Day Outdoor Limited

Particulars of Employees

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, forms part of the Directors' Report. However, as per provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956 the Annual Report is being sent to all shareholders of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Information pursuant to 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, particulars relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are also annexed.

Acknowledgement

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from the banks, customers, advertisers, advertising agencies, bankers, Government Authorities and all the local authorities. Your Directors also thank all the shareholders for their continued support and all the employees of the Company for their valuable services during the year.

**For and on behalf of the Board of Directors
Of Mid-Day Multimedia Limited**

Khalid A.H. Ansari

Chairman

Place : Mumbai
Date : May 5, 2010

Mid-Day Multimedia Limited

Directors' Report

ANNEXURE 'A'

Statement pursuant to 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.

(A) Conservation of Energy:

The Company does not belong to category of power intensive industry and hence consumption of power is not significant. However, the management gives due importance for conservation of energy and also reviews from time to time the measure taken/to be taken for reduction of consumption of energy.

(B) Technology absorption, Research and Development: Not applicable

(C) Foreign Exchange Earnings and Outgo:

	2009-10	2008-09
I) Foreign Exchange Earnings		
Advertising Revenue	NIL	NIL
II) Foreign Exchange Outgo:		
A) Expenditure in Foreign Currency on account of:		
Particulars	2009-10	2008-09
	(Rs. in lakh)	(Rs. in lakh)
News/Subscription	NIL	3
Traveling	NIL	2
Conference & training	NIL	0
Technical Services	NIL	1
Total:	NIL	6
B) C.I.F.Value of Newsprint Imports		
Particulars	2009-10	2008-09
	(Rs. in lakh)	(Rs. in lakh)
C.I.F.Value of Newsprint Imports	NIL	1,123

Note: Previous years' figures are not comparable as in last year there was 3 months operation of publishing business.

Mid-Day Multimedia Limited

Annexures To The Directors' Report

ANNEXURE - 'B'

Statement pursuant to Section 212 (1) (e) of the Companies Act, 1956 relating to Subsidiary Companies

Rs. in lakh

Name of the Subsidiary	Midday Infomedia Limited	Mid-Day Broadcasting South (India) Pvt. Limited	Mid-Day Outdoor Limited	Mid-Day Radio North (India) Limited	Radio Mid-Day West (India) Ltd.
Holding Company's Interest	Holder of 88,61,500 Equity shares of Rs. 10 each out of the total issued and subscribed 88,61,500 Equity shares of Rs. 10 each of the aforesaid subsidiary	Holder of 10,000 Equity Shares of Rs. 10 each out of the total issued and subscribed 10,000 Equity Shares of Rs. 10 each of the aforesaid Subsidiary Company	Holder of 34,94,200 Equity Shares of Rs. 10 each out of the total issued and subscribed 34,95,000 Equity Shares of Rs. 10 each of the aforesaid Subsidiary Company	Holder of 50,000 Equity Shares of Rs. 10 each out of the total issued and subscribed 50,000 Equity Shares of Rs. 10 each of the aforesaid Subsidiary Company	Holder of 7,04,60,261 Equity Shares of Rs. 10 each out of the total issued and subscribed 10,07,49,761 Equity Shares of Rs. 10 each and 2,57,70,000 Preference Shares of Rs. 10 each out of the total issued and subscribed 2,57,70,000 Preference Shares of Rs. 10 each of the aforesaid Company
Net aggregate amount of Subsidiaries profits less losses and not dealt within the Company's Accounts					
For the Subsidiaries Financial Year ended 31st March, 2010	933.89	-0.11	-0.23	-0.26	-1,522.00
For the previous Financial years since it became subsidiary	-1,104.89	-0.19	-356.50	-232.17	-7,618.04
Net aggregate amount of Subsidiaries profits less losses and dealt within the Company's Accounts					
For the Subsidiaries Financial Year ended 31st March, 2009	NIL	NIL	NIL	NIL	NIL
For the previous Financial years since it became subsidiary	NIL	NIL	NIL	NIL	NIL

Mid-Day Multimedia Limited

Annexures To The Directors' Report

5. .No material changes have been occurred between the end of the preceding financial year of the subsidiary and the end of the holding company's financial year in respect of the Subsidiaries: -
- a. Fixed Assets
 - b. Investments
 - c. The money lent by it
 - d. The money borrowed by it for any purpose other than that of meeting current liabilities.

ANNXURE 'C' TO DIRECTORS 'REPORT

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

Employee Stock Option Scheme -2005

a)	Options outstanding at the beginning of the year	6,27,000
	Options granted during the year	NIL
b)	The Pricing Formula	At Par Value
c)	Options Vested	29,000
d)	Options Exercised (till 31.03.2010)	23,000
e)	Total number of shares arising as a result of exercise of options	23,000
f)	Options Lapsed (will be re-issued to other employees as per the scheme)	3,93,000
g)	Variation of terms of Options	NIL –There were no variations in the terms of Options
h)	Money realized by Exercise of Options	Rs. 2,30,000
i)	Total number of options in force	30,000
j)	Employee wise details of options granted to;	
	(i) Senior managerial personnel;	NIL
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	NIL
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	NIL

Mid-Day Multimedia Limited

Annexures To The Directors' Report

Fair Value:

The fair value of the options used to compute pro forma net income and earnings per share have been estimated on the dates of each grant using the Black Scholes model.

The various assumptions considered in the pricing model are:

	March 31, 2010
Dividend Yield	NIL
Expected Volatility	25%
Risk Free Interest Rate	8%
Expected life of the options	852 days

Impact of fair value method on net profit and EPS

	March 31, 2010
	(Rs. in lakh)
Net Profit (As per P & L a/c)	195.67
Add: ESOP expenses included in net Income	(74.74)
	120.92
Less: ESOP expenses determined under fair value (Pro-Forma)	(86.44)
Net Profit (Pro-forma)	207.36
	(Rs.)
Basic EPS (as reported)	0.37
Basic EPS (Pro-forma)	0.40
Diluted EPS (as reported)	0.37
Diluted (pro-forma)	0.40

Mid-Day Multimedia Limited

Auditors' Report

To the Members of Mid-Day Multimedia Limited

1. We have audited the attached Balance Sheet of MidDay Multimedia Limited, as at 31st March 2010, the Profit and Loss Account and also 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 conduct 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 about 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 management, as well as evaluating the 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 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:
 - (i) 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;
 - (ii) 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;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account 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.
 - (v) Based on the written representations received from the directors and taken on record by the Board of Directors, we report that none of them are disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) 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:
 - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2010;
 - (b) in the case of the Profit & Loss account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date

For **Haribhakti & Co.**
Chartered Accountants
Firm Reg No. 103523W

Place : Mumbai
Date : May 5, 2010

Chetan Desai
Partner
Membership No. 17000

Mid-Day Multimedia Limited

Annexure to Auditors' Report

ANNEXTURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF MID-DAY MULTIMEDIA LIMITED.

I. Fixed Assets:

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. We are informed that management at reasonable intervals has physically verified all the fixed assets of the company. As per the information and explanations given to us the discrepancies found on such verification were not material.
3. In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.

II. Inventories:

4. The company does not hold any inventory and hence Clause 4(ii) is not applicable to the Company.

III. Internal Controls:

5. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.

IV. Transaction with parties under section 301 of the Companies Act 1956:

6. On the basis of our examination of relevant records and on the basis of representation received from the management, transaction that need to be entered in the register pursuant of the section 301 of the Act have been so far entered.
7. As per the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

V. Loans and Advances:

8. The Company has not granted any loan to companies, firms or other parties covered in the register maintained under section 301 of the Act except for loans granted to Radio Mid Day West India Limited its subsidiary company amounting to Rs. 583.75 lacs during the year and the year end balance is Rs. 2,529.09 lacs, the other terms and conditions of which are prima facie not prejudicial to the interest of the company.
9. According to the information and explanation given to us, the Company has accepted loan from one company listed in the Register maintained under section 301 of the Companies Act 1956. The amount involved is Rs. 4848.09 lacs and the year end balance is Rs. Nil. As per the information and explanations given to us the terms and conditions of the same are, prima facie, not prejudicial to the interest of the Company.
10. In respect of loans and advances in nature of loans given and accepted by the company to its subsidiaries we have been informed that there are no stipulations for repayment of principal and interest thereon. As informed to us there are no over due amounts as on the Balance Sheet date.
11. The Company has not granted any loans or advances on the basis of securities by way of pledge of shares, debentures and other securities.

VI. Deposits:

12. During the year the company has not accepted any deposits within the meaning of Section 58A or Section 58AA of the Companies Act, 1956.

VII. Internal Audit:

13. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.

VIII. Statutory Payments:

14. According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on the management representations, undisputed Statutory Dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, and

Mid-Day Multimedia Limited

Annexure to Auditors' Report

other Statutory dues have generally been regularly deposited by Company during the year with appropriate authorities in India.

As regards Service Tax, the Company has not been recovering and paying to the authorities such taxes in respect of relevant transactions with related parties the amount of which is not quantifiable.

15. As at March 31, 2010 there have been no disputed dues that have not been deposited with respective authorities in respect of Income Tax, Wealth Tax, Excise Duty and Service Tax.

16. According to the records of the Company, the company has not defaulted in the payment to any financial institution or Banks.

IX. Losses:

17. The Company has neither accumulated losses as at March 31, 2010 nor it has incurred any cash loss, either during the financial year ended on that day or in the immediately preceding financial year.

X. Guarantees:

18. The company has given counter guarantees for loan taken by others from the banks and financial institutions, aggregating Rs. 6,715.00 lakhs, where the terms and conditions in our opinion, are prima facie not prejudicial to the interest of the company.

XI. Utilization of Funds:

19. The Company has not obtained any term loan during the year.

20. On the basis of review of utilization of funds, which is based on overall examination of the Balance Sheet of the company, related information made available to us and as represented to us by the management, funds raised on short basis have not been used for long-term Investments.

XII. Preferential Allotment:

21. During the year the company has not made any preferential allotment of shares to parties or companies covered under Section 301 of the Act.

XIII. Miscellaneous:

22. The Company has issued unsecured non convertible debentures which are redeemable in parts within a year.

23. As per information and explanation given to us and on the basis of examination of records, no material fraud on or by the company was noticed or reported during the year.

24. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the activities carried on by the company.

25. The provisions of chit funds and/or those applicable to nidhi/mutual benefit societies are not applicable to the Company.

26. The Company has not raised any funds by way of public issue.

For **Haribhakti & Co.**
Chartered Accountants
Firm Reg No. 103523W

Chetan Desai
Partner
Membership No: 17000

Place : Mumbai
Date : May 5, 2010

Mid-Day Multimedia Limited

Balance Sheet as at March 31, 2010

	SCHEDULE	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	A	52,29,87,760	52,23,48,600
Employee Stock Option Outstanding		3,06,43,804	3,17,26,104
Less: Deferred Employee Compensation cost		3,06,43,804	2,31,69,403
		-	85,56,701
Reserves & surplus	B	1,10,06,48,298	1,07,99,99,116
		1,62,36,36,058	1,61,09,04,417
Loan funds			
Unsecured loans	C	9,30,00,000	9,95,00,000
		9,30,00,000	9,95,00,000
	TOTAL	1,71,66,36,058	1,71,04,04,417
APPLICATION OF FUNDS			
Fixed assets			
Gross block	D	45,46,712	57,18,112
Less: Depreciation		10,06,947	11,61,989
Net block		35,39,765	45,56,123
Investments	E	1,22,06,06,498	96,31,12,998
Deferred Tax Asset		4,04,728	-
Current assets, loans & advances			
Cash & bank balances	F	84,409	1,09,528
Other current assets	G	16,86,37,080	23,44,26,196
Loans and advances	H	32,69,29,001	51,84,55,712
		49,56,50,490	75,29,91,436
Less:			
Current liabilities & provisions			
Current liabilities	I	24,47,687	57,49,056
Provisions		11,17,735	45,07,083
		35,65,422	1,02,56,139
Net current assets		49,20,85,068	74,27,35,297
	TOTAL	1,71,66,36,058	1,71,04,04,417

Notes forming part of Accounts

Schedules A to N referred form integral part of the balance sheet and the profit & loss account.

As per our report of even date attached.

For Haribhakti & Co.
Chartered Accountants

Chetan Desai
Partner

Khalid Ansari
Chairman

Narayan Varma
Director

Tarique Ansari
Managing Director

Vidya Shembekar
Company Secretary

Manajit Ghoshal
Chief Financial Officer

Place : Mumbai

Date : May 5, 2010

Mid-Day Multimedia Limited

Profit and Loss Account for the year ended March 31, 2010

SCHEDULE	Year ended to Mar 31, 2010 Rs.	Year ended to Mar 31, 2009 Rs.
INCOME		
Circulation revenue	-	4,15,20,069
Advertising revenue	-	24,88,39,761
Other Operating Income	-	17,44,170
Investment & Other Income		
Miscellaneous Income	12,91,828	34,34,144
Interest Income (From subsidiaries)	3,28,21,080	4,63,84,898
Gain / (Loss) on Foreign currency	-	(52,57,828)
Gain / (Loss) on sale of Fixed Asset	3,10,941	589
Gain / (Loss) on disposal of Investments	12,24,397	(70,80,536)
	3,56,48,246	32,95,85,268
EXPENSES		
Cost of printing	-	13,35,97,763
News expenses	-	52,61,597
Employees cost	(46,10,008)	7,72,73,547
Selling & distribution	-	2,60,00,958
Other operational expenses	30,90,541	3,26,67,329
Finance charges	1,20,87,424	1,18,26,617
Depreciation	77,299	97,25,558
	1,06,45,257	29,63,53,368
Profit before tax and exceptional Items	2,50,02,989	3,32,31,899
Exceptional Items (net of deferred tax effects)	-	(6,23,08,693)
Profit before tax and extra ordinary items	2,50,02,989	(2,90,76,794)
Less: Extra ordinary item	-	(9,16,72,600)
Profit before tax	2,50,02,989	(12,07,49,394)
Less: Provision for tax - Current Tax	58,40,834	38,55,773
- Deferred Tax	(4,04,728)	94,63,624
- Fringe Benefit Tax	-	17,64,560
Net profit after tax	1,95,66,883	(13,58,33,351)
Balance brought forward	24,17,72,676	37,76,06,027
Profit carried to balance sheet	26,13,39,559	24,17,72,676
Earning per share face value of Rs.10 each		
Basic (After Extra Ordinary Item)	0.37	(2.62)
Diluted (After Extra Ordinary Item)	0.37	(2.62)

Notes forming part of Accounts

○

Schedules A to N referred form integral part of the balance sheet and the profit & loss account.
As per our report of even date attached.

For Haribhakti & Co.
Chartered Accountants

Khalid Ansari
Chairman

Narayan Varma
Director

Vidya Shembekar
Company Secretary

Chetan Desai
Partner

Tarique Ansari
Managing Director

Manajit Ghoshal
Chief Financial Officer

Place : Mumbai
Date : May 5, 2010

Mid-Day Multimedia Limited

Schedules forming part of Balance Sheet

	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SCHEDULE A		
Shareholders' Funds		
Share capital		
Authorised capital		
5,50,00,000(5,50,00,000) Equity shares of Rs. 10/- each	55,00,00,000	55,00,00,000
50,00,000(50,00,000) Preference shares of Rs. 10/- each	5,00,00,000	5,00,00,000
	60,00,00,000	60,00,00,000
 Issued, subscribed & paid up capital		
5,22,98,776 (5,22,34,860) Equity shares of Rs. 10/- each	52,29,87,760	52,23,48,600
	52,29,87,760	52,23,48,600
 SCHEDULE B		
Reserves & surplus		
Share premium as per last Balance Sheet	83,82,26,440	78,42,83,790
Add: On conversion of Share Warrants	-	4,16,66,650
Add: Share Premium on ESOP exercised	10,82,300	1,22,76,000
	83,93,08,740	83,82,26,440
 Balance as per profit & loss account	26,13,39,559	24,17,72,676
	1,10,06,48,298	1,07,99,99,116
 SCHEDULE C		
Unsecured loans		
Non convertible Debenture (Redemable in parts by 30th September,2010)	9,30,00,000	9,95,00,000
	9,30,00,000	9,95,00,000

Mid-Day Multimedia Limited

Schedules forming part of Balance Sheet

SCHEDULE - D FIXED ASSETS

Rs.

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 1.4.2009	Additions	Deductions	As at 31.03.2010	As at 1.4.2009	For the period	Deductions	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
TANGIBLE ASSETS										
Office Premises	57,18,112	-	11,71,400	45,46,712	11,61,990	77,299	2,32,341	10,06,947	35,39,765	45,56,123
TOTAL	57,18,112	-	11,71,400	45,46,712	11,61,990	77,299	2,32,341	10,06,947	35,39,765	45,56,123
Previous Year	84,50,32,031	1,06,27,169	84,99,41,089	57,18,112	25,41,39,652	97,25,558	26,27,03,219	11,61,989	45,56,123	

Mid-Day Multimedia Limited

Schedules forming part of Balance Sheet

	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SCHEDULE E		
INVESTMENTS		
UNQUOTED:		
Investment in Subsidiaries (long term at cost less provision)		
34,94,200 (34,94,200) Equity Shares of Rs.10/- each of Mid-Day Outdoor Ltd.	3,49,42,000	3,49,42,000
Less:Provision for diminution in value of investment	3,49,42,000	3,49,42,000
	-	-
10,000 (10,000) Equity Shares of Rs.10/-each of Mid-Day Broadcasting South (India) Pvt.Ltd.	1,00,000	1,00,000
Less:Provision for diminution in value of investment	1,00,000	1,00,000
	-	-
50,000 (50,000) Eq Sh of Rs.10/- each of Mid-Day Radio North (I) Ltd.	5,00,000	5,00,000
Less:Provision for diminution in value of investment	5,00,000	5,00,000
	-	-
7,04,60,261 (7,04,60,261) Equity Shares of Rs.10/- each of Radio Mid-Day West (India) Ltd.	87,42,91,498	87,42,91,498
88,61,500 (88,61,500) Equity Shares of Rs.10/-each of Midday Infomedia Ltd.	8,86,15,000	8,86,15,000
2,57,70,000 (NIL) Preference Shares of Rs.10/-each of Radio Mid-Day West (India) Ltd	25,77,00,000	-
Others (long term at cost less provision)		
250(250)Eq Shares of Rs.10/- each of Awami Co-op Bank Ltd.	2,500	2,500
Less:Provision for diminution in value of investment	2,500	-
	-	2,500
UNQUOTED: sub total	1,22,06,06,498	96,29,08,998
QUOTED:		
Investment In Shares		
NIL(2,400) Equity shares of Rs.10/- each of Bank of Baroda	-	2,04,000
	1,22,06,06,498	96,31,12,998
Aggregate of quoted investments	-	2,04,000
Aggregate of unquoted investments	1,22,06,06,498	96,29,08,998

Mid-Day Multimedia Limited

Schedules forming part of Balance Sheet

	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SCHEDULE F		
Cash & bank balances		
In current accounts with scheduled banks	9,409	-
In fixed deposit with scheduled banks	75,000	75,000
Margin money with scheduled banks	-	34,528
	84,409	1,09,528
SCHEDULE G		
Other current assets		
Sales consideration receivable from Midday Infomedia Ltd	16,86,37,080	23,44,26,196
	16,86,37,080	23,44,26,196
SCHEDULE H		
Loans & advances		
Loans to subsidiaries	25,29,96,438	47,72,95,862
Advance Income-tax(net of provision)	1,92,71,706	1,88,66,163
Advances recoverable in cash or kind or for value to be received	5,46,60,858	2,22,93,687
	326,929,001	51,84,55,712
SCHEDULE I		
Current liabilities & provisions		
Current liabilities		
Other liabilities	24,47,687	57,49,056
	24,47,687	57,49,056
PROVISIONS		
Provision for leave encashment	11,13,428	-
Provision for Gratuity	4,307	45,07,083
	11,17,735	45,07,083
	35,65,422	1,02,56,139

Mid-Day Multimedia Limited

Schedules forming part of Profit & Loss Account

	Year ended to Mar 31, 2010 Rs.	Year ended to Mar 31, 2009 Rs.
SCHEDULE J		
Cost of printing / painting		
<u>Consumption of Newsprint</u>		
Opening stock		2,61,55,187
Purchases (net)	-	15,30,25,467
	-	17,91,80,654
Closing stock		7,41,49,318
Cost of printing	-	10,50,31,336
Printing job work & labour charges	-	1,28,52,243
Printing & Packing materials	-	1,30,55,597
Electricity	-	26,58,588
	-	13,35,97,763
SCHEDULE K		
Employees cost		
Salaries, wages & bonus	27,09,403	6,53,69,793
Contribution to PF, FPF (Net of Rs. 1,14,57,572 charged to subsidiary)	1,54,990	23,83,151
Gratuity	-	12,99,999
Outsourcing	-	1,35,94,242
Staff welfare expenses	-	17,41,564
ESOP Compensation (Refer Note no.7)	(74,74,401)	(71,15,201)
	(46,10,008)	7,72,73,547
SCHEDULE L		
Selling & distribution		
Freight & Distribution	-	1,57,04,380
Entertainment & business development	-	76,70,124
Advertisement expenses	-	26,26,454
	-	2,60,00,958

Mid-Day Multimedia Limited

Schedules forming part of Profit & Loss Account

	Year ended to Mar 31, 2010 Rs.	Year ended to Mar 31, 2009 Rs.
SCHEDULE M		
Other operational expenses		
Conveyance	-	15,74,124
Electricity office	-	17,72,517
General expenses	1,41,628	2,63,860
Vehicle expenses	-	1,78,689
Insurance premium	98,056	9,95,272
Legal & professional charges	17,41,752	40,37,767
Machinery repairs	-	13,67,717
Other repairs & maintenance	-	37,87,467
Printing & stationery	3,36,677	8,36,596
Postage & telephone	1,99,489	29,99,912
Rent, rates & taxes	32,704	82,94,618
Travelling	-	47,29,520
Membership & Subscription	-	6,14,853
Directors fees	2,70,000	3,10,000
Donation	-	5,68,003
<u>Remuneration to auditors for :</u>		
Statutory audit	1,65,450	1,94,167
Tax audit	55,150	84,270
Certification work	49,635	57,978
	30,90,541	3,26,67,329
Schedule N		
Finance charges		
Interest - on Debentures	1,20,62,100	72,26,028
Interest - on Others	-	38,50,587
Bank charges & commission	25,324	7,50,002
	1,20,87,424	1,18,26,617

Mid-Day Multimedia Limited

Notes forming part of the Accounts

SCHEDULE 'O'

Notes Forming Part of the Accounts for the Year ended March 31, 2010.

1. Printing and publishing business of the Company has been transferred to Midday Infomedia Limited w.e.f. July 1, 2008 as explained in note no. 4. In view of such transfer, the figures of the current year are not comparable with the previous year.

2. Significant Accounting Policies

- i) Accounting system

The financial statements have been prepared under the historical cost convention, on accrual basis of accounting and in compliance with the applicable accounting standards prescribed under Section 211 (3C) of the Companies Act and other accepted accounting principles.

- ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management of the company to make estimates and assumptions that affect the reported amounts of income and expenses of the period and the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

- iii) Revenue Recognition

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

- iv) The Company provides depreciation under the straight-line method as per the rates prescribed in schedule XIV of the Companies Act, 1956 in respect of office premises.

- v) All investments of long-term nature are valued at cost. Diminution in value of such investments, if of permanent nature, is provided for. Current investments are valued at lower of cost or net realizable value.

- vi) Current tax is provided at the current tax rates on taxable income. The Company provides for deferred tax based on tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current tax provision using the tax rates and tax laws that have been enacted or substantively enacted. Deferred Tax Assets on timing differences other than unabsorbed losses are recognized to the extent there is a reasonable certainty that these would be realized in future. Deferred Tax Asset arising on account of unabsorbed tax losses and unabsorbed depreciation are accounted for on prudence basis when there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

- vii) In respect of stock options granted pursuant to the Company's Stock Option Schemes, the intrinsic value of the option (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employees compensation cost over the vesting period.

- viii) Employee Benefits

Short term employee benefits payable wholly within twelve months of rendering services such as salaries, wages, etc. are recognized in the period in which the employee renders the related service.

Defined Contribution Plan: The company's contribution to the state governed employee's provident fund scheme is a defined contribution plan. The contribution paid / payable under the scheme is recognized during the period in which the employee renders the related service.

Defined Benefit Plan: The Company's gratuity fund managed through the gratuity trust is company's defined benefit plan. The present value of obligations under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method.

Long Term Employee Benefits: The obligation of long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans.

Mid-Day Multimedia Limited

Notes forming part of the Accounts

ix) Impairment of Assets:

At each Balance Sheet date the carrying amount of the assets is tested for impairment. If there is any indication of impairment, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date there is an indication that the previously assessed impairment loss no longer exist, the recoverable amount is reassessed and the assets is reflected at the recoverable amount.

3. Business Transfer

The members of the company by way of Postal Ballot have approved transfer of Printing and Publishing business of the Company by way of slump sale together with all its properties, assets, rights, liabilities/obligations of whatsoever nature and kind and its employees on a going concern basis to a New Wholly Owned Subsidiary Middy Infomedia Ltd, through Business Transfer Agreement pursuant to Section 293 (1)(a) of the Companies Act, 1956. This was effective from July 1, 2008.

Cash credit and term loan facilities forming part of the Newsmedia division which has been transferred by way of slump sale are secured by pari passu charge on present & future movable and immovable assets of the company and also secured by personal guarantee of Chairman & Managing Director.

Pursuant to the BTA, the leasehold land & factory premises, bank balances and Secured loans are in the process of being transferred in the name of the purchaser company Middy Infomedia Ltd.

4. Contingent Liability

- a) In respect of guarantees issued by Company's bankers to MSRDC and other authorities for Rs. 3 Lakh (Rs. 3 Lakh).
- b) Corporate guarantee issued to Bank of Baroda for Radio Mid Day West (India) Limited against term loan of Rs. NIL (Rs. 15 Lakh) and CC limit Rs. 140 Lakh (Rs. 140 Lakh).

Bank Guarantee issued to Ministry of Information & Broadcasting for Radio Mid Day West (India) Limited Rs. 332 Lakh (Rs. 332 Lakh).

Counter guarantee issued to Axis Bank for Radio Mid Day West (India) Limited against term loan of Rs. 3,000 Lakh (Rs. 4,000 Lakh) and corporate guarantee for CC limit of Rs. 500 Lakh (NIL).

Corporate guarantee issued to Bank of India for Middy Infomedia Limited against unsecured loan of Rs. 1,050 Lakh (Rs. 1,250 Lakh) and to Bank of Baroda for Middy Infomedia Limited against CC limit of Rs. 1,800 Lakh (Rs. 1,800 Lakh) and for ECB Term Loan of Rs. 225 Lakh (Rs. 651 Lakh).

- c) Claims against the company in respect of various defamation suits and claims of employees, amount not ascertainable (Previous year Unascertainable)

5. The Company administers its ESOP scheme through a Trust. The details of the Share Capital are as follows:

	No. of Shares	Nominal value
Total No. Shares issued (including for ESOP)	5,28,35,276	52,83,52,760
Shares Held by Trust under ESOP Scheme *	(5,36,500)	(53,65,000)
Share Capital reflected in Balance Sheet	5,22,98,776	52,29,87,760

* ESOP Trust (Mid-Day Exports Ltd) is holding in total 577,416 shares including 40,916 shares held from earlier ESOP Scheme which is part of share Capital reflected in balance sheet.

Mid-Day Multimedia Limited

Notes forming part of the Accounts

The Company has allotted 23,000 equity shares under ESOP scheme at exercise price of Rs. 10 each aggregating to 230,000.

6. Credit balance in ESOS Compensation account represent write back of ESOP expense arising as a result of options being lapsed/not exercised by the employees.
7. The company's exposure in its subsidiary Radio Mid day West (India) Limited through investments and loans aggregate Rs. 13,850 lakh (investment Rs. 11,320 lakh and loan Rs. 2,530 lakh). Though net worth of the subsidiary is substantially eroded, the investments and loans have not been considered as impaired as management is certain of realizing value of investments and loans.

8. Managerial Remuneration: Managing Director

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
Salaries, Wages & Bonus	44,35,147	44,88,264
Contribution to PF & FPF	5,06,820	5,28,441
Perquisites	1,70,815	1,67,754

9. C.I.F. Value of Newsprint Imports

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
C.I.F. Value of Newsprint Imports	NIL	11,28,78,298

10. Expenditure in Foreign Currency on account of:

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
News/Subscription	NIL	2,65,000
Traveling	NIL	1,50,441
Conference & training	NIL	NIL
Technical Services	NIL	93,000

Mid-Day Multimedia Limited

Notes forming part of the Accounts

11. Consumption of Newsprint

Particulars	2009-10 (Rs. in Lakh)	%	2008-09 (in Rs. Lakh)	%
Imported	NIL	NIL	649	62%
Indigenous	NIL	NIL	401	38%

12. The calculation of deferred tax asset/(liability) is shown below

Particulars	Opening (Rs.)	During the year (Rs)	Closing (Rs.)
Depreciation	NIL	26,274	26,274
Provision for Leave Encashment	NIL	3,78,454	3,78,454
Total	NIL	4,04,728	4,04,728

13. Calculation of EPS

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
Net Profit after tax for the year (Rs)	1,95,66,883	(13,58,33,351)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	5,22,34,860	5,11,68,610
Weighted avg. of Shares issued during the year (14000 × 156 / 365) & (9000 × 337/365)	14,293	14,63,354
Weighted avg. Number of Equity Shares considered for Basic EPS Calculation.	5,22,49,153	5,26,31,964
Weighted avg. Number of Equity Shares considered for Diluted EPS Calculation.	5,22,49,153	5,26,31,964
Basic Earnings/(loss) (in Rupees) per share	0.37	(2.62)
Diluted Earnings/(loss) (in Rupees) per share	0.37	(2.62)

14. The company does not have multiple operating segments hence separate disclosure of the segment wise information is not required.

Mid-Day Multimedia Limited

Notes forming part of the Accounts

15. Disclosure with regard to related party transactions as per Accounting Standard AS- 18 is as follows:

A. Subsidiary Company

Name of The Party	Relationship	Nature of Transaction during the year	Amount of transaction (Rs.)	Closing Balance Due (to)/ from Rs.	Amount written off/ added back Rs.
Mid-Day Outdoor Ltd.*	Subsidiary Company	Loan	25,130	7,23,972	NIL
Radio Mid-Day West (India) Ltd.	Subsidiary Company	Loan given	(22,43,24,554)	25,29,08,836	NIL
		Investment in Preference Shares	25,77,00,000	25,77,00,000	NIL
		Interest on Loan & Rent Income.	3,20,24,395	5,39,85,285	NIL
Midday Infomedia Ltd.	Subsidiary Comapany	Expenses Reimbursement	37,11,260		
		Advances	(6,95,00,375)	16,86,37,080	NIL

* We have made provision for diminishing in value of Rs. 636,370 loan given to Mid-Day Outdoor Ltd

B. Other related parties where control exists:

Name of The Party	Relationship	Nature of Transaction during the year	Amount of transaction (Rs.)	Closing Balance Due (to)/ from Rs.	Amount written off/ added back Rs.
Inquilab Offset Printers Pvt. Ltd.	Associate Company	Advances	12,09,194		
		Expense Reimbursement	(3,22,725)	(3,22,725)	NIL
Mid-Day Publishing Pvt. Ltd.	Associate Company	-Expense Reimbursement	45,519	NIL	NIL
		Payment received	3,50,039		
Mid-Day Export Pvt. Ltd.	Associate Company	Amount Repaid against equity shares under ESOP	6,39,160	(20,35,000)	NIL

Mid-Day Multimedia Limited

Notes forming part of the Accounts

During the year, there were no transactions with the following associate companies:

- i) Mid-Day Broadcasting South (India) Pvt. Limited
- ii) Meridian Holding & Leasing Co Pvt. Limited
- iii) Mirror Films Private Limited
- iv) Ferari Investments and Trading Co Pvt. Limited
- v) Mid-Day Radio North (India) Limited

C. Key Management Personnel :

Mr. Khalid Ansari

Mr. Tarique Ansari (Remuneration Rs. 5,112,782 Refer Note 8)

16. Employees Benefit

The Company has classified the various benefits provided to employees as under:

I. Defined Contribution Plans:

Provident Fund (PF, FPF)

The Company has recognised the following amounts in Profit and Loss Account:

Particulars	Year Ended March 31, 2010
Employer's contribution to PF, FPF	1,54,990

II. Defined Benefit Plans

Contribution to Gratuity Fund (Funded Scheme)

In accordance with the Accounting Standard (AS 15) (Revised 2005), actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:

The current year information in the following tables represents the figure for employees retained after the slump sale of news print division and is not comparable with previous year's information.

Amount debited to Profit & Loss a/c on account of Leave encashment Rs. 1,113,428

Discount Rate (per annum)	8%
Rate of increase in compensation levels (per annum)	6%
Rate of return on Plan Assets (for Funded Scheme)	8%

Mid-Day Multimedia Limited

Notes forming part of the Accounts

a. Change in the Present Value of Obligation

Particulars	Funded Scheme Gratuity	
	Year Ended March 31, 2010 (Rs.)	Year Ended March 31, 2009 (Rs.)
Present Value of Defined Benefit Obligation as at beginning of the period	45,07,083	43,48,935
Interest Cost	3,38,031	3,26,170
Current Service Cost	2,13,338	2,71,109
Benefits Paid*	(78,00,000)	NIL
Actuarial (gain) / loss on Obligations	78,60,629	(4,39,131)
Present Value of Defined Benefit Obligation as at the end of the period	51,19,081	45,07,083

b. Fair Value of Plan Assets (For Funded Scheme)

Particulars	Year Ended March 31, 2010 (Rs.)	Year Ended March 31, 2009 (Rs.)
Present Value of Plan Assets as at beginning of the period	1,10,22,368	2,58,75,515
Expected Return on Plan Assets	8,26,678	N.A
Contributions during the year	NIL	NIL
Benefits Paid*	(78,00,000)	NIL
Actuarial gain / (loss) on plan assets	10,65,728	NIL
Assets Distributed on Settlement		2,58,75,515
Fair Value of Plan Assets as at end of the period	51,14,774	NIL

* Represents amount transferred to gratuity trust of Mid day Infomedia Ltd.
All the funds under the plan assets are insurer managed.

c. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

Particulars	Year Ended March 31, 2010 (Rs.)	Year Ended March 31, 2009 (Rs.)
Present Value of Funded Obligation as at end of the period	51,19,081	45,07,083
Fair Value of Plan Assets as at end of the period	51,14,774	NIL
Funded Liability recognised in the Balance Sheet(Gratuity)	NIL	45,07,083
Included in provision (Schedule)		
Present Value of Unfunded Obligation as at end of the period	4,307	NIL
Unrecognised Actuarial gains / (losses)	NIL	NIL
Included in provision (Schedule)	NIL	NIL

Mid-Day Multimedia Limited

Notes forming part of the Accounts

d) Amount recognised in the Balance Sheet

Particulars	Funded Scheme Gratuity	
	Year Ended March 31, 2010 (Rs.)	Year Ended March 31, 2009 (Rs.)
Present Value of Defined Benefit Obligation as at the end of the period	51,19,081	45,07,083
Fair Value of Plan Assets As at end of the period	51,14,774	NIL
Liability / (Net Asset) recognised in the Balance Sheet	(4,307)	45,07,083

e) Expenses recognised in Profit and Loss Account

Particulars	Funded Scheme Gratuity	
	Year Ended March 31, 2010 (Rs.)	Year Ended March 31, 2009 (Rs.)
Current Service Cost	2,13,338	2,71,109
Past Service Cost	NIL	NIL
Interest Cost	3,38,031	3,26,170
Expected Return on Plan Assets	(8,26,678)	NIL
Curtailement Cost / (Credit)	NIL	NIL
Settlement Cost / (Credit)	NIL	NIL
Net Actuarial (gain) / Loss recognised in the Period	67,94,900	(4,39,131)
Total Expenses recognised in the Profit And Loss Account	65,19,592	1,58,148

Mid-Day Multimedia Limited

Notes forming part of the Accounts

f) Actual Return on Plan Assets

Particulars	Year Ended March 31, 2010 (Rs.)	Year Ended March 31, 2009 (Rs.)
Expected Return on Plan Assets	826,678	Nil
Actuarial gain / (losses) on Plan Assets	1,065,728	Nil
Actual Return on Plan Assets	1,892,406	Nil

The expected rate of return on plan assets is based on market expectations at the beginning of the period.

17. Current liabilities include overdue amounts of Rs. Nil (Previous year Rs. Nil) including interest of Rs. Nil (Previous year Rs. Nil) payable to Micro Small and Medium enterprises. Total outstanding dues to Micro Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the company.

18. Previous year's figures have been re-grouped / re-arranged wherever necessary. Figures in bracket indicate previous year's figures.

Khalid Ansari
Chairman

Tarique Ansari
Managing Director

Narayan Varma
Director

Vidya Shembekar
Company Secretary

Manajit Ghoshal
Chief Financial Officer

Mid-Day Multimedia Limited

Cash Flow Statement

	(Rs. In Lakh)	
	F.Y. 2009-10	F.Y. 2008-09
A. Net Cashflow from operating Activities		
Net Profit before tax	250	332
Depreciation	1	97
Interest	121	118
Loss/(profit) on sale of fixed assets (net)	(3)	-
Income from Mutual fund Investment	-	(1)
Interest Income	(328)	(464)
Deferred Employees Expenditure Cost	(75)	(148)
Provision for employees benefit	(34)	-
Loss/(gain) on foreign currency translation	-	53
Loss/(Gain) on disposal of current investment	(12)	71
Operational Profit before Working Capital	(81)	58
Adjustments for changes in Working Capital		
Sundry Debtors	-	1,811
Inventories	-	275
Loans & Advances	1,919	(71)
Other Current assets	658	0
Current Liabilities	(33)	(1,331)
Sub-Total	2,544	683
Cash generated from operations	2,464	742
Tax	(62)	(18)
Sub-Total	(62)	(18)
Less: exceptional Items	-	(295)
Net Cash Flow from Operating Activities (A)	2,401	430
B. Cash Flow from Investing Activities		
Purchase fixed Assets (net)	13	3,984
Investments (net)	(2,563)	(2,268)
Income from mutual fund Investments	-	1
Changes in receivable on account of Slump sale	-	(2,344)
Net Cash Flow from Investing Activities (B)	(2,550)	(627)
C. Cash Flow from financing Activities		
Capital	6	450
Borrowings	(65)	(707)
Interest	207	346
Net Cash Flow from Financing Activities (C)	149	89
Net Increase/decrease in Cash & Cash Equivalents (A+B+C)	(0.25)	(109)
Cash & Cash Equivalents at the beginning of the year	1	110
Cash & Cash Equivalents at the end of the year	0.84	1

Mid-Day Multimedia Limited

Balance -Sheet Abstract And Company's General Business Profile

I Registration Details

Registration No State Code

Balance Sheet Date :- Date Month Year

CIN Number

II Capital raised during the period (Amount in Rs.Thousands)

Public Issue Rights Issue

Bonus Issue Private Placements

III Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities Total Assets

Sources of Funds
 Paid-up Capital Reserves and Surplus

Employee Stock Options Outstanding

Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets / Investments

Net Current Asset Misc . Expenditure

Accumulated Losses

IV Performance of Company (Amount in Rs.Thousands)

Turnover Total Expenditure

Profit before Tax Profit after Tax

Earning per share (Rs.) Dividend rate %

Basic .

Diluted .

V Generic Names of Principal Services of Company (as per monetary terms)

Product Description : I. Newspaper Publishing

Item Code No. (ITC Code)

Mid-Day Multimedia Limited

Auditors' Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To the Members of Mid-Day Multimedia Limited,

We have examined the compliance of conditions of corporate governance by MidDay Multimedia Limited for the year ended 31st March 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance(s) are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors' Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Haribhakti & Co.**
Chartered Accountants

Place : Mumbai
Date : May 5, 2010

Chetan Desai
Partner
Membership No. 17000

Mid-Day Multimedia Limited & Subsidiaries

Auditors' Report on Consolidated Financial Statement

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF MID-DAY MULTIMEDIA LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MID-DAY MULTIMEDIA LIMITED AND ITS SUBSIDIARIES

We have examined the attached consolidated Balance Sheet of Mid-Day Multimedia Limited and its subsidiaries as at 31st March, 2010 and the consolidated Profit and Loss Account for the year ended on that date and Cash Flow statement annexed thereto.

These financial statements are the responsibility of the Mid-Day Multimedia Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. 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 about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. 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 management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 14.89 lacs as at 31st March, 2010, total revenues of Rs. Nil and net negative cash flows of Rs. 0.66 lacs for the year then ended. These financial statements have been audited by other auditors whose reports has been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, are based solely on the report of the other auditors.

We report as under:

- 1) The consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, on "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Mid-Day Multimedia Limited and its subsidiaries included in the consolidated financial statements.
- 2) The Balance Sheet and Profit and Loss Account dealt with by this report are prepared in compliance of the applicable accounting standards referred to under Section 211(3C) of the Companies Act, 1956 except that the management of Radio Mid Day West (India) Limited has considered factors like expected profits in future, to recognize deferred tax assets of Rs. 6,56,11,539 during the year and of Rs. 45,94,88,012 as on the Balance Sheet date on account of unabsorbed tax losses and depreciation. We are unable to comment whether these can be considered as 'virtual certainty' prescribed under Accounting Standard 22 - Accounting for Taxes on Income, to recognize such assets.
- 3) Subject to our observation in para 2 above and on the basis of the information and explanation given to us and on consideration of the separate audit reports on individual audited financial statements of Mid-Day Multimedia Limited and its subsidiaries, we are of the opinion that that the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in so far it relates to the consolidated Balance Sheet, of the consolidated state of affairs of Mid-Day Multimedia Limited and its subsidiaries as at 31st March, 2010; and
 - b) in so far it relates to the consolidated Profit and Loss Account, consolidated results of operations of Mid-Day Multimedia Limited and its subsidiaries for the year then ended.
 - c) in case of consolidated Cash Flow Statement, of the consolidated cash flows of Mid-Day Multimedia Limited and its subsidiaries for the year ended on that date.

For **Haribhakti & Co.**
Chartered Accountants
Firm Regn No. 103523W

Chetan Desai
Partner
Membership No. 17000

Place : Mumbai
Date : May 5, 2010

Mid-Day Multimedia Limited & Subsidiaries

Consolidated Balance Sheet as at March 31, 2010

	SCHEDULE	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	A	52,29,87,760	52,23,48,600
Employee Stock Option Outstanding		3,06,43,804	3,17,26,104
Less: Deferred Employee Compensation cost		3,06,43,804	2,31,69,403
		-	85,56,701
Reserves & surplus	B	99,78,08,150	99,67,25,848
		1,52,07,95,910	1,52,76,31,149
Minority interest			
		11,43,76,014	16,01,33,532
Loan funds			
Secured loans	C	48,51,33,118	63,48,01,140
Unsecured loans	D	20,32,26,829	23,06,09,996
		68,83,59,947	86,54,11,136
TOTAL		2,32,35,31,871	2,55,31,75,817
APPLICATION OF FUNDS			
Fixed assets			
Gross block	E	1,96,30,15,964	1,94,98,81,346
Less: Depreciation		47,32,29,150	33,39,77,279
Net block		1,48,97,86,814	1,61,59,04,066
Investments			
	F	2,00,00,000	2,02,06,500
Deferred tax asset			
		45,48,98,423	43,77,67,565
Current assets, loans & advances			
Inventories	G	2,85,25,848	5,27,69,580
Sundry debtors	H	30,52,37,019	28,24,07,626
Cash & bank balances	I	2,98,20,284	9,02,75,140
Loans and advances	J	16,11,49,221	19,60,71,325
		52,47,32,271	62,15,23,671
Less:			
Current liabilities & provisions			
Current liabilities	K	42,58,11,396	40,51,16,339
Provisions		3,23,87,533	3,58,76,727
		45,81,98,929	44,09,93,066
Net current assets		6,65,33,343	18,05,30,605
Profit and loss account		29,23,13,291	29,87,67,081
TOTAL		2,32,35,31,871	2,55,31,75,817
Notes forming part of Accounts	P		

Schedules A to P referred form integral part of the balance sheet and the profit & loss account.

For Haribhakti & Co.
Chartered Accountants

Khalid Ansari
Chairman

Narayan Varma
Director

Vidya Shembekar
Company Secretary

Chetan Desai
Partner

Tarique Ansari
Managing Director

Manajit Ghoshal
Chief Financial Officer

Place : Mumbai
Date : May 5, 2010

Mid-Day Multimedia Limited & Subsidiaries
Consolidated Profit & Loss Account for the year ended March 31, 2010

	SCHEDULE	Year ended Mar 31, 2010 Rs.	Year ended Mar 31, 2009 Rs.
INCOME			
Circulation revenue		14,79,36,548	162,046,292
Advertising revenue		1,07,73,94,200	1,131,763,622
Other Operating Income		2,38,68,334	58,21,963
Investment & other Income			
Miscellaneous Income		27,79,240	92,53,854
Gain/(loss) on foreign currency		1,13,01,333	(1,01,83,167)
Gain/(loss) on disposal of current investment		12,24,397	(70,80,536)
Gain/(loss) on sale of Fixed Asset		(24,58,751)	(5,83,721)
		1,26,20,45,300	1,29,10,38,307
EXPENSES			
Cost of printing /painting	L	26,67,95,091	53,62,14,626
News expenses		2,18,95,144	2,73,54,380
Radio licence fees		3,37,51,440	3,25,97,668
Employees cost	M	34,23,40,843	40,86,89,139
Selling & distribution expenses	N	10,49,66,117	13,37,84,927
Other operational expenses	O	29,62,65,987	30,47,30,410
Finance charges		10,37,65,189	9,98,48,051
Depreciation		14,18,77,845	14,15,47,630
		1,31,16,57,656	1,68,47,66,831
Profit before tax and Exceptional Items		(4,96,12,356)	(39,37,28,525)
Exceptional Items		-	(4,21,35,727)
Profit before tax and extra ordinary items		(4,96,12,356)	(43,58,64,252)
Less: Extra ordinary item		-	(9,16,72,600)
Profit before tax		(4,96,12,356)	(52,75,36,852)
Provision for tax - Current Tax		2,76,93,143	38,55,773
MAT Entitlement Credit		(2,08,70,913)	
- Deferred Tax		(1,71,30,858)	(13,67,62,283)
- Fringe benefit tax		-	64,24,399
		(1,03,08,628)	(12,64,82,111)
Net Profit After Tax		(3,93,03,728)	(40,10,54,741)
Less: Share of profit of minority shareholders		(4,57,57,518)	(5,61,53,023)
Net profit after tax & minority interest		64,53,790	(34,49,01,719)
Balance brought forward		(29,87,67,081)	4,61,34,639
Profit carried to balance sheet		(29,23,13,291)	(29,87,67,081)
Earning per share face value of Rs.10 each			
Basic		(0.12)	(6.65)
Diluted		(0.12)	(6.65)
Notes forming part of Accounts	P		

Schedules A to P referred form integral part of the balance sheet and the profit & loss account.

For Haribhakti & Co.
Chartered Accountants

Khalid Ansari
Chairman

Narayan Varma
Director

Vidya Shembekar
Company Secretary

Chetan Desai
Partner

Tarique Ansari
Managing Director

Manajit Ghoshal
Chief Financial Officer

Place : Mumbai
Date : May 5, 2010

Mid-Day Multimedia Limited & Subsidiaries

Schedules forming part of Balance Sheet

	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SCHEDULE A		
Share capital		
<u>Authorised capital</u>		
5,50,00,000 (5,50,00,000) Equity shares of Rs.10/- each	55,00,00,000	55,00,00,000
50,00,000 (50,00,000) Preference shares of Rs.10/- each	5,00,00,000	5,00,00,000
<u>Issued, subscribed & paid up capital</u>		
5,22,98,776 (5,22,34,860) Equity shares of Rs. 10/- each	52,29,87,760	52,23,48,600
	52,29,87,760	52,23,48,600
SCHEDULE B		
Reserves & surplus		
Share premium as per last Balance Sheet	99,67,25,850	97,11,32,409
Add: Share Premium on ESOP exercised	10,82,300	2,55,93,441
	99,78,08,150	99,67,25,850
SCHEDULE C		
Secured loans		
From banks		
<u>Cash credit</u>		
(Secured against hypothecation of book debts and stock of newsprint and further secured by paripasu charge on present and future, movable & immovable assets of the Company and also secured by personal guarantee of Chairman and Managing Director)	16,26,16,835	16,82,43,625
<u>Term loan</u>		
(Secured against mortgage of existing and future movable and immovable assets & personal guarantee of Chairman and Managing Director respectively)	30,00,00,000	40,15,00,000
Due within a year Rs.1000 Lakh (Rs.1000 Lakh)	2,25,16,283	6,50,57,516
<u>Term loan (External Commercial Borrowing)</u>		
(Secured against mortgage of existing & future fixed assets of the company and personal guarantee of Chairman and Managing Director)	48,51,33,118	63,48,01,140
	48,51,33,118	63,48,01,140
SCHEDULE D		
Unsecured loans		
Non Convertible Debenture	9,30,00,000	9,95,00,000
From Bank - Short Term Loan	10,57,45,583	12,50,00,000
From others	44,81,246	44,90,370
Interest accrued	-	16,19,626
	20,32,26,829	23,06,09,996

Mid-Day Multimedia Limited & Subsidiaries
Schedules forming part of Balance Sheet

Rs.

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As At 1.4.2009	Additions	Deductions	As at 31.03.2010	For the period	Deductions	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
TANGIBLE ASSETS									
Leasehold Land	1,69,77,800	-	-	1,69,77,800	1,86,551	-	3,26,606	1,66,51,194	1,68,37,745
Plant & Machinery	64,89,767	8,50,000	2,15,493	71,24,274	13,97,187	80,492	25,33,506	45,90,768	52,72,955
Press (Machinery)	13,57,57,879	10,84,950	-	13,68,42,829	64,74,213	-	1,13,15,019	12,55,27,810	13,09,17,072
Press Premises	15,23,23,451	62,62,070	-	15,85,85,521	52,61,808	-	90,39,655	14,95,45,866	14,85,45,604
Office Premises	3,87,60,851	10,26,614	14,69,003	3,83,18,462	8,77,349	2,40,423	25,49,561	3,57,68,901	3,68,48,216
Photographic Equipments	46,37,940	-	-	46,37,940	6,19,654	-	11,26,727	35,11,213	41,30,867
Air Conditioners	1,02,54,636	2,51,655	3,28,815	1,01,77,476	9,15,652	77,074	2,15,36,31	80,23,845	89,39,583
Air Conditioners-Leased	30,37,826	-	-	30,37,826	1,45,039	-	3,60,501	26,77,325	28,22,364
Office Equipments	69,02,914	5,33,324	-	74,36,238	5,96,039	-	13,60,288	60,75,950	61,38,665
Office Equipments-Leased	10,35,232	-	-	10,35,232	49,184	-	1,71,197	8,64,035	9,13,219
Furniture & Fixtures	4,18,96,303	18,87,169	24,21,930	4,13,61,542	35,22,009	6,75,711	1,06,30,948	3,07,30,594	3,41,11,653
Furniture & Fixtures-Leased	2,83,17,271	-	-	2,83,17,271	17,52,616	-	48,67,422	2,34,49,849	2,52,02,465
Vehicles	18,06,221	-	3,58,707	14,47,514	5,28,880	2,65,436	5,83,263	8,64,251	12,77,342
Fire Fighting System	3,12,296	-	-	3,12,296	38,907	-	71,506	2,40,790	2,79,697
Electric Installation	2,25,69,502	3,39,805	4,73,118	2,24,36,189	23,56,717	1,03,333	50,75,513	1,73,60,676	2,02,12,785
Computers	2,32,68,124	5,50,934	11,92,274	2,26,26,784	90,09,137	11,83,505	1,26,81,179	99,45,605	1,42,58,987
Computers-Leased	2,09,34,779	-	-	2,09,34,779	63,83,161	-	97,78,508	1,11,56,271	1,45,51,618
Studio Equipment	2,32,32,210	20,31,601	-	2,52,63,811	1,17,66,355	-	1,46,30,018	1,06,33,793	1,14,65,854
Studio Equipment-Leased	2,03,31,161	-	-	2,03,31,161	25,29,508	-	40,38,079	1,62,93,082	1,78,01,653
Transmitter	4,18,76,451	1,47,140	-	4,20,23,591	99,26,824	-	1,11,40,539	3,08,83,052	3,19,49,627
Transmitter-Leased	2,49,36,473	-	-	2,49,36,473	23,00,927	-	36,17,565	2,13,18,908	2,26,35,546
Audio Visual Equipment	2,62,636	-	-	2,62,636	42,920	-	55,390	2,07,246	2,19,716
Audio Visual Equipment-Leased	-	-	-	-	-	-	-	-	-
Capital work in progress (Including capital advances)	9,28,89,712	2,37,36,929	2,26,54,186	9,39,72,455	-	-	-	9,39,72,455	9,28,89,713
INTANGIBLE ASSETS									
Goodwill on Consolidation	23,74,07,122	-	-	23,74,07,122	-	-	-	23,74,07,122	23,74,07,122
Licence & Marketing Rights	29,66,743	-	-	29,66,743	2,96,674	-	5,19,383	24,47,360	27,44,034
Computers Software	1,74,42,348	35,45,950	-	2,09,88,298	43,00,733	-	84,12,421	1,25,75,877	1,31,41,615
One Time Entry Fees	97,32,53,698	-	-	97,32,53,698	9,73,25,376	-	35,61,90,726	61,70,62,972	71,43,88,348
TOTAL	1,94,98,81,346	4,22,48,141	2,91,13,526	1,96,30,15,964	33,39,77,279	26,25,974	47,32,29,150	1,48,97,86,814	1,61,59,04,066
Previous Year	2,20,99,71,707	63,27,88,332	89,28,78,693	1,94,98,81,346	45,52,97,036	26,28,67,387	33,39,77,279	1,61,59,04,066	

Mid-Day Multimedia Limited & Subsidiaries

Schedules forming part of Balance Sheet

	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SCHEDULE F		
Investments (long term at cost less provision)		
UNQUOTED:		
250 (250) Equity Shares of Rs.10/- each of Awami Co-operative Bank Ltd.	2,500	2,500
Less: Provision for diminution in value of investment	2,500	-
	-	2,500
54,057 (54,057) equity shares of Rs.10/- each of Naaptol Online Shopping Pvt. Ltd.	2,00,00,000	2,00,00,000
QUOTED :		
Nil (2400) Equity shares of Rs.10/- each of Bank Of Baroda	-	2,04,000
	2,00,00,000	2,02,06,500
Aggregate of quoted investments	-	2,04,000
Aggregate of unquoted investments	2,00,00,000	2,00,02,500
SCHEDULE G		
Inventories		
Newsprint	2,65,14,540	5,15,45,756
Consumables	20,11,308	12,23,824
	2,85,25,848	5,27,69,580
SCHEDULE H		
Sundry debtors (Unsecured)		
Debts outstanding for a period exceeding 6 months considered doubtful	2,11,33,958	1,15,46,137
Debts outstanding for a period exceeding 6 months considered good	5,33,95,709	7,65,03,961
Other debts considered good	25,18,41,309	20,59,03,665
Less : Provision for doubtful debts	2,11,33,958	1,15,46,137
	30,52,37,019	28,24,07,626
SCHEDULE I		
Cash & bank balances		
Cash on hand	12,99,607	12,08,161
In current accounts with scheduled banks	1,42,81,183	4,59,08,647
AXIS Bank DSRA (under Lien with bank)	6,50,763	2,95,39,671
In fixed deposit accounts with scheduled banks	2,88,731	2,84,133
Margin money with scheduled banks	1,33,00,000	1,33,34,528
	2,98,20,284	9,02,75,140

Mid-Day Multimedia Limited & Subsidiaries

Schedules forming part of Balance Sheet

	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SCHEDULE J		
Loans & advances		
Unsecured, considered good		
Loans to others	28,58,668	69,31,666
Trade deposit	8,87,32,396	9,34,64,051
Staff advance	11,04,041	17,86,160
Advance Income-tax (net of provision)	2,11,29,552	1,91,39,710
TDS Redceivable	1,34,16,300	1,34,03,753
MAT Entitlement credit	2,08,70,913	-
Advances recoverable in cash or kind , or for value to be received	1,30,37,250	6,13,45,985
	16,11,49,121	19,60,71,325
 SCHEDULE K		
Current liabilities & provisions		
Current liabilities		
Sundry creditors - MSME*	2,47,967	64,071
Sundry creditors - Others	16,54,53,810	16,39,07,345
Other Liabilities	25,12,07,491	23,12,99,027
Trade deposits	89,02,127	98,45,896
	42,58,11,396	40,51,16,339
Provisions		
Provision for leave encashment	1,15,52,959	1,09,44,123
Provision for Gratuity	1,34,22,544	1,57,90,705
Provision for incentive to Depot	74,12,030	91,41,899
	3,23,87,533	3,58,76,727
	45,81,98,929	44,09,93,066

* Names of Micro, Small and Medium Enterprises:

Shobha Plastic Industries, Print top Rubber Industries.

Mid-Day Multimedia Limited & Subsidiaries

Schedules forming part of Profit & Loss Account

	Year ended Mar 31, 2010 Rs.	Year ended Mar 31, 2009 Rs.
SCHEDULE L		
Cost of printing / painting		
<u>Consumption of Newsprint</u>		
Opening stock	5,15,45,756	2,61,55,187
Purchases (net)	16,54,20,463	46,49,85,175
	21,69,66,219	49,11,40,362
Closing stock	2,65,14,540	5,15,45,756
	19,04,51,679	43,95,94,606
Printing job work & labour charges	3,19,07,487	4,13,77,989
Printing & Packing materials	3,57,20,136	4,76,45,270
Electricity	87,15,789	1,00,26,411
	26,67,95,091	53,86,44,276
SCHEDULE M		
Employees cost		
Salaries, wages & bonus	26,61,18,150	31,69,70,008
Contribution to PF, FPF	1,48,79,476	1,36,59,686
Gratuity	1,54,990	1,12,21,413
Outsourcing	4,33,545	6,24,97,840
Staff welfare expenses	5,94,55,371	1,10,23,393
ESOP Compensation	12,99,311	(66,83,201)
	34,23,40,843	40,86,89,139
SCHEDULE N		
Selling & distribution expenses		
Freight & Distribution	5,04,27,059	5,83,10,172
Entertainment & business development	2,89,81,749	3,11,21,259
Advertisement expenses	2,55,57,309	4,43,53,496
	10,49,66,117	13,37,84,927

Mid-Day Multimedia Limited & Subsidiaries

Schedules forming part of Profit & Loss Account

	Year ended Mar 31, 2010 Rs.	Year ended Mar 31, 2009 Rs.
SCHEDULE O		
Other operational expenses		
Conveyance	1,45,62,774	1,70,62,596
Electricity	2,13,91,240	2,10,43,923
General expenses	54,48,449	31,93,618
Vehicle expenses	6,82,018	6,31,650
Insurance premium	17,04,456	41,53,095
Legal & professional charges	2,02,95,494	2,07,43,616
Machinery repairs	1,57,14,475	1,44,36,215
Other repairs & maintenance	2,35,11,672	2,09,11,011
Printing & stationery	51,83,192	64,38,009
Postage & telephone	1,97,49,551	2,17,08,227
Rent, rates & taxes	11,34,02,112	10,58,89,342
Travelling	87,64,563	1,81,59,225
Radio programme creation & studio hire	3,29,34,348	3,63,33,959
Bad debts written off	47,53,079	57,71,781
Incidental expenditure pending allocation w/off	-	26,84,248
Provision for Doubtful debts	60,62,278	-
Membership & Subscription	2,70,000	34,17,262
Directors fees	2,60,000	6,34,970
Donation	3,94,000	5,68,003
Hire charges		84,270
<u>Remuneration to auditors for :</u>		
Statutory audit	6,85,507	6,28,659
Taxation matter	-	10,916
Tax audit	1,87,875	1,32,725
Certification work	2,08,905	93,090
	29,62,65,987	30,47,30,410

Mid-Day Multimedia Limited & Subsidiaries

SCHEDULE P

Notes Forming Part of the Accounts for the Period ended March 31, 2009

I. Accounting Policies

- a) Accounting system
The financial statements have been prepared under the historical cost convention, on accrual basis of accounting and in compliance with the applicable accounting standards prescribed under Section 211 (3C) of the Companies Act and other accepted accounting principles.
- b) Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires the management of the company to make estimates and assumptions that affect the reported amounts of income and expenses of the period and the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.
- c) Revenue Recognition
As per industry practice – (i) Income/Expenditure of a reciprocal nature not involving any monetary transactions have not been considered, (ii) Expected credit notes due to possible reduction in receivable from Debtors (Doubtful Debts) have been adjusted against Ad Revenue.

Circulation Revenue is recognized at the time of dispatch and advertisement revenue is recognized on the date of publication. Share of combined advertisement revenue received from advertisers are accounted on the basis approved by the management. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- d) Depreciation has been provided under the straight-line method as per the rates prescribed in schedule XIV of the Companies Act, 1956 in respect of office & factory premises and Presses. Depreciation on other fixed assets is provided under the written down value method at the rates prescribed in schedule XIV of the Companies Act, 1956. Technical know-how is amortized over a period of five years from the month of acquisition. License and Marketing Right is amortised over a period of ten years.

As per AS-26 “Intangible Assets” pronounced by the Institute of Chartered Accountants of India, the One Time Entry Fees paid by Radio Mid-Day West (India) Limited during the year for Private FM Broadcasting has been classified as an intangible asset. The benefit of this Entry Fee will be derived over a period of 10 years, hence it is amortized accordingly.

Lease Assets : Assets taken on Finance Lease by Radio Mid-Day West (India) Ltd, are capitalised at the inception of the lease at the lower of fair value or present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- e) Stocks of newsprint and consumables are valued at lower of cost (FIFO basis) or net realizable value.
- f) All investments of long-term nature are valued at cost. Diminution in value of such investments, if of permanent nature, is provided for. Current investments are valued at lower of cost or net realizable value.
- g) Foreign Exchange Transactions: Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate. The exchange differences arising on the settlement of the monetary items or on reporting such items at rates different from those at which they were initially recorded or reported in previous financial statements are recognized in the Profit & Loss account.
- h) Current tax is provided at the current tax rates on taxable income. The Company provides for deferred tax based on tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current tax provision using the tax rates and tax laws that have been enacted or substantively enacted. Deferred Tax Assets on timing

Mid-Day Multimedia Limited & Subsidiaries

Schedules forming part of Profit & Loss Account

differences other than unabsorbed losses are recognized to the extent there is a reasonable certainty that these would be realized in future. Deferred Tax Asset arising on account of unabsorbed tax losses and unabsorbed depreciation are accounted for on prudence basis when there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized

- i) Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.
- j) In respect of stock options granted pursuant to the Company's Stock Option Schemes, the intrinsic value of the option (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employees compensation cost over the vesting period.
- k) Employee Benefits:
Short term employee benefits payable wholly within twelve months of rendering services such as salaries, wages, etc. are recognized in the period in which the employee renders the related service.

Defined Contribution Plan: The Company's contribution to the state governed employee's provident fund scheme is a defined contribution plan. The contribution paid / payable under the scheme is recognized during the period in which the employee renders the related service.

Defined Benefit Plan: The Company's gratuity fund managed through the gratuity trust is company's defined benefit plan. The present value of obligations under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method.

Long Term Employee Benefits: The obligation of long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans.

2. Business Transfer

With effect from July 1, 2008 the company transferred the Printing and Publishing business to wholly owned subsidiary Midday Infomedia Ltd by way of slump sale together with all its properties, assets, rights, liabilities/obligations of whatsoever nature and kind and its employees on a going concern basis.

Cash credit and term loan facilities forming part of the Newsmidia division which has been transferred by way of slump sale are secured by pari passu charge on present & future movable and immovable assets of the company and also secured by personal guarantee of Chairman & Managing Director.

Pursuant to the BTA, the leasehold land & factory premises, bank balances and Secured loans are in the process of being transferred in the name of the purchaser company Midday Infomedia Ltd.

3. The Accounts of the following subsidiaries are incorporated in these financial statements. All subsidiaries are incorporated in India.

Name of Subsidiary	No of Equity Shares Held	Percentage Holding in Subsidiary
Midday Infomedia Ltd.	88,61,500 of Rs. 10 each	100%
Mid-Day Broadcasting South (India) Pvt. Ltd.	10,000 of Rs. 10 each	100%
Mid-day Outdoor Limited	34,94,200 of Rs. 10 each	99.97%
Mid-Day Radio North (India) Ltd.	50,000 of Rs. 10 each	100%
Radio Mid-day West (India) Ltd.	7,04,60,261 of Rs. 10 each	69.94%

Mid-Day Multimedia Limited & Subsidiaries

4. Details of Minority Shareholders

Particulars	As on April 1, 2009	Additions During the year	Deductions During the year	As on March 31, 2010
Contribution to Share Capital	71,67,68,745	NIL	NIL	71,67,68,745
Retained profits	(55,66,35,213)	NIL	4,57,57,518	(60,23,92,731)
Total	16,01,33,532	NIL	4,57,57,518	11,43,76,014

5. Contingent Liability

- In respect of guarantees issued by Company's bankers to MSRDC and other authorities for Rs. 3 Lakh (Rs. 3 Lakh).
 - Corporate guarantee issued to Bank of Baroda for Radio Mid Day West (India) Limited against term loan of Rs. NIL (15 Lakh) and CC limit Rs. 140 Lakh (140 Lakh).

Bank Guarantee issued to Ministry of Information & Broadcasting for Radio Mid Day West (India) Limited Rs. 332 Lakh (332 Lakh).

Counter guarantee issued to Axis Bank for Radio Mid Day West (India) Limited against term loan of Rs. 3,000 Lakh (4,000 Lakh) and corporate guarantee for CC limit of Rs. 500 Lakh (NIL).

Corporate guarantee issued to Bank of India for Midday Infomedia Limited against unsecured loan of Rs. 1,050 Lakh (1,250 Lakh) and to Bank of Baroda for Midday Infomedia Limited against CC limit of Rs. 1,800 Lakh (NIL) and for ECB Term Loan of Rs. 225 Lakh (651 Lakh).
 - Claims against the company in respect of various defamation suits and claims of employees, amount not ascertainable (Previous year Unascertainable)
 - The Company has gone into appeal against an order of the Copyright Board, which has determined the royalty payable to Phonographic Performance Limited at an average rate of Rs. 660 per hour as against their demand of Rs. 1500 per hour. The Company has however provided for royalty in its books at the rate decided by the Copyright Board.
 - The company's lease agreement at Pune and Kolkata has a lock-in-period of 3 years. In the event of company terminating the agreement before the lock-in-period, further payment of lease rent for the balance period of lock-in, will be payable by the company, except where the company has to compulsorily shift to the Common Transmission Infrastructure to be built and completed by Broadcast Engineering Consultants India Ltd (BECIL). The amount comes to Rs. 76,09,058/- as on the balance sheet date.
6. The Company has allotted 23,000 equity shares under ESOP scheme at exercise price of Rs. 10 each aggregating to 230,000.
7. **The total of minimum lease payments at the balance sheet date and their present value is as under**

For Finance Lease

Particulars	Minimum Lease Payment (Rs.)	Present Value (Rs.)
Not later than one Year	2,56,58,856	1,89,43,897
Later than one year and not later than five year	3,84,88,284	5,51,63,447
Later than five year	NIL	NIL

Mid-Day Multimedia Limited & Subsidiaries

For Non cancelable Operating Lease

Particulars	Minimum Lease Payment (Rs.)
Not later than one Year	71,10,593
Later than one year and not later than five year	2,24,02,708
Later than five year	1,27,54,205

8. Managerial Remuneration: Managing Director

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
Salaries, Wages & Bonus	44,35,147	44,88,264
Contribution to PF & FPF	5,06,820	5,28,441
Perquisites	1,70,815	1,67,754

9. The calculation of Deferred Tax Asset / (Liability) is shown below

Particulars	Opening (Rs.)	During the (Rs.)	Closing (Rs.)
Depreciation	(2,43,30,438)	(62,02,548)	(3,05,32,986)
Carried Forward Losses	45,76,03,329	2,35,24,137	48,11,27,466
Gratuity	29,33,315	(3,97,675)	25,35,640
Provision for Leave Encashment	15,61,359	2,06,943	17,68,303
Total	43,77,67,565	1,71,30,858	45,48,98,423

10. Calculation of EPS

Particulars	2009-10	2008-09
Net Profit after tax and minority interest for the year (in Rs.)	64,53,790	(34,49,01,719)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	5,22,34,860	5,11,68,610
Weighted avg. of Shares issued during the year (14000 x 156 / 365) & (9000 x 337 / 365)	14,293	14,63,354
Weighted avg. Number of Equity Shares considered for Basic EPS Calculation.	5,22,49,153	5,26,31,964
Weighted avg. Number of Equity Shares considered for Diluted EPS Calculation.	5,22,49,153	5,26,31,964
Basic Earnings / (loss) (in Rupees) per share	0.12	(6.65)
Diluted Earnings / (loss) (in Rupees) per share	0.12	(6.65)

Mid-Day Multimedia Limited & Subsidiaries

II. Segment Reporting

Particulars	Publishing	Radio	Others	Total (Rs. in lakh)
A. Segment Revenue				
i) External sales	9,461 (10,194)	3,031 (2,803)	0 (0)	12,492 (12,997)
ii) Inter-segment sales	24 (2)	0 (0)	0 (0)	24 (2)
iii) Total Revenue	9,485 (10,196)	3,031 (2,803)	0 (0)	12,516 (12,999)
B. Segment Results				
Profit before interest & tax	1,686 (-1,418)	(1,327) (-1,613)	183 (93)	542 (-3,031)
Less: Interest				1,038 (999)
Less : Extra Ordinary Item				0 (1,338)
Total Profit before tax				(496) (-5,276)
Less : Provision for tax				(103) (-1,265)
Net Profit after tax				(393) (-4,011)
C. Segment Capital Employed				
Segment assets	6,793 (7,820)	17,698 (18,992)		24,454 (26,812)
Segment liabilities	2,260 (2,433)	2,286 (2,036)		4,546 (4,469)
	4,533 (5,387)	15,339 (16,956)		19,908 (22,343)
Unallocable net assets & investments				404 (201)
Total Capital Employed				20,312 (22,544)
Segment capital expenditure	137 (202)	52 (445)		189 (647)
Unallocable capital expenditure	0 (0)	0 (0)	0 (0)	0 (0)
Segment depreciation	265 (305)	1,153 (1,110)	1	1,418 (1,415)
Unallocable depreciation	0 (0)	0 (0)		0 (0)

Notes : Segment revenue, segment results and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses and income and assets and liabilities, which are not directly relatable to the business segment, are shown as unallocable

Mid-Day Multimedia Limited & Subsidiaries

12. Impairment of Assets :

At each Balance Sheet date the carrying amount of the assets is tested for impairment. If there is any indication of impairment, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date there is an indication that the previously assessed impairment loss no longer exist, the recoverable amount is reassessed and the assets is reflected at the recoverable amount.

13. :Disclosure with regards to related party transactions as per Accounting Standard AS-18 is as under:

A. Related party where control exists

Name of The Party	Relationship	Nature of Transaction during the year	Amount of transaction (Rs.)	Closing Balance Due (to)/	Amount written off/ added back
Inquilab Offset Printers	Associate Company	Advances Expenses Reimbursement Advertisement Income	(14,58,352) 10,95,861 (40,140)	19,02,662	NIL
Mid-Day Publishing Pvt. Ltd.	Associate Company	Expense Reimbursement Payment received	45,519 3,50,039	NIL	NIL
Mid-Day Export Limited	Associates Company	Amount repaid against equity shares under ESOP	6,39,160	(20,35,000)	NIL

During the year, there were no transactions with the following associate companies:

- i) Mid-Day Broadcasting South (India) Pvt. Ltd.
- ii) Meridian Holding & Leasing Co Pvt. Ltd.
- iii) Mirror Films Private Ltd.
- iv) Ferari Investments and Trading Co Pvt. Ltd.
- v) Mid-Day Radio North (India) Ltd

B Key Management Personnel

- Mr. Khalid Ansari
- Mr. Tarique Ansari (Remuneration Rs.51,84,459 Refer note 8)

C. Relatives of key management personnel and their enterprises where transactions have taken place: Not applicable

Note: Related party relationship is as identified by the Company and relied upon by the auditors.

14. Previous year's figures have been regrouped / rearranged wherever necessary. Figures in bracket indicate previous year's figures.

Narayan Varma
Director

Khalid Ansari
Chairman

Tarique Ansari
Managing Director

Manajit Ghoshal
Chief Financial Officer

Vidya Shembekar
Company Secretary

Mid-Day Multimedia Limited & Subsidiaries

Consolidated Cash Flow Statement

(Rs. in lakh)

		F.Y. 2009-10	F.Y. 2008-09
A. Net Cashflow from operating Activities			
Net Profit before tax		(496)	(3,937)
Depreciation		1,419	1,415
Interest		1,028	993
Loss/(profit) on sale of fixed assets (net)		25	6
Income from Mutual fund Investment		-	(1)
Interest Income		(5)	(51)
Deferred Employees Expenditure Cost		(75)	(144)
Provision for employees benefit		(34)	-
Bad Debts and Other Balances W/off		96	49
Loss/(gain) on foreign currency transaction		(14)	125
Loss/(Gain) on disposal of current investment		(12)	71
Operational Profit before Working Capital		1,932	(1,474)
Adjustments for changes in Working Capital			
Sundry Debtors		(125)	125
Inventories		242	(253)
Loans & Advances		38	1,496
Current Liabilities		345	1,198
Sub-Total		501	2,566
Cash generated from operations		2,433	1,092
Income Tax		(88)	(115)
Sub-Total		(88)	(115)
Less: exceptional Items			(88)
Net Cash Flow from Operating Activities	(A)	2,344	889
B. Cash Flow from Investing Activities			
Fixed Assets (net)		(182)	(459)
Investments (net)		14	(1,588)
Income from mutual fund Investments		-	1
Net Cash Flow from Investing Activities	(B)	(168)	(2,046)
C. Cash Flow from financing Activities			
Capital		6	450
Borrowings		(1,764)	1,703
Interest		(1,023)	(942)
Net Cash Flow from Financing Activities	(C)	(2,781)	1,211
Net Increase/decrease in Cash & Cash Equivalents	(A+B+C)	(604)	54
Cash & Cash Equivalents at the beginning of the year		902	848
Cash & Cash Equivalents at the end of the year		298	902

Mid-Day Broadcasting South (India) Private Limited

Directors' Report

TO THE MEMBERS OF MID-DAY BROADCASTING SOUTH (INDIA) PRIVATE LIMITED

The Directors have pleasure in presenting the Tenth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2010.

Business Operations: -

During the year under review, the Company had no operations.

Auditors: -

The Auditors M/s R.D. Shenvi & Co, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting. They have indicated their willingness to continue in office. A resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Particulars of Employees: -

Since there are no eligible employees, the provisions laid down in Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 shall not be applicable.

Directors' Responsibility Statement

The Directors confirm that: -

- * In the preparation of the annual accounts, the applicable Accounting Standards have been followed.
- * The selected and applied accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2010.
- * Proper and sufficient care has been taken 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 preventing and detecting fraud and other irregularities.
- * The annual accounts are prepared on a going concern basis.

Conservation of Energy, Technology Absorption, Foreign Exchange earning and outgo: -

- a) Conservation of Energy : NIL
- b) Technology Absorption : NIL
- c) Foreign Exchange Earning : NIL
- d) Foreign Exchange Outgo : NIL

Acknowledgement: -

Your Directors would like to express their appreciation for the valuable support given by the personnel and bankers.

For and on behalf of the Board

Manajit Ghoshal
Chairman

Place : Mumbai
Date : May 4, 2010

Mid-Day Broadcasting South (India) Private Limited

Auditors' Report

TO THE MEMBERS OF MID-DAY BROADCASTING SOUTH (INDIA) PRIVATE LIMITED

We have audited the attached Balance Sheet of MID-DAY BROADCASTING SOUTH (INDIA) PRIVATE LIMITED as at 31st March, 2010. 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.

We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatements. 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 the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report as under: -

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the 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 such books.
- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors, we report that none of the Directors of the Company are, prima facie, as at 31st March, 2010 disqualified from being appointed as Director of the Company under Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read along with the notes thereon 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 31 March, 2010.
 - ii) In the case of the Profit and Loss Account, of the loss for the year ended on that date.

As per the conditions specified under Clause (2), sub-clause (iv), of the Companies (Auditor's Report) Order, 2003, as amended by the Companies {Auditor's Report}, 2004, the provisions of the said order are not applicable to the Company.

For R.D.SHENVI & Co.

Chartered Accountants

R.D.Shenvi

Proprietor

Membership No. 35818

Place : Mumbai

Date : May 4, 2010

Mid-Day Broadcasting South (India) Private Limited

Balance Sheet as at 31st March, 2010

	SCHEDULE	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	1,00,000	1,00,000
Loan funds			
Unsecured loan	2	1,10,000	1,10,000
		2,10,000	2,10,000
APPLICATION OF FUNDS			
Current assets, loans and advances			
Cash and bank balances	3	81,365	89,951
Loans and advances	4	1,21,649	1,21,649
		2,03,014	2,11,600
Less:- Current liabilities & provisions			
Current liabilities	5	23,615	20,608
Net current assets		1,79,399	1,90,992
Profit and loss account			
		30,601	19,008
		2,10,000	2,10,000
Notes forming part of the Accounts	7		

For R.D. Shenvi & Co.
Chartered Accountants

For Mid-Day Broadcasting South (India) Pvt. Ltd.

R.D. Shenvi
(Proprietor)

Manajit Ghoshal
Director

Vidya Shembekar
Director

Place : Mumbai
Date : May 4, 2010

Mid-Day Broadcasting South (India) Private Limited

Profit and Loss Account for the year ended 31st March, 2010

	SCHEDULE	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
INCOME			
Income		-	-
EXPENDITURE			
General & Administration Expenses	6	11,593	10,771
		11,593	10,771
Net Loss for the year		(11,593)	(10,771)
Add Loss brought forward		(19,008)	(8,237)
Net loss carried to the Balance Sheet		(30,601)	(19,008)
Earning Per Share		(1.16)	(1.08)
Notes forming part of the Accounts	7		

For R.D. Shenvi & Co.
Chartered Accountants

For Mid-Day Broadcasting South (India) Pvt. Ltd.

R.D. Shenvi
(Proprietor)

Manajit Ghoshal
Director

Vidya Shembekar
Director

Place : Mumbai
Date : May 4, 2010

Mid-Day Broadcasting South (India) Private Limited

Schedules forming part of the Balance Sheet as at 31st March, 2010

	SCHEDULE	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
Share Capital	1		
Authorised capital			
60,000 equity shares of Rs.10/- each		6,00,000	6,00,000
		6,00,000	6,00,000
Issued, subscribed and paid-up capital			
10,000 equity shares of Rs.10/- each fully paid-up		1,00,000	1,00,000
		1,00,000	1,00,000
Unsecured loan	2		
From bodies corporate		1,10,000	1,10,000
		1,10,000	1,10,000
Cash and bank balances	3		
Cash on hand		200	200
Balances with scheduled banks in - current accounts		81,165	89,751
		81,365	89,951
Loans and advances	4		
Tax deducted at source		1,21,649	1,21,649
		1,21,649	1,21,649
Current liabilities	5		
Sundry creditors for expenses		23,615	20,608
		23,615	20,608
General & Administration Expenses	6		
Auditors Remuneration		6,067	6,067
Legal & Professional Charges		5,526	4,590
Bank Charges		-	114
		11,593	10,771

Mid-Day Broadcasting South (India) Private Limited

Notes to Accounts

SCHEDULE:- 7

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010:

1) Statement Of Significant Accounting Policies:

- a) Accounts have been prepared on historical cost and accrual basis.

2) Notes to Accounts :-

- a) Prior to the operating license being issued to the Company, it expressed its inability to the Government to launch the radio station at Chennai under the current unviable license fee structure. The Company appealed to the Government for a rationalization of the same. The matter was under arbitration and now has been decided in favour of the Company. The bank guarantee and the related margin money have since been released and the license fee being paid has been forfeited and being treated accordingly.

- b) Remuneration payable to Auditors

	Current Year (in Rs)	Previous Year (in Rs)
Audit fees	6,067	6,067

- c) Disclosure with regard to related party transactions as per Accounting Standard AS-18 is as under:

Name of The Party	Relationship	Nature of Transaction during the year	Amount of transaction (Rs.)	Closing Balance Due (to)/ from Rs.	Amount written off/ added back Rs.
Inquilab Offset Printers Pvt. Ltd.	Associate Company	Nil	Nil	1,10,000	Nil

- d) Previous years figures have been re-grouped / recast wherever necessary.
- e) Additional information required under Part II of Schedule VI of the Companies Act, 1956 has been furnished to the extent applicable.

For R.D. Shenvi & Co.
Chartered Accountants

For Mid-Day Broadcasting South (India) Pvt. Ltd.

R.D. Shenvi
(Proprietor)

Manajit Ghoshal
Director

Vidya Shembekar
Director

Place : Mumbai

Date : May 4, 2010

Mid-Day Broadcasting South (India) Private Limited

Cashflow Statement

		Year Ended March 2010 Rs.	Year Ended March 2009 Rs.
A. Net Cashflow from operating Activities			
Net Profit / (Loss) before tax		(11,593)	(10,771)
Operational Profit Before Working Capital		(11,593)	(10,771)
Adjustments for changes in Working Capital			
Loans & Advances		-	-
Current Liabilities		3,007	2,947
Sub Total		3,007	2,947
Cash Generated from Operations	(A)	(8,586)	(7,824)
B. Cash Flow from Financing Activities			
Borrowings		-	-
Net Cash Flow from Financing Activities	(B)	-	-
Net Increase/decrease in Cash & Cash Equivalents	(A+B)	(8,586)	(7,824)
Cash & Cash Equivalents at the beginning of the year		89,951	97,775
Cash & Cash Equivalents at the end of the year		81,365	89,951

Mid-Day Broadcasting South (India) Private Limited

Balance -Sheet Abstract And Company's General Business Profile

I Registration Details

Registration No State Code

Balance Sheet Date :- Date MonthYear

II Capital raised during the period (Amount in Rs.Thousands)

Public Issue Rights Issue

Bonus Issue Private Placements

III Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities Total Assets

Sources of Funds
 Paid-up Capital Reserves and Surplus

Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets / Investments

Incidental Expenditure

During The Construction Period } NIL

Pending Allocation to Capital /

Other Accounts Misc . Expenditure

Net Current Assets Accumulated Losses

IV Performance of Company (Amount in Rs.Thousands)

Turnover Total Expenditure

Profit / Loss before Tax Profit / Loss after Tax

Earning per share (Rs.) Dividend rate %

V Generic Names of Principal Services of Company (as per monetary terms)

Item Code No. (ITC Code)

Service Description: Radio Broadcasting Services

Midday Infomedia Limited

Directors' Report

TO THE MEMBERS OF MIDDAY INFOMEDIA LIMITED

Your Directors have pleasure in placing before you the Second Annual Report of the Company together with the Audited Statements of Accounts for the period ended March 31, 2010.

Financial Performance:

(Rs. In Lakh)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Profit/(Loss) before Interest, Depreciation & Taxes	2,086	(1,146)
Less : Interest	385	276
Depreciation	265	208
Profit/(Loss) before taxes	1,436	(1,630)
Less: Provision for Taxation	502	(525)
Net Profit /(Loss) after Tax	934	(1,105)
Add: Balance brought from the previous year	(1,105)	NIL
Total	(171)	(1,105)
Profit available for appropriation	(171)	(1,105)

Note: Above figures represents full 12 months of operations in current year and 9 months of operations in FY 2008-09.

Company Performance

During the year ended March 2010, the Company had recorded surplus from operations of Rs. 1,686 Lakh as against deficit of Rs. 1,327 Lakh for the nine months in the previous year ended March 2009. The company has made a Net Profit after tax of Rs. 934 lakh against net loss of Rs. 1,105 lakh in the previous year.

Dividend

In order to preserve cash for the operating businesses, your Directors do not recommend any dividend for the financial year 2009-2010.

Fixed Deposits

Your company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the balance sheet date.

Share Capital

During the year, Authorised Capital of the Company has increased from Rs. 9,00,00,000/- (90,00,000 Equity shares of Rs. 10 each) to Rs. 20,00,00,000 (Rupees Twenty Crores) consisting of 2,00,00,000 Equity Shares of Rs. 10 each.

Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Khalid Ansari retires by rotation and, being eligible, offers himself for re-appointment.

Mr. I.Venkat has been appointed as an additional Director of the Company with effect from 29.10.2009.

Midday Infomedia Limited

Directors' Report

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors based on the representations received from the Operating Management, confirm that-

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
2. They have, in selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments 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 of the Company for that year;
3. They have taken proper and sufficient care to the best of their knowledge and ability, 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 preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis.

Auditors

The auditors, M/s Haribhakti & Co., Chartered Accountants, retire as auditors of the Company at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

Employees

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, forms part of the Directors' Report. However, as per provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956 the Annual Report is being sent to all shareholders of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Director at the Registered Office of the Company.

Information pursuant to 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, particulars relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are also annexed.

Acknowledgement

Your Directors would like to express their appreciation for the valuable support given by bankers, customers, advertisers, advertising agencies, Government Authorities and all the local authorities. Your Directors also thank all the shareholders for their continued support and all the employees of the Company for their valuable services during the year.

For and on behalf of the Board

Khalid A.H. Ansari
Chairman

Place : Mumbai
Date : May 5, 2010

Midday Infomedia Limited

Directors' Report

ANNEXURE 'A'

Statement pursuant to 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.

(A) Conservation of Energy:

The Company does not belong to category of power intensive industry and hence consumption of power is not significant. However, the management gives due importance for conservation of energy and also reviews from time to time the measure taken/to be taken for reduction of consumption of energy.

(B) Technology absorption, Research and Development: Not applicable

(C) Foreign Exchange Earnings and Outgo:

	Year ended March 31, 2010	Year ended March 31, 2009
I) Foreign Exchange Earnings		
Advertising Revenue	NIL	NIL
II) Foreign Exchange Outgo:		
A) Expenditure in Foreign Currency on account of:		
Particulars	Year ended March 31, 2010 (Rs. in lakh)	Year ended March 31, 2009 (Rs. in lakh)
News/Subscription	15	13
Traveling	12	14
Conference & training	2	3
Technical Services	4	4
Total:	33	34
B) C.I.F.Value of Newsprint Imports		
Particulars	Year ended March 31, 2010 (Rs. in lakh)	Year ended March 31, 2009 (Rs. in lakh)
C.I.F.Value of Newsprint Imports	1,610	2,968

Note: Above figures represents full 12 months of operations in current year and 9 months of operations in FY 2008-09.

Midday Infomedia Limited

Auditors' Report

TO THE MEMBERS OF MIDDAY INFOMEDIA LIMITED

1. We have audited the attached Balance Sheet of Midday Infomedia Limited, as at 31st March 2010, the Profit and Loss Account and also 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 conduct 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 about 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 management, as well as evaluating the 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 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:
 - (i) 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;
 - (ii) 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;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account 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.
 - (v) Based on the written representations received from the directors and taken on record by the Board of Directors, we report that none of them are disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) 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:
 - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2010;
 - (b) in the case of the Profit & Loss account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date

For Haribhakti & Co.

Chartered Accountants
FRN No. 103523W

Chetan Desai
Partner

Membership No. 17000

Place : Mumbai
Date : May 5, 2010

Midday Infomedia Limited

Annexure to Auditors' Report

ANNEXTURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF MIDDAY INFOMEDIA LIMITED.

I. Fixed Assets:

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. We are informed that management at reasonable intervals has physically verified all the fixed assets of the company and the discrepancies found during such verification were not material.
2. During the year the company has not disposed off substantial part of its fixed assets.

II. Inventories:

3. As per the information and explanations given to us, the management has physically verified stock of newsprint and other consumables during the year. In our opinion the frequency of verification is reasonable.
4. In our opinion and according to the information and explanations given to us the procedures and method of physical verification of stock followed by the management are reasonable and adequate in relation to size of the company and the nature of its business.
5. In our opinion the Company has maintained proper records of inventory. As per the information and explanations given to us, discrepancies noticed between the physical stock and the book stock on physical verification were not material.

III. Internal Controls:

6. 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, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.

IV. Transaction with parties under section 301 of the Companies Act 1956:

7. On the basis of our examination of relevant records and on the basis of representation received from the management, transactions that need to be entered in the register pursuant to Section 301 of the Act have been so far entered.
8. As per the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

V. Loans and Advances:

9. As per the information and explanations given to us, the Company has granted loan to two parties covered in the register maintained under Section 301 of the Act. The maximum amount involved is Rs. 139.60 lacs and the year end balance outstanding is Rs. 22.49 lakhs.
10. According to the information and explanation given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act 1956.

Midday Infomedia Limited

Annexure to Auditors' Report

11. In our opinion and as per the information and explanations given to us the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
12. As informed to us, in respect of the loan accepted from the holding company, there is no stipulation as to the repayment of the principal and the interest thereon. We have been informed that there are no outstanding overdue amounts as on the Balance Sheet date.
13. The Company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.

VI. Deposits:

14. During the year the company has not accepted any deposits within the meaning of Section 58A or Section 58AA of the Companies Act or any other relevant provisions of the Act and the rules framed thereunder.

VII. Internal Audit:

15. In our opinion, the Company's internal audit system is commensurate with its size and nature of the business.

VIII. Statutory Payments:

16. According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on the management representations, undisputed Statutory Dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, and other Statutory dues have generally been regularly deposited by Company during the year with appropriate authorities in India.
17. As at March 31, 2010 there are no disputed dues that have not been deposited with respective authorities in respect of Income Tax, Wealth Tax, Excise Duty, Service Tax.
18. According to the records of the Company and as per the information and explanations given to us, the Company has not defaulted in payment of dues to any financial institution or Banks or Debenture Holders except principal and interest amount of Rs. 1057.46 lacs due in November 2009 on term loan taken from a bank.

IX. Losses:

19. This being the second financial year of the Company the reporting requirements as to accumulated losses and cash losses is not applicable for this year.

X. Guarantees:

20. As per the information and explanations given to us the Company has not given any guarantee for loan taken by others from the banks and financial institutions.

XI. Utilization of Funds:

21. On the basis of review of utilization of funds pertaining to term loans on overall basis and related information as made available to us, the term loans taken by the company have been applied for the purposes for which they were taken.
22. On the basis of review of utilization of funds, which is based on overall examination of the Balance Sheet of the company, related information made available to us and as represented to us by the management, short term funds amounting to Rs. 3,265.41 lacs have been used for long-term purposes.



Midday Infomedia Limited

Annexure to Auditors' Report

XII. Preferential Allotment:

23. During the year the company has not made any preferential allotment of shares to parties or companies covered under Section 301 of the Act.

XIII. Miscellaneous:

24. The Company has not dealt or traded in shares, securities, debentures or other investments during the year ending as at March 31, 2010.
25. As per information and explanation given to us and on the basis of examination of records, no material fraud on or by the company was noticed or reported during the year.
26. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the activities carried on by the company.
27. The provisions of chit funds and/or those applicable to nidhi/mutual benefit societies are not applicable to the Company.
28. The Company has not issued any debentures during the year.
29. The Company has not raised any funds during the year by way of public issue.

For Haribhakti & Co.

Chartered Accountants
FRN No. 103523W

Chetan Desai
Partner

Membership No. 17000

Place : Mumbai

Date : May 5, 2010

Midday Infomedia Limited

Balance Sheet as at 31st March, 2010

	SCHEDULE	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	A	8,86,15,000	8,86,15,000
		8,86,15,000	8,86,15,000
Loan Funds			
Secured loans	B	12,73,66,426	22,49,44,385
Unsecured loans	C	10,57,45,583	12,66,19,626
		23,31,12,009	35,15,64,011
TOTAL		32,17,27,009	44,01,79,011
APPLICATION OF FUNDS			
Fixed assets			
Gross block	D	44,07,71,477	43,07,79,663
Less: Depreciation		4,62,64,278	2,06,67,508
Net block		39,45,07,199	41,01,12,155
Investments	E	2,00,00,000	2,00,00,000
Deferred Tax Asset (Net)		60,65,971	5,52,58,989
Current assets, loans & advances			
Inventories	F	2,85,25,848	5,27,69,580
Sundry debtors	G	16,20,10,580	15,42,52,892
Cash & bank balances	H	1,13,14,492	3,31,66,673
Loans and advances	I	7,68,26,000	8,24,84,945
		27,86,76,920	32,26,74,090
Less:			
Current liabilities & provisions			
Current liabilities	J	36,46,53,491	44,81,58,786
Provisions		2,99,68,821	3,01,96,159
		39,46,22,312	47,83,54,945
Net current assets		(11,59,45,392)	(15,56,80,855)
Profit and loss account		1,70,99,232	11,04,88,722
TOTAL		32,17,27,009	44,01,79,011
Notes forming part of Accounts	O		

Schedules A to O referred form integral part of the balance sheet and the profit & loss account.

As per our report of even date attached.

For Haribhakti & Co.

Chartered Accountants

Tarique Ansari

Director

Khalid Ansari

Director

Chetan Desai

Partner

Place : Mumbai

Date : May 5, 2010

Manajit Ghoshal

Managing Director

Midday Infomedia Limited

Profit and Loss Account for the year ended March 31, 2010

	SCHEDULE	Year ended Mar 31, 2010 Rs.	Year ended Mar 31, 2009 Rs.
INCOME			
Circulation revenue		14,79,36,548	12,05,26,222
Advertising revenue		77,66,66,985	60,42,76,967
Other Operating Income		2,38,68,334	26,75,369
Other Income			
Miscellaneous Income		21,94,311	75,00,827
Gain/(Loss) on foreign currency		11,301,333	(1,01,83,167)
		96,19,67,511	72,47,96,218
EXPENSES			
Cost of printing	K	26,67,95,091	40,26,16,864
News expenses		2,18,95,144	2,20,92,783
Employees cost	L	26,75,41,201	23,99,84,247
Selling & distribution	M	7,88,51,478	7,57,63,005
Other operational expenses	N	11,54,48,763	9,85,89,265
Finance charges		3,85,30,214	2,76,17,408
Loss on sale of Fixed Asset		27,94,692	3,53,238
Depreciation		2,65,47,025	2,07,57,706
		81,84,03,608	88,77,74,516
Profit before tax		14,35,63,903	(16,29,78,297)
Provision for tax - Current Tax		2,18,52,309	-
MAT Entitlement credit		(2,08,70,913)	-
Provision for - Deferred Tax		4,91,93,018	(5,52,58,989)
Provision for - Fringe Benefit Tax		-	27,69,414
		5,01,74,414	(5,24,89,575)
Net profit after tax		9,33,89,489	(11,04,88,722)
Balance brought forward		(11,04,88,722)	-
Profit carried to balance sheet		(1,70,99,232)	(11,04,88,722)
Earning per share face value of Rs.10 each			
Basic & Diluted		10.54	(26.15)
Notes forming part of Accounts	O		

Schedules A to O referred form integral part of the balance sheet and the profit & loss account.

As per our report of even date attached.

For Haribhakti & Co.

Chartered Accountants

Tarique Ansari

Director

Khalid Ansari

Director

Chetan Desai

Partner

Place : Mumbai

Date : May 5, 2010

Manajit Ghoshal

Managing Director

Midday Infomedia Limited

Schedules forming part of the Balance Sheet

	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SCHEDULE A		
Share capital		
<u>Authorised capital</u>		
2,00,00,000 (90,00,000) Equity shares of Rs.10/- each	20,00,00,000	9,00,00,000
	20,00,00,000	9,00,00,000
<u>Issued, subscribed & paid up capital</u>		
88,61,500 (88,61,500) Equity shares of Rs.10/- each	8,86,15,000	8,86,15,000
(All the above shares are held by Mid-Day Multimedia Limited -holding company)		
(Of the above 88,11,500 shares have been issued for consideration other than Cash)	8,86,15,000	8,86,15,000
SCHEDULE B		
Secured loans		
<u>From banks</u>		
Cash credit	10,48,50,143	15,98,86,870
(Secured against hypothecation of book debts and stock of newsprint and by personal guarantee of Chairman and Managing Director).		
Term loan (External Commercial Borrowing)	2,25,16,283	6,50,57,516
(Secured against mortgage of existing & future fixed assets of the company and personal guarantee of Chairman and Managing Director)		
	12,73,66,426	22,49,44,385
SCHEDULE C		
Unsecured loans		
Bank Of India	10,57,45,583	12,50,00,000
(Against corporate guarantee of Mid-Day Multimedia Ltd & Personal guarantee of its Managing Director)		
(Repayable within 1 year Rs. 10,57,45,583)		
Interest accrued		16,19,626
	10,57,45,583	12,66,19,626

Midday Infomedia Limited
Schedules forming part of the Balance Sheet as at 31st March, 2010

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As At 1.4.2009	Additions	Deductions	As at 31.03.2010	As at 1.4.2009	For the period	Deductions	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
TANGIBLE ASSETS										
Leasehold Land	1,69,77,800	-	-	1,69,77,800	1,40,055	1,86,551	-	3,26,606	1,66,51,194	1,68,37,745
Plant & Machinery	64,89,767	8,50,000	2,15,493	71,24,274	12,16,811	13,97,187	80,492	25,33,506	45,90,768	52,72,956
Press (Machinery)	13,57,57,879	10,84,950	-	13,68,42,829	48,40,806	64,74,213	-	1,13,15,019	12,55,27,810	13,09,17,072
Factory Premises	15,23,23,451	62,62,070	-	15,85,85,521	37,77,847	52,61,808	-	90,39,655	14,95,45,866	14,85,45,604
Office Premises	2,76,01,177	-	2,97,603	2,73,03,574	3,37,722	4,49,475	8,082	7,79,115	2,65,24,459	2,72,63,455
Photographic Equipments	46,37,940	-	-	46,37,940	5,07,073	6,19,654	-	1,12,67,727	35,11,213	41,30,867
Air Conditioners	49,48,612	-	3,28,815	46,19,797	5,57,225	6,55,011	77,074	1,13,51,162	34,84,635	43,91,387
Office Equipments	35,43,212	49,019	-	35,92,231	3,97,162	4,78,538	-	875,700	27,16,531	31,46,050
Furniture & Fixtures	84,86,550	7,16,228	24,21,930	67,80,848	11,51,761	13,38,109	6,75,711	18,14,159	49,66,689	73,34,788
Vehicles	14,47,514	-	-	14,47,514	2,81,336	3,01,927	-	5,83,263	8,64,251	11,66,178
Fire Fighting System	3,12,296	-	-	3,12,296	32,599	38,907	-	71,506	2,40,790	2,79,697
Electric Installation	2,25,69,502	3,39,805	4,73,118	2,24,36,189	23,56,717	28,22,129	1,03,333	50,75,513	1,73,60,676	2,02,12,785
Computers	1,12,77,836	4,39,783	14,332	1,17,03,287	31,64,976	33,15,746	5,563	64,75,159	52,28,128	81,12,860
Capital work in progress (Including capital advances)	2,00,00,000	2,31,09,486	2,26,54,186	2,04,55,300	-	-	-	-	2,04,55,300	2,00,00,000
INTANGIBLE ASSETS										
Licence & Marketing Rights	29,66,743	-	-	29,66,743	2,22,709	2,96,674	-	5,19,383	24,47,360	27,44,034
Computers Software	1,14,39,384	35,45,950	-	1,49,85,334	16,82,709	29,11,096	-	45,93,805	1,03,91,529	97,56,675
TOTAL	43,07,79,663	3,63,97,291	2,64,05,477	44,07,71,477	2,06,67,508	2,65,47,025	9,50,255	4,62,64,278	39,45,07,199	41,01,12,155
Previous Year	-	46,26,73,285	3,18,93,623	43,07,79,663	-	2,07,57,706	90,198	2,06,67,508	41,01,12,155	-

Midday Infomedia Limited

Schedules forming part of the Balance Sheet

	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SCHEDULE E		
UNQUOTED : (Trade)		
Investment In Shares		
54,057 equity shares of Rs.10/- each of Naaptol Online Shopping Pvt.Ltd.	2,00,00,000	2,00,00,000
Aggregate of unquoted investments	2,00,00,000	2,00,00,000
SCHEDULE F		
Inventories		
Newsprint	2,65,14,540	5,15,45,756
Consumables	20,11,308	12,23,824
	2,85,25,848	5,27,69,580
SCHEDULE G		
Sundry debtors (Unsecured)		
Debts outstanding for a period exceeding 6 months considered doubtful	87,57,101	52,31,559
Debts outstanding for a period exceeding 6 months considered good	39,12,490	1,48,17,354
Other debts considered good	15,80,98,090	13,94,35,538
Less : Provision for doubtful debts	87,57,101	52,31,559
	16,20,10,580	15,42,52,892
SCHEDULE H		
Cash & bank balances		
Cash on hand	6,00,466	7,20,434
In current accounts with scheduled banks	1,05,00,296	3,22,37,106
In fixed deposit with scheduled banks	2,13,731	2,09,133
	1,13,14,492	3,31,66,673
SCHEDULE I		
Loans & advances		
Unsecured,considered good		
Loans to others	28,58,668	69,31,666
Trade deposit	4,49,04,917	4,85,77,936
Staff advance	5,77,316	53,010
Adv recoverable in cash or kind , or for value to be received	57,56,339	2,66,48,786
Advance Income Tax	18,57,846	2,73,547
MAT credit entitlement	2,08,70,913	-
	7,68,26,000	82,484,945
SCHEDULE J		
Current liabilities & provisions		
Current liabilities		
Sundry creditors - MSME*	2,47,967	3,79,961
Sundry creditors - Others	7,11,11,464	10,64,25,857
Other Liabilities	11,57,54,852	9,70,80,876
Payable to Mid-Day Multimedia Ltd for Business Transfer	16,86,37,080	23,44,26,196
Trade Deposits	89,02,127	98,45,896
	36,46,53,491	44,81,58,786
Provisions		
Provision for Leave encashment	84,30,296	97,70,638
Provision for Gratuity	1,41,26,495	1,12,83,622
Provision for Incentive to Depot	74,12,030	91,41,899
	2,99,68,821	3,01,96,159
	39,46,22,312	47,83,54,945

* Names of Micro, Small & Medium Enterprises : Shobha Plastic Industries, Print Top Rubber Industries

Midday Infomedia Limited

Schedules Forming Part of the Profit & Loss Account

	Year ended Mar 31, 2010 Rs.	Year ended Mar 31, 2009 Rs.
SCHEDULE K		
Cost of printing		
<u>Consumption of Newsprint & Consumables</u>		
Opening stock	5,15,45,756	7,41,49,318
Purchases (net)	16,54,20,463	31,07,44,884
	21,69,66,219	38,48,94,202
Closing stock	2,65,14,540	5,15,45,756
Cost of printing	19,04,51,679	33,33,48,446
Printing job work & labour charges	3,19,07,487	2,85,25,746
Printing & Packing materials	3,57,20,136	3,33,74,848
Electricity	87,15,789	73,67,823
	26,67,95,091	40,26,16,864
SCHEDULE L		
Employees cost		
Salaries, wages & bonus	19,13,80,788	16,62,72,898
Contribution to PF, FPF (Includes Rs. 11,457,572 charged by the holding co.)	92,37,799	81,17,572
Gratuity	4,33,545	99,21,414
Outsourcing	5,77,15,357	4,89,03,598
Staff welfare expenses	87,73,712	67,68,765
	26,75,41,201	23,99,84,247
SCHEDULE M		
Selling & distribution		
Freight & Distribution	5,04,27,059	4,26,05,793
Entertainment & business development	2,62,90,778	2,19,19,072
Advertisement expenses	21,33,641	1,12,38,141
	7,88,51,478	7,57,63,005

Midday Infomedia Limited

Schedules Forming Part of the Profit & Loss Account

	Year ended Mar 31, 2010 Rs.	Year ended Mar 31, 2009 Rs.
SCHEDULE N		
Other operational expenses		
Conveyance	57,87,810	53,30,293
Electricity office	54,91,678	54,01,053
General expenses	35,73,325	12,87,344
Vehicle expenses	6,82,018	4,52,962
Insurance premium	10,36,123	30,24,287
Legal & professional charges	78,42,763	77,13,231
Machinery repairs	55,14,239	42,81,301
Other repairs & maintenance	1,72,61,143	1,22,93,775
Printing & stationery	39,89,102	41,64,700
Postage & telephone	1,25,30,017	1,06,98,930
Rent, rates & taxes	3,70,95,196	2,97,74,962
Travelling	66,66,294	80,16,209
Membership & Subscription	22,79,081	34,17,262
Directors fees	40,000	-
Donation	3,94,000	50,803
Bad debts written off	47,53,079	22,35,438
<u>Remuneration to auditors for :</u>		
Statutory audit	3,30,900	3,30,900
Tax audit	82,725	82,725
Certification work	99,270	33,090
	11,54,48,763	9,85,89,265

Midday Infomedia Limited

Notes forming parts of Accounts

SCHEDULE 'O' :-

NOTES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2010.

1. Printing and publishing business of the Company has been purchased from Mid-Day Multimedia Ltd w.e.f July 1, 2008 as explained in note no. 3. In view of such transfer, the figures of the current year are not comparable with the previous year.

2. Accounting Policies

a) Accounting system

The financial statements have been prepared under the historical cost convention, on accrual basis of accounting and in compliance with the applicable accounting standards prescribed under Section 211 (3C) of the Companies Act and other accepted accounting principles.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management of the company to make estimates and assumptions that affect the reported amounts of income and expenses of the period and the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

c) Revenue Recognition

As per industry practice – (i) Income/Expenditure of a reciprocal nature not involving any monetary transactions have not been considered, (ii) Expected credit notes due to possible reduction in receivable from Debtors (Doubtful Debts) have been adjusted against Advertising Revenue.

Circulation Revenue is recognized at the time of dispatch and advertisement revenue is recognized on the date of publication.

Share of combined advertisement revenue received from advertisers are accounted on the basis approved by the management.

d) The Company provides depreciation under the straight-line method as per the rates prescribed in schedule XIV of the Companies Act, 1956 in respect of office & factory premises and Presses. Depreciation on other fixed assets is provided under the written down value method at the rates prescribed in schedule XIV of the Companies Act, 1956. License and Marketing Right is amortized over a period of ten years.

e) Stocks of newsprint and consumables are valued at lower of cost (FIFO basis) or net realizable value.

f) All investments of long-term nature are valued at cost. Diminution in value of such Investments, if of permanent nature, is provided for. Current investments are valued at lower of cost or net realizable value.

g) Foreign Exchange Transactions: Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate. The exchange differences arising on the settlement of the monetary items or on reporting such items at rates different from those at which they were initially recorded or reported in previous financial statements are recognized in the Profit & Loss account

h) Current tax is provided at the current tax rates on taxable income. The Company provides for deferred tax based on tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current tax provision using the tax rates and tax laws that have been enacted or substantively enacted. Deferred Tax Assets on timing differences other than unabsorbed losses are recognized to the extent there is a reasonable certainty that these would be realized in future. Deferred Tax Asset arising on account of unabsorbed tax losses and unabsorbed depreciation are accounted for on prudence basis when there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

Midday Infomedia Limited

Notes forming parts of Accounts

i) Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

j) **Employee Benefits:**

Short term employee benefits payable wholly within twelve months of rendering services such as salaries, wages, etc. are recognized in the period in which the employee renders the related service.

Defined Contribution Plan :The company's contribution to the state governed employee's provident fund scheme is a defined contribution plan. The contribution paid / payable under the scheme is recognized during the period in which the employee renders the related service.

Defined Benefit Plan: The Company's gratuity fund managed through the gratuity trust is company's defined benefit plan. The present value of obligations under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method.

Long Term Employee Benefits: The obligation of long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans.

k) **Impairment of Assets:**

At each Balance Sheet date the carrying amount of the assets is tested for impairment. If there is any indication of impairment, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date there is an indication that the previously assessed impairment loss no longer exist, the recoverable amount is reassessed and the assets is reflected at the recoverable amount.

3. Business Transfer

The Company vide Business Transfer Agreement (BTA) dated July 1, 2008 has purchased the News Media Division from Mid-Day Multimedia Ltd., its holding company for a total consideration of Rs. 3,881.15 Lakh. The division has been purchased together with all its properties, assets, rights, liabilities/obligations of whatsoever nature and kind and its employees on a going concern basis effective from July 1, 2008. The purchase consideration is payable either in cash or by issue of securities. The Company has issued 8,811,500 equity shares of Rs. 10/- each at par against the purchase consideration and the balance amount forms part of current liabilities on account of business transfer.

Cash credit and term loan facilities form part of the Newsmedia division purchased during the period and are secured by hypothecation of book debts and stock of materials/inventory and further secured by pari passu charge on present & future movable and immovable assets of Mid -Day Multimedia Limited and also secured by personal guarantee of Chairman & Managing Director of Mid-Day Multimedia Limited. The company has received an in principle approval from the banks to transfer the facilities to Midday Infomedia Limited for which the required documentations and other formalities are in the process.

Pursuant to the BTA, the following assets and liabilities (at book values as on 31st March, 2010) are in the process of being transferred in the name of the company.

Assets :	(Rs. in Lakh)
Leasehold land & factory premises	16,61.97
Bank balances	3.18
Liabilities:	
Secured loans	1,273.66

Pending Transfer of leasehold land at Rabale in the name of the company, an amount of Rs. 200 Lakh estimated to be payable by way of stamp duty and other transfer costs is included in capital work in progress.

4. Contingent Liability

Claims against the company in respect of various defamation suits and claims of employees, amount not ascertainable.

Midday Infomedia Limited

Notes forming parts of Accounts

5. C.I.F. Value of Newsprint Imports

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
C.I.F. Value of Newsprint Imports	16,09,80,239	29,67,56,141

6. Expenditure in Foreign Currency on account of:

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
News/Subscription	14,95,240	13,02,367
Traveling	11,68,674	13,56,115
Conference & training	1,43,852	2,78,000
Technical Services	3,77,076	4,16,000

7. Consumption of Newsprint

Particulars	2009-10 (Rs.) (Rs.in Lakh)	%	2008-09 (Rs.in Lakh)	%
Imported	1,860	98	3,181	95
Indigenous	45	2	152	5

8. The calculation of deferred tax asset/(liability) is shown below :

Particulars	Opening Balance (Rs.)	During the year (Rs.)	Closing (Rs.)
Depreciation	(1,28,43,860)	(64,23,505)	(1,92,67,365)
C/F Loss	6,37,26,856	(4,20,87,402)	2,16,39,454
Provision for Gratuity	29,30,419	(2,26,528)	27,03,891
Provision for Leave Encashment	14,45,575	(4,55,582)	9,89,993
Total	5,52,58,989	(4,91,93,018)	60,65,971

9. Calculation of EPS

Particulars	2009-10 (Rs.)	Period Ending March 31, 2009 (Rs.)
Net Profit after tax for the year (Rs)	9,33,89,489	(11,04,88,722)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the period	88,61,500	NIL
Weighted avg. of Shares issued during the period	-	88,61,500
Weighted avg. Number of Equity Shares considered for Basic EPS Calculation.	-	42,25,972
Weighted avg. Number of Equity Shares considered for Diluted EPS Calculation.	-	42,25,972
Basic Earnings/(loss) (in Rupees) per share	10.54	(26.15)
Diluted Earnings/(loss) (in Rupees) per share	10.54	(26.15)

Midday Infomedia Limited

Notes forming parts of Accounts

10. The company operates in a single segment of publishing newspapers hence separate disclosure for segment reporting is not required

11. Disclosure with regard to related party transactions as per Accounting Standard AS - 18 is as follows:

A. Other related parties where control exists:

Name of The Party	Relationship	Nature of Transaction during the year	Amount of transaction (Rs.)	Closing Balance Due (to)/ from Rs.	Amount written off/ added back Rs.
Inquilab Offset Printers Pvt. Ltd.	Associate Company	- Advances - Expense Reimbursement - Advertisement Income	(26,67,546) 14,18,586 (40,140)	22,25,387	NIL
Radio Mid-Day West (India) Ltd	Associate Company	- Expense Reimbursement Advertisement Expense	(29,94,512) 23,86,706	NIL	NIL
Mid-Day Multimedia Ltd.	Holding Company	- Expense Reimbursement - Advances	(37,11,260) 6,95,00,375	(16,86,37,080)	NIL

B. During the year, there were no transactions with the following associate companies:

- i. Mid-Day Broadcasting South (India) Pvt. Ltd.
- ii. Meridian Holding & Leasing Co Pvt. Ltd.
- iii. Mirror Films Private Ltd.
- iv. Mid-Day Radio North (India) Ltd.
- v. Ferrari Investments and Trading Co Pvt. Ltd.
- vi. Mid-Day Export Pvt. Ltd.
- vii. Mid-Day Publishing Pvt. Ltd.

C. Key Management Personnel :

Mr. Khalid Ansari
Mr. Tarique Ansari
Mr. Manajit Ghoshal

D. Relatives of key management personnel and their enterprises where transactions have taken place:

Not Applicable

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

Midday Infomedia Limited

Notes forming parts of Accounts

12. Employees Benefit.

The Company has classified the various benefits provided to employees as under:

a. Defined Contribution Plans:

Provident Fund (PF, FPF)

The Company has recognised the following amounts in Profit and Loss Account:

Particulars	Year Ended March 31, 2010 (Rs.)
Employer's contribution to PF, FPF	92,37,799

b. Defined Benefit Plans

Contribution to Gratuity Fund (Funded Scheme)

Leave Encashment (Non – Funded Scheme)

:In accordance with the Accounting Standard (AS 15) (Revised 2005), actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:

Amount debited to Profit & Loss a/c on account of Leave encashment Rs.51,828

Discount Rate (per annum)	8%
Rate of increase in compensation levels (per annum)	6%
Rate of return on Plan Assets (for Funded Scheme)	8%

The current period information in the following tables represents the figures in respect of employees under Business Transfer Agreement of news media division.

I. Change in the Present Value of Obligation

Particulars	Year Ended March 31, 2010	Period Ended March 31, 2009
	Funded Scheme Gratuity(Rs.)	
Present Value of Defined Benefit Obligation as at beginning of the period	2,30,74,413	2,41,22,665
Interest Cost	17,30,581	13,56,900
Current Service Cost	22,75,062	16,67,745
Benefits Paid	(37,82,399)	5,00,431
Actuarial (gain) / loss on Obligations	72,29,436	(35,72,466)
Present Value of Defined Benefit Obligation as at the end of the period	3,05,27,093	2,30,74,413

II. Fair Value of Plan Assets (For Funded Scheme)

Particulars	Year Ended March 31, 2010	Period Ended March 31, 2009
	Gratuity(Rs.)	
Present Value of Plan Assets as at beginning of the period	1,18,13,460	1,29,39,790
Expected Return on Plan Assets	8,86,009	N.A
Contributions during the year	78,00,000	9,40,000
Benefits Paid	(37,82,399)	5,00,431
Actuarial gains / (losses)	(3,16,472)	15,88,568
Assets Distributed on Settlement		
Fair Value of Plan Assets As at end of the period	1,64,00,598	1,17,90,791

Midday Infomedia Limited

Notes forming parts of Accounts

III. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

Particulars	Year Ended March 31, 2010 (Rs.)	Period Ended March 31, 2009 (Rs.)
Present Value of Funded Obligation as at end of the period	3,05,27,093	2,30,74,413
Fair Value of Plan Assets as at end of the period	1,64,00,598	1,17,90,791
Funded Liability recognised in the Balance Sheet(Gratuity) Included in provision (Schedule)	NIL	NIL
Present Value of Unfunded Obligation as at end of the period	1,41,26,495	1,12,83,622
Unrecognised Actuarial gains / (losses)	NIL	NIL

IV Amount recognised in the Balance Sheet:

Particulars	Year Ended March 31, 2010	Period Ended March 31, 2009
	Funded Scheme Gratuity(Rs.)	
Present Value of Defined Benefit Obligation as at the end of the period	3,05,27,093	2,30,74,413
Fair Value of Plan Assets As at end of the period	1,64,00,598	1,17,90,791
Liability / (Net Asset) recognised in the Balance Sheet	(1,41,26,495)	1,12,83,622

V) Expenses recognised in Profit and Loss Account:

Particulars	Year Ended March 31, 2010	Period Ended March 31, 2009
	Funded Scheme Gratuity(Rs.)	
Current Service Cost	22,75,062	16,67,745
Past Service Cost	NIL	NIL
Interest Cost	17,30,581	13,56,900
Expected Return on Plan Assets	(8,86,009)	NIL
Curtailement Cost / (Credit)	NIL	NIL
Settlement Cost / (Credit)	NIL	NIL
Net Actuarial (gain) / Loss recognised in the Period	75,45,908	(35,72,466)
Total Expenses recognised in the Profit And Loss Account	1,06,65,542	5,47,821

VI) Actual Return on Plan Assets

Particulars	Year Ended March 31, 2010 (Rs.)	Period Ended March 31, 2009 (Rs.)
Expected Return on Plan Assets	8,86,009	NIL
Actuarial gain / (losses) on Plan Assets	(3,16,472)	NIL
Actual Return on Plan Assets	5,69,537	NIL

The expected rate of return on plan assets is based on market expectations at the beginning of the period. The rate of return on long-term government bonds is taken as reference for this purpose.

13. Current liabilities include overdue amounts of Rs. Nil including interest of Rs. Nil payable to Micro Small and Medium enterprises. Total outstanding dues to Micro Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the company.

Khalid Ansari
Director

Tarique Ansari
Director

Manajit Ghoshal
Director

Midday Infomedia Limited

Cashflow Statement

(Rs. in lakh)

	F.Y. 2009-10	F.Y. 2008-09
A. Net Cashflow from operating Activities		
Net Profit before tax	1,436	(1,630)
Depreciation	265	208
Interest	385	276
Loss/(profit) on sale of fixed assets (net)	28	4
Interest Income	-	(7)
Provision for doubtful debts	35	22
Loss/(gain) on foreign currency transaction	(14)	72
Operational Profit before Working Capital	2,136	(1,055)
Adjustments for changes in Working Capital		
Sundry Debtors	(113)	(1,543)
Inventories	242	(528)
Loans & Advances	281	(822)
Current Liabilities	(1,039)	4,475
Sub-Total	(628)	1,583
Cash generated from operations	1,508	528
Income Tax	(26)	(3)
Fringe Benefit Tax	-	(28)
Sub-Total	(26)	(30)
Net Cash Flow from Operating Activities (A)	1,482	498
B. Cash Flow from Investing Activities		
Purchase fixed Assets (net)	(137)	(4,105)
Net Cash Flow from Investing Activities (B)	(137)	(4,305)
C. Cash Flow from financing Activities		
Capital	-	886
Borrowings	(1,178)	3,522
Interest	(385)	(270)
Net Cash Flow from Financing Activities (C)	(1,563)	4,138
Net Increase/decrease in Cash & Cash Equivalents (A+B+C)	(218)	331
Cash & Cash Equivalents at the beginning of the year	331	-
Cash & Cash Equivalents at the end of the year	113	331

Mid-Day Outdoor Limited

Directors' Report

To The Members,

Your Directors' are pleased to submit their Annual Report together with the audited Statement of accounts for the year ended 31st March 2010.

FINANCIAL RESULTS

(Amount in Rupees)

	Year Ended 31.03.2010	Year Ended 31.03.2009
Other Income	-	-
Operating Expenses	22,559	57,187
Profit / (Loss) during the year	(22,559)	(57,187)
Add/ (Less): Balance from Profit & Loss Account B/F	(3,56,49,779)	(3,55,92,592)
Net Profit/(Loss) carried to Balance Sheet	(3,56,72,338)	(3,56,49,779)

BOARD OF DIRECTORS

Mrs. Rukya Ansari, Director would retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

AUDITORS

M/s T.R. Chadha & Co., Chartered Accountants, Mumbai the present auditors of the Company would be retiring at the conclusion of the forthcoming Annual General Meeting. They have expressed their willingness to continue as the Statutory Auditors, if re-appointed at the Annual General Meeting and hold office until the conclusion of the next Annual General Meeting.

PARTICULARS OF EMPLOYEES U/S 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 AS AMENDED:

No Employee of the Company was in receipt of remuneration aggregating to Rs. 24,00,000/- or more per annum or Rs. 2,00,000/- per month if employed for a part of the year.

PARTICULARS U/S 217 (1) (e) OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN REPORT OF THE BOARD OF DIRECTORS) RULES 1988:

- i) Conservation of Energy : Not applicable
- ii) Technology absorption : Nil
- iii) Foreign Exchange Earnings : Nil
- iv) Foreign Exchange Outgo : Nil

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- the selected and applied accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and the profit of the Company for the period ended on that date;
- proper and sufficient care has been taken 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 preventing and detecting fraud and other irregularities;
- The annual accounts are prepared on a 'going concern' basis.

ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the valuable support given by the personnel

For and on behalf of the Board

Place : Mumbai
Dated : May 5, 2010

Tarique Ansari
Director

Mid-Day Outdoor Limited

Auditors' Report for the year ended 31st March 2010

To,

The Members of MID-DAY OUTDOOR LIMITED

1. We have audited the attached balance sheet of Mid-day Outdoor Limited as at 31st March 2010 and also the profit and loss account and 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 auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 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:
 - 4.1 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;
 - 4.2 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;
 - 4.3 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - 4.4 In our opinion, the Balance Sheet, Profit and Loss Account 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 to the extent applicable.
 - 4.5 On the basis of representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.3.2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - 4.6 In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Statement of Significant Accounting Policies and the Notes forming parts of 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:
 - a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2010; and
 - b) in the case of the Profit and Loss Account, of the loss of the company for the year ended on that date.
 - c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For T. R. Chadha & Co.

Chartered Accountants

Vikas Kumar

(Partner)

Membership No.: 75363

Firm Reg. No. 006711N

Place : Mumbai

Date : May 5, 2010

Mid-Day Outdoor Limited

Annexure to Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

I. Fixed Assets

The company is not having any Fixed Assets and accordingly sub clause (a) to (c) of clause (i) of Para 4 of the order is not applicable.

II Inventories

The company is not having any inventories and accordingly the sub clause (a) to (c) of clause (ii) of Para 4 of the order is not applicable.

III Loans Given / Taken

a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has taken interest free unsecured loan from Holding company M/s Mid-day Multimedia Limited. The maximum amount involved during the year was Rs. 7,23,972 and closing balance was Rs. 7,23,972.

a) The rate of interest and other terms and conditions of loans taken by the company, are prima facie not prejudicial to the interest of the company.

a. The repayment schedule of the above mentioned loan has not been defined, however, payment of interest have been regular.

b) The overdue amount for any individual party is not more than one Lac.

IV Internal Control

In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for providing services. There is no continuing failure to correct major weaknesses in internal control system.

V. Transactions under Section 301

According to the information and explanations given to us and to the best of our knowledge and belief, there are no contracts or arrangements that needed to be entered into the register maintained in pursuance of Section 301 of the Companies Act 1956.

VI. Public Deposits

According to the information and explanation given to us, the company has not taken any deposits from the public.

VII. a) Internal Audit System

The Company does not have an internal audit system commensurate with its size and the nature of its business.

b) Cost Records

As explained, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

VIII. Statutory Dues

a) The company is regular in depositing undisputed statutory dues with the appropriate authorities and no such dues are outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

b) There are no dues of Income Tax / sales tax / wealth tax / service tax / custom duty / excise duty / cess, which are not deposited on account of dispute.

IX. Miscellaneous

a) The net worth of the company has been fully eroded as on 31.03.2010. The company has incurred cash losses in current financial year and in preceding financial year.

b) The Company has not taken any loans from financial institution or bank or debenture holders and accordingly the question of any default does not arise.

c) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Mid-Day Outdoor Limited

Annexure to Auditors' Report

- d) As explained, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order are not applicable to the company.
- e) As explained and verified, the Company is not dealing or trading in shares, securities, debentures and other investments.
- f) As explained, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- g) The Company has not obtained any loans, accordingly clause (xvi) and (xvii) of para 4 of the order is not applicable.
- h) The Company has not issued any shares / debentures during the year. Accordingly, the compliance of clause (xviii) to (xx) of para 4 of the order is not applicable.
- i) As explained to us, no fraud on or by the Company has been noticed or reported during the year.

For T. R. Chadha & Co.
Chartered Accountants

Vikas Kumar
(Partner)
Membership No.: 75363
Firm Reg. No. 006711N

Place : Mumbai
Date : May 5, 2010

Mid-Day Outdoor Limited

Balance Sheet as at 31st March, 2010

	SCHEDULE	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	3,49,50,000	3,49,50,000
		3,49,50,000	3,49,50,000
Loan Funds			
Unsecured Loan	B	7,23,972	6,98,842
		7,23,972	6,98,842
TOTAL		3,56,73,972	3,56,48,842
APPLICATION OF FUNDS			
Current Assets, Loans & Advances			
Cash & Bank Balances	C	18,179	12,299
		18,179	12,299
Less: Current Liabilities & Provisions	D	16,545	13,236
Net Current Assets		1,634	-937
Profit & Loss Account (Dr. Balance)		3,56,72,338	3,56,49,779
TOTAL		3,56,73,972	3,56,48,842
Significant Accounting Policies And Notes Forming Part of Accounts	F		

As per our Report of even date

For T.R.Chadha & Co.
Chartered Accountants

For and on behalf of the Board

Vikas Kumar
(Partner)

Rukya Ansari
Director

Tarique Ansari
Director

Place : Mumbai
Date : May 5, 2010

Mid-Day Outdoor Limited

Profit & Loss Account for the year ended 31st March, 2010

	SCHEDULE	Year ended Mar 31, 2010 Rs.	Year ended Mar 31, 2009 Rs.
INCOME			
Other Income		-	-
TOTAL		-	-
EXPENDITURE			
Operating Expenses	E	22,559	57,187
TOTAL		22,559	57,187
Profit/(Loss) during the year		(22,559)	(57,187)
Income Tax		-	-
Net Profit/(Loss) for the year		(22,559)	(57,187)
Profit/(Loss) Brought Forward		(3,56,49,779)	(3,55,92,592)
Profit/(Loss) Carried to Balance Sheet		(3,56,72,338)	(3,56,49,779)
Earning/(loss) Per Share - Basic / Diluted - Face Value Rs 10 per share		(0.01)	(0.02)
Significant Accounting Policies And Notes Forming Part of Accounts	F		

As per our Report of even date

For T.R.Chadha & Co.
Chartered Accountants

For and on behalf of the Board

Rukya Ansari
Director

Tarique Ansari
Director

Vikas Kumar
(Partner)

Place : Mumbai
Date : May 5, 2010

Mid-Day Outdoor Limited

Schedules Forming Part of the Balance Sheet As At 31.03.2010

	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SCHEDULE A		
Share Capital		
<u>Authorised Capital</u>		
40,00,000 equity shares of Rs.10/- each (Previous Year 40,00,000 Equity shares of Rs. 10/- each)	4,00,00,000	4,00,00,000
<u>Issued, Subscribed & Paid up</u>		
3495000 Equity shares of Rs.10/-each (Previous Year 3495000 equity shares of Rs.10/- each) [Out of which 3494200 Equity shares (Previous Year 3494200 Eq Shares) held by Holding Company Mid-day Multimedia Ltd.)	3,49,50,000	3,49,50,000
	3,49,50,000	3,49,50,000
 SCHEDULE B		
Unsecured Loan		
Loan from Holding Company M/s Mid-day Multimedia Ltd. (Maximum Outstanding during the year Rs.723,972)	7,23,972	6,98,842
	7,23,972	6,98,842
 SCHEDULE C		
Cash & Bank Balances		
In current account with a scheduled Bank	18,179	12,299
	18,179	12,299
 SCHEDULE D		
Current Liabilities & Provisions		
Outstanding Liabilities	16,545	13,236
	16,545	13,236

Mid-Day Outdoor Limited

Schedules Forming Part of the Profit & Loss Account

	Year ended Mar 31, 2010 Rs.	Year ended Mar 31, 2009 Rs.
SCHEDULE E		
Operating Expenses		
Professional Charges	3,600	32,978
Remuneration to Auditors - Statutory Audit Fees	16,545	13,236
- Taxation Matters	0	10,916
Filing Fees	1,500	0
Bank Charges	914	57
	22,559	57,187

Mid-Day Outdoor Limited

Schedules Forming Part of Accounts

SCHEDULE-F**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FORMING AN INTEGRAL PART OF THE BALANCE SHEET AS AT 31st MARCH 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010****A) SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Accounting**

The Financial Statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and on the accounting principles of going concern.

B) NOTES TO ACCOUNTS**1. Contingent liability:**

Income-tax : NIL, Previous Year : NIL

2. In the opinion of the Board, current assets loans and advances have a value, in the ordinary course of business, on realisation at least equal to the amount at which they are stated.

	Current Year Rs.	Previous Year Rs.
3. Expenditure in Foreign Currency	Nil	Nil
4. Earning in Foreign Currency	Nil	Nil
5. In view of the accumulated losses, provision for Income tax is not made.		

Mid-Day Outdoor Limited

Schedules Forming Part of Accounts

6. Disclosure with regard to the Related party transactions as per AS- 18 is as under:

List of Related Parties

Holding Company:				
<ul style="list-style-type: none"> • Mid-day Multimedia Ltd. 				
Concerns where control exists:				
<ul style="list-style-type: none"> • Meridian Holding & Leasing Co. Pvt. Ltd. • Mid-day Export Pvt. Ltd. • Inquilab Offset Printers Pvt. Ltd. • Ferrari Investments & Trading Co. Pvt. Ltd. • Radio Mid-day West (India) Ltd. • Mid-day Broadcasting South (India) Pvt. Ltd. • Mid-day Radio North (India) Ltd. 				

Name of the transacting related party	Relationship	Description of the nature of transaction	Amount (Rs. in Lakh)	Closing Balance (Rs. in lakh)
Mid-day Multimedia Limited	Holding Company	Unsecured Loan received during the year	0.25	(-)
		Unsecured Loan outstanding as on 31.03.2010	7.24	7.24

7. The deferred tax assets as per Accounting Standard – 22 (AS-22) on Accounting of taxes towards carried forward losses have not been recognised, as there is no certainty on realization of the same.
8. The Company operates in a single business segment of Outdoor Advertising. Therefore disclosure requirement for Segment Reporting as per AS-17 is not applicable to the company.
9. No provision has been made for retirement benefits since there are no employees on the roll of the Company.
10. The disclosures with regard to the requirement of Part II of Schedule VI of the Companies Act, 1956 are not applicable.
11. Previous year figures have been regrouped / rearranged wherever considered necessary to make them comparable with the current year figures.
12. All figures are rounded off to the nearest rupee.

For T.R.Chadha & Co.
Chartered Accountants

Vikas Kumar
(Partner)

Place : Mumbai
Date : May 5, 2010

For and on behalf of the Board

Rukya Ansari
Director

Tarique Ansari
Director

Mid-Day Outdoor Limited

Cashflow for the Period 1.04.2009 to 31.03.2010

	F.Y. 2009-10	F.Y. 2008-09
A. Net Cashflow from operating Activities		
Net Profit before tax	(22,559)	(57,187)
Depreciation	-	-
Operational Profit Before Working Capital	(22,559)	(57,187)
Adjustments for changes in Working Capital		
Current Liabilities	3,309	1,680
Sub Total	3,309	1,680
Cash Generated from Operations	(19,250)	(55,507)
Income Tax Paid	-	-
Net Cashflow from Operating Activities	(19,250)	(55,507)
B. Cash Flow from Investing Activities		
Fixed Assets (net)	-	-
Investments	-	-
Net Cash Flow from Investing Activities	-	-
C. Cash Flow from Financing Activities		
Borrowings holding Company	25,130	51,236
Net Cash Flow from Financing Activities	25,130	51,236
Net Increase in cash & cash equivalents	5,880	(4,271)
Opening balance of cash & cash equivalents	12,299	16,570
Closing balance of cash & cash equivalents	18,179	12,299

Mid-Day Radio North (India) Limited

Directors' Report

TO THE MEMBERS OF MID-DAY RADIO NORTH (INDIA) LIMITED

The Directors have pleasure in presenting the Tenth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2010.

Business Operations: -

During the year under review, the Company had no operations.

Directors: -

In accordance with the provisions of the Companies Act, 1956 and Articles of Association, Mr. Aziz Khatri, Director, retires by rotation and is eligible for re-appointment.

Auditors: -

The Auditors M/s T.R. Chadha & Co, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting. They have indicated their willingness to continue in office. A resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Auditors' Observation in their Report: -

Prior to the operating license being issued to the Company, it expressed its inability to the Government to launch the radio station at Delhi since the license fee structure was unviable. The preliminary expenses relating to the launch including Bank guarantee fees and license fees have been written off resulting into a loss thereby eroding the net worth of the company.

Particulars of Employees: -

Since there are no eligible employees, the provisions laid down in Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 shall not be applicable.

Directors' Responsibility Statement

The Directors confirm that: -

- In the preparation of the annual accounts, the applicable Accounting Standards have been followed;
- The selected and applied accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2010;
- Proper and sufficient care has been taken 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 preventing and detecting fraud and other irregularities;
- The annual accounts are prepared on a going concern basis.

Conservation of Energy, Technology Absorption, Foreign Exchange earning and outgo: -

- | | |
|-----------------------------|-------|
| a) Conservation of Energy | : NIL |
| b) Technology Absorption | : NIL |
| c) Foreign Exchange Earning | : NIL |
| d) Foreign Exchange Outgo | : NIL |

Acknowledgement: -

Your Directors would like to express their appreciation for the valuable support given by the personnel and bankers.

For and on behalf of the Board

Manajit Ghoshal

Chairman

Place : Mumbai

Date : May 4, 2010

Mid-Day Radio North (India) Limited

Auditors' Report

AUDITOR'S REPORT TO THE SHAREHOLDERS OF MID-DAY RADIO NORTH (INDIA) LIMITED

1. We have audited the attached Balance Sheet of Mid-day Radio North (India) Limited as at 31st March, 2010 and also the profit and loss account and 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 auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 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 referred to above, we report that:
 - 4.1 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;
 - 4.2 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;
 - 4.3 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - 4.4 In our opinion, the Balance Sheet, Profit and Loss Account 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 to the extent applicable.
 - 4.5 On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.3.2010 from being appointed as a director under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - 4.6 In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Statement of Significant Accounting Policies and the Notes forming parts of 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:
 - a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2010; and
 - b) in the case of the Profit and Loss Account, of the loss of the company for the year ended on that date
 - c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For T. R. Chadha & Co.

Chartered Accountants

Vikas Kumar

(Partner)

Membership No. 75363

Firm Reg. No. 00671 IN

Place: Mumbai

Date : May 4, 2010

Mid-Day Radio North (India) Limited**Auditors' Report****ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE****I. Fixed Assets**

The company is not having any Fixed Assets and accordingly sub clause (a) to (c) of clause (i) of Para 4 of the order is not applicable.

II. Inventories

The company is not having any inventories and accordingly the sub clause (a) to (c) of clause (ii) of Para 4 of the order is not applicable.

III Loans Given / Taken

- a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has taken interest free unsecured loan from Holding company. The maximum amount involved during the year was Rs. 201.73 Lakh and closing balance was Rs. 201.73 Lakh.
- b) The rate of interest and other terms and conditions of loans taken by the company, are prima facie not prejudicial to the interest of the company.
- c) The repayment schedule of the above mentioned loan has not been defined, however, payment of interest have been regular.
- d) The overdue amount for any individual party is not more than one Lac.

IV Internal Control

In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. There is no continuing failure to correct major weaknesses in internal control system.

V. Transaction under Section 301

According to the information and explanations given to us and to the best of our knowledge and belief, there are no contracts or arrangements that needed to be entered into the register maintained in pursuance of Section 301 of the Companies Act 1956.

VI. Public Deposits

According to the information and explanation given to us, the company has not taken any deposits from the public.

VII. Internal Audit System

The Company has an internal audit system commensurate with its size and the nature of its business.

VIII. Cost Record

As explained, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

IX. Statutory Dues

- a) The company is regular in depositing undisputed statutory dues with the appropriate authorities and no such dues are outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- b) There are no dues of Income Tax / sales tax / wealth tax / service tax / custom duty / excise duty / cess, which are not deposited on account of dispute.

X. Miscellaneous

- a) The net worth of the company is fully eroded as on 31.03.2010. The company has incurred cash losses in current financial year as well as in immediately preceding financial year.

Mid-Day Radio North (India) Limited**Auditors' Report**

- b) The Company has not taken any loans from financial institution or bank or debenture holders and accordingly the question of any default does not arise.
- c) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- d) As explained, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order are not applicable to the company.
- e) As explained and verified, the Company is not dealing or trading in shares, securities, debentures and other investments.
- f) The Company has not given any guarantee for loans taken by others from bank or financial institutions during the year and no such guarantees are outstanding as on 31.03.2010.
- g) The Company has not obtained any loans, accordingly clause (xvi) and (xvii) of para 4 of the order is not applicable.
- h) The Company has not issued any shares / debentures during the year. Accordingly, the compliance of clause (xviii) to (xx) of para 4 of the order is not applicable.
- i) As explained to us, no fraud on or by the Company has been noticed or reported during the year.

For T.R. Chadha & Co.
Chartered Accountants

Vikas Kumar
(Partner)
Membership No. 75363
Firm Reg. No. 006711N

Date: May 4, 2010
Place: Mumbai

Mid-Day Radio North (India) Limited

Balance Sheet as at 31st March, 2010

	SCHEDULE	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	5,00,000	5,00,000
Loan funds			
Unsecured loan	2	2,39,16,966	2,39,16,966
Total		2,44,16,966	2,44,16,966
APPLICATION OF FUNDS			
Current Assets, Loans and advances			
Cash and bank balances	3	19,390	82,434
Loans and Advances	4	12,48,809	12,11,809
		12,68,199	12,94,243
Less:- Current liabilities and provisions			
Current liabilities	5	91,339	94,648
Net current assets		11,76,860	11,99,595
Profit and loss account (Dr. balance)			
		2,32,40,106	2,32,17,371
Total		2,44,16,966	2,44,16,966
Notes forming part of the accounts	7		

As per our Report of even date

For T.R.Chadha & Co.
Chartered Accountants

For Mid-Day Radio North (India) Ltd.

Vikas Kumar
(Partner)

Manajit Ghoshal
Managing Director

Vidya Shembekar
Director

Place : Mumbai
Date : May 4, 2010

Mid-Day Radio North (India) Limited

Profit & Loss Account for the year ended 31st March, 2010

	SCHEDULE	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
INCOME			
Income		-	-
	TOTAL	-	-
EXPENDITURE			
General & Administration Expenses	6	22,735	2,25,651
	TOTAL	22,735	2,25,651
Net Loss for the year		(22,735)	(2,25,651)
Add Loss Brought Forward		(2,32,17,371)	(2,29,91,720)
Net loss carried to the Balance Sheet		(23,240,106)	(23,217,371)
Earning Per Share		(0.45)	(4.51)
Notes forming part of the accounts	7		

As per our Report of even date

For T.R.Chadha & Co.
Chartered Accountants

For Mid-Day Radio North (India) Ltd.

Vikas Kumar
(Partner)

Manajit Ghoshal
Managing Director

Vidya Shembekar
Director

Place : Mumbai
Date : May 4, 2010

Mid-Day Radio North (India) Limited

Schedules Forming Part of the Balance Sheet and Profit & Loss Account for the year ended 31st March, 2010

	SCHEDULE	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
Share Capital	1		
Authorised Capital			
50,000 equity shares of Rs.10/- each		5,00,000	5,00,000
(Prev. Year 5,00,000 Eq. Share of Rs. 10 each)		5,00,000	5,00,000
Issued, subscribed and paid-up capital			
50000 equity shares of Rs.10/- each fully paid-up		5,00,000	5,00,000
(Prev. Year 50000 Eq. Share of Rs. 10 each)		5,00,000	5,00,000
(Out of which 50000 Eq. Share are held by Mid-Day Multimedia Limited - Holding Company)			
Unsecured Loan	2		
From Holding Company		2,01,72,966	2,01,72,966
From Bodies Corporate		37,44,000	37,44,000
		2,39,16,966	2,39,16,966
Cash and bank balances	3		
Cash in hand		200	200
Balances with scheduled banks in current accounts		19,190	82,234
		19,390	82,434
Loans and advances (unsecured and considered good)	4		
Advances recoverable in cash or for value to be received		12,48,809	12,11,809
		12,48,809	12,11,809
Current liabilities	5		
Sundry creditors for expenses		91,339	94,648
		91,339	94,648
General & Administration Expenses	6		
Auditors Remuneration		13,236	16,545
Legal & Professional Charges		8,586	2,08,992
Bank Charges		913	114
		22,735	2,25,651

SCHEDULE:- 7

Notes Annexed to and forming part of the Balance Sheet as at 31st March, 2010

1) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

- a) The Financial Statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and on the accounting principles of going concern.

2) Notes to Accounts:

- a) Prior to the operating license being issued to the Company, it expressed its inability to the Government to launch the radio station at Delhi under the current unviable license fee structure. The Company appealed to the Government for a rationalization of the same. The matter was under arbitration and has been decided in favour of the Company. The bank guarantee and the related margin money have since been released and the licence fee being paid has been forfeited and being treated accordingly.

Mid-Day Radio North (India) Limited

- b) The company has paid balance Rs. 8.49 lakh towards the demand of Income Tax Assessment for A.Y. 2003-04 against which the appeal has been referred to Commissioner (Appeals). The company is confident of having the appeal in its favour and accordingly no provision has been made against the same. The tax paid against this demand till 31.03.2010 of Rs. 8.49 Lac has been treated as advances recoverable.
- c) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. nil (Previous year Rs. nil).
- d) The Company has only one segment namely radio broadcasting hence no separate disclosure of the segment wise information has been made.
- e) No provision has been made for retirement benefits since there are no employees on the roll of the Company.
- f) Previous years figures have been re-grouped / re-cast wherever necessary.
- g) Disclosure with regard to related party transactions as per Accounting Standard AS-18 is as under:

List of Related Parties

Holding Company:				
<ul style="list-style-type: none"> • Mid-Day Multimedia Ltd. 				
Concerns where control exists:				
<ul style="list-style-type: none"> • Meridian Holding & Leasing Co. Pvt. Ltd. • Mid-day Export Pvt. Ltd. • Inquilab Offset Printers Pvt. Ltd. • Ferari Investments & Trading Co. Pvt. Ltd. • Radio Mid-day West (India) Ltd. • Mid-day Broadcasting South (India) Pvt. Ltd. 				

Name of the transacting related party	Relationship	Nature of transaction during the year	Amount of (Rs.)	Closing balance due to / (from)
Mid-Day Multimedia Limited	Holding Company	-	NIL	2,01,72,966
Inquilab Offset Printers Pvt.Ltd.	Associate	-	NIL	37,44,000

- h) Additional information required under Part II of Schedule VI of the Companies Act, 1956 has been furnished to the extent applicable.

As per our Report of even date

For T.R.Chadha & Co.

Chartered Accountants

For Mid-Day Radio North (India) Ltd.

Vikas Kumar

(Partner)

Manajit Ghoshal

Managing Director

Vidya Shembekar

Director

Place : Mumbai

Date : May 4, 2010

Mid-Day Radio North (India) Limited

Cashflow Statement

		Year Ended March 2010 Rs.	Year Ended March 2009 Rs.
A. Net Cashflow from operating Activities			
Net Profit / (Loss) before tax		(26,044)	(2,25,651)
Adjustments for changes in Working Capital		(26,044)	(2,25,651)
Adjustments for changes in Working Capital			
Loans & Advances		(37,000)	-
Current Liabilities		-	(309)
Sub-Total		(37,000)	(309)
Cash generated from operations	{A}	(63,044)	(2,25,960)
Income Tax		-	-
Fringe Benefit Tax		-	-
Sub-Total		-	-
B. Cash Flow from financing Activities			
Borrowings		-	2,00,000
Net Cash Flow from Financing Activities	(B)	-	2,00,000
Net Increase/decrease in Cash & Cash Equivalents	(A+B)	(63,044)	(25,960)
Cash & Cash Equivalents at the beginning of the year		82,434	1,08,394
Cash & Cash Equivalents at the end of the year		19,390	82,434

Mid-Day Radio North (India) Limited

Balance -Sheet Abstract And Company's General Business Profile

I Registration Details

Registration No State Code

Balance Sheet Date :- Date Month Year

II Capital raised during the period (Amount in Rs.Thousands)

Public Issue Rights Issue

Bonus Issue Private Placements

III Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities Total Assets

Sources of Funds
 Paid-up Capital Reserves and Surplus

Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets / Investments

Incidental Expenditure

Pending Allocation to Capital /

Other Accounts Misc . Expenditure

Net Current Assets Accumulated Losses

IV Performance of Company (Amount in Rs.Thousands)

Turnover Total Expenditure

Profit / Loss before Tax Profit / Loss after Tax

Earning per share (Rs.) Dividend rate %

V Generic Names of Principal Services of Company (as per monetary terms)

Item Code No. (ITC Code) N A

Service Description : Radio Broadcasting Services

Radio Broadcasting Services

For Mid-Day Radio North (India) Ltd.

Place : Mumbai
Date : May 4, 2010

Manajit Ghoshal
Director

Vidya Shembekar
Director

Radio Mid-Day West (India) Limited

Directors' Report

TO THE MEMBERS OF RADIO MID-DAY WEST (INDIA) LIMITED

The Directors have pleasure in presenting the Tenth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2010.

Financial Results

(Rs. in Lakh)

Particulars	2009-10	2008-09
Profit / (Loss) before Depreciation, Interest and Tax	(169)	(458)
Less: Depreciation	1,153	1,111
Interest	860	1,068
Profit Before Tax	(2,181)	(2,637)
Less: Fringe benefit tax	-	19
Add: Deferred Tax Benefit in respect of Loss	659	910
Profit After Tax	(1,522)	(1,746)
Add: Balance brought forward from previous year	(7,618)	(5,872)
Add : Adjustment under AS 15	-	-
Balance carried forward	(9,140)	(7,618)

Business Operations and Future Prospects

The Company had all its 7 (seven) stations across the country operational during the year under review as per the Licence granted by the Ministry of Information & Broadcasting. During the year, the Company's Profit after Tax improved by 12% over the last year with this year being the best EBIDTA performance till date which was due to lower operating cost. However, fixed costs like licence fees and royalty payments are major hindrances for breaking even which have lead to severe liquidity problems.

On The Company, alongwith other radio broadcasters, has been making several representations to the Ministry of Information and Broadcasting for redressal of various issues affecting the radio industry to ensure its survival and growth. Internally, the Company is also trying to restructure its debt thereby improving cash flows for its sustenance and growth.

Dividend

In view of the carry forward losses, the Board of Directors of your Company do not recommend any Dividend for the year ending 31st March 2010.

Fixed Deposits

During the year under review, the Company has not accepted any deposits from general public within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder and hence, no amount of principal or interest was outstanding as of balance sheet date.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of association of the Company, Mr. Khalid Ansari retires by rotation and is eligible for reappointment.

Auditors

The Auditors, M/s Haribhakti & Co, Chartered Accountants, Mumbai, hold office upto the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished the necessary certificate as required under Section 224 (1B) of the Companies Act, 1956. The Board recommends their appointment.

Auditors' Observation in their Report

As on March 31, 2010, the Company has accounted for Rs. 6,59,19,148/- as Deferred Tax Asset. The Board reviews the carrying amount of Deferred Tax Assets at each Balance Sheet date and reviews the performance of the Company vis-à-vis the plan to arrive at a conclusion for carrying forward and creating a further Deferred Tax Asset.

As the Board is virtually certain that there will be sufficient future taxable income against which the Deferred Tax Asset can be realized, the Company has decided to recognize the Deferred Tax Asset for the carry forward loss.

Radio Mid-Day West (India) Limited

Directors' Report

The Company was facing severe liquidity crisis in the last year and therefore there has been a delay in depositing the Service tax amount with the concerned authorities. The Board is certain that with the external restructuring and internal measures to be taken by the Company in the current year, all outstanding payments of service tax shall be duly paid during the current financial year.

Particulars of Employees: -

Since there are no eligible employees, the provisions laid down in Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 shall not be applicable.

Directors' Responsibility Statement :-

The Directors confirm that: -

1. In the preparation of the annual accounts, the applicable Accounting Standards have been followed;
2. The selected and applied accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2010;
3. Proper and sufficient care has been taken 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 preventing and detecting fraud and other irregularities;
4. The annual accounts are prepared on a going concern basis.

Conservation of Energy, Technology Absorption and Foreign Exchange earning and outgo: -

- | | |
|-----------------------------|---------------|
| a) Conservation of Energy | : NIL |
| b) Technology Absorption | : NIL |
| c) Foreign Exchange Earning | : NIL |
| d) Foreign Exchange Outgo | : Rs. 12 Lakh |

Acknowledgement: -

The Board of Directors places on record their appreciation to all the employees of the Company for their outstanding contribution to the operations of the Company during the year under review. Your Directors also place on record their sincere appreciation of the wholehearted support extended by the Government and other Statutory Authorities, Company's Bankers, Business Associates, Auditors and all the stakeholders of the Company.

For Radio Mid-Day West (India) Limited

Vineet Singh Hukmani
Managing Director

Manjit Ghoshal
Director

Place : Mumbai

Date : May 5, 2010

Radio Mid-Day West (India) Limited

Annexure to Directors' Report

Disclosures pursuant to the (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Rules, 2002 are as under :

RMW Stock Option Scheme – 2007

a)	Options outstanding at the beginning of the year	5,50,000
	Options granted during the year	NIL
b)	The Pricing Formula	At Par Value
c)	Options Vested	NIL
d)	Options Exercised (till 31.03.2010)	NIL
e)	Total number of shares arising as a result of exercise of options	NIL
f)	Options Lapsed	1,25,000
g)	Variation of terms of Options	NIL
h)	Money realized by Exercise of Options	NIL
i)	Total number of options in force	4,25,000
j)	Employee wise details of options granted to;	
	(i) Senior managerial personnel;	NIL
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	NIL
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	NIL
k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option	N.A.
l)	Weighted-average fair value of options granted during the year	N.A.

Fair Value:

Since the shares are not listed, the Fair Value of the options has been estimated on the date of grant using the Weighted Average Price of Shares issued till the date of first grant.

The various assumptions considered in the pricing model are:

	March 31, 2010
Risk-free interest rate	8%
Expected life of options	N.A.
Expected volatility	N.A.
Expected dividends	N.A.
The fair value of the underlying share at the time of option grant.	Rs. 13/-

Radio Mid-Day West (India) Limited

Auditor's Report

To the Members of Radio MidDay West (India) Limited

1. We have audited the attached Balance Sheet of Radio MidDay West (India) Limited, as at 31st March 2010, the Profit and Loss Account and also 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 about 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 management, as well as evaluating the 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 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:
 - (i) 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;
 - (ii) 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;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account 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. *Attention is drawn to Note no. (f) of Schedule 16 of the Profit and Loss Account. The management has considered factors like expected profits in future, to recognize deferred tax assets of Rs. 6,56,11,539 during the year and of Rs. 45,94,88,012 as on the Balance Sheet date on account of unabsorbed tax losses and depreciation. We are unable to comment whether these can be considered as 'virtual certainty' prescribed under Accounting Standard 22 - Accounting for Taxes on Income, to recognize such assets.*
 - (v) Based on the written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) Subject to our observations in para (iv) above and the consequential effect thereof, 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:
 - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2010;
 - (b) in the case of the Profit & Loss account, of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date

For **Haribhakti & Co.**
Chartered Accountants
Firm Reg. No. 103523W

Chetan Desai
Partner
Membership No. 17000

Place : Mumbai
Date : May 5, 2010

Radio Mid-Day West (India) Limited**Annexures to Auditor's Report****ANNEXURE REFERRED TO IN PARA 3 OF OUR AUDIT REPORT****I. Fixed Assets:**

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
3. In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.

II. Inventories:

4. The company does not hold any inventory and hence Clause 4(ii) is not applicable to the Company.

III. Internal Controls:

5. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.

IV. Transactions with parties under section 301 of the Companies Act, 1956:

6. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
7. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakh have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

V. Loans and Advances:

8. As informed the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
9. According to the information and explanation given to us, the company has not taken any loan, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956 except loan of Rs. 583.75 lakh from the holding company and loan of Rs. 80 lakh from a fellow subsidiary. The year end balance is 2529.09 lakh.
10. According to the information and explanation given to us, rate of interest and other terms and conditions of loan taken are not prejudicial to the interest of the company.
11. In respect of the aforesaid loans, the company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

VI. Deposits:

13. During the year, the Company has not accepted any deposits within the meaning of Section 58A and Section 58AA of the Companies Act or any other relevant provisions of the Act and the Rules framed thereunder.

VII. Internal Audit:

14. In our opinion, the company's internal audit system is commensurate with its size and nature of the business.

VIII. Statutory Payments:

15. According to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India and also based on the management representations, *except payments of Service Tax*, undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Customs Duty, Income Tax, Service Tax, and any other statutory dues have generally been regularly deposited by the company with the appropriate authorities in India. The Company has not deposited Service Tax the details of which are as follows:

Radio Mid-Day West (India) Limited

Annexures to Auditor's Report

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Due Date
The Finance Act 1994	Service Tax	210.02 lakh	June 2009 to March 2010	5th of the successive month except March for which it is 31st March 2010.

As regards Service Tax, the Company has not been recovering and paying to the authorities such taxes in respect of relevant transactions with related parties the amount of which is not quantifiable.

16. According to the information and explanations given to us, there were no undisputed dues as at the last day of the financial year which were outstanding for a period of more than six months from the date they became due except service tax of Rs. 64.33 lakh (including interest of Rs. 5.05 lakh).
17. As per the information and explanations given to us by the company, as at 31st March, 2009 there have been no disputed dues that have not been deposited with the respective authorities in respect of Income Tax, Service Tax etc.
18. According to the records of the company, it has not defaulted in repayment of its dues to any financial institution or banks.

IX. Losses:

19. The accumulated losses of the company at the end of the financial year exceeds fifty percent of its net worth. The company has incurred cash losses in the current financial year and in the immediately preceding financial year.

X. Guarantees:

20. As per the information and explanations given to us the company has not given any counter guarantees for loans taken by others from banks or financial institutions

XI. Utilisation of funds:

21. On the basis of review of utilization of funds pertaining to term loans on overall basis and related information as made available to us the term loans taken by the company have been applied for the purposes for which they were taken.
22. On the basis of review of utilization of funds, which is based on overall examination of Balance Sheet of the Company, related information made available to us and as represented to us by the management, funds raised on short term basis amounting to Rs. 1157.32 lakh have been used for long term purposes.

XII. Miscellaneous:

23. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2004 (as amended) are not applicable to the Company.
24. During the course of our 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 explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
25. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 for the activities carried by the company.
26. According to information and explanation given to us, the company has made preferential allotment of preference shares to its holding company, the price of which in our opinion is not prejudicial to the interest of the Company.
27. According to information and explanation given to us, the company has not raised any money by public issue.
28. In our opinion, the company is not a chit fund / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the order are not applicable to the company.

For **Haribhakti & Co.**
Chartered Accountants
Firm Regn. No. 103523W

Chetan Desai
Partner
Membership No. 17000

Place : Mumbai

Date : May 5, 2010

Radio Mid-Day West (India) Limited

Balance Sheet as at 31st March, 2010

	SCHEDULE	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
SOURCES OF FUNDS			
Shareholders' funds			
Share capital			
Share capital	1	1,26,51,97,610	1,00,74,97,610
Reserves & Surplus			
Share Premium	2	28,29,26,247	28,29,26,247
Loan funds			
Secured loan	3	35,77,66,692	40,98,56,755
Unsecured loan	4	25,29,08,836	47,72,33,390
		2,15,87,99,384	2,17,75,14,001
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	1,20,67,73,495	1,20,30,86,737
Less:- Depreciation		42,59,57,925	31,21,47,782
Net Block		78,08,15,570	89,09,38,955
Add: Capital Work in Progress including Capital Advances		73,517,155	7,28,89,712
		85,43,32,725	96,38,28,667
Deferred tax asset		44,84,27,724	38,25,08,576
Current assets, loans and advances			
Sundry debtors	6	14,55,08,405	15,03,60,405
Cash and bank balances	7	1,83,02,449	5,68,14,256
Loans and advances	8	6,37,13,643	7,10,93,072
		22,75,24,497	27,82,67,733
Less:- Current liabilities			
Current liabilities	9	28,34,79,741	20,77,21,001
Provisions	10	20,09,235	11,73,485
		28,54,88,976	20,88,94,486
Net current assets		(5,79,64,479)	6,93,73,247
Profit and loss account			
		91,40,03,415	76,18,03,511
		2,15,87,99,384	2,17,75,14,001
Notes forming part of the accounts	16		

Schedules I to 16 referred to above form integral part of the Balance Sheet and the Profit & Loss account

As per our Report of even date attached

For Haribhakti & Co.
Chartered Accountants

For Radio Mid-Day West (India) Ltd.

Chetan Desai
(Partner)
Membership No.: 17000
Place : Mumbai
Date : May 5, 2010

Vineet Singh Hukmani
Managing Director

Dilip Cherian
Director

Aarti Kathariya
Company Secretary

Radio Mid-Day West (India) Limited

Profit & Loss Account for the year ended 31st March, 2010

	SCHEDULE	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
INCOME			
Airtime sales		30,31,13,921	28,02,86,900
Other income	11	5,28,261	-
		30,36,42,182	28,02,86,900
EXPENDITURE			
Radio license fees		3,37,51,440	3,25,97,668
Employee cost	12	7,94,09,650	9,14,31,346
Operating expenses	13	13,88,67,924	13,09,68,438
General & Administration Expenses	14	6,85,11,895	7,55,47,006
Finance charges (Net)	15	8,59,66,804	10,23,75,723
Depreciation & Amortisation		11,52,53,521	11,10,64,366
		52,17,61,234	54,39,84,547
Net Loss for the year		(21,81,19,052)	(26,36,97,647)
Fringe Benefit Tax		-	18,90,425
Deferred tax benefit		6,59,19,148	9,09,66,918
Net Loss For the Year		(15,21,99,904)	(17,46,21,154)
Add Loss brought forward		(76,18,03,511)	(58,71,82,357)
Net loss carried to the Balance Sheet		(91,40,03,415)	(76,18,03,511)
Earning Per Share (Basic & Diluted) (F.V. per share Rs. 10/-)		(1.70)	(1.73)
Notes forming part of the accounts	16		

As per our Report of even date attached

For Haribhakti & Co.
Chartered Accountants

For Radio Mid-Day West (India) Ltd.

Chetan Desai
(Partner)
Membership No.: 17000
Place : Mumbai
Date : May 5, 2010

Vineet Singh Hukmani
Managing Director

Dilip Cherian
Director

Aarti Kathariya
Company Secretary

Radio Mid-Day West (India) Limited

Schedules forming part of Balance Sheet

	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
1. Share capital		
Authorised capital		
10,42,30,000 Equity shares of Rs.10/- each (11,00,00,000 Equity shares of Rs. 10/- each)	1,04,23,00,000	1,10,00,00,000
2,57,70,000 Preference shares of Rs.10/- each (Previous Year : Nil)	25,77,00,000	-
	1,30,00,00,000	1,10,00,00,000
Issued, subscribed and paid-up capital		
10,07,49,761 Equity shares of Rs.10/- each fully paid-up (10,07,49,761 Equity shares of Rs. 10/- each) Of the above 7,04,60,261 (7,04,60,261) shares are held by the Holding Company Mid-Day Multimedia Ltd. Of the above 1,77,212 Equity Shares have been issued as Bonus by capitalisation of Securities Premium.	1,00,74,97,610	1,00,74,97,610
2,57,70,000 11.5% Optionally Convertible Cumulative Preference shares of Rs.10/- each fully paid up. Convertible at the option of the holder at the premium of Rs.8 per share or to be redeemed at the completion of 20 years (Previous year Nil)	25,77,00,000	-
	1,26,51,97,610	1,00,74,97,610
2. Reserves and Surplus		
Share Premium		
Balance as per last Balance Sheet	28,29,26,247	28,29,26,247
	28,29,26,247	28,29,26,247
3. Secured loans		
Cash Credit		
(Secured against hypothecation of Book Debts and further secured by pari-passu charge on movable and immovable assets of the company, present and future, as well as that of Mid-Day Multimedia Limited and further secured by personal guarantees of Chairman and Managing Director of the Mid-Day Multimedia Limited respectively and Corporate guarantee of Mid-Day Multimedia Ltd.)	5,77,66,692	83,56,755
Term loan	-	15,00,000
(Secured against movable and immovable assets of the company, present and future, having pari-passu charge on such assets of the company as well as that of Mid-Day Multimedia Limited and further secured by personal guarantees of Chairman and Managing Director of the Mid-Day Multimedia Limited and Corporate guarantee of Mid-Day Multimedia Ltd. Instalment due within a year Rs. Nil (Rs.15 lakh).		
Term loan	30,00,00,000	40,00,00,000
(Secured against movable and immovable assets of the company, present and future, having pari-passu charge on such assets of the Company and further secured by personal guarantees of Chairman and Managing Director of Mid-Day Multimedia Limited and also secured by Corporate guarantee of Mid-Day Multimedia Ltd.) Instalment due within a year Rs.10 Cr (Rs.10 Cr).		
	35,77,66,692	40,98,56,755
4. Unsecured loan		
Inter Corporate Deposit	25,29,08,836	47,72,33,390
	25,29,08,836	47,72,33,390

Radio Mid-Day West (India) Limited

Schedules forming part of Balance Sheet

SCHEDULE - 5 FIXED ASSETS SCHEDULE AS AT MARCH 31, 2010

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As At 1.4.2009	Additions	Deductions	As at 31.03.2010	Charge for the year	Deductions	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
OWN ASSETS:									
Building	54,41,562	10,26,614	-	64,68,176	3,50,575	-	7,63,498	57,04,678	50,28,639
Studio equipment	2,32,32,210	20,31,601	-	2,52,63,811	28,63,663	-	1,46,30,018	1,06,33,793	1,14,65,855
Transmitter	4,18,76,451	1,47,140	-	4,20,23,591	12,13,715	-	1,11,40,539	3,08,83,052	3,19,49,627
Furniture and fixtures	3,34,09,753	11,70,941	-	3,45,80,694	21,83,900	-	88,16,789	2,57,63,905	2,67,76,864
Office Equipments	33,59,702	4,84,305	-	38,44,007	1,17,501	-	4,84,588	33,59,419	29,92,615
Computers	1,19,90,288	1,11,151	11,77,942	1,09,23,497	15,39,801	11,77,942	62,06,020	47,17,477	61,46,127
Motor Vehicles	3,58,707	-	3,58,707	-	2,47,544	2,65,436	-	-	1,11,163
Air-conditioners	53,06,024	2,51,655	-	55,57,679	2,60,641	-	10,18,469	45,39,210	45,48,196
Audio-visual equipments	2,62,636	-	-	2,62,636	12,470	-	55,390	2,07,246	2,19,716
Computer software	60,02,964	-	-	60,02,964	12,00,592	-	38,18,616	21,84,348	33,84,940
LEASED ASSETS :									
Studio equipment	2,03,31,161	-	-	2,03,31,161	15,08,571	-	40,38,079	1,62,93,082	1,78,01,653
Transmitter	2,49,36,473	-	-	2,49,36,473	13,16,638	-	36,17,565	2,13,18,908	2,26,35,546
Furniture and fixtures	2,83,17,271	-	-	2,83,17,271	17,52,616	-	48,67,422	2,34,49,849	2,52,02,465
Office Equipments	10,35,232	-	-	10,35,232	49,184	-	1,71,197	8,64,035	9,13,219
Computers	2,09,34,779	-	-	2,09,34,779	33,95,347	-	97,78,508	1,11,56,271	1,45,51,618
Air-conditioners	30,37,826	-	-	30,37,826	1,45,039	-	3,60,501	26,77,325	28,22,364
Audio-visual equipments	-	-	-	-	-	-	-	-	-
One Time Entry Fees	97,32,53,698	-	-	97,32,53,698	9,73,25,376	-	35,61,90,726	61,70,62,972	71,43,88,348
Total	1,20,30,86,737	52,23,407	15,36,649	1,20,67,73,495	11,52,53,521	14,43,378	42,59,57,925	78,08,15,570	89,09,38,955
Previous Year	1,15,91,68,361	4,45,48,418	6,30,042	1,20,30,86,737	1,10,64,366	73,970	31,21,47,782	89,09,38,955	

Radio Mid-Day West (India) Limited

Schedules forming part of Balance Sheet

	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
6. Sundry Debtors (unsecured and considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months		
Good	4,94,83,219	6,16,86,608
Considered Doubtful	1,23,76,856	63,14,578
Debts outstanding for a period less than six months	9,60,25,185	8,86,73,797
Less Provision for doubtful debts	1,23,76,856	63,14,578
	14,55,08,405	15,03,60,405
7. Cash and bank balances		
Cash on hand	6,98,742	4,75,029
Balances with scheduled banks in		
-current accounts	36,52,945	1,34,99,556
Deposit Account - (under lien with bank)	6,50,763	2,95,39,671
Margin money deposit on bank guarantee (under lien with bank)	1,33,00,000	1,33,00,000
	1,83,02,449	5,68,14,256
8. Loans and advances (unsecured and considered good)		
Deposits	4,38,27,479	4,48,86,115
Staff loans	5,26,725	17,33,150
Tax deducted at source	1,32,94,651	1,32,82,104
Advances recoverable in cash or in kind or for value to be received	60,64,788	1,11,91,703
	6,37,13,643	7,10,93,072
9. Current liabilities		
Lease arrangement	9,39,79,907	9,39,79,907
Sundry creditors for expenses	15,04,91,334	7,92,65,142
Other liabilities	3,90,08,500	3,44,75,952
(Of the above, Rs. 540 Lakh (Prev.Year: Rs.123 Lakh) is due to Mid-Day Multimedia Ltd.)	28,34,79,741	20,77,21,001
10. Provisions		
Provision for Leave Encashment	20,09,235	11,73,485
	20,09,235	11,73,485

Radio Mid-Day West (India) Limited

Schedules forming part of the Profit & Loss Account

	As at Mar 31, 2010 Rs.	As at Mar 31, 2009 Rs.
11. Other Income		
Interest Income	5,28,261	-
	5,28,261	-
12. Employee Cost		
Salary & Wages*	7,47,37,363	8,53,27,318
Contribution to PF and other funds	29,32,274	31,58,963
Employee Compensation (ESOP)	-	4,32,000
Staff Welfare expenses	17,40,014	25,13,065
*(includes Rs. 39.07 lakh being cost charged by group co.)	7,94,09,650	9,14,31,346
13. Operating expenses		
Royalty	3,97,80,823	3,43,10,377
Radio programme creation and studio hire	3,06,55,267	3,63,33,959
Repairs & Maintenance - Equipment	1,02,00,236	87,87,196
Repairs & Maintenance - Others	62,50,529	48,29,770
Electricity charges	1,58,99,562	1,38,70,353
Rent	3,60,81,506	3,28,36,783
	13,88,67,924	13,09,68,438
14. General & administration expenses		
Telephone charges	70,20,043	80,09,385
Travelling	20,98,269	54,13,496
Conveyance	87,74,964	1,01,58,179
Directors sitting fees	2,20,000	1,40,000
Business Promotion	26,90,971	15,32,064
Auditors remuneration :-		
- Statutory Audit	1,50,000	1,50,000
- Tax Audit	50,000	50,000
- Others	60,000	60,000
Miscellaneous Expenses	17,33,497	16,40,770
Advertisement Expenses	2,58,10,374	3,07,26,483
Provision for bad and doubtful debts	60,62,278	26,84,248
Bad Debts Written Off	-	29,21,490
Legal & Professional Charges	1,07,91,766	87,50,648
Printing and stationery	8,57,413	14,36,713
Insurance	5,70,277	1,33,536
Rates and Taxes	16,47,043	15,08,922
(Profit)/Loss on sale of asset	(25,000)	2,31,072
	6,85,11,895	7,55,47,006
15. Finance Charges		
Interest		
- On Term Loans	4,40,44,457	4,94,41,040
- On Others	4,09,78,228	5,24,03,361
Bank charges & commission	9,44,119	5,31,322
	8,59,66,804	10,23,75,723

Radio Mid-Day West (India) Limited**Notes on Accounts****SCHEDULE 16 :-****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2010 :****I) Significant Accounting Policies:****i) Accounting system**

The financial statements have been prepared under the historical cost convention, on accrual basis of accounting and in compliance with the applicable accounting standards prescribed under Section 211 (3C) of the Companies Act and other accepted accounting principles.

ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management of the company to make estimates and assumptions that affect the reported amounts of income and expenses of the period and the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

iii) Revenue Recognition

Revenue from radio broadcasting is recognized on accrual basis. Interest income is recognized on time proportion basis, taking into account the amount outstanding and the rate applicable.

As per Industry practice, income/expenditure of a reciprocal nature not involving any monetary transactions has not been considered.

iv) Fixed Assets

- a) Fixed Assets are stated at cost less accumulated depreciation
- b) The original cost of Fixed Assets is inclusive of freight, duties, taxes, incidental expenses relating to the acquisition, cost of installation / erection.
- c) As per AS-26 "Intangible Assets", pronounced by the ICAI, the One Time Entry Fees paid by the Company during the year has been classified as an intangible asset. The benefit of this will be derived over a period of 10 years, and hence it is being amortized accordingly.

v) Leased Assets

The company capitalizes Assets taken on finance lease at the inception of the lease at the lower of fair value or present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

The lease rental for operating leases is recognized on accrual basis.

vi) Depreciation

- a) Depreciation on fixed assets is provided for on Straight Line Method at rates and in the manner specified in Schedule XIV to the Companies Act, 1956
- b) Depreciation on additions during the year is provided on a pro-rata basis from the date of addition.

vii) Foreign Exchange Transaction

Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate. The exchange differences arising on the settlement of the monetary items or on reporting such items at rates different from those at which they were initially recorded or reported in previous financial statements are recognised in the Profit & Loss account

Radio Mid-Day West (India) Limited

Notes on Accounts

viii) Provision for Taxation

Provision for current tax is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Asset arising on account of unabsorbed tax losses and unabsorbed depreciation are accounted for on prudence basis when there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

ix) Employee Benefits

Short term employee benefits payable wholly within twelve months of rendering services such as salaries, wages, etc. are recognized in the period in which the employee renders the related service.

Defined Contribution Plan: The Company's contribution to the state governed employee's provident fund scheme is a defined contribution plan. The contribution paid / payable under the scheme is recognized during the period in which the employee renders the related service.

Defined Benefit Plan: The Company's gratuity fund managed through the gratuity trust is company's defined benefit plan. The present value of obligations under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method.

Long Term Employee Benefits: The obligation of long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans.

x) Impairment of Assets

At each balance sheet date the carrying amount of the assets is tested for impairment. If there is any indication of impairment, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that previously assessed impairment loss no longer exist, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

xi) Provisions, Contingent Assets and Contingent Liabilities

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation. Provisions are recognized at the estimated values of probable outflows.

Contingent liabilities are disclosed in case of a present obligation arising from past event when it is not probable that an outflow of resources will be required to settle the obligation or in case of a possible obligation, unless the probability of outflow of resources is remote.

2) Notes to Accounts :-

a) Expenditure in Foreign Currency

Particulars	Current year (in Rs)	Previous year (in Rs)
i) Capital Expenditure	6,78,121	69,70,731
ii) Professional and Consultancy Fees	4,89,693	NIL

Radio Mid-Day West (India) Limited

Notes on Accounts

b) Contingent Liabilities

- i) In respect of guarantees issued by the Company's bankers Rs. 3.32 Crores. (Previous year Rs.3.32 Crores).
- ii) The Company has gone into appeal against an order of the Copyright Board, which has determined the royalty payable to Phonographic Performance Limited at an average rate of Rs. 660 per hour as against their demand of Rs. 1500 per hour. The Company has however provided for royalty in its books at the rate decided by the Copyright Board.
Further, litigations on account of royalty payment to Indian Performing Rights Society are pending for final adjudication by the appropriate court.
- iii) The company's lease agreement at Pune and Kolkata has a lock-in-period of 3 years. In the event of company terminating the agreement before the lock-in-period, further payment of lease rent for the balance period of lock-in, will be payable by the company, except where the company has to compulsorily shift to the Common Transmission Infrastructure to be built and completed by Broadcast Engineering Consultants India Ltd (BECIL). The amount comes to Rs. 76,09,058/- as on the balance sheet date.
- c) Current liabilities include overdue amounts of Rs. Nil (Previous year Rs. Nil) including interests of Rs. Nil (Previous year Rs. Nil) payable to Micro Small and Medium enterprises. This outstanding dues to Micro Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the company.

d) Licensed and installed capacity:

The Company is primarily engaged in broadcasting of radio programmes. It is not subject to capacity licensing requirements, and due to the nature of the business it is not possible to determine installed capacity.

- e) Balances in Sundry Debtors and Sundry Creditors are subject to confirmation.
- f) In view of the standard on accounting for taxes on income, the company has provided Rs. 6,59,19,148 as deferred tax asset as on March 31, 2010. The calculation of deferred tax assets / liability is shown below:

Deferred Tax Asset/(Liability) for the year ended March, 2010

Particulars	Opening Bal (Rs.)	For the Period (Rs.)	Closing Bal (Rs.)
C/F Losses	39,38,76,473	6,56,11,539	45,94,88,012
Depreciation on Fixed Assets	(1,14,86,577)	1,94,684	(1,12,91,894)
Leave Encashment	1,15,784	2,84,071	3,99,856
Gratuity	2,896	(1,71,147)	(1,68,251)
Short term capital Loss	-	-	-
Total	38,25,08,576	6,59,19,148	44,84,27,723

- g) Estimated amount of contracts remaining to be executed on capital account (Net of Advances) and not provided for is Rs. Nil. (Previous year Nil.)
- h) Disclosure with regard to related party transactions as per Accounting Standard AS-18 is as under:

Name of the party	Relationship	Nature of transaction during the year	Amount of Transaction (Rs.)	Closing balance due to / (from)
Mid-Day Multimedia Limited	Holding Company	Interest	3,28,21,080	5,39,85,285
		Loans repaid	22,43,24,554	25,29,08,836
		Rent paid	12,35,160	
		Advertisements charges paid	20,000	
Midday Infomedia Limited	Fellow Subsidiary	Rent received	19,53,906	Nil
		Advertisements charges paid	13,51,227	
		Reimbursement of expenses	38,75,560	
Meridian Holding & Leasing Co.	Associate Company	Rent paid	7,73,160	Nil

Radio Mid-Day West (India) Limited

Notes on Accounts

Managerial Remuneration: Managing Director

Particulars	2009-10 (Rs.)
Salaries, Wages & Bonus	21,34,295
Perquisites	1,08,300
Total	22,42,595

During the year there were no transactions with the following related parties:

Name of the Party	Relationship
Mid-Day Broadcasting South (India) Pvt. Limited	Fellow Subsidiary
Mid-Day Radio North (India) Limited	Fellow Subsidiary
Mid-Day Outdoor Limited	Fellow Subsidiary
Mid-Day Publishing Services Pvt. Limited	Associate Company
Mid-Day Exports Pvt. Limited	Associate Company
M.C. Media Pvt. Limited	Associate Company
Inquilab Offset Printers Pvt. Limited	Associate Company
Ferari Investments and Trading Co Pvt. Limited	Associate Company
Mr. Khalid Ansari	Key Management Personnel

i) The total of minimum lease payments at the balance sheet date and their present value is as under

- **For Finance Lease :-**

Particulars	Minimum Lease Payment (Rs.)	Present Value (Rs.)
Not later than one Year	2,56,58,856	2,09,10,519
Later than one year and not later than five year	3,84,88,284	3,42,52,928
Later than five year	Nil	Nil

- **For Non cancelable Operating Lease :-**

Particulars	Minimum Lease Payment (Rs.)
Not later than one Year	71,10,593
Later than one year and not later than five year	2,24,02,708
Later than five year	1,27,54,205

Radio Mid-Day West (India) Limited

Notes on Accounts

j) Employee Benefits :

The Company has classified the various benefits provided to employees as under:

I. Defined Contribution Plans

a. Provident Fund

The Company has recognised the following amounts in Profit and Loss Account:

Rs. in Lakh

	Year Ended March 31, 2010
Employer's contribution to Provident Fund	26.39

II. Defined Benefit Plans

a. Contribution to Gratuity Fund (Funded Scheme)

b. Leave Encashment (Non - Funded Scheme)

In accordance with the Accounting Standard (AS 15) (Revised 2005), actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:

For Gratuity

Discount Rate (per annum)	8%
Rate of increase in compensation levels (per annum)	6%
Rate of return on Plan Assets (for Funded Scheme)	8%

A. Change in the Present Value of Obligation

	Year Ended March 31, 2010
	Funded Scheme Gratuity (Rs.)
Present Value of Defined Benefit Obligation as at beginning of the period	15,44,356
Interest Cost	1,23,548
Current Service Cost	6,46,020
Benefits Paid	(1,75,734)
Actuarial (gain) / loss on Obligations	(1,24,088)
Present Value of Defined Benefit Obligation as at the end of the period	20,14,103

B. Fair Value of Plan Assets (For Funded Scheme - Gratuity)

	Year Ended March 31, 2010 (Rs.)
Present Value of Plan Assets as at beginning of the period	26,91,437
Expected Return on Plan Assets	2,15,315
Actuarial gain/(loss) on Plan Assets	(8,657)
Contributions	Nil
Benefits Paid	1,75,734
Fair Value of Plan Assets as at end of the period *	27,22,361

* All the funds under the Plan assets are insurer managed

Radio Mid-Day West (India) Limited

Notes on Accounts

C. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

	Year Ended March 31, 2010
	Gratuity (Rs.)
Present Value of Funded Obligation as at end of the period	20,14,103
Fair Value of Plan Assets as at end of the period	27,22,361
Funded Asset recognised in the Balance Sheet	7,08,258
Included in provision (Schedule)	Nil
Present Value of Unfunded Obligation as at end of the period	Nil
Unrecognised Actuarial gains / (losses)	Nil
Unfunded Liability recognised in the Balance Sheet	Nil
Included in provision (Schedule)	

1. Amount recognised in the Balance Sheet

	Year Ended March 31, 2010
	Gratuity (Rs.)
Present Value of Defined Benefit Obligation as at the end of the period	20,14,103
Fair Value of Plan Assets As at the end of the period	27,22,361
Liability / (Net Asset) recognised in the Balance Sheet	(7,08,258)

2. Expenses recognised in Profit and Loss Account

	Year Ended March 31, 2010
	Gratuity (Rs.)
Current Service Cost	6,46,020
Past Service Cost	Nil
Interest Cost	1,23,548
Expected Return on Plan Assets	(2,15,315)
Curtailement Cost / (Credit)	Nil
Settlement Cost / (Credit)	Nil
Net Actuarial (gain) / Loss recognised in the Period	(1,15,431)
Total Expenses recognised in the Profit and Loss Account	4,38,823

Radio Mid-Day West (India) Limited

Notes on Accounts

The expected rate of return on plan assets is based on market expectations at the beginning of the period. The rate of return on risk free investments is taken as reference for this purpose.

The company has based on actuarial valuations charged an amount of Rs. 12,65,568 as expenses on account of Leave encashment payable to the employee

- k) The company has only one segment namely Radio broadcasting, hence no separate disclosure of segment-wise information has been made.

l) Earnings per share

Particulars	March 31, 2010	March 31, 2009
Net loss for the year	15,21,99,904	17,46,21,154
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	10,07,49,761	10,07,49,761
Weighted average number of Shares issued during the year	NIL	NIL
Weighted average number of equity shares at the end of the period	10,07,49,761	10,07,49,761
Basic and diluted earnings / (loss) (in Rupees) per share	(1.70)	(1.73)

- m) Arrears of cumulative preference dividend for the year amounts to Rs. 194.05 lakh.
- n) Previous years figures have been re-grouped / recast wherever necessary, to make them comparable with the current year's figures.
- o) Additional information required under Part II of Schedule VI of the Companies Act, 1956 has been furnished to the extent applicable.
- p) The Company has seven radio stations on air as on the date of the Balance Sheet.

For Radio Mid-Day West (India) Ltd.

Vineet Singh Hukmani
Managing Director

Dilip Cherian
Director

Radio Mid-Day West (India) Limited

Cash Flow Statement

		Year Ended March 2010 Rs.	Year Ended March 2009 Rs.
A. Net Cashflow from operating Activities			
Net Profit / (Loss) before tax		(21,81,19,052)	(26,36,97,647)
Depreciation		11,52,56,793	11,10,64,366
Interest		8,50,22,685	10,62,57,431
Loss/(profit) on sale of fixed assets (net)		(25,000)	2,31,072
Interest Income		(5,28,261)	(44,13,030)
ESOP Written off		-	4,32,000
Provision for Doubtful Debt		60,62,278	26,84,248
Operational Profit before Working Capital		(1,23,30,557)	(4,74,41,559)
Adjustments for changes in Working Capital			
Sundry Debtors		(12,10,278)	(1,43,72,677)
Loans & Advances		73,91,977	(81,77,906)
Current Liabilities		7,65,94,490	3,97,71,321
Sub-Total		8,27,76,189	1,72,20,738
Cash generated from operations		7,04,45,632	(3,02,20,821)
Income Tax		(12,547)	(47,65,228)
Fringe Benefit Tax		-	(18,90,425)
Sub-Total		(12,547)	(66,55,653)
Net Cash Flow from Operating Activities	(A)	7,04,33,085	(3,68,76,475)
B. Cash Flow from Investing Activities			
Purchase fixed Assets (net)		(51,08,407)	(4,42,23,418)
Capital work in progress		(6,27,443)	1,04,13,939
Net Cash Flow from Investing Activities	(B)	(57,35,850)	(3,38,09,479)
C. Cash Flow from financing Activities			
Capital		25,77,00,000	-
Borrowings		(27,64,14,618)	15,57,55,749
Interest		(8,44,94,424)	(10,18,44,401)
Net Cash Flow from Financing Activities	(C)	(10,32,09,042)	5,39,11,348
Net Increase/decrease in Cash & Cash Equivalents	(A+B+C)	(3,85,11,806)	(1,67,74,606)
Cash & Cash Equivalents at the beginning of the year		5,68,14,256	7,35,88,862
Cash & Cash Equivalents at the end of the year		1,83,02,449	5,68,14,256

Radio Mid-Day West (India) Limited

Balance -Sheet Abstract And Company's General Business Profile

I Registration Details

Registration No 1 2 2 2 3 3 State Code 1 1

Balance Sheet Date :- Date Month Year

3 1 0 3 2 0 1 0

II Capital raised during the period (Amount in Rs.Thousands)

Public Issue N I L Rights Issue N I L

Bonus Issue N I L Private Placements 2 5 7 7 0 0

III Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities 2 4 4 4 2 8 8 Total Assets 2 4 4 4 2 8 8

Sources of Funds

Paid-up Capital 1 2 6 5 1 9 8 Reserves and Surplus 2 8 2 9 2 6

Secured Loans 3 5 7 7 6 7 Unsecured Loans 2 5 2 9 0 9

Application of Funds

Net Fixed Assets / 8 5 4 3 3 3 Investments N I L

Incidental Expenditure Net Current Asset - 5 7 9 6 4

During the Construction Period

Pending Allocation to Capital /

Other Accounts N I L Misc . Expenditure N I L

Deferred Tax Assets 4 4 8 4 2 8 Accumulated Losses 9 1 4 0 0 3

IV Performance of Company (Amount in Rs.Thousands)

Turnover 3 0 3 6 4 2 Total Expenditure 5 2 1 7 6 1

Profit / Loss before Tax (2 1 8 1 1 9) Profit / Loss after Tax (1 5 2 2 0 0)

Earning per share (Rs.) (1 .7 0) Dividend rate % N A

V Generic Names of Principal Services of Company (as per monetary terms)

Item Code No. (ITC Code) N A

Service Description :- **Radio Broadcasting Services**

MID-DAY MULTIMEDIA LIMITED

Registered Office: Peninsula Centre, Dr. S.S. Rao Road, Parel, Mumbai - 400 012.

NOTICE

NOTICE is hereby given that the 29th ANNUAL GENERAL MEETING of the Company will be held on Tuesday, July 20, 2010 at 11.00 a.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the financial year ended on that date together with the Directors' Report and the Auditors' Report thereon.
- 2) To appoint a Director in place of Mr. Khalid A.H. Ansari, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. Adille J. Sumariwalla, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
- 4) To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

- 5) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. I. Venkat, be and is hereby appointed as a director of the company liable to retire by rotation."
- 6) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Dilip Cherian, be and is hereby appointed as a director of the company liable to retire by rotation."
- 7) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 314 and other applicable provisions, if any and Schedule XIII of the Companies Act, 1956 and subject to such approvals, if any, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Tarique Ansari, as Managing Director, for a further period of 3 years w.e.f. 1st July, 2010 to 30th June, 2013 on such remuneration and other terms and conditions as set out in the agreement to be executed with him, the broad terms whereof are set out in the explanatory statement attached hereto."
"RESOLVED FURTHER THAT the Board be and is hereby authorized to alter and vary any of the terms and conditions relating to the remuneration payable to Mr. Tarique Ansari within the limits specified under the provisions of the Companies Act, 1956."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**
2. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, July 13, 2010 to Tuesday, July 20, 2010 (both days inclusive) for annual closure as per the Listing Agreements.
3. Members desiring any information on the accounts at the annual general meeting are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready at the meeting.
4. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays and holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
5. As a measure of economy, copies of annual report will not be distributed at the annual general meeting. Members are requested to bring their copies of the annual report to the meeting.
6. Members are requested to notify immediately any change in their address and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents for shares held in physical form and to their respective Depository Participants for shares held in electronic form.

By Order of the Board of Directors
For **Mid-Day Multimedia Limited**

Vidya Shembekar
Company Secretary

Registered Office:

Peninsula Centre,
Dr.S.S. Rao Road,
Parel, Mumbai - 400 012.

Mumbai, May 5, 2010

Mid-Day Multimedia Limited**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.****ITEM NO. 5 and 6**

The Board of Directors of the Company at its meeting held on 29.10.2009 appointed Mr. I.Venkat as an Additional Director of the Company

Mr. Dilip Cherian was appointed as an Additional Directors of the Company with effect from 28.01.2010.

In terms of provisions of Section 260 of the Companies Act, 1956, read with Article 129 of the Articles of Association of the Company, Mr. I. Venkat and Mr. Dilip Cherian hold office of Director up to the date of the Annual General Meeting. The Company has received notices from members proposing the candidature of Mr. I. Venkat and Mr. Dilip Cherian for appointment as Independent Directors of the Company under Section 257 of the Companies Act, 1956 with requisite deposit.

The Board recommends the above resolutions set forth in Item No. 5 and 6 for the approval of the members.

None of the Directors of the company other than Mr. I.Venkat and Mr. Dilip Cherian are interested in the above resolutions.

ITEM NO. 7

- 1) At present Mr.Tarique Ansari is drawing a remuneration of Rs. 48,00,000/- per annum. Based on the effective capital of the company and as per limits prescribed under Schedule XIII of the Companies Act, 1956, Mr.Tarique Ansari can draw remuneration upto Rs. 3.5 lakh per month i.e. Rs. 42,00,000/- per annum.
- 2) The term of office of Mr. Tarique Ansari as a Managing Director of the Company will be expiring on 30th June, 2010. Subject to shareholders' approval, the Board of Directors, at their meeting held on 5th May, 2010 have approved re-appointment of Mr.Tarique Ansari for a further period of 3 years from 1st July, 2010 on the following terms and conditions.

Remuneration:Salary:

The Proposed remuneration is Rs. 39,00,000/- per annum.

Perquisites and Allowances:

- a) The perquisites and allowances payable to the Managing Director shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses and/or allowances for utilization of gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for self and family including dependents, club fees, medical insurance and such other perquisites and allowances subject to ceiling of Rs.3,00,000 per annum and subject to an overall ceiling of remuneration stipulated in Sections 198,309 of the Companies Act, 1956 and Schedule XIII to the Companies Act, 1956.
- b) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per income tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost, Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official call) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- c) Company's contribution to Provident Fund and Superannuation and Pension Fund, to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity Payable as per Rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
- d) Gratuity at the rate of 15 days salary for each completed year of service
- e) Encashment of unavailed leave at the end of the tenure.
- f) Children Education Allowance Rs. 60,000/- per annum.

Other Terms and Conditions:

- 1) The Managing Director shall, subject to supervision and control of the Board of Directors, be entrusted with such powers and perform such duties, as may, from time to time, be delegated/entrusted to him.
- 2) The tenure of the Managing Director shall be for a period of 3 years commencing from July 1, 2010.
- 3) The Managing Director shall be vested with substantial powers of the Management of the day-to-day affairs of the Company subject to the supervision and direction of the Board of Directors of the Company.
- 4) The Managing Director will devote his time and efforts for the business of the Company and its subsidiaries.
- 5) The following disclosures are being made in this Explanatory Statement in compliance with Paragraph I(C) of Section II in Part II of Schedule XIII to the Companies Act, 1956.
 - a) The Company was incorporated in the year 1981 with the main object of printing and publishing of newspapers, magazines, books and journals etc.
 - b) Operational Performance of the Company for the financial year 2008-09 and 2009-10 is as follows.

(Rs. in Lakh)

Particulars	2009-10	2008-09
Sales and other Income	356.48	3295.85
Profit Before Tax	250.02	(1,207.49)
Net Profit After Tax	195.67	(1,358.33)
Paid up Equity Capital	5,229.88	5,223.48
Reserves & Surplus	11,006.48	10,799.99
Basic Earning per Share (Rs.)	0.37	(2.62)

- c) The Company has not earned any foreign exchange during the financial year 2008-09 and 2009-10.

Information about appointee:

Mr. Tarique Ansari has completed his Bachelor of Business Administration from University of Notre Dame, USA. In 1983 he joined the Company as an Executive Assistant to the Managing Director. He continued in this post till 1985 when he became a Director.

He became the Managing Director of the Company in 1988. He looks after the management and administration of the Company under the overall supervision, control and the direction of the Board of Directors. There has been a tremendous growth in the operations of the Company during his tenure due to his competence and experience.

Taking into account financial position of the Company, trend in the industry, his qualifications and experience the terms of his re-appointment and remuneration as set out in the resolution are considered to be just, fair and reasonable.

He is a key promoter of the Company and owns 8.21 percent Equity stake in the Company as of date.

The total remuneration drawn by Mr. Tarique Ansari for the financial year 2008-09 and 2009-10 was Rs.46,56,018/- and Rs.46,05,962/- respectively.

Besides his remuneration, Mr. Tarique Ansari does not have any other pecuniary relationship with the Company. He is a son of Mr. Khalid A.H. Ansari, Chairman of the Company.

Disclosures

- (a) The shareholders are being informed of the remuneration package by way of explanatory statement as given above.
- (b) The details of remuneration etc. of other Directors are included in the Corporate Governance Report forming part of the Annual Report of the Company.
- (c) The Board of Directors and the Managing Director have reached agreement on the terms of employment. After obtaining approval from shareholders the Board will formally execute an agreement with the Managing director reflecting these terms.
- (d) None of the Directors, except Mr. Tarique Ansari and Mr. Khalid Ansari, are concerned or interested in passing of the resolution.
- (E) The terms and conditions of Mr. Tarique Ansari's appointment and remuneration as set out above may also be treated as an abstract of the Agreement between the Company and Mr. Tarique Ansari pursuant to Section 302 of the Companies Act, 1956.
- (f) The Resolution regarding the remuneration and re-appointment of Mr. Tarique Ansari as the Managing Director of the Company is commended for acceptance by the Members.

For Mid-Day Multimedia Limited

Vidya Shembekar
Company Secretary



Mid-Day Multimedia Limited

ATTENDANCE SLIP

Registered Office: Peninsula Centre, Dr. S. S. Rao Road, Parel, Mumbai - 400 012.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

Joint Shareholders may obtain additional Attendance Slip on request.

DP. Id*	
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Regd. Folio No.	
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Client Id*	
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NAME AND ADDRESS OF THE SHAREHOLDER

No. of Share(s) held:

I hereby record my presence at the **29th ANNUAL GENERAL MEETING** of the Company held on Tuesday, July 20, 2010 at 11.00 a.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

Signature of the Shareholder or proxy

*Applicable for investors holding shares in electronic form.

TEAR HERE

PROXY FORM

Mid-Day Multimedia Limited

Registered Office: Peninsula Centre, Dr. S. S. Rao Road, Parel, Mumbai - 400 012.

DP. Id*	
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Regd. Folio No.	
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Client Id*	
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I/We.....of
 being a member/members of Mid-Day
 Multimedia Limited hereby appoint.....of
or failing him
 of.....

as my/our proxy to vote for me/us and on my/our behalf at the **29th ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, July 20, 2010 at 11.00 a.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 or at any adjournment thereof.

Signed this day of 2010.



*Applicable for investors holding shares in electronic form.

Note: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.