



## **AUDITOR'S REPORT**

To,  
The Members of  
Naidunia Media Ltd.  
**INDORE-452 009**

Report on the financial statements.

We have audited the accompanying financial statements of Naidunia Media Limited, which comprises the Balance sheet as at 31st March, 2013 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 standards referred to in subsection (3C) of section 211 of the companies Act 1956 ("The Act"). 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, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit, we conducted 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. 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 we 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 2013.
- 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 2013, and the information and explanations given to us, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2013, from being appointed as a director in terms of clause (g) of subsection 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 of the Companies Act 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.
- g. We further report that during the year as per scheme of arrangement formulated under the provision of section 391 to 394 read with section 78, 100 to 104 of the Companies Act 1956 between Naidunia Media Limited and Jagran Prakashan Limited (JPL) as approved by the Hon'ble High Court of M.P. and Allahabad, the printing business have been transferred w.e.f. 01<sup>st</sup> April, 2012 to JPL and only the remaining business was carried on by the Company during the reporting year, on which we have reported accordingly, read with Note No. 36.

**For M. Mehta & Company**

Firm registration number: 000957C

Chartered Accountants


Atul Sharma

Partner

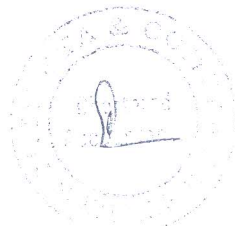
Membership number: 75615

Place: New Delhi

Date: 22<sup>nd</sup> May, 2013

**Annexure to the Auditor's Report of NaiDunia Media Limited for the year ended 31<sup>st</sup> March, 2013 (Referred to in paragraph (3) thereof)**

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
b) The fixed assets of the Company have been physically verified by the management at reasonable intervals. As informed to us, no discrepancies have been noticed on such verification.  
c) In accordance with the scheme of Arrangement between the company and M/s Jagran Prakashan Limited (Parent Company) and as approved by Honorable High Courts of Allahabad and Madhya Pradesh, during the year, as per scheme of arrangement sanctioned, substantial part of fixed assets have been transferred to M/s Jagran Prakashan Limited.
2. a) At the end of year under reporting there was no inventory hence no physical verification was carried out.  
b) Since no inventory was kept by the company during the year, the question of procedures for physical verification of inventories followed by the management does not arise.  
c) Since no physical inventory was required to be kept by the company during the year, hence the question of maintaining proper records of its inventory and material discrepancy on physical verification, if any, does not arise.
3. According to information and explanations given to us:  
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.  
b) The Company has not taken any loans, secured or unsecured, from companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. 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. During the course of our audit, we have not observed any major failures in the internal control system.
5. a) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangement that need to entered , referred to in section 301 of the Companies Act, 1956, which requires to be entered in the register required to be maintained under that section.  
b) According to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act 1956, and aggregating during the year to Rs.5,00,000 or more with any party.



6. In our opinion and according to the information and explanations given to us, the company has not accepted deposit from public with the meaning of Section 58A, 58AA and other provisions of the Companies Act, 1956.
7. In our opinion the Company have internal audit system commensurate with its size and nature of its business.
8. According to information and explanations given to us the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act.
9.
  - a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company has no statutory dues like PF, ESI, Income Tax, Sales Tax, Wealth Tax, Custom duty, Excise duty, cess and any other statutory dues with the appropriate authorities.
  - b) According to the information and explanations given to us, there are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable, as per books of accounts as at 31<sup>st</sup> March, 2013.
10. The company has accumulated losses as at 31<sup>st</sup> March, 2013. The Company has incurred cash losses during the financial year covered by our audit it did incur cash losses in the immediately preceding financial year also.
11. According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a Nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order, are not applicable to the company.
14. The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order, are not applicable to the company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. To the best of our knowledge and belief, and according to the information and explanations given to us, the company has not raised any term-loans during the year under audit. Hence, paragraph 4 (xvi) of the Order is not applicable.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment of the company.



18. According to the information and explanations given to us, the company has not made any preferential allotment of share during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the company has not issued any debentures during the year.
20. According to the information and explanations given to us, the company has not made any public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year.

**For M. Mehta & Company**

Firm registration number: 000957C

Chartered Accountants

*Atul Sharma*

Atul Sharma

Partner

Membership number: 75615



Place: New Delhi

Date: 22<sup>nd</sup> May, 2013

**Naidunia Media Limited**  
Balance Sheet as at 31 March 2013

	Notes	31-Mar-13	31-Mar-12
		Lacs	Lacs
<b>I. Equity &amp; Liabilities</b>			
<b>(1) Shareholders' Fund</b>			
(a) Share Capital	3	17,484.01	17,484.01
(b) Reserve and Surplus	4	(17,479.53)	(14,926.93)
(c) Share application money pending allotment	5	-	-
		<u>4.47</u>	<u>2,557.07</u>
<b>(2) Non-current Liabilities</b>			
(a) Long-term borrowings	6	-	-
(b) Long-term provisions	7	-	145.82
		<u>-</u>	<u>145.82</u>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	8	-	1,271.88
(b) Trade payables	9	0.11	2,124.34
(c) Other current liabilities	9	-	1,974.26
(d) Short-term provisions	7	-	87.90
		<u>0.11</u>	<u>5,458.38</u>
<b>TOTAL</b>		<u><b>4.58</b></u>	<u><b>8,161.28</b></u>
<b>II. Assets</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets			
Tangible Assets	10	4.58	4,106.52
(b) Non-current Investments	11	-	0.84
(c) Long-term loans and advances	12	-	169.20
(d) Trade receivables	13	-	90.43
(e) Other non-current assets	14	-	78.38
		<u>4.58</u>	<u>4,445.38</u>
<b>(2) Current Assets</b>			
(a) Inventories	15	-	431.64
(b) Trade receivables	13	-	2,560.58
(c) Cash & Cash equivalents	16	-	633.01
(d) Short-term loans and advances	12	-	90.67
(e) Other current assets	14	-	-
		<u>-</u>	<u>3,715.90</u>
<b>TOTAL</b>		<u><b>4.58</b></u>	<u><b>8,161.28</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

*Atul Sharma*

Per Atul Sharma

Partner

Membership no. : 75615

Place : New Delhi

Date :

**22 MAY 2013**

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

*Jayant Kulkarni*

[Director]

*[Signature]*

[Director]



**Naidunia Media Limited**  
Statement of Profit and Loss for the year ended 31 March 2013

	Notes	31-Mar-13	31-Mar-12
		Lacs	Lacs
<b>Continuing Operations</b>			
<b>Income</b>			
I.	Revenue from operations (net)	17	11,006.70
II.	Other Income	18	227.03
III.	<b>Total Revenue (I)</b>	<u>-</u>	<u>11,233.73</u>
<b>Expenses</b>			
IV.	(a) Cost of raw material consumed	19	7,163.30
	(b) Employee benefits expenses	20	3,721.70
	(c) Other expenses	21	5,946.22
	(d) Share of (profit)/loss from investment in partnership firm		66.95
	<b>Total Expenses (II)</b>	<u>0.11</u>	<u>16,898.16</u>
V.	<b>Earning before Interest, Tax, Depreciation Amortization (EBITDA) (I)-(II)</b>	<u>(0.11)</u>	<u>(5,664.43)</u>
VI.	Depreciation and Amortization expenses	22	521.57
VII.	Finance Costs	23	275.53
VIII.	Exceptional items	24	1,309.54
IX.	<b>Profit/(Loss) before Tax</b>	<u>(0.29)</u>	<u>(7,771.07)</u>
<b>Tax Expenses</b>			
X.	(a) Current Tax	25	-
	(b) Deferred Tax	25	-
	<b>Total Tax expenses</b>	<u>-</u>	<u>-</u>
XI.	<b>Profit/(Loss) for the year from continuing operations</b>	<u>(0.29)</u>	<u>(7,771.07)</u>
XII.	<b>Earning per equity share</b>	26	

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

**Basic** (0.00) (4.44)  
Computed on the basis of total profit for the year

**Diluted** (0.00) (4.44)  
Computed on the basis of total profit for the year

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.  
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

*Lauyayulla*  
[Director]

*[Signature]*  
[Director]

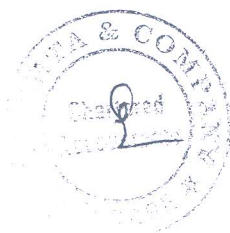
Place : New Delhi  
Date : 22 MAY 2013



## Naidunia Media Limited

Cash flow statement for the year ended 31 March 2013

Particular	31-Mar-13	31-Mar-12
	Lacs	Lacs
<b>Cash flow from Operating activities</b>		
Profit before tax from current year operation	(0.29)	(7,771.07)
<b>profit before tax</b>	<u>(0.29)</u>	<u>(7,771.07)</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	0.18	1,785.37
Impairment/other write off on tangible/intangible assets	-	221.27
Provision /Creditors Nolonger Required, Written Back	-	(149.31)
Transfer due to scheme of Amalgamation	(711.28)	
Fixed asset write-off	-	145.61
Bad debts and Other Advances write off	-	675.82
Preliminary expenditure write-off	-	31.13
Preliminary expenditure Incurred	-	-
Loss on sale of fixed assets	-	1.66
(Profit) on sale of fixed assets	-	(1.84)
Interest expenses	-	275.53
Interest income	-	(33.46)
<i>Operating profit/(loss) before working capital</i>	<u>(711.39)</u>	<u>(4,752.34)</u>
<b>Movement in working capital ;</b>		
Increase/(decrease) in current trade payables	-	(457.43)
Increase/(decrease) in long-term provisions	-	(146.52)
Increase/(decrease) in short-term provisions	-	87.90
Increase/(decrease) in other current liabilities	-	374.53
Decrease/(Increase) in trade receivables	-	(484.07)
Decrease/(Increase) in Inventories	-	90.30
Decrease/(Increase) in long-term loans and	-	(118.82)
Decrease/(Increase) in short-term loans and	-	0.18
Decrease/(Increase) in other current assets	-	2.09
Decrease/(Increase) in other non-current assets	-	-
Cash generated from/(used in) operations	<u>(711.39)</u>	<u>(5,404.19)</u>
<b>Net cash flow from/(used in) operating activities (A)</b>	<u><u>(711.39)</u></u>	<u><u>(5,404.19)</u></u>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	-	(272.70)
Proceeds from sale of fixed assets	-	152.00
Proceeds from sale of Investment	-	1.85
Proceeds from Advance give to Related party	-	417.78
Investment in Partnership firm	-	66.74
Redemption/maturity of bank deposits (maturity more than 3 months)	-	14.67
Interest received	-	33.46
<b>Net cash flow from/(used in) investing activities (B)</b>	<u><u>-</u></u>	<u><u>413.79</u></u>



**Naidunia Media Private Limited**

Cash flow statement for the year ended 31 March 2013

	31-Mar-13	31-Mar-12
	Lacs	Lacs
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital	-	5,445.00
Repayment of long-term borrowings	-	(173.23)
Proceeds from short-term borrowings	-	351.36
Repayment of short-term borrowings	-	(5.45)
Interest paid	-	(275.53)
<b>Net cash flow from/(used in) financing activities (C)</b>	<u>-</u>	<u>5,342.15</u>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<u>(711.39)</u>	<u>351.75</u>
Cash and cash equivalents at the beginning of the year	711.39	359.64
Cash and cash equivalents at the end of the year	-	711.39
<b>Component of cash and cash equivalents</b>		
Cash on hand	-	38.66
With Bank-Current account	-	594.35
Margin Money	-	78.38
<b>Total Cash and cash equivalents (note-16)</b>	<u>-</u>	<u>711.39</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

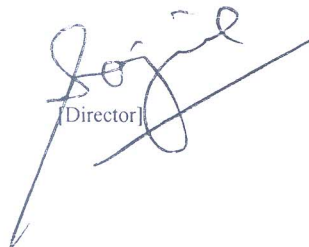


Per Atul Sharma  
Partner  
Membership no. : 75615

Place : New Delhi  
Date : 2 MAY 2013

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

  
[Director]

  
[Director]