



# Naidunia Media Limited

Audited Financial for the year ended

**31st March 2012**

A unit of Jagran Prakashan Limited

**नईदुनिया नवदुनिया**



## **AUDITOR'S REPORT**

To,  
The Members of  
Naidunia Media Ltd. (Formerly Naidunia Media Private Limited)  
**INDORE-452 009**

Report on the financial statements.

We have audited the accompanying financial statements of Naidunia Media Limited (Formerly Naidunia Media Private Limited ) (the Company), which comprises the Balance sheet as at 31st March, 2012 and the statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation of these financial statements that give a true and fair value of the financial positions, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentations of the financial statements that gives a true and fair view and are free from material misstatement.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial



statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expression an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence as have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2012.
- b. In case of the statement of Profit and Loss, of the Loss for the year ended on that date, and
- c. In case of the Cash Flow statement, of the cash flows for the year ended on that date.

### Report on other legal and regulatory requirements

1. As required by the Manufacturing and other Companies (Auditor's Report) order, 2003, as amended by the Companies (Auditor's Report) (Amendment) order, 2004 (together the "order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956' of India (the "Act") we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books of the Company.
  - c. The Balance Sheet and statement of Profit and Loss Account and Cash Flow statement dealt with by these reports are in agreement with the books of account of the Company.
  - d. In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow statement dealt with by this report comply with the account standards referred to sub-Section (3C) of Section 211 of the Companies Act 1956.

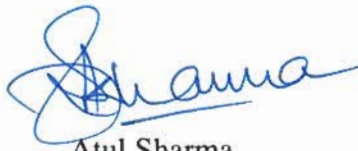


- e. On the basis of written information received from the directors of the Company and taken on record by the Board of Directors as on 31<sup>st</sup> March 2012, and the information and explanations given to us, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2012, from being appointed as a director in terms of clause (g) of subsection 274 of the Companies Act, 1956.

**For M. Mehta & Company**

Firm registration number: 000957C

Chartered Accountants



Atul Sharma

Partner

Membership number: 75615



Place: New Delhi

Date: 26<sup>th</sup> May, 2012

**Annexure to the Auditor's Report of NaiDunia Media Limited for the year ended 31<sup>st</sup> March, 2012 (Referred to in paragraph (3) thereof)**

1. The nature of Company's activities during the year have been such that clauses (xii), (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
2. We report that;
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The management has carried out physical verification of fixed assets during the year and some discrepancies were noticed on such verification, which has been properly dealt with in the Books of Accounts. In our opinion, the frequency of physical verification of fixed assets is reasonable.
  - c) During the year substantial part of the Fixed Assets have not been disposed off by the Company.
3. We further report that;
  - a) Inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between physical stocks and book stocks were not material and the same have been properly dealt with in the books of account.



4. We report that;

- a) In our opinion and according to the explanations given to us, the Company has taken Loans from sixteen Parties during the year from the parties covered in the register maintained u/s 301 of the Companies Act and the outstanding yearend balance of such parties during the year was Rs. 450.43 Lacs and maximum outstanding balance during the year was Rs. 450.43 Lacs
- b) In our opinion and according to the information and explanations given to us, the Company has granted loans to three Parties covered in the register u/s 301 of the Companies Act, 1956, and outstanding yearend balance of such party during the year was Rs.0.00 Lacs & maximum outstanding balance during the year was Rs.474. 28 Lacs
- c) In our opinion and according to the information and explanations given to us, the rates of interest and other terms & conditions on such loans have been taken/given from/to Companies, Firms & other listed parties in the register maintained u/s 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company.
- d) The Company is regular in repaying the principal amount as stipulated and also been regular in paying the interest and also regular in recovering the loan given.
- e) In our opinion and according to the information and explanations given to us, there is no overdue amount of loan taken/given from or granted to Companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956.

5. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weaknesses have been noticed in the internal control system.

6. We report that;

- a) In our opinion and according to the information and explanations given to us, that the particulars of the transactions that need to be entered into the Register maintained in 1956 have been so entered.



- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/arrangements entered in the register maintained u/s 301 of the Companies Act and exceeding the value of five Lacs rupees 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.
7. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies Rule, 1975. No order has been passed by the Company Law Board, National Company Law Tribunal R.B.I. or any other Court.
8. In our opinion, the Company has its own an internal audit system, which is commensurate with the size and nature of its business.
9. As explained to us, that the Central Government has not prescribed the maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956.
10. We report that;
- a) According to the records of the Company, the Company has been regular in depositing undisputed statutory dues including, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, cess and any other statutory dues with the appropriate authorities. According to information and explanation given to us, there are no undisputed arrears of statutory dues which have remained outstanding as at 31st March, 2012 for a period or more than six months from the date they became payable.
- b) As at 31st March,2012 according to the records of the Company and the information and explanations given to us, the following are the particulars of dues on account of Sales Tax matters that have not been deposited on account of dispute :

Name of the Statute	Nature of the Dues	Amount (Rs. In Lacs)	Period to which the amount relates various years covering the period	Forum where pending
Sales Tax Law	Entry Tax	4,50,380/-	FY-1997-98	Dy. Commissioner of Commercial Tax.

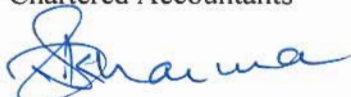


11. The Company has accumulated losses as at 31st March, 2012. The Company has incurred cash losses during the financial year covered by our audit and in the financial year immediately preceding such financial year also.
12. According to information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
13. The Company has not given any guarantee for loans taken by other from Bank or Financial Institutions.
14. In our opinion and according to the information and explanation given to us the Company has not taken any term loans during the year.
15. According to the information and explanations given to us and on all overall examination of the balance sheet of the Company. We report that the Company has utilized the short term funds for short term purpose only.
16. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
17. The Company has not issued any debenture during the year.
18. The Company has not made any public issue during the year.
19. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit except fraud perpetrated by an unidentified outsider by withdrawal/transferring funds from the Bank Account of the Company by using Internet Banking System which resulted in a loss of Rs. 9.60 Lacs . *The matter is under investigation by Cyber Crime Department of Police.*

**For M. Mehta & Company**

Firm registration number: 000957C

Chartered Accountants



Atul Sharma

Partner

Membership number: 75615

Place: New Delhi

Date: 26<sup>th</sup> May, 2012

**Naidunia Media Limited**  
Balance Sheet as at 31 March 2012

	Notes	31-Mar-12 ₹ Lacs	31-Mar-11 ₹ Lacs
<b>I. Equity &amp; Liabilities</b>			
<b>(1) Shareholders' Fund</b>			
(a) Share Capital	3	17,484.01	12,039.00
(b) Reserve and Surplus	4	(14,926.93)	(7,155.87)
(c) Share application money pending allotment	5	-	0.01
		<u>2,557.07</u>	<u>4,883.14</u>
<b>(2) Non-current Liabilities</b>			
(a) Long-term borrowings	6	-	359.21
(b) Long-term provisions	7	145.82	292.34
		<u>145.82</u>	<u>651.55</u>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	8	1,271.88	925.98
(b) Trade payables	9	2,124.34	2,581.77
(c) Other current liabilities	9	1,974.26	1,563.06
(d) Short-term provisions	7	87.90	-
		<u>5,458.38</u>	<u>5,070.80</u>
<b>TOTAL</b>		<u><b>8,161.28</b></u>	<u><b>10,605.49</b></u>
<b>II. Assets</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets			
Tangible Assets	10	4,106.52	5,525.14
(b) Non-current Investments	11	0.84	69.43
(c) Long-term loans and advances	12	169.20	276.67
(d) Trade receivables	13	90.43	646.88
(e) Other non-current assets	14	78.38	178.97
		<u>4,445.38</u>	<u>6,697.08</u>
<b>(2) Current Assets</b>			
(a) Inventories	15	431.64	521.95
(b) Trade receivables	13	2,560.58	2,403.41
(c) Cash & Cash equivalents	16	633.01	226.47
(d) Short-term loans and advances	12	90.67	754.49
(e) Other current assets	14	-	2.09
		<u>3,715.90</u>	<u>3,908.41</u>
<b>TOTAL</b>		<u><b>8,161.28</b></u>	<u><b>10,605.49</b></u>

**Summary of significant accounting policies** 2.1  
The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached.

**For M. Mehta & Co.**  
Firm Registration Number: 000957C  
Chartered Accountants

*Sharma*  
Per Atul Sharma  
Partner  
Membership no. : 75615



Place : New Delhi  
Date : 26th May, 2012

**For and on behalf of the Board of Directors  
of Naidunia Media Ltd.**

*Kapayyulla*  
[Director]

*[Signature]*  
[Director]

*[Signature]*  
[Company Secretary]

**Naidunia Media Limited**

Statement of Profit and Loss for the year ended 31 March 2012

	Notes	31-Mar-12 ₹ Lacs	31-Mar-11 ₹ Lacs	
<b>Continuing Operations</b>				
<b>Income</b>				
I.	Revenue from operations (net)	17	11,006.70	9,862.07
II.	Other Income	18	227.03	96.87
III.	<b>Total Revenue (I)</b>		<b>11,233.73</b>	<b>9,958.94</b>
<b>Expenses</b>				
IV.	(a) Cost of raw material consumed	19	7,163.30	6,662.54
	(b) Employee benefits expenses	20	3,721.70	3,099.19
	(c) Other expenses	21	5,946.22	5,064.28
	(d) Share of (profit)/loss from investment in partnership firm		66.95	-
	<b>Total Expenses (II)</b>		<b>16,898.16</b>	<b>14,826.01</b>
V.	<b>Earning before Interest, Tax, Depreciation Amortization (EBITDA) (I)-(II)</b>		<b>(5,664.43)</b>	<b>(4,867.07)</b>
VI.	Depreciation and Amortization expenses	22	521.57	379.97
VII.	Finance Costs	23	275.53	224.20
VIII.	Exceptional items	24	1,309.54	60.79
IX.	<b>Profit/(Loss) before Tax</b>		<b>(7,771.07)</b>	<b>(5,532.02)</b>
X.	<b>Tax Expenses</b>			
	(a) Current Tax	25	-	-
	(b) Deferred Tax	25	-	-
	<b>Total Tax expenses</b>		<b>-</b>	<b>-</b>
XI.	<b>Profit/(Loss) for the year from continuing operations</b>		<b>(7,771.07)</b>	<b>(5,532.02)</b>
XII.	<b>Earning per equity share</b>	26		

Earnings per equity share [nominal value of share Rs. 10 (31 March 2011 Rs. 10)]

<b>Basic</b>	₹	-4.44	-4.60
Computed on the basis of total profit for the year			
<b>Diluted</b>	₹	-4.44	-4.60
Computed on the basis of total profit for the year	2.1		

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached.

For and on behalf of the Board of Directors  
of Naidunia Media Ltd.

For M. Mehta & Co.

Firm Registration Number: 000957C  
Chartered Accountants

Per Atul Sharma  
Partner  
Membership no. : 75615

Place : New Delhi  
Date : 26th May, 2012



*Sayajibhullu*  
[Director]

*[Signature]*  
[Director]

*[Signature]*  
[Company Secretary]

**Naidunia Media Limited**

Cash flow statement for the year ended 31 March 2012

Particular	31-Mar-12	31-Mar-11
	₹	₹
	Lacs	Lacs
<b>Cash flow from Operating activities</b>		
Profit before tax from current year operation	(7,771.07)	(5,532.02)
<b>profit before tax</b>	<u>(7,771.07)</u>	<u>(5,532.02)</u>
<i>Non cash adjustment to reconcile profit before tax to net cash flows</i>		
Share of (profit)/loss from investment in partnership firm	66.95	-
Depreciation/amortization on continuing operations	1,785.37	379.97
Impairment/other write off on tangible/intangible assets	221.27	-
Provision /Creditors Nolonger Required, Written Back	(149.31)	(10.66)
Fixed asset write-off	145.61	-
Bad debts and Other Advances write off	675.82	1.04
Preliminary expenditure write-off	31.13	59.66
Preliminary expenditure Incurred	-	(27.00)
Loss on sale of fixed assets	1.66	0.01
(Profit) on sale of fixed assets	(1.84)	-
Interest expenses	275.53	224.20
Interest income	(33.46)	(45.27)
<i>Operating profit/(loss) before working capital</i>	<u>(4,752.34)</u>	<u>(4,950.08)</u>
<b>Movement in working capital ;</b>		
Increase/(decrease) in current trade payables	(457.43)	719.56
Increase/(decrease) in long-term trade payables	-	-
Increase/(decrease) in long-term provisions	(146.52)	58.62
Increase/(decrease) in other current liabilities	374.53	103.79
Increase/(decrease) in other long-term liabilities	-	-
Decrease/(Increase) in trade receivables	(484.07)	(842.74)
Decrease/(Increase) in Inventories	90.30	(152.29)
Decrease/(Increase) in long-term loans and	(118.82)	(15.22)
Decrease/(Increase) in short-term loans and	0.18	(31.55)
Decrease/(Increase) in other current assets	2.09	(0.40)
Decrease/(Increase) in other non-current assets	-	75.83
Cash generated from/(used in) operations	<u>(5,404.19)</u>	<u>(5,034.50)</u>
<b>Net cash flow from/(used in) operating activities (A)</b>	<u><u>(5,404.19)</u></u>	<u><u>(5,034.50)</u></u>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(272.70)	(302.06)
Proceeds from sale of fixed assets	152.00	0.05
Proceeds from sale of Investment	1.85	-
Proceeds from Advance give to Related party	417.78	(122.37)
Investment in Partnership firm	66.74	-
Redemption/maturity of bank deposits (maturity more than 3 months)	14.67	(14.67)
Interest received	33.46	45.27
<b>Net cash flow from/(used in) investing activities (B)</b>	<u><u>413.79</u></u>	<u><u>(393.79)</u></u>

Jayraj



*[Handwritten signature]*

**Naidunia Media Private Limited**

Cash flow statement for the year ended 31 March 2012

	31-Mar-12	31-Mar-11
	₹	₹
	Lacs	Lacs
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital	5,445.00	4,961.34
Repayment of long-term borrowings	(173.23)	(241.32)
Proceeds from short-term borrowings	351.36	846.29
Repayment of short-term borrowings	(5.45)	(117.04)
Interest paid	(275.53)	(224.20)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>5,342.15</b>	<b>5,225.06</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>351.75</b>	<b>(203.22)</b>
Cash and cash equivalents at the beginning of the year	359.64	562.86
Cash and cash equivalents at the end of the year	711.39	359.64
<b>Component of cash and cash equivalents</b>		
Cash on hand	38.66	26.64
With Bank-Current account	594.35	185.15
Margin Money	78.38	147.84
<b>Total Cash and cash equivalents (note-16)</b>	<b>711.39</b>	<b>359.64</b>

Summary of significant accounting policies 2.1  
The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached.

**For M. Mehta & Co.**  
Firm Registration Number: 000957C  
Chartered Accountants

Per Atul Sharma  
Partner  
Membership no. : 75615

Place : New Delhi  
Date : 26th May, 2012



**For and on behalf of the Board of Directors  
of Naidunia Media Ltd.**

*[Signature]*  
[Director]

*[Signature]*  
[Director]

*[Signature]*  
[Company Secretary]

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2012

### **1. Corporate Information**

Naidunia Media Limited (the Company) is a limited Company domiciled in India and incorporated under the provisions of the Companies Act 1956. The Company has changed its name from Naidunia Media Pvt. Ltd. to Naidunia Media Ltd. with effect from 28<sup>th</sup> March, 2012 by altering its Article of Associations as required for Limited Company. The Company's shares are not listed on any stock exchange in India. The Company is engaged in the printing and publishing of newspapers and other periodicals. It also runs and maintains certain digital publications accessible on internet.

### **2. Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (India GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy notified at Para 2.1.b below.

#### **2.1 Summary of Significant accounting policies**

##### **a) Presentation and disclosure of financial statements under new formats:**

For preparation and presentation of financial statements in relation to the year ended 31<sup>st</sup> March 2012, the revised schedule VI notified under the companies Act 1956 has become applicable and as such the financials statements of the Company have accordingly been prepared. While the adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements, however it has significant impact on presentation and disclosures made there under. The Company has also reclassified the previous year figures in accordance with the requirements applicable in relation to the current year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities insofar it relates the nature of the Company's business, which is printing and publishing of newspapers. The acquisition of asset for processing, and their realization in cash form is usually completed within 12 months.

*Sanjay*



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**b) Change in accounting policy:**

During the year ended 31<sup>st</sup> March 2012, the Company has changed the method of depreciation from Straight Line Method to Written down Value method. The Company has aligned its accounting policies with those of the ultimate holding company. Depreciation has been recalculated in accordance with the new method from the date when the asset coming was first put to use. The deficiency arising from the retrospective recomputation of depreciation in accordance with the new method is charged in the Statement of Profit and Loss.

During the year ended 31<sup>st</sup> March 2012, the Company has changed the method of valuation of Inventory of Newsprint from fixed identification method to first in first out method. The Company has aligned its accounting policies with those of the ultimate holding company.

**c) Use of estimates**

The preparation of financial statements in conformity with India GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**d) Tangible Fixed Assets**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

**e) Depreciation on tangible fixed assets**

During the year ended 31<sup>st</sup> March, 2012, the Company has changed the method of depreciation from straight line method to written down value method. Depreciation is recalculated in accordance with the new method from the date of the asset coming into use. The deficiency arising from the retrospective recomputation of depreciation in accordance with the new method is charged in the Statement of Profit and Loss prepared for the year ended 31<sup>st</sup> March, 2012.

*Sanjay*



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The Company has used the following rates to provide depreciation on its fixed assets.

S. No.	Block	Rate as per WDV
I.	Building	5.00%
II.	Plant and Machinerics	13.91%
III.	Furniture and fixtures	18.10%
IV.	Vehicles	25.89%
VI.	Computers	40.00%

Leasehold land is amortized on a straight line basis over the period of lease.

**f) Intangible assets**

Intangible assets, if any, acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

As on 31<sup>st</sup> March 2012, the Company does not have any intangible block of asset.

**g) Leases**

Assets acquired under finance leases are recognised as fixed assets. Liability is recognized at the lower of the fair value of the leased assets at inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability and charge to the Statement of Profit and Loss.

**h) Borrowing Cost**

Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they result in future economic benefits and the cost is measured reliably. Other borrowing costs are recognized in Statement of Profit and Loss in the period in which they incurred.

**i) Impairment of tangible and Intangible assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. The management carries out this exercise periodically and determines by applying various tests as to whether value of any asset has impaired to the point that the carrying amount shown in the financial statement is higher than the realizable value of the asset. In such circumstances, adequate provisions are made towards impairment and such provisions are charged to the expenses account.

*Sampay*



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## **j) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

All investments are usually measured at cost.

Current investments are carried in the financial statements at lower of the cost and fair value determined in on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary ones in the value of the Investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

## **k) Inventories**

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. Cost of newsprint and cost of stores and spares is determined on first in first out basis.

Net realizable value is the estimated selling price in the ordinary course of the business, less estimated costs of the completion and estimated cost necessary to make the sale.

## **l) Revenue recognition**

Revenues are recognized to the extent that it is probable that economic benefit will flow to the Company and revenue can be reliably measured. It is accounted for net of trade discounts.

Specifically the following bases are adopted in respect of various sources of revenues of the Company:

### **(a) Advertisement:**

Revenue from advertisement space is recognized, as and when the relevant advertisement is published.

Revenue/Expense against all Barter-Contracts is recognized at the time of actual performance of the contract to the extent of performance is completed by either party against its respective part specified in the contract.

### **(b) Sale of Publications**

Revenue from sale is recognised on dispatch to the selling agents, net of credits for unsold copies. In case of direct cash sales, revenue is recognized to the extent cash is collected on sales to the customers.

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**(c) Others**

Revenue from printing job work is recognised on delivery of goods after completion as set out in the relevant work contracts.

Revenue from Outdoor activities is recognized as and when the relevant advertisement is displayed.

Revenue from event management services is recognized when the event is completed.

Claims from insurance companies/Interest on income tax refunds/Government department are recognised as and when amount receivable can be reasonably determined.

**m) Foreign Currency transaction**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or as expense in the year in which they arise. Gain or loss on transactions relating to acquisition of Fixed Assets in foreign currency is recognized as profit or loss in the Statement of Profit and Loss and adjusted to the corresponding liability. Non-monetary items other than Fixed Assets are carried at fair value or other similar values using exchange rates when values were determined. Foreign Currency Monetary Items outstanding as at Balance Sheet date are valued using the conversion rate prevailing as at Balance Sheet date except for those covered under forward cover and thus hedged. The Company does not have any derivative transactions.

**n) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the Statement of Profit and Loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

The Company has Defined Benefit plans namely leave encashment and gratuity for all employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year. Gratuity Fund is recognized by the income tax authorities and is administered and managed by the Life Insurance Corporation of India ("LIC").

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**o) Income taxes**

Tax expenses comprise current and deferred tax.

Current tax comprises Company's tax liability for the current financial year as well as additional tax paid, if any, during the year in respect of earlier years on receipt of demand from the authorities. For computation of taxable income under the Income Tax Act, 1961, accrual basis of accounting has been adopted and consistently followed by the Company.

Deferred tax assets and liabilities are computed on the timing differences at the Balance Sheet date using the tax rate and tax laws that have been enacted or substantially enacted by the Balance sheet date. Deferred tax assets are recognized based on management estimates of reasonable certainty that sufficient taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax liability/assets have not been provided and/or accounted in relation to impact of taxation arising from material timing differences between the accounting and tax treatment of Income and Expenditure as there is no certainty about expected profitability which may crystallize in foreseeable future.

**p) Segment reporting**

The Company is engaged primarily in printing and publication of Newspaper and Magazine in India. The other activities of the Company comprise advertising business in Newspaper and Magazine, and other related printing job work. However, these in the context of the Accounting Standard 17 on Segment Reporting prescribed by the Companies (Accounting standards) Rules, 2006 are considered to constitute single reportable business segment and single geographic segment. Accordingly no separate disclosure for primary or secondary segment is given.

**q) Earnings Per Share**

Earnings per Share (EPS) are computed on the basis of net profit after tax for the year. The number of shares used in computing basic EPS is weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, since there are no dilutive equity shares.

**r) Provisions and Contingent liabilities**

The Company recognized a provision when there is a present obligation as a result of past event, and a reliable estimate can be made of the amount of the obligation. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

The liabilities or obligations, which cannot be crystallized but loom in horizon, are disclosed as contingent liabilities.

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**s) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

**t) Contingencies and Events occurring after the Balance sheet date**

All the contingencies and events occurring after the Balance sheet date which have a material effect on the financial position of the Company are considered for preparing the financial statements.

**u) Measurement of EBITDA**

Measurement of EBITDA- As permitted by the guidance note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before Interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(Loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expenses, finance costs and Tax expenses.

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## Naidunia Media Limited

Notes to financial statements for the year ended 31 March 2012

### 3. Share Capital

Particular	31-Mar-12	31-Mar-11
	₹	₹
	Lacs	Lacs
<b>Authorized</b>		
20 00 00 000 equity shares of Rs. 10 each. (Previous year : 13 50 00 000 equity shares of Rs. 10 each)	20,000.00	13,500.00
<b>Issued, Subscribed and fully paid-up</b>		
17 48 40 062 equity shares of Rs. 10 each. (Previous year : 12 03 90 000 equity shares of Rs. 10 each)	17,484.01	12,039.00

#### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Authorized	31-Mar-12		31-Mar-11	
	Nos.	Lacs	Nos.	Lacs
At the beginning of the period	13 50 00 000	13,500.00	3 50 00 000	3,500.00
Increased during the period	6 50 00 000	6,500.00	10 00 00 000	10,000.00
<b>Outstanding at the end of the period</b>	<b>20 00 00 000</b>	<b>20,000.00</b>	<b>13 50 00 000</b>	<b>13,500.00</b>
<b>Issued, Subscribed and fully paid-up</b>				
	31-Mar-12		31-Mar-11	
	Nos.	Lacs	Nos.	Lacs
At the beginning of the period	12 03 90 000	12,039.00	2 94 76 348	2,947.63
Issued during the period	5 44 50 062	5,445.01	9 09 13 652	9,091.37
<b>Outstanding at the end of the period</b>	<b>17 48 40 062</b>	<b>17,484.01</b>	<b>12 03 90 000</b>	<b>12,039.00</b>

#### b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of the equity share(s) is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

During the year ended 31 March 2012, due to current year losses and accumulated losses, The Company did not declare any dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### c. Shares held by Holding/ultimate holding company and/or their subsidiaries/associates

Out of equity shares issued by the Company, shares held by its holding company/ultimate holding company and their subsidiaries / associates are as below;

	31-Mar-12		31-Mar-11	
	Nos.	Lacs	Nos.	Lacs
<b>Holding Company</b>				
Suvi Info Management (Indore) Pvt. Ltd. (Suvi)	17 48 40 062	17,484.01	11 84 89 768	11,848.98

The Company has total seven members. Suvi Info Management (Indore) Pvt. Ltd. holds beneficial interest in Six Equity shares held in the name of six individuals jointly with itself.

*Sanjay*



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## Naidunia Media Limited

Notes to financial statements for the year ended 31 March 2012

**d. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately precedent the reporting date:**

The Company has not issued a) any bonus shares, b) any shares in consideration other than cash or shares of any other company. The Company has not bought back its shares.

**e. Details of shareholders holding more than 5% shares in the company**

**Equity shares of Rs. 10 each fully paid**

	31-Mar-12		31-Mar-11	
	Nos.	% holding	Nos.	% holding
Suvi Info Management (Indore) Pvt. Ltd. (Holding Company)	17 48 40 062	100.00%	11 84 89 768	98.42%

As per records of the Company including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above share holding represents both legal and beneficial ownerships of shares.

Suvi Info Management (Indore) Pvt. Ltd. holds beneficial interest in Six Equity shares held in the name of six individuals jointly with itself.

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## Naidunia Media Limited

Notes to financial statements for the year ended 31 March 2012

<b>4. Reserves and Surplus</b>		
Particular	31-Mar-12	31-Mar-11
	₹	₹
	Lacs	Lacs
<b>Securities Premium Account</b>		
Balance as per the last financial statements	13,131.27	13,131.27
Add: additions on share issued	-	-
<b>Closing Balance</b>	<b>13,131.27</b>	<b>13,131.27</b>
<b>Surplus/(deficit) in the statement of Profit and</b>		
Balance as per last financial statements	(20,287.13)	(14,755.11)
Profit/(Losses) for the year	(7,771.07)	(5,532.02)
<b>Net surplus/(deficit) in the statement of profit and</b>	<b>(28,058.20)</b>	<b>(20,287.13)</b>
<b>Total reserves and surplus</b>	<b>(14,926.93)</b>	<b>(7,155.87)</b>

### 5. Share application money pending allotment

	31-Mar-12	31-Mar-11
	Lacs	Lacs
Share application money pending allotment	0.01	4,130.03
Less: Refundable back (shown under current	-	-
Less: Allotment during the year	(0.01)	(4,130.03)
<b>Share application money pending allotment</b>	<b>-</b>	<b>0.01</b>

#### a. Terms and conditions for allotment

Number of shares proposed to be allotted	-	62.00
Amount of premium included in the pending	-	-
Shares to be allotted before		31-Mar-12

#### b. Position of capital of the company after allotment

Share capital issued and subscribed prior to allotment proposed allotment	17,484.01	12,039.00
Share capital issued and subscribed after the	-	0.01
	<b>17,484.01</b>	<b>12,039.01</b>

The Company was having sufficient authorized capital to allot shares out of the available share application money pending allotment as on 31 March 2011.

The Company does not have any money in share application account pending allotment as on 31 March 2012 As on 31.03.2011 Rs. 618/-, were pending allotment since 28th June, 2010 and shares thereagainst was allotted on 28th March, 2012.

### 6. Long-term borrowings

Term Loans	Non-current portions		Current maturities	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
	Lacs	Lacs	Lacs	Lacs
Indian Rupee loan from banks (Secured)	-	94.99	86.55	176.00
	-	94.99	86.55	176.00

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**Naidunia Media Limited**

Notes to financial statements for the year ended 31 March 2012

	Non-current portions		Current maturities	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
	Lacs	Lacs	Lacs	Rs. Lacs
<b>Other loans and advances</b>				
Loan from Individuals/shareholders (Unsecured)	-	124.51	80.08	-
Loan from Directors (Unsecured)	-	139.71	195.36	-
Loan from Body corporate (Unsecured)	-	-	-	-
	-	264.22	275.43	-
<b>Total</b>	-	<b>359.21</b>	<b>361.98</b>	<b>176.00</b>
<b>The above amount includes</b>				
Secured borrowings	-	94.99	86.55	176.00
Unsecured borrowings	-	264.22	275.43	-
Amount disclosed under the head "Other current liabilities" (note 9)			(361.98)	(176.00)
<b>Net Amount</b>	-	<b>359.21</b>	-	-

- Indian rupee term loan from bank was taken during the financial year 2006-07 and carries interest @ 15.25% to 15.75% p.a. The loan is repayable 20 quarterly installments of Rs. 44 Lacs each along with interest, on the remaining balance.
- The Cash Credit loans and the Term Loan are secured by hypothecation of the entire block of Plant and machineries, factory premises and all other assets including inventory and trade receivables of the company pertaining to business.
- Further, the loans have been guaranteed by the corporate guarantees of Suvi Info Management (Indore) Pvt. Ltd., the holding company of Naidunia Media Pvt. Ltd. The loans are additionally guaranteed by personal guarantee of the directors who were in office till 31st March, 2012.
- The Company mortgaged its Property (Printing Unit) situated at vill. Kedarpur, Gwalior, Property (Printing Unit) situated at Rangwasa, Indore and property (Corporate office) situated at Babu Labh Chand Chhajlani Marg Indore, as collateral securities.
- Loans from Individuals/shareholders carry interest @ 9% to 10% p.a. and are repayable on or before 30th April 2012.
- Loan from directors carry interest @ 10% p.a. and repayable on or before 30th April, 2012.

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## Naidunia Media Limited

Notes to financial statements for the year ended 31 March 2012

### 7. Provisions

	Long-term		Short-term	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
	Lacs	Lacs	Lacs	Lacs
<b>Provision for employee benefits</b>				
Provision for gratuity (note 29)	60.76	125.27	71.59	-
Provision for leave encashment (note 29)	85.06	167.07	16.31	-
	<u>145.82</u>	<u>292.34</u>	<u>87.90</u>	<u>-</u>

### 8. Short-term borrowings

	31-Mar-12	31-Mar-11
	Lacs	Lacs
Cash credit from banks (secured)	1,096.88	920.52
Interest free loan from holding Company/Body	175.00	5.45
	<u>1,271.88</u>	<u>925.98</u>
<b>The above amount includes</b>		
<b>Secured borrowings</b>	1,096.88	920.52
<b>unsecured borrowings</b>	175.00	5.45

- a. The Cash Credit loans and the Term Loan are secured by hypothecation of the entire block of Plant and machineries, factory premises and all other assets including inventory and trade receivables of the company pertaining to business.
- b. Further, the loans have been guaranteed by the corporate guarantees of Suvi Info Management (Indore) Pvt. Ltd., the holding company of Naidunia Media Pvt. Ltd. The loans are additionally guaranteed by personal guarantee of the directors who were in office till 31st March,
- c. The Company mortgaged its Property (Printing Unit) situated at vill. Kedarpur, Gwalior, Property (Printing Unit) situated at Rangwasa, Indore and property (Corporate office) situated at Babu Labh Chand Chhajlani Marg Indore, as collateral securities.
- d. The cash credit is availed against sanction limit offered by the bank, however it is repayable on demand and carries interest @ 14.75% to 15.25%
- e. The Company has availed interest free unsecured loan from its holding Company. At the option of the holding company, the loan shall be convertible into share capital or repaid.

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## Naidunia Media Limited

Notes to financial statements for the year ended 31 March 2012

### 9. Other current liabilities including Trade payables

	<u>31-Mar-12</u>	<u>31-Mar-11</u>
	<u>Lacs</u>	<u>Lacs</u>
Trade payables (Including Letters of Credit) (Including acceptances, if any) (refer note 28 for details of dues to micro and small enterprises)	2,124.34	2,581.77
	<u>2,124.34</u>	<u>2,581.77</u>
<b>Other liabilities</b>		
Book over draft with Bank	1,032.22	680.58
Current maturities of long-term borrowings	361.98	176.00
Creditor for Capital goods	34.47	21.07
Other Payable	19.29	1.11
Deposits from Customer	381.60	549.79
Advances from Customer	55.97	71.38
Statutory dues Payable	88.72	63.12
	<u>1,974.26</u>	<u>1,563.06</u>

- a. Amount due as loan from director, loan from individual/shareholder has been transferred to other current liability as per the requirement of revised schedule VI disclosures.
- b. Deposits from customers are interest bearing and carry annual 5% interest. These deposits are repayable/ adjustable at the time of closing of circulation agencies.
- c. Letters of Credit are secured by first charge of Punjab National Bank, by way of hypothecation on entire block of Plant and machineries, factory premises and all other assets including inventory and trade receivables of the company pertaining to business.

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## Naidunia Media Limited

Notes to financial statements for the year ended 31 March 2012

10. Tangible assets	₹							Lacs
	Land	Leasehold Land	Buildings	Plant and machineries	Furniture and fixtures	Vehicles	Computers	Total
<b>Cost or Valuation</b>								
<b>At 01 April, 2010</b>	176.73	223.59	1,202.57	4,617.98	484.67	101.89	501.86	7,309.30
Addition during the period	-	0.66	2.13	218.77	15.10	6.75	34.97	278.39
Disposals during the period	-	-	-	-	-	-	0.26	0.26
<b>At 31 March, 2011</b>	<u>176.73</u>	<u>224.25</u>	<u>1,204.71</u>	<u>4,836.75</u>	<u>499.77</u>	<u>108.64</u>	<u>536.58</u>	<u>7,587.43</u>
Addition during the period	-	203.40	108.76	136.26	39.39	16.46	14.30	518.57
Disposals during the period	-	-	-	619.85	79.32	19.22	142.74	861.13
<b>At 31 March, 2012</b>	<u>176.73</u>	<u>427.65</u>	<u>1,313.47</u>	<u>4,353.17</u>	<u>459.83</u>	<u>105.88</u>	<u>408.14</u>	<u>7,244.87</u>
<b>Depreciation</b>								
<b>At 01 April, 2010</b>	-	12.74	145.92	1,163.60	99.79	35.40	225.07	1,682.52
Charge for the year	-	5.26	40.22	210.67	31.16	9.33	83.32	379.97
Provision written back	-	-	-	-	-	-	0.19	0.19
<b>At 31 March, 2011</b>	<u>-</u>	<u>18.00</u>	<u>186.14</u>	<u>1,374.27</u>	<u>130.95</u>	<u>44.73</u>	<u>308.19</u>	<u>2,062.29</u>
Charge for the year	-	41.17	94.52	1,317.51	143.07	36.78	152.32	1,785.37
Provision written back	-	-	-	493.57	63.54	14.37	137.83	709.31
<b>At 31 March, 2012</b>	<u>-</u>	<u>59.17</u>	<u>280.67</u>	<u>2,198.21</u>	<u>210.48</u>	<u>67.14</u>	<u>322.68</u>	<u>3,138.35</u>

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**Naidunia Media Limited**

Notes to financial statements for the year ended 31 March 2012

	Leasehold		Buildings	Plant and machineries	Furniture and fixtures	Vehicles	Computers	Total
	Land	Land						
At 31 March 2011	176.73	206.25	1,018.56	3,462.48	368.82	63.91	228.39	5,525.14
At 31 March 2012	176.73	368.48	1,032.80	2,154.95	249.36	38.75	85.46	4,106.52

Net Block

The company has changed the method of depreciation from Straight line Method to Written down value method. The Company has aligned its accounting policies with those of the eventual holding company. Depreciation has been recalculated in accordance with the new method from the date when asset coming was first put to use. The additional depreciation of Rs. 1,263.80 Lacs arising from the retrospective recomputation in accordance with the new method is charged to the statement of profit and loss. Had the Company continued with its earlier policy on providing depreciation, its loss for the year would have been lower by Rs. 1,263.80 Lacs.

*Lawyer*



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## Naidunia Media Limited

Notes to financial statements for the year ended 31 March 2012

### 11. Non Current Investments

Particular	31-Mar-12	31-Mar-11
	₹	₹
	Lacs	Lacs
<b>Non Trade Investments (valued at cost unless stated other wise).</b>		
<b>a. Investment in Unquoted equity instruments</b>		
25 (31 March 2011: 25) equity shares of Rs. 100/- each fully paid-up in Press Trust of India	0.03	0.03
	<u>0.03</u>	<u>0.03</u>
<b>b. Investment in associates (unquoted)</b>		
Nil (31 March 2011: 18,510) equity shares of Rs. 10/- each fully paid-up in Webdunia(.)Com (India) Pvt. Investment sellout during the year at cost, therefore, no gain/loss occur.	-	1.85
	<u>-</u>	<u>1.85</u>
<b>c. Investment in Partnership firm</b>		
97% (31 March 2011: 97%) share in the partnership firm Shabd Shikhar Prakashan	67.76	67.55
	<u>67.76</u>	<u>67.55</u>
Less: Share of loss from partnership firm (Provision for diminution in value of Investments)	66.95	-
<b>Total Long-term Investment</b>	<u>0.84</u>	<u>69.43</u>
<b>Detail of investments in partnership firm</b>		
<i>Shabd Shikhar Prakashan</i>		
<b>Name of partner and share in profits (%)</b>	<b>31-Mar-12</b>	<b>31-Mar-11</b>
(I) Naidunia Media Ltd.	99%	97%
(II) Suvi Info Management (Indore) Pvt. Ltd.	1%	0%
(III) Mr. Vinay Chhajlani	0%	3%
<b>Total capital of the firm</b>	<b>67.76</b>	<b>67.55</b>

### 12. Loans and advances

	Non-current		Current	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
	Lacs	Lacs	Lacs	Lacs
<b>Capital Advances</b>				
Unsecured, Considered good	7.85	7.85	-	245.87
Doubtful	-	-	-	-
	<u>7.85</u>	<u>7.85</u>	<u>-</u>	<u>245.87</u>
Provision for doubtful Capital Advances (A)	-	-	-	-
	<u>7.85</u>	<u>7.85</u>	<u>-</u>	<u>245.87</u>
<b>Security deposit</b>				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	83.97	192.07	0.05	-
Doubtful	34.23	-	-	-
	<u>118.19</u>	<u>192.07</u>	<u>0.05</u>	<u>-</u>
Provision for doubtful security deposit (B)	(34.23)	-	-	-
	<u>83.97</u>	<u>192.07</u>	<u>0.05</u>	<u>-</u>

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## Naidunia Media Limited

Notes to financial statements for the year ended 31 March 2012

	Non-current		Current	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
	Lacs	Lacs	Lacs	Lacs
<b>Loans and advances to related parties (note 31)</b>				
Unsecured, Considered good	-	-	-	417.78
Provision for doubtful advances	-	-	-	417.78
(C)	-	-	-	417.78
<b>Advances recoverable in cash or kind</b>				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	4.19	-	73.02	64.52
Doubtful	9.60	-	-	-
Provision for doubtful security deposit	13.79	-	73.02	64.52
(D)	(9.60)	-	-	-
	4.19	-	73.02	64.52
<b>Other loans and advances</b>				
Advance income-tax (net of provision for taxation)	73.05	76.75	-	-
prepaid expenses	-	-	8.43	10.68
Advance to employees	0.15	-	9.16	15.65
	73.20	76.75	17.59	26.33
Provision for doubtful advances	-	-	-	-
(E)	73.20	76.75	17.59	26.33
<b>Total (A+B+C+D+E)</b>	<b>169.20</b>	<b>276.67</b>	<b>90.67</b>	<b>754.49</b>

Kanpur



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## Naidunia Media Limited

Notes to financial statements for the year ended 31 March 2012

### 13. Trade receivables

Particular	Non-current		Current	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
	Lacs	Lacs	Lacs	Lacs
<i>Unsecured, considered good unless stated otherwise outstanding for a period exceeding six months from the date they are due for payment</i>				
Secured, considered good	-	-	2.39	4.71
Unsecured, considered good	84.20	534.33	251.41	260.54
Doubtful	146.52	78.20	-	-
	230.72	612.53	253.80	265.25
Provision for doubtful receivables	146.52	78.20	-	-
(A)	84.20	534.33	253.80	265.25
<b>Other receivables</b>				
Secured, considered good	-	-	138.92	137.08
Unsecured, considered good	6.23	112.55	2,167.85	2,001.08
Doubtful	30.94	-	-	-
	37.17	112.55	2,306.77	2,138.16
Provision for doubtful receivables	30.94	-	-	-
(B)	6.23	112.55	2,306.77	2,138.16
<b>Total (A+B)</b>	<b>90.43</b>	<b>646.88</b>	<b>2,560.58</b>	<b>2,403.41</b>

### 14. Other Assets

Particular	Non-current		Current	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
	Lacs	Lacs	Lacs	Lacs
<i>Unsecured, considered good unless stated otherwise non current bank balances (note 16)</i>				
	78.38	147.84	-	-
(A)	78.38	147.84	-	-
<b>Unamortized expenditure</b>				
Preliminary Expenses	-	31.13	-	-
(B)	-	31.13	-	-
<b>Others</b>				
others	-	-	-	2.09
(C)	-	-	-	2.09
<b>Total (A+B+C)</b>	<b>78.38</b>	<b>178.97</b>	<b>-</b>	<b>2.09</b>

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**Naidunia Media Limited**

Notes to financial statements for the year ended 31 March 2012

**15. Inventories***Inventories valued at lower of cost and net realizable value.*

	31-Mar-12		31-Mar-11	
	Lacs		Lacs	
Raw Material	357.95		265.25	
Stores and spares	73.70		166.81	
Scheme related items	-		84.64	
Stock of books	-		5.24	
	<b>431.64</b>		<b>521.95</b>	

**16. Cash and cash equivalents**

	Non-current		Current	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
	Lacs	Lacs	Lacs	Lacs
<b>Cash and cash equivalents</b>				
Balances with banks:				
On Current accounts	-	-	594.35	185.15
Cash on hand	-	-	38.66	26.64
	-	-	<b>633.01</b>	<b>211.79</b>
 <i>Other Bank balances</i>				
Deposit with original maturity for more than 3 but less than 12 months	-	-	-	14.67
margin money deposit	78.38	147.84	-	-
	<b>78.38</b>	<b>147.84</b>	-	<b>14.67</b>
Amount disclosed under non-current assets (note 14)	(78.38)	(147.84)		
	-	-	<b>633.01</b>	<b>226.47</b>

The Company has availed certain non fund based working capital facilities from Punjab National Bank. The amount shown as margin money deposits represents the amount lying as cash security with the bank towards such facilities.

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## Naidunia Media Limited

Notes to financial statements for the year ended 31 March 2012

### 17. Revenue from operations

Particular	31-Mar-12	31-Mar-11
	₹	₹
	Lacs	Lacs
<b>Revenue from operations</b>		
<i>Sale of products</i>		
Newspaper and magazine	2,698.78	2,616.93
<i>Sale from Advertisement</i>	7,379.39	6,685.96
<i>Other operating revenue</i>		
Waste and packing material sale	293.25	236.33
Printing Income	634.07	319.26
Income from Content sharing operations	1.20	3.60
<b>Revenue from operations (gross)</b>	<b>11,006.70</b>	<b>9,862.07</b>
Less : Excise duty	-	-
<b>Revenue from operations (net)</b>	<b>11,006.70</b>	<b>9,862.07</b>

The Company is engaged in the business of printing and publishing of daily and weekly newspaper and newsmagazines. The per copy sale of such publications generate revenue from the Company, and the Advertisements published in such publications fetch Advertisement revenues. The Company undertakes outsourced printing assignments on behalf of other publishers, and income so earned is shown as Printing Income. Income earned on sharing of, or sale of, the content generated by the Company is represented as Income from Content sharing operations

### 18. Other Income

	31-Mar-12	31-Mar-11
	Lacs	Lacs
Interest income on		
Bank deposits	9.01	6.52
Long-term advances	22.63	37.29
Deposits	1.82	1.46
Income tax refund	2.20	-
Rent	36.12	36.12
Other non-operating Income	4.11	4.82
Profit on Sale of Fixed assets	1.84	-
Provision /Creditors Nolonger Required, Written Back	149.31	10.66
	<b>227.03</b>	<b>96.87</b>

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**Naidunia Media Limited**

Notes to financial statements for the year ended 31 March 2012

**19. Cost of raw material consumed**

	<u>31-Mar-12</u>	<u>31-Mar-11</u>
	<u>Lacs</u>	<u>Lacs</u>
<b>I. Newsprint</b>		
Inventory at the beginning of the year	265.25	196.79
Add: Purchases including cost of procurement	6,699.16	6,274.94
	<u>6,964.41</u>	<u>6,471.73</u>
Less: Inventory at the end of the year	308.04	265.25
<b>Cost of Newsprint consumed</b>	<u><b>6,656.37</b></u>	<u><b>6,206.48</b></u>

The Company has also changed its method of valuation of Inventory of Newsprint from fixed Identification method to First in First out. The impact of this change on the statement of profit and loss is not material.

	<u>31-Mar-12</u>	<u>31-Mar-11</u>
	<u>Lacs</u>	<u>Lacs</u>
<b>II. Ink</b>		
Inventory at the beginning of the year	38.02	28.63
Add: Purchases including cost of procurement	518.81	465.45
	<u>556.83</u>	<u>494.08</u>
Less: Inventory at the end of the year	49.91	38.02
<b>Cost of Ink consumed</b>	<u><b>506.92</b></u>	<u><b>456.06</b></u>
<b>Total Cost of Raw material consumed</b>	<u><b>7,163.30</b></u>	<u><b>6,662.54</b></u>

**20. Employee benefit expense**

	<u>31-Mar-12</u>	<u>31-Mar-11</u>
	<u>Lacs</u>	<u>Lacs</u>
Salary expenses	3,295.77	2,657.00
Contribution to Provident, ESIC and other fund	203.64	188.27
Allowances, Bonus and other incentives	101.53	102.17
Gratuity expenses	19.79	42.03
Leave encashment expenses	43.01	63.08
staff welfare expenses	57.96	46.65
	<u><b>3,721.70</b></u>	<u><b>3,099.19</b></u>

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**Naidunia Media Limited**

Notes to financial statements for the year ended 31 March 2012

**21. Other expenses**

	<u>31-Mar-12</u>	<u>31-Mar-11</u>
	<u>Lacs</u>	<u>Lacs</u>
Consumption of Stores and spares	815.62	667.03
Consumption of scheme related item	148.21	361.53
Printing expenses	841.94	1,004.49
News content cost	348.11	332.81
Power and fuel	289.53	240.00
Communication expenses	115.96	143.54
Rent	325.32	326.28
Rates and taxes	32.12	25.75
Insurance	22.45	19.16
Repair and maintenance		
Plant and machinery	36.83	27.05
Building	47.37	28.03
Vehicle	37.73	37.66
Computer expenses	13.40	15.26
Others	21.20	17.95
Security expenses	31.45	25.43
Stationary and printing expenses	30.29	28.28
Travelling and conveyance expenses	156.93	140.48
Business promotion expenses	200.54	337.80
Dispatch expenses	405.38	393.83
Publicity expenses	94.22	156.50
Survey expenses	50.30	163.80
Commission expenses	168.78	91.65
Cash discount	31.07	29.94
Transportation expenses	29.49	22.97
Consultancy expenses	59.03	49.18
Entertainment expenses	48.28	48.18
Parashrimik expenses	233.46	181.79
Payment to auditor (refer note 27)	1.97	1.21
Legal and professional expenses	32.99	36.18
Miscellaneous expenses	231.91	109.46
Bad debts/Advance written-off	675.82	1.04
Provision for Doubtful Debts and Advances	221.27	-
Asset Written-off	145.61	-
Loss on sale of fixed asset	1.66	0.01
	<u>5,946.22</u>	<u>5,064.28</u>

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## Naidunia Media Limited

Notes to financial statements for the year ended 31 March 2012

### 22. Depreciation and amortization expenses

	31-Mar-12	31-Mar-11
	Lacs	Lacs
Depreciation of fixed asset	1,744.20	374.70
Amortization of leasehold land	41.17	5.26
	<u>1,785.37</u>	<u>379.97</u>
Amount disclosed under the head " Exceptional Item (note 24)"	(1,263.80)	-
	<u>521.57</u>	<u>379.97</u>

### 23. Finance Cost

	31-Mar-12	31-Mar-11
	Lacs	Lacs
Interest on working capital	131.24	88.73
Interest on term-loan	29.98	56.40
Interest on unsecured loan & Others	25.27	24.33
Interest on customer deposits	12.79	12.36
Bank charges and other interest	76.25	42.38
	<u>275.53</u>	<u>224.20</u>

### 24. Exceptional Items

	31-Mar-12	31-Mar-11
	Lacs	Lacs
Preliminary expenses written-off	31.13	3.68
Deferred revenue expenditure written-off	-	55.98
Prior period income and expenses (net)	14.61	1.14
Depreciation due to change in accounting Policy	1,263.80	-
Amount disclosed under "Depreciation and amortization" (Note 22)	<u>1,309.54</u>	<u>60.79</u>

### 25. Income Tax

#### a. Current Tax

In view of cash losses incurred during the year under reporting, available carried forward losses and unabsorbed depreciation available with the Company, no provision for tax has been made.

#### b. Deferred Tax

Deferred Tax assets have not been accounted in relation to impact of taxation arising from material timing differences between the accounting and tax treatment of Income and Expenditure as there is no certainty about expected profitability which may crystallize in foreseeable future.

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**Naidunia Media Limited**

Notes to financial statements for the year ended 31 March 2012

**26. Earning per share (EPS)**

	<u>31-Mar-12</u>	<u>31-Mar-11</u>
	<u>Lacs</u>	<u>Lacs</u>
<b>Total operations for the year</b>		
Profit/(loss) after tax	(7,771.07)	(5,532.02)
<b>Net Profit/(Loss) for calculation of basic EPS</b>	<u>(7,771.07)</u>	<u>(5,532.02)</u>
<b>Net Profit/(Loss) for calculation of basic EPS</b>	<u>(7,771.07)</u>	<u>(5,532.02)</u>
	<u>31-Mar-12</u>	<u>31-Mar-11</u>
	<u>Nos.</u>	<u>Nos.</u>
Weighted average number of equity shares in calculating basic EPS	17 48 40 062	12 03 90 000
Weighted average number of equity shares in calculating diluted EPS	17 48 40 062	12 03 90 000
<b>Basic Earning per share</b>	-4.44	-4.60
<b>Diluted Earning per share</b>	-4.44	-4.60

**27. Payment to auditor**

	<u>31-Mar-12</u>	<u>31-Mar-11</u>
	<u>Lacs</u>	<u>Lacs</u>
<b>As auditor:</b>		
Audit fees	1.40	0.83
Tax Audit fees	0.56	0.39
	<u>1.97</u>	<u>1.21</u>
<b>Total Payment to auditors</b>	<u>1.97</u>	<u>1.21</u>

**28. Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006**

	<u>31-Mar-12</u>	<u>31-Mar-11</u>
	<u>Lacs</u>	<u>Lacs</u>
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro, small and medium enterprises	-	-
Interest due there on above	-	-
	<u>-</u>	<u>-</u>

The amount of Interest, if any, paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to supplier beyond the appointed day during each accounting year.

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during but without adding the interest specified under the MSMED Act, 2006.

The Company has not received any intimation from supplier regarding their status under Micro Small & Medium Enterprises development Act 2006, hence in above disclosure, relating to the amount unpaid as at the yearend together with interest paid /payable as required under said act reflecting nil outstanding.

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## Naidunia Media Limited

Notes to financial statements for the year ended 31 March 2012

### 29. Gratuity, leave encashment, Retirement and other benefit plans

During the year, the Company has recognized the following amounts in the statement of Profit and Loss.

<b>(I). Defined Contribution Plans : Provident Fund</b>	<b>31-Mar-12</b>	<b>31-Mar-11</b>
	<b>Lacs</b>	<b>Lacs</b>
Employers' contribution to Provident Fund	46.67	40.45
<b>(II). Employees' State Insurance Act, 1948</b>		
Employers' contribution to Employees' State Insurance Act, 1948	59.14	52.41
<b>(III). Employees' Pension Scheme, 1995</b>		
Employers' contribution to Employees' Pension Scheme, 1995	84.18	77.57
<b>(IV). Gratuity Fund and Leave encashment benefit</b>		

The Company operates two defined plans, viz, gratuity and leave encashment benefits, for its employees.

Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn basic salary for each completed year of service. The scheme is funded with Life Insurance Corporation (LIC) in the form of qualifying Insurance policy.

Under the leave encashment plan, the Company provides 30 days of paid leaves to each employee for each completed year, and against these 30 leaves, the unavailed leaves are credited to the account of employee. An employee can accumulate a maximum number of 90 days of leaves with extra gets lapsed. The encashment scheme entails payment of Basic salary for maximum number of 90 days of leaves or the leave accrued in the account of employee whichever is lower.

a. In accordance with Accounting Standard 15- Employee benefits as prescribed by the Companies (Accounting Standard) Rules, 2006, The principal assumptions used in determining gratuity and leave encashment obligations for the company are shown below except for 31-03-11, where the actuarial valuation for leave encashment was not done;

	<b>Gratuity</b>	<b>Leave encashment</b>
	<b>31-Mar-12</b>	<b>31-Mar-12</b>
Discount Rate (per annum)	8.50%	8.50%
Rate of Increase in Compensation levels	5.00%	5.00%
Rate of Return on Plan Assets (per annum)*	8.60%	NA
Attrition rate	7.00%	7.00%
Average future service	10 years	10 years

\* Estimates of future salary increases considered in actuarial valuation taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

*Sanjay*



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**b. Net employee benefit expenses recognized in employee cost in Statement of Profit and Loss;**

	<u>Gratuity</u> <u>31-Mar-12</u> <u>Lacs</u>	<u>Leave</u> <u>encashment</u> <u>31-Mar-12</u> <u>Lacs</u>
Current service cost	36.11	26.13
Interest Cost on benefit obligation	17.46	10.58
Expected return on plan assets	(5.14)	-
Actuarial (Gains)/Losses	(28.64)	6.30
Past service cost (Non vested Benefit)	-	-
Recognized during the period	-	-
Past service cost (Vested Benefit)	-	-
Recognized during the period	-	-
Transitional Liability recognized during the period	-	-
	<u>19.79</u>	<u>43.01</u>

**c. Actual return on Plan Assets;**

	<u>Gratuity</u> <u>31-Mar-12</u> <u>Lacs</u>	<u>Leave</u> <u>encashment</u> <u>31-Mar-12</u> <u>Lacs</u>
Expected return on plan assets	5.14	NA
Actuarial (Gains)/Losses on plan assets	(0.02)	NA
<b>Actual return on plan assets</b>	<u>5.13</u>	<u>NA</u>

**d. Present value of Defined benefit obligation**

	<u>Gratuity</u> <u>31-Mar-12</u> <u>Lacs</u>	<u>Leave</u> <u>encashment</u> <u>31-Mar-12</u> <u>Lacs</u>
Present value of obligations as at the beginning of the year	218.30	132.31
Interest cost	17.46	10.58
Current service cost	36.11	26.13
Transitional Liability Incurred during the period	-	-
Past service cost (Non vested Benefit)	-	-
Past service cost (Vested Benefit)	-	-
Liability transferred in	-	-
Liability transferred out	-	-
Benefit Paid	(16.99)	(73.95)
Actuarial (gain)/ loss on obligation	(28.66)	6.30
Present value of obligations as at the end of the year	<u>226.23</u>	<u>101.37</u>

**e. Fair value of plan assets**

	<u>Gratuity</u> <u>31-Mar-12</u> <u>Lacs</u>	<u>Leave</u> <u>encashment</u> <u>31-Mar-12</u> <u>Lacs</u>
Fair value of plan assets at beginning of year	64.29	NA
Expected return on plan assets	5.14	NA
Contributions	41.45	NA
Transfer from other company	-	NA
(Transfer to other company)	-	NA
Benefit Paid	(16.99)	NA
Actuarial (gain)/ loss on plan asset	(0.02)	NA
Fair value of plan assets at end of year	<u>93.88</u>	<u>NA</u>

**f. Actuarial gain/loss recognized**

	<u>Gratuity</u> <u>31-Mar-12</u> <u>Lacs</u>	<u>Leave</u> <u>encashment</u> <u>31-Mar-12</u> <u>Lacs</u>
Actuarial (gain)/ loss on obligation	(28.66)	6.30
Actuarial (gain)/ loss for the year on plan asset	0.02	-
<b>Actuarial (gain)/ loss recognized in the year</b>	<u>(28.64)</u>	<u>6.30</u>

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g. Table of recognition of Transitional Liability	Gratuity		Leave encashment	
	31-Mar-12		31-Mar-12	
	Lacs		Lacs	
Unrecognized Transitional liability	-	-	-	-
(At the start of the period)	-	-	-	-
Transitional liability incurred during the period	-	-	-	-
(Transitional liability recognized during the period)	-	-	-	-
<b>Unrecognized Transitional liability at the end of Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

h. Net (Liability)/Asset recognized in the Balance sheet	Gratuity		Leave encashment	
	31-Mar-12		31-Mar-12	
	Lacs		Lacs	
Fair value of Plan assets as at the end of the year	93.88	-	-	-
Present value of benefit obligation as at the end of the period	(226.23)	(101.37)	(101.37)	(101.37)
Unrecognized past service cost at the end of the period	-	-	-	-
Unrecognized transitional liability at the end of the period	-	-	-	-
<b>Net (Liability)/Asset recognized in the Balance sheet</b>	<b>(132.35)</b>	<b>(101.37)</b>	<b>(101.37)</b>	<b>(101.37)</b>

i. Balance sheet reconciliation	Gratuity		Leave encashment	
	31-Mar-12		31-Mar-12	
	Lacs		Lacs	
Recognized liability at the beginning of year	125.27	167.07	167.07	167.07
Previous liability lesser/(excess) considered	28.73	(34.76)	(34.76)	(34.76)
Expenses as stated in Profit and Loss	19.79	43.01	43.01	43.01
Net Transfer in	-	-	-	-
(Net Transfer out)	-	-	-	-
Benefit Paid	-	(73.95)	(73.95)	(73.95)
(Employeers' Contribution)	(41.45)	-	-	-
<b>Net (Liability)/Asset recognized in the Balance Sheet</b>	<b>132.35</b>	<b>101.37</b>	<b>101.37</b>	<b>101.37</b>

j. Estimated amount of contribution to be paid to the plan within one year is Rs 71.59 Lacs

k. Category of Assets	Gratuity		Leave encashment	
	31-Mar-12		31-Mar-12	
	Lacs		Lacs	
Insurere Managed Fund	93.88	NA	NA	NA

l. Experience Adjustment	Gratuity		Leave encashment	
	31-Mar-12		31-Mar-12	
	Lacs		Lacs	
On Plan Liability (Gains)/Losses	(19.69)	11.38	11.38	11.38
On Plan Asset Gains/(Losses)	-	-	-	-

**m. Discontinuance Liability**

Liability on discontinuance basis is the liability entity has to pay if the entity discontinuance business on the valuation date.

Liability on discontinuance basis work out to	Gratuity		Leave encashment	
	31-Mar-12		31-Mar-12	
	Lacs		Lacs	
	284.00	131.11	131.11	131.11

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### 30. Related party disclosures

#### Related Parties where control exists

Suvi Info Management (Indore) Pvt. Ltd. Holding Company

#### Related Parties with whom transaction have taken place during the year

Webdunia.Com (India) Pvt. Ltd.	Group Company
INX News Pvt. Ltd.	Group Company
Print Pack Pvt. Ltd.	Group Company
Naidunia Entertainment Pvt. Ltd.	Group Company
Suvi Information Systems Pvt. Ltd.	Group Company
Jaipur Jewels	Group Firm
Naidunia Printery	Group Firm

#### Key Management Personnel

Mr. Sanjay Gupta  
Mr. Shailesh Gupta  
Mr. Abhay Chand Chhajlani  
Mr. Vinay Chhajlani  
Mr. Vineet Sethia

#### Relatives of Key Management Personnel

Mr. Ajay Chhajlani  
Mr. Mahendra Sethia  
Mr. Prem Kumar Sethia  
Mr. Abhishek Chhajlani  
Mrs. Shraddha Chhajlani Bachhawat  
Mrs. Abha Seth

### 31. Related party transaction

	Amount in INR Lacs		
	Associate & Holding more than 20%	Key Management personnel	Relative to key management personnel
Content Sharing	1.20	-	-
Printing Income	10.20	-	-
Advertisement Revenue	9.54	-	-
Rent Income	38.40	-	-
Facility Sharing Income	50.26	-	-
Interest Income	22.63	-	-
Related Job work and Printing Cost	89.34	-	-
Rent Expenses	63.78	-	-
Remuneration	-	35.78	1.25
Facility Sharing Expenses	17.01	-	-
Capital Infusion	5,445.00	-	-
Purchase of Asset	10.78	-	-
Interest Expenses	0.44	13.78	9.73
Loan given	131.05	-	-
Received thereof	559.82	-	1.44
Loan taken	175.00	43.50	-
Repayment thereof	5.45	0.26	30.84
Amount Owed by Related party	44.54	6.35	-
Amount Owed to Related party	180.30	195.36	72.04

Sanjay



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**32. Contingent Liabilities**

	<u>31-Mar-12</u> <u>Lacs</u>	<u>31-Mar-11</u> <u>Lacs</u>
Letters of Credit accepted but material not received	103.07	-
Pending Cases	6.45	-
Sales Tax/Entry Tax Matters (Pending with Dy. Commissioner of Commercial Tax)	4.50	6.26
	<u>114.02</u>	<u>6.26</u>

In the opinion of the Board the current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and the provision for known liabilities is adequate and not in excess of the amount considered reasonable and necessary. There are no Contingent liabilities other than the stated above.

**33. Value of Imports calculated on CIF basis**

	<u>31-Mar-12</u> <u>Lacs</u>	<u>31-Mar-11</u> <u>Lacs</u>
Raw Material	1,452.36	1,336.45
Stores, Spares and other consumable	-	-
Capital Goods	-	-
	<u>1,452.36</u>	<u>1,336.45</u>

**34. Expenditure in Foreign currency**

	<u>31-Mar-12</u> <u>Lacs</u>	<u>31-Mar-11</u> <u>Lacs</u>
Travelling and Conveyance expenses	5.45	2.22

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**35. Imported and Indigenous raw materials, components and spare parts consumed**

	31-Mar-12		31-Mar-11	
	%	Value Lacs	%	Value Lacs
<b>Newsprint</b>				
Imported	35.14%	2,339.14	26.41%	1,639.01
Indigenous	64.86%	4,317.24	73.59%	4,567.46
	<b>100%</b>	<b>6,656.37</b>	<b>100.00%</b>	<b>6,206.48</b>
<b>Ink</b>				
Imported	0.00%	-	0.00%	-
Indigenous	100.00%	506.92	100.00%	456.06
	<b>100.00%</b>	<b>506.92</b>	<b>100.00%</b>	<b>456.06</b>
<b>Stores, components, spare and other consumable</b>				
Imported	0.00%	-	0.00%	-
Indigenous	100.00%	815.62	100.00%	667.03
	<b>100.00%</b>	<b>815.62</b>	<b>100.00%</b>	<b>667.03</b>

As per our Report of even date attached.

**For M. Mehta & Co.**

Firm Registration Number: 000957C

Chartered Accountants

Per Atul Sharma  
Partner

Membership no. : 75615



[Director]

**For and on behalf of the Board of Directors  
of Naidunia Media Ltd.**

[Director]

[Company Secretary]

Place : New Delhi

Date : 26th May, 2012