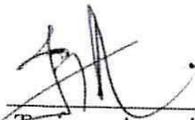
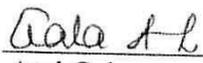


**FORM A**

**Annual Audit Report**

Sr. No.	Particulars	
1.	Name of the Company	NEXT MEDIWORKS LIMITED
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of audit observation	<p>Matter of emphasis</p> <p>(a) Regarding managerial remuneration paid to managing director by the Company during the period from July 01, 2013 to March 31, 2015, which is subject to approval of Central Government.</p> <p>(b) Regarding Company's investment in its subsidiary Next Radio Limited (formerly known as Radio One Limited) amounting to Rs. 15,602.86 lacs. For reasons stated in notes to financial statements no provision is considered necessary by the management of the Company against such investment.</p>
4.	Frequency of observation	<p>(a) Repetitive - since F. Y. 2013-14</p> <p>(b) First Time in the F.Y.2014-15</p>
5.	<p>To be Signed by –</p> <ul style="list-style-type: none"> <li>• CEO/Managing Director</li> <li>• CFO</li> <li>• Auditor of the Company</li> <li>• Audit Committee Chairman</li> </ul>	<p> Tarique Ansari</p> <p> Ismail Dabhoya</p> <p>For Haribhakti &amp; Co. LLP Chartered Accountants</p> <p> Atul Gala Partner</p> <p> Narayan Varma</p>

**MW** NEXT  
MEDIAWORKS  
LIMITED



**94.3**  
**RADIO**  
**ONE**

**ANNUAL**  
**REPORT**  
2014-2015



## Corporate Information

### Board of Directors

1. Mr. Tarique Ansari
2. Mr. Narayan Varma
3. Mr. Adille Sumariwalla
4. Mr. Dilip Cherian
5. Mr. Rajbir Singh Bhandal
6. Mr. I. Venkat
7. Mrs. Monisha Shah

### Company Secretary and Compliance officer

Mr. Manoj Gujran  
(Resign w.e.f 29<sup>th</sup> April, 2015)

Mr. Mandar Godbole  
(Appointed w.e.f 1<sup>st</sup> June, 2015)

### Auditors

M/s. Haribhakti & Co. LLP

### Chief Financial Officer

Mr. Ismail Dabhoya

### Registered Office

156, D.J Dadajee Road,  
Behind Everest Building,  
Tardeo,  
Mumbai-400 034.

### Bankers

Bank of Baroda  
Tardeo Branch,  
Mumbai - 400 034.

### Registrar & Transfer Agent

LinkIntime India Private Limited  
C-13, Pannalal Silk Mill Compund,  
L.B.S. Marg, Bhandup-West,  
Mumbai - 400 078.  
Tel No. +91 22 2596 3838

**34<sup>th</sup> Annual General Meeting  
on Thursday, 6<sup>th</sup> August, 2015  
at 4.00 p.m. at  
Hall of Harmony, Nehru Centre,  
Dr. Annie Besant Road,  
Worli, Mumbai-400 018**

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# CHAIRMAN'S NOTE



## **Dear Shareholders,**

It gives me great pleasure in welcoming you all to the 34<sup>th</sup> Annual General Meeting of our Company. As we come to the close of another financial year, it's time to take stock of what we have achieved and then look at the roadmap we have drawn for the future.

## **MACRO-ECONOMIC ENVIRONMENT:**

The Indian economy witnessed growth of around 5.8% in the financial year 2014-15. However, despite the growth, a large amount of uncertainty still looms over the economy's underlying growth trend. A comparison of supply-side calculated GDP data and GDP by expenditure for the January to March period paint different pictures of the economy's momentum. While the economy accelerated in the final quarter of the fiscal year according to GDP by expenditure data, Gross Value Added (GVA) estimates show that the economy lost steam. More recent data suggest that the country may have started to gain momentum at the start of fiscal year 2015/2016. Industrial production accelerated in April and the manufacturing PMI improved in May, however, the services PMI fell into contractionary territory in the same month.

## **2014-15 – AN OVERVIEW:**

### **FICCI – KPMG Indian Media & Entertainment Industry Report 2015:**

The radio industry outperformed all other traditional media segments by registering a growth of 17.6% in the financial year 2014 over F.Y. 2013. There has been a tendency to shift focus from nationwide pure brand-building to more tactical, local, focused promotional targeting. This has played in radio's favour as it enables local reach to advertisers increasingly looking to target specific audiences and at affordable pricing. The Board believes that though radio as a medium, is well penetrated in the metros and non-metro cities in India, the share of radio advertising is projected to be upwards of 4% of the total advertising revenues. The share of radio advertising is expected to improve, giving a boost to the radio revenues.

## **FINANCIAL PERFORMANCE:**

### **On a Consolidated basis**

On a consolidated basis, your Company earned revenues of ₹ 6,723.44 Lacs (Previous Year: ₹ 5,896.56 Lakhs). The revenues from operations registered a growth of 11% as compared to the previous year and stood at ₹ 6,542.88 lakhs as against ₹ 5,896.56 lakhs in the previous year. The past year also saw a significant turnaround in the Company's operations in terms of profits when it registered profit (after tax) of ₹ 201.81 lakhs against the loss of ₹ 99.14 Lacs during the previous year.

### **Financial performance of the Company's subsidiary:**

As you all are aware, your Company operates through its subsidiary Next Radio Limited ("NRL"). During the year 2014-15, NRL earned revenues of ₹ 6,723.44 lakhs (Previous Year: ₹ 5,896.56 lakhs). The revenues from operations increased by 11% and stood at ₹ 6542.88 lakhs (Previous Year: ₹ 5896.56 lakhs). In terms of profit, it was a 'continued

## Chairman's Note

excellent performance' for NRL. It registered profit (after tax) of ₹ 673.96 lakhs against the profit of ₹ 253.88 lakhs for the previous year.

### **GOING FORWARD:**

The year 2014-15 was an important year for the Radio Industry as the Ministry of Information & Broadcasting ("MIB") started proceedings on the much delayed and highly anticipated Phase III auctions. Although the final auctions would be due in the latter half of 2015, the MIB has given its approval for the partial auctions for 135 channels in 69 cities. The broadcasting industry believes that Phase III could herald a new era in the industry. The MIB has also resolved issues revolving around the aspect of the migration for existing operators from Phase II to Phase III, which positively impacts our Company.

Phase III offers exciting opportunities for existing players to expand in new cities as well as in the existing cities. With an increase in the scale of activities across the country, the operators have positive outlook for the market.

### **ACKNOWLEDGEMENT:**

I would like to end my address by thanking various Government bodies, banks, financial institutions and vendors for their support and our Board members for their guidance.

I would also like to express my gratitude to our shareholders, employees and our listeners for their continued support and encouragement at an important phase of our journey. With your support we will continue to contribute towards addressing the increasing needs of all our stakeholders

Thank you,

### **Tarique Ansari**

Chairman & Managing Director  
(DIN: 00101820)

Place: Mumbai

Date : 29<sup>th</sup> April 2015

# MANAGEMENT DISCUSSION AND ANALYSIS

You are holding in your hands the Annual Report of Next Mediaworks Limited.

This management discussion concerns the performance of Next Mediaworks Limited, consolidated with Next Radio Limited, which is the substantive part of our business. Through this analysis, we have attempted to provide shareholders an indication of both the performance of the past year and the future growth plans of the Company.

## **A. MEDIA INDUSTRY STRUCTURE AND DEVELOPMENTS:**

### **1. Indian Economy:**

According to the World Bank, India's new government has set an ambitious development agenda and commenced the implementation of reforms to unlock investments. Favorable external environment, particularly the sharp decline in oil and commodity prices, has helped the economy to turn the corner, and improved the economic outlook significantly. Nevertheless, the pace of reforms will need to be stepped up to bridge the yawning infrastructure gap, unlock private investments, make Indian firms globally competitive, and strengthen the balance sheets of public sector banks.

The IMF released estimates predict that India's economy will grow at 6.3 and 6.5 percent respectively over the next two years. This puts India's projected growth in 2016 ahead of the organization's estimates for China (which stand at 6.8 and 6.3 percent for 2015 and 2016, respectively), leaving India the fastest growing major emerging economy in the world. The IMF's projections represent a substantial increase from the actual growth rates of the Indian economy in 2013 and 2014, when the economy grew by 5 and 5.8 percent respectively. The IMF's World Economic Outlook (WEO) projects global economic growth at 3.5 and 3.7 percent in 2015 and 2016 respectively.

### **2. General Business Environment:**

The media ecosystem has many players, including content creators, physical and digital content distributors, storage and telecom service providers, and intellectual property managers. For incumbents in all aspects of the industry, a key question is how to optimize what you have, compete in the newer channels and shape a business model that capitalizes on increasing demand for content across different platforms – without compromising profitability.

As per FICCI-KPMG – Indian Media and Entertainment Industry Report 2015, 2014 has been a turning point for the media and entertainment industry in India in many ways. With the current government's optimistic outlook, business sentiment has been positive and strengthened by a number of growth promoting policy initiatives taken in recent months. A benign global economic environment and a stable government likely prompted the Economic Survey to suggest that India has reached a sweet spot and could finally be launched on a double digit medium-term growth trajectory. Top global institutes also seem to have an upbeat view on India. Rating Agency S&P called India the Asia-Pacific region's bright spot while the International Monetary Fund revised India's growth forecast, expecting its growth rate to surpass China's in 2016.

The India growth story extends itself across Media and Entertainment sectors. We estimate that the Indian market is poised to grow at a CAGR of 13.9 per cent, to grow from INR1026 billion in 2014 to reach INR1964 billion by 2019, a growth rate that is almost double that of the global media and entertainment industry. Advertising revenues in 2014 grew at a rate of 14.2 per cent over 2013, to reach INR414 billion, of which print (43 per cent) and television (37 per cent) captured the lion's share.

## Management Discussion & Analysis

The radio sector saw the much awaited movement in Phase III auctions, with the government giving the go ahead for partial auctions across 69 cities, where potentially 135 channels are up for grabs. The commencement on Phase III provided the required fillip to the industry which hopes to revive its fortune with these new developments.

### Overall Industry size and projection

Overall industry size CAGR (INR billion) (For Calendar Years)	2008	2009	2010	2011	2012	2013	2014	Growth in 2014 over	2015P	2016P	2017P	2018P	2019	CAGR (2014-2019P)
TV	241.0	257.0	297.0	329.0	370.1	417.2	474.9	13.8%	543.2	631.2	739.6	854.6	975.5	15.5%
Print	172.0	175.2	192.9	208.8	224.1	243.1	263.4	8.3%	284.5	307.1	331.9	358.8	368.8	8.0%
Films	104.4	89.3	83.3	92.9	112.4	125.3	126.4	0.9%	136.3	155.6	170.7	186.3	204.0	10.0%
Radio	8.4	8.3	10.0	11.5	12.7	14.6	17.2	17.6%	19.6	22.3	27.0	32.7	39.5	18.1%
Music	7.4	7.8	8.6	9.0	10.6	9.6	9.8	2.3%	10.4	12.0	14.2	16.9	18.9	14.0%
OOH	16.1	13.7	16.5	17.8	18.2	19.3	22.0	14.0%	24.4	27.1	29.6	32.2	35.1	9.8%
Animation and VFX	17.5	20.1	23.7	31.0	35.3	39.7	44.9	13.1%	51.0	58.7	68.5	80.6	95.5	16.3%
Gaming	7.0	8.0	10.0	13.0	15.3	19.2	23.5	22.4%	27.5	31.8	35.4	40.0	45.8	14.3%
Digital Advertising	6.0	8.0	10.0	15.4	21.7	30.1	43.5	44.5%	62.5	84.0	115.3	138.2	162.5	30.2%
Total	580	587	652	728	821	918	1,026	11.7%	1159	1330	1532	1740	1964	13.9%

Source: KPMG in India analysis and industry discussions

### B. Radio Industry – Future Outlook, Opportunities and Threats:

Radio had a good year with better long term prospects. The industry continues to require regulatory interventions as there is some need of reform. FM Radio nevertheless, is now becoming an integral part of many media plans.

#### 1. Future Outlook - Projected size of the industry

What seemed like a year lost due to further delays in Phase III auctions, ended with a phenomenal growth of 17.6 per cent. This growth exceeded our earlier estimate and catapulted the industry size in 2014 to INR17.2 billion. The radio industry showed one of the highest growth rates amongst other traditional media segments, and this too, without Phase III. However, it is worth noting that significant growth came from smaller markets in the country, as retailers and marketers adapt to the relatively new medium in growing numbers. Growth in major metros, however, has been subdued.

#### 2. Phase III policy of Radio Business:

2014 was an important year for the Radio Industry as the Government started proceedings on the much delayed and highly anticipated Phase III auctions. Although the final auctions would be due in the latter half of 2015, the Government has given its nod to the partial auctions for 135 channels in 69 cities. Industry players believe that Phase III, which had been delayed for more than two years, could herald a new era in the industry. The issue of migration for existing operators from Phase II to Phase III was also resolved, with price discovery in the auctions forming the basis for migration of existing players to a new 15-year licence.

At the present time the partial auctions which were to be held by April-May'15 have been delayed and currently the Radio operators are awaiting for Government updates on the start of the auctions.

## Management Discussion & Analysis

### 3. Penetration into Digital Media:

In the media sector, digital media continued its rapid penetration as indicated by the stupendous 44.5 per cent growth in digital advertising in 2014 over 2013.

Media Companies are already seeing their consumers move online, adding to their regular media consumption. Worldwide experience shows that savvy media brands are able to grow their audience size by making themselves available online. The Company has started a number of initiatives which will grow our online presence and allow us to expand our audience and advertiser base through a combination of radio and digital media.

### C. RISKS AND CONCERNS:

#### 1. Macro-Economic Risk:

The primary risk facing all media companies at this time in our economic development is the prospect of slowing investment and demand in the Indian economy. This has a direct bearing on advertising spends and any perceived slowdown will directly result in a shrinking of advertising budgets and impede the growth of all media.

In addition, with increased proliferation of the digital medium through smartphones and other portable devices, terrestrial radio stations need to redefine their future path in order that this is an opportunity and not a risk. Key challenges for FM Radio are increased penetration of digital platforms and measurability. The delay in constitution of the Copyright Board also impedes adjudication of issues related to Royalty.

#### 2. Operational and Financial Risks:

The Risk Management process established by Next Mediaworks Limited (NMW), and monitored and reviewed by the Board of NMW periodically, which has identified several risks and risk mitigation plans which are in place. Risks are periodically reviewed and brought to Board's attention for their intervention on any risk.

### D. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

#### 1. Financial Performance of the Company in FY 2014-15:

During the year Next Mediaworks Ltd registered a loss before tax of ₹ 359.71 lakhs, as compared to a loss of ₹ 352.07 lakhs for the financial year 2013-14. The loss in the current financial year is due to the absence of any operating revenue to the Company. The operating cost of the Company has reduced from ₹ 261.03 in the financial year 2013-14 to ₹ 253.39 in the current financial year, a decline of 2.92%.

#### 2. Financial Performance of the Subsidiary Company's (FM Radio operations) in FY 2014-15:

The FM radio business, over the years, has become largely about addressing mass audiences. Those with deep pockets and large networks are currently pursuing a policy of making radioairtime sales as just another commodity. On the other hand, through our own experience we have been able to generate excellent results for our stations by following a locally differentiated strategy. This allowed us to get higher advertising revenues through 'pull' from the advertiser and keep our costs to the lowest in that market. Keeping this learning in front of us, we have gone about implementing strategic changes in our programming in a few of our key stations. We have started to see positive results from these initiatives.

- Building locally differentiated stations with high 'associative value' in each city
- Reducing operating costs significantly through a combination of a more focused programming and sales approach.
- Creation of Properties resulting in increased margins

The strategy for getting to profitability with our current stations and our approach of 'locally differentiated

## Management Discussion & Analysis

stations with high associative value', allows us to concentrate on staying with our original strategy of a 'metro network', and not try to compete with larger players in building a nationwide network.

During the FY 2014-15, Next Radio Limited (Radio One) revenues are up 10.96 %, rising to ₹ 6542.88 lakhs and EBITDA has risen by 19.6% to ₹ 2489.71 lakhs in FY 2014-15.

### Group Financial Performance for the FY 2014-15:

This Group performance is in context of the performance of Next Mediaworks Limited (consolidated with Next Radio Ltd and other subsidiaries). Next Radio Limited is the substantive part of the group financial performance. Through this note, we are providing shareholders the details on the performance of the financial year ended March 31, 2015.

(₹ In Lakhs)

Particulars	Next Mediaworks Ltd	Next Mediaworks Ltd	Next Radio Ltd	Next Radio Ltd	Group Consolidated
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY2014-15
Operating Revenue	-	-	6542.88	5896.56	6542.88
Other Income	-	-	180.56	-	180.56
Operating Costs	253.39	261.03	4233.73	3815.16	4488.26
<b>EBITDA</b>	<b>(253.39)</b>	<b>(261.03)</b>	<b>2489.71</b>	<b>2081.40</b>	<b>2235.18</b>
Finance Charges (Net)	100.57	90.47	191.76	366.74	292.34
Depreciation	5.75	0.57	1357.98	1228.81	1363.73
<b>Profit / (Loss) Before Tax</b>	<b>(359.71)</b>	<b>(352.07)</b>	<b>939.97</b>	<b>485.85</b>	<b>579.11</b>
Deferred Tax	111.30	-	266.01	231.97	377.30
<b>Profit After Tax</b>	<b>(471.01)</b>	<b>(352.07)</b>	<b>673.96</b>	<b>253.88</b>	<b>201.81</b>

### 3. Financial Cost Analysis:

Particulars	FY 2014-15 (in Rs lakhs)	( % to Net Sales)	FY 2013-14 (in Rs lakhs)	( % to Net Sales)
Radio License Fees	395	6.0	419	7.1
Employee Costs	1977	30.2	1361	23.1
Operating Expenses	1241	19.0	1390	23.6
General & Administration Expenses	875	13.4	907	15.4
Interest & Finance Charges	292	4.5	457	7.8
Depreciation	1364	20.8	1229	20.8

The Operating expenses have come down from 23% to 19% to Net Sales, mainly due to the reduction in the cost of the legal and Professional expenses of the material subsidiary of the Company. The Interest & Finance Charges have reduced in the FY 2014-15.

### E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a system of internal controls focusing on all processes to ensure integrity of the financial accounting and reporting processes of the Company to ensure compliance with all legal rules and regulations. The Company has an Audit Committee which meets once in every quarter to review internal control systems, accounting processes, financial information, internal audit findings and other related areas including their adequacies.

**F. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

Your Company continues to focus strongly on attracting and retaining the best talent across various functions in its ongoing businesses.

The compensation strategy is based on the principle of 'Pay for performance' and has been implemented across all levels to ensure alignment of remuneration to individual performance. The said practice is followed for all business and functional heads.

Maintaining Global Standards on the employment front and keeping pace with the ever developing technology in the field, the company has taken several initiatives to make its workforce more efficient, well organized, professional and skilled. These steps include building high performing teams, encouraging innovations, inducting leadership at all levels, readying its people for higher roles, increasing the scope for the search of young talent and improving the hiring process to raise the talent bar. As on March 31, 2015, the employee strength (on permanent role) of Next Radio Limited (material subsidiary of your Company) was 132.

**Cautionary Statement**

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

*Disclaimer: All the data used in the initial sections of the MD&A has been taken from publicly available resources and discrepancies, if, any, are incidental & unintentional.*

# DIRECTORS' REPORT

## TO THE MEMBERS,

Your Directors have pleasure in presenting their 34<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2015.

### 1. FINANCIAL PERFORMANCE:

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Profit before Interest, Depreciation, Taxes & Exceptional Items	(253.39)	(261.03)	2,235.18	1,819.44
Less: Interest	100.57	90.47	292.34	457.22
Depreciation	5.75	0.57	1,363.73	1,229.38
Profit / (Loss) before taxes	(359.71)	(352.07)	579.11	132.84
Less: Provision for Taxation	111.30	NIL	377.30	231.97
Net Profit / (Loss) after taxes	(471.01)	(352.07)	201.81	(99.14)

During the year under review, on a standalone basis, your Company did not generate revenue. Your Directors are exploring various business options and the same are expected to get implemented soon. On a standalone basis, your Company posted loss of ₹ 471.01 lakhs as against loss of ₹ 352.07 lakhs in the previous year.

On a consolidated basis, your Company's revenues stood at ₹ 6723.44 lakhs as against ₹ 5896.56 lakhs in the previous year. The revenues from operations were ₹ 6542.88 lakhs as against ₹ 5896.56 lakhs in the previous year thereby registering a growth of 11%. Your Company also registered a profit (after tax) of ₹ 201.81 lakhs against the loss of ₹ 99.14 Lacs during the previous year.

### 2. DIVIDEND:

In view of the losses incurred by the Company during the year under review, your Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March 2015.

### 3. INCREASE IN THE PAID-UP & ISSUED SHARE CAPITAL:

During the year under review, the Company made an allotment of 6,500,000 equity shares of ₹ 10/- each at par on a preferential basis to the following promoters viz., (1) Ferrari Investments and Trading Company Private Limited (2) Meridian Holding and Leasing Company Private Limited. The said preferential issue was approved by the shareholders at the 33<sup>rd</sup> Annual General Meeting of the Company held on 8<sup>th</sup> August 2014.

Subsequent to the aforesaid allotment, the issued and paid-up share capital of the Company stands increased from ₹ 588,352,760 (Rupees Fifty Eight Crores Eighty Three Lacs Fifty Two Thousand Seven Hundred and Sixty Only) divided into 58,835,276 (Five Crores Eighty Eight Lacs Thirty Five Thousand Two Hundred and Seventy Six) equity shares of ₹ 10/- (Rupees Ten Only) each to ₹ 653,352,760 (Rupees Sixty Five Crores Thirty Three Lacs Fifty Two Thousand Seven Hundred and Sixty Only) divided into 65,335,276 (Six Crores Fifty Three Lacs Thirty Five Thousand Two Hundred and Seventy Six) equity shares of ₹ 10/- (Rupees Ten Only) each.

## Director's Report

### 4. FINANCE:

During the year under review, your Company did not raise any capital from the capital markets either by way of issue of equity shares /ADR/GDR / or any debt by way of debentures. The Company continued to get financial assistance from its lenders within the overall facilities to meet the working capital requirements.

### 5. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### 6. DEPOSITORY SYSTEM:

The Company's equity shares are compulsorily tradable in electronic form. As of 31<sup>st</sup> March 2015, 99.99% of the Company's total paid-up capital representing 65,333,311 equity shares is in dematerialized form. In view of the benefits offered by the depository system, members holding shares in physical mode are advised to avail the demat facility.

### 7. PUBLIC DEPOSITS:

Your Company did not invite or accept deposits from public during the year under review.

### 8. SUBSIDIARY COMPANIES:

No new subsidiary was incorporated / acquired by the Company during the year under review.

#### **Next Radio Limited ("NRL"):**

NRL is into the business of broadcasting. It was among the first private players to venture into private FM broadcasting and has established "Radio One" as the premium FM Brand in top 7 cities of the country viz. Delhi, Mumbai, Chennai, Kolkata, Bangalore, Pune, and Ahmedabad. NRL operates under frequency 94.3 MHz in all its cities except for the city of Ahmedabad where it operates under the frequency 95 MHz.

During the year under review, the revenues of NRL stood at ₹ 6723.44 lakhs as against ₹ 5896.56lakhs in the previous year. The revenues from operations increased by 11% and stood at ₹ 6542.88 lakhs (Previous Year: ₹ 5896.56 lakhs). NRL also registered profit (after tax) of ₹ 673.96 lakhs against the profit of ₹ 253.88lakhs for the previous year.

The other three (3) subsidiaries viz., (a) Next Outdoor Limited, (b) One Audio Limited and (c) Digital One Private Limited are currently not operational.

### 9. CONSOLIDATED FINANCIAL STATEMENTS:

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard and forms part of the Annual Report.

### 10. AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S SUBSIDIARIES:

The audited financial statements, the Auditors Report thereon and the Board's Report for the year ended 31<sup>st</sup> March 2015 for the Company's subsidiary i.e. Next Radio Limited is annexed to this Report. Further a summary of the financial position of all the subsidiaries is also provided in the report.

### 11. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:

Report on Corporate Governance and Management Discussion and Analysis Report for the year under

## Director's Report

review, together with a Certificate from the J. U. Poojari & Associates, Practicing Company Secretaries regarding compliance of the conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

### 12. DIRECTORS:

The Board, at its meeting held on 18<sup>th</sup> June 2015, on the recommendation of the Nomination and Remuneration Committee, re-appointed Mr. Tariq Ansari as the Whole-time Director of the Company designated as the Chairman and Managing Director for a period of three (3) years, subject to the approval of the shareholders.

As on the date of this report, the Company's Board consists of the following Independent Directors:

- (1) Mr. Narayan Varma
- (2) Mr. Adille Sumariwalla
- (3) Mr. Venkat Idupuganti
- (4) Mr. Dilip Cherian
- (5) Ms. Monisha Shah
- (6) Mr. Rajbir Singh Bhandal

The period of office of the aforementioned Directors was liable to retire by rotation under the erstwhile Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the aforementioned Directors, being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors for a term of five (5) years commencing from 23<sup>rd</sup> January 2015. The appointment of the aforementioned Directors has been approved by the Board of Directors at its meeting held on 23<sup>rd</sup> January, 2015

Brief Profile of the aforementioned proposed appointees together with other disclosures in terms of Clause 49 of the Listing Agreement are provided in the Notes to the Notice.

### 13. BOARD & COMMITTEE MEETINGS:

During the year under review, the following Board/Committee Meetings were convened and held:

- (a) Seven (7) Board Meetings were held, details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.
- (b) Four (4) Audit Committee Meetings were held, details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.
- (c) One (1) Nomination & Remuneration Committee Meetings were held, details of which are given in the Corporate Governance Report.

### 14. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee and the Nomination & Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## Director's Report

### 15. REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

### 16. EMPLOYEE REMUNERATION:

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section (12) of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming the part of this report as Annexure C.

### 17. EMPLOYEE STOCK OPTION PLAN:

Pursuant to the Company's Employee Stock Option Scheme 2008, the Board of Directors has, on the recommendation of the Nomination & Remuneration Committee, at its meeting held on 23<sup>rd</sup> January 2015, granted 200,000 stock options to one of its employees. Details as per the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Option Purchase Scheme) Guidelines, 1999, are attached as Annexure B.

### 18. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2015, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31<sup>st</sup> March, 2015 and of the profit and loss of the Company for the financial year ended 31<sup>st</sup> March, 2015;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

### 19. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

## Director's Report

### 20. AUDITORS:

M/s. Haribhakti & Co. LLP, Chartered Accountants, (Firm Registration No. 103523W), Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. A certificate to the effect that their appointment, if made, will be within the limits prescribed under Section 141 of the Companies Act, 2013, has been obtained from them. The Board, on the recommendation of the Audit Committee, recommends the appointment of M/s. Haribhakti & Co. LLP, as the Statutory Auditors of the Company for the financial year 2015-16.

### 21. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s.J. U. Poojari & Associates, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the financial year ended 31<sup>st</sup> March 2015. The Report of the Secretarial Audit Report is annexed herewith as Annexure 'A'.

**Directors' explanation on the comments of the Secretarial Auditor for the yearended 31st March 2015 as set out in his Secretarial Audit Report dated 18<sup>th</sup> June 2015 is as follows:**

- (i) With reference to sub-clause (a) of clause (v) of the said report wherein the Secretarial Auditor has mentioned non-filing of Form MGT-14 in respect of the resolution passed at the Board Meeting held on 29<sup>th</sup> April 2014 relating to re-appointment of Mr. Tarique Ansari, Managing Director of the Company, the Board would like to inform you that the said Form shall be filed with the Ministry of Corporate Affairs at the earliest.
- (ii) With reference to sub-clause (b) of clause (v) of the said report wherein the Secretarial Auditor has mentioned non-filing of Form MGT-14 in respect of the resolutions passed at the Board Meetings held on 7<sup>th</sup> July 2014 and 17<sup>th</sup> February 2015 relating to further issue of securities, the Board would like to inform you that the said Forms shall be filed with the Ministry of Corporate Affairs at the earliest.
- (iii) With reference to sub-clause (c) of clause (v) of the said report wherein the Secretarial Auditor has mentioned that the remuneration to Mr. Tarique Ansari, Managing Director of the Company in excess of the permissible limit under Section 197 read with Schedule V of the Companies Act, 2013, the Board would like to inform you that the Company had made an application to the Ministry of Corporate Affairs ("MCA") for payment of excess remuneration to Mr. Ansari. The MCA has, vide its letter dated 12<sup>th</sup> June 2015, rejected the Company's application. The Company is now in the process of filing an application to the MCA for seeking waiver for recovery of excess remuneration paid to Mr. Ansari for the period.

### 22. DIRECTORS' EXPLANATION ON AUDITOR'S REPORTS:

The Company's exposure in its subsidiary Next Radio Limited (Formerly known as Radio One Limited) through investments is ₹ 15,602.86 lakhs. Though net worth of the subsidiary is substantially eroded, no provision for impairment on this account is considered necessary by the management taking into consideration the nature of the Radio business and gradual improvement in the performance of the subsidiary. Further, the management has obtained a valuation of the Radio business from an independent valuer and based on his report, the management does not believe that any provision is necessary against exposure in Radio business. Consequently no impairment of goodwill on consolidation is considered necessary.

### 23. EXTRACT OF ANNUAL RETURN:

Pursuant to sub-section 3(a) of section 134 and sub-section (3) of section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the annual return as on 31<sup>st</sup> March, 2015 forms part of this report as Annexure 'D'.

## Director's Report

### **24. RISK MANAGEMENT:**

As per the revised Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee comprising of Mr. I. Venkat, Independent Director, Ms. Monisha Shah, Independent Director and Mr. Ismail Dabhoya, Chief Financial Officer as its members on 23<sup>rd</sup> January, 2015.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are periodically discussed at the meetings of the Company.

### **25. VIGIL MECHANISM:**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report.

### **26. SEXUAL HARRASMENT POLICY:**

During the year under review the Company has not received any complaint from the employees related to sexual harassment. The Company has in place sexual harrasment policy which is available on the Company's website.

### **27. ENERGY CONVERSATION, TECHNOLOGY ABSORBTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

- A. Conversation of Energy: NIL
- B. Technology Absorption: NIL
- C. Foreign Exchange Earning: NIL
- D. Foreign Exchange Outgo: NIL

### **28. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**For Next Mediaworks Ltd.**

**Tarique Ansari**

Chairman & Managing Director

(DIN: 00101820)

Place: Mumbai

Date : 18<sup>th</sup> June, 2015

## ‘ANNEXURE A’

To,  
The Members  
Next Mediaworks Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For J U Poojari & Associates  
Practicing Company Secretary

J.U POOJARI  
ACS: 22867 CP: 8187

Mumbai, 18<sup>th</sup> June, 2015

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## ANNEXURE ‘A’ TO THE DIRECTORS’ REPORT

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2015**

**FORM NO. MR-3**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
**Next Mediaworks Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Next Mediaworks Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Next Mediaworks Limited’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the

company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Next Mediaworks Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
- (v) Other laws applicable to the Company as per the representation made by the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards of The Institute of Company Secretaries of India with respect to board and general meetings are not in force as on the date of this report.
- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review and subject to the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:-

- a. Non-filing of Form MGT-14 in respect of Board Resolution dated April 29, 2014, with respect to re-appointment of Mr. Tarique Ansari, Managing Director of the Company.
- b. Non-filing of Form MGT-14 in respect of Board Resolutions dated 07.07.2014 and 17.02.2015 with respect to further issue of securities.
- c. The company has paid the remuneration to Mr. Tarique Ansari, Managing Director of the Company in excess of the permissible limit under Section 197 of the Companies Act, 2013 read with Schedule V of the Act.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For J U Poojari & Associates  
Practicing Company Secretary

**J.U POOJARI**  
ACS: 22867 CP: 8187

Mumbai, 18<sup>th</sup> June, 2015

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

# ANNEXURE 'B'

## TO THE DIRECTOR'S REPORT

### EMPLOYEE STOCK OPTIONS SCHEME

Sr. No.	Description	Details
(a)	Total Options granted	2,00,000
(b)	Pricing formula	Exercise price for the above options is NIL.
(c)	Options vested	NIL
(d)	Options exercised	NIL
(e)	Total number of shares arising as result of exercise of options	NIL
(f)	Options lapsed during the year	NIL
(g)	Variation of terms of the options	NIL
(h)	Money realized by exercise of options	NIL
(i)	Total number of options in force	2,00,000
(j)	Employee-wise details of options granted:	
	(i) Senior Managerial Personnel	2,00,000
	(ii) Any other employees to whom options granted amount to 5% or more of the total options granted during the year	NIL
	(iii) Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year.	NIL
(k)	Diluted earnings per share (EPS) pursuant to issue of shares on exercise of options during the year and options outstanding as on 31.03.2015 calculated in accordance with Accounting Standard 20 'Earning per share'.	(0.76)
(l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and EPS of the company.	Not Applicable
(m)	Weighted average exercise prices weighted average fair value of options disclosed separately for options whose exercise price equals to market price exceeds or is less than the market price of the stock.	1. Weighted average exercise price: ₹ nil per share for all the options. 2. Weighted average fair value of all the options is ₹ 13.64 per option.
(n)	Description of the method and significant assumptions used during the year to estimate the fair value of the options.	Weighted Average closing price of last Six Months.

## ANNEXURE 'C' TO THE DIRECTOR'S REPORT

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Requirements	Disclosure		
1	<b>The ratio of the remuneration of each directors to the median remuneration of the employee of for the financial year</b>	<b>Mr. Tarique Ansari (MD) : 4.98 times</b>		
2.	The percentage increase in the remuneration of each director, CFO,CS in the financial year (including Perquisites)	Managing Director: 8.98% Chief Financial Officer: 15.13% Company Secretary: 15%		
3	The percentage increase in the median remuneration of employee in the financial year	15%		
4	The number of permanent employees on the rolls of the Company	There are 5 employees as on March 31, 2015		
5	The explanation on the relationship between average increase in remuneration and Company performance	<b>Factor consider while recommending increase in the fixed compensation:</b> <b>1.Financial performance of the operating subsidiary Company</b> <b>2. Comparison with the peer media companies.</b>		
6	<b>Comparison of the remuneration of the Key Managerial Personnel against the performance of the company</b>	<b>For the FY 2014-15, KMPs were paid approx. 955.47% of the consolidated net profit</b>		
7	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company, in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year		2014-2015	2013-2014
		Market Capitalisation (In crores)	83.95	17.36
		PE Ratio	642.5	-
8	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	NA		
9	Affirmation that the remuneration is as per the Remuneration Policy of the Company	Affirmed		

# ANNEXURE 'D'

## TO THE DIRECTORS' REPORT

### EXTRACT OF ANNUAL RETURN

(As on the financial year ended 31<sup>st</sup> March 2015)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION & OTHER DETAILS:

CIN	: L22100MH1981PLC024052
Registration Date	: 13 <sup>th</sup> March 1981
Name of the Company	: Next Mediaworks Limited
Category / Sub-category of the Company	: Public Company/Limited by shares
Address of the Registered Office and contact details	: 156, DJ Dadajee Road, Behind Everest Building Tardeo, Mumbai-400 034
Whether listed company Yes/No	: Yes
Name, Address and Contact details of Registrar & Transfer Agent, if any.	: M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400 078. Telephone: 022-25963838/ Facsimile: 022-25946969 e-mail : mumbai@linkintime.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and description of main services	NIC Code of the service	% to total turnover of the Company
1.	Publishing and Broadcasting	18111 & 18112	NIL

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Next Radio Limited 156, D.J. Dadajee Road, Behind Everest Building, Tardeo, Mumbai – 400034.	U32201MH1999PLC122233	Subsidiary	72.24%	2(87)ii
2	One Audio Limited 156, D.J. Dadajee Road, Behind Everest Building, Tardeo, Mumbai – 400034.	U92130MH1999PLC122230	Subsidiary	99.99%	2(87)ii

**Next Mediaworks Limited** (formerly known as Mid-Day Multimedia Limited)

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3	Next Outdoor Limited 156, D.J. Dadajee Road, Behind Everest Building, Tardeo, Mumbai – 400034.	U22219MH1985PLC037498	Subsidiary	99.98%	2(87)ii
4	Digital One Private Limited 156, D.J. Dadajee Road, Behind Everest Building, Tardeo, Mumbai – 400034.	U92131MH1999PTC122232	Subsidiary	99.99%	2(87)ii

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**

**(i) Category-wise Shareholding**

Category of shareholders		No. of shares held at the beginning of the year (as at 01.04.2014)				No. of shares held at the end of the year (as at 31.03.2015)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	Promoters									
(1)	Indian									
(a)	Individual / HUF	21687247	0	21687247	36.86	21965024	-	21965024	33.62	(3.24)
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	11309428	0	11309428	19.22	17873828		17873828	27.36	8.14
(e)	Banks/FI	-	-	-	-					
(f)	Any Other	-	-	-	-					
<b>Sub-total (A) (1)</b>		<b>32996675</b>	<b>-</b>	<b>32996675</b>	<b>56.08</b>	<b>39838852</b>		<b>39838852</b>	<b>60.98</b>	<b>4.9</b>
(2)	Foreign									
(a)	NRI – Individuals	-	-	-	-	-	-	-	-	-
(b)	Other – Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/FIs	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoters (A) = (A) (1) + (A) (2)</b>		<b>32996675</b>	<b>-</b>	<b>32996675</b>	<b>56.08</b>	<b>39838852</b>		<b>39838852</b>	<b>60.98</b>	<b>4.9</b>

Category of shareholders		No. of shares held at the beginning of the year (as at 01.04.2014)				No. of shares held at the end of the year (as at 31.03.2015)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>B.</b>	<b>Public Shareholding</b>									
1.	Institutions									
(a)	Mutual Funds	-	-	-	-	-	-	-	-	
(b)	Banks/FIs	35000	-	35000	0.059	35000	-	35000	0.054	(0.005)
(c)	Central Govt.	-	-	-	-	-	-	-	-	
(d)	State Govt.(s)	-	-	-	-	-	-	-	-	
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	
(f)	Insurance Companies	-	-	-	-	-	-	-	-	
(g)	FIs									
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
(i)	Others	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(1)</b>		35000	-	35000	0.059	35000	-	35000	0.054	(0.005)
<b>2.</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate	7276910	1	7276911	12.37	6580534	1	6580535	10.07	(2.3)
(i)	Indian	-	-	-	-	-	-	-	-	
(ii)	Overseas	-	-	-	-	-	-	-	-	
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	8139133	1964	8141097	13.84	8437688	1964	8439652	12.92	(0.92)
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7796558	-	7796558	13.25	7650607	-	7650607	11.71	(1.54)
(c)	Others									
	Clearing Member	141373	-	141373	0.24	363193	-	363193	0.55	0.31
	Foreign Nationals									
	Non-Resident Indians (Non-Repatriation)	21336	-	21336	0.04	39344	-	39344	0.06	0.02
	Non-Resident Indians (Repatriation)	602662	-	602662	1.02	564429	-	564429	0.86	(0.16)
	<b>Foreign Portfolio Investor (Corporate)</b>	1822664	-	1822664	3.10	1822664	-	1822664	2.79	(0.31)
	Other Directors	-	-	-	-	-	-	-	-	-
	Overseas Bodies Corporate	-	-	-	-	-	-	-	-	-

## Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)

Category of shareholders	No. of shares held at the beginning of the year (as at 01.04.2014)				No. of shares held at the end of the year (as at 31.03.2015)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Trusts	1000	-	1000	0.00	1000	-	1000	0.00	
<b>Sub-total (B)(2)</b>	<b>25801636</b>	<b>1964</b>	<b>25803601</b>	<b>43.86</b>	<b>25459459</b>	<b>1965</b>	<b>25461424</b>	<b>38.96</b>	<b>(4.9)</b>
<b>Total public shareholding (B) = (B)(1) + (B)(2)</b>	<b>25836636</b>	<b>1965</b>	<b>25838601</b>	<b>43.92</b>	<b>25494459</b>	<b>1965</b>	<b>25496424</b>	<b>39.02</b>	<b>(4.9)</b>
C. Shares held by custodian for GDRs & ADRs		-	-	-	-				
<b>Grand Total (A+B+C)</b>	<b>58833311</b>	<b>1965</b>	<b>58835276</b>	<b>100</b>	<b>65333311</b>	<b>1965</b>	<b>65335276</b>	<b>100</b>	<b>-</b>

### (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as at 01.04.2014)			Shareholding at the end of the year (as at 31.03.2015)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	Tarique Ansari	4337298	7.37	-	4337298	6.64	-	(0.73)
2.	Rukya Ansari	4337298	7.37	-	4615075	7.06	-	(0.31)
3.	Tehzeeb Ansari	4337298	7.37	-	4337298	6.64	-	(0.73)
4.	Khalid Ansari	4338055	7.37	-	4338055	6.64	-	(0.73)
5.	Sharique Ansari	4337298	7.37	-	4337298	6.64	-	(0.73)
6.	Meridian Holding & Leasing Company Private Limited	4447679	7.56	-	7469856	11.43	-	3.87
7.	Ferrari Investment and Trading Company Private Limited	5839226	9.92	-	9659226	14.78	-	4.86
8.	Inquilab Offset Printers Limited	1022523	1.74	-	744746	1.14	-	(0.06)

### (iii) Change in Promoters' Shareholding

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as at 01.04.2014)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Tarique Ansari	4,337,298	7.37	4,337,298	7.37
2.	Mrs. Rukya Ansari	4,337,298	7.37	4,615,075	7.06
3.	Tehzeeb Ansari	4,337,298	7.37	4,337,298	7.37
4.	Khalid Ansari	4,338,055	7.37	4,338,055	7.37
5.	Sharique Ansari	4,337,298	7.37	4,337,298	7.37
6.	Meridian Holding & Leasing Company Private Limited	4,447,679	7.56	7,469,856	11.43
7.	Ferrari Investment and Trading Company Private Limited	5,839,226	9.92	9,659,226	14.78
8.	Inquilab Offset Printers Limited	1,022,523	1.74	744,746	1.14

Note: In the FY14-15 Company has issued 65,00,000 lacs shares to the promoter group.

## (iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding (No of Shares)		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
1	Bennet, Coleman and Company Limited	3649391	6.2027	0	0	3649391	5.5856
2	Rajesh H Baheti HUF	2000000	3.3993	0	368289	1631711	2.4974
3	Acacia Partners, LP	907065	1.5417	0	0	907065	1.3883
4	PrabhudasLilladher Financial Services Private Limited	641750	1.0908	0	0	641750	0.9822
5	Midday Exports Pvt. Ltd	477426	0.8115	0	99990	377436	0.5777
6	Acacia Institutional Partners, LP	473893	0.8055	0	0	473893	0.7253
7	Rahul Khanna	469251	0.7976	0	52000	417251	0.6386
8	Dipak Sen	422530	0.7182	0	321791	100739	0.1542
9	Acacia Banyan Partners	368800	0.6268	0	0	368800	0.5645
10	Rajasthan Global Securities Limited	305633	0.5195	0	305633	0	0.0000

Note: In the FY14-15 Company has issued 65,00,000 lacs shares to the promoter group.

## (v) Shareholding of Directors and Key Management Personnel

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 31.03.2014			Cumulative Shareholding during the year			Shareholding at the end of the year as on 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	Date of Change	Reason of Change	No. of shares	% of total shares of the company
1	Tarique Ansari	4337298	7.37%	-	-	-	-	4337298	6.64%
2	Adille Sumariwalla	5875	0.009%	-	-	-	-	5875	0.009
	<b>Total :</b>	<b>4343173</b>	<b>7.38%</b>	-	-	-	-	<b>4343173</b>	<b>6.65%</b>

Note: In the FY14-15 Company has issued 65,00,000 lacs shares to the promoter group.

## V. INDEBTEDNESS:

(Indebtedness of the Company including interest outstanding/accrued but not due for payment)

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	-	1,208.54	-	1,208.54
(ii) Interest due but not paid	-	NIL	-	NIL
(iii) Interest accrued but not due	-	41.67	-	41.67
<b>Total (i) + (ii) + (iii)</b>	-	<b>1,250.21</b>	-	<b>1,250.21</b>
<b>Change in indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	-	1,053.48	-	1,053.48
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	-	82.30	-	82.30
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	114.42	-	114.42

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-time Director and/or Manager:**

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of Managing Director / Whole-time Director/Manager MR. TARIQ ANSARI MANAGING DIRECTOR
1.	Gross Salary*	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	46.68
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	22.80
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	- As % to profit	-
	- Others, specify	-
5.	Others	1.88
	<b>Total (A)</b>	<b>71.36</b>

\* Excludes Provident Fund, Gratuity and Superannuation.

**B. Remuneration to other directors:** No remuneration has been paid to any other director except Sitting fees details of which is included in the Corporate Governance Report.

**C. Remuneration to Key Managerial Personnel other than MD / WTD / Manager:**

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Ismail Dabhoya Chief Financial Officer	Mr. Manoj Gujran Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	54.22	13.95	68.17
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	3.00	-	3.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % to profit	-	-	-
	- Others, specify	-	-	-
5.	Others	7.78	2.75	10.53
	<b>Total</b>	<b>65.00</b>	<b>16.7</b>	<b>81.7</b>

**PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of penalties / punishment / compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any
<b>A. Company</b>					
Penalty	NONE				
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty	NONE				
Punishment					
Compounding					
<b>C. Others Officers in default</b>					
Penalty	NONE				
Punishment					
Compounding					

# CORPORATE GOVERNANCE

The Directors present the Company's report on Corporate Governance for the year ended March 31, 2015.

## **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :**

The Company's philosophy on Corporate Governance envisages the adoption of best business policies and alignment of the highest levels of transparency, integrity, honesty, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, bankers, government and employees.

The Company is committed to best corporate governance practices which stems not only from the letter of law but also from the inherent belief of doing business in the right way. The Company believes that all its actions and operations must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

## **2. BOARD OF DIRECTORS :**

### **(a) Composition of the Board:**

The Company has an optimum combination of Executive and Non-Executive Directors in conformity with Clause 49 of the Listing Agreement entered into with the stock exchanges, to maintain the independence of the Board and to separate the Board functions of governance and management.

As on 31<sup>st</sup> March 2015 the Board comprises of a Chairman and Managing Director (Executive) and 6 (six) Non-Executive Independent Directors including a woman Director. All the members of the Board are persons with considerable experience and expertise in industry, finance, management and law.

The Chairman and Managing Director provide leadership to the Board and to the Management in strategizing and realizing business objectives. The Independent Directors contribute by giving their valuable guidance and inputs with their independent judgment on the overall business strategies and performance.

None of the Directors on the Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (as specified in Clause 49 of the Listing Agreement), across all the Companies in which he / she is a Director as per the disclosures made by all the Directors.

None of the Independent Directors on the Board serve as an Independent Director in more than seven listed companies.

The Whole time Directors does not serve as an Independent Director in more than three listed companies.

### **(b) Meetings of the Board:**

The Board meets at least once in each quarter inter-alia, to review the quarterly financial results. The gap between two consecutive meetings is less than 120 days. In addition the Board also meets whenever necessary. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non - compliances.

During the year under review the Board met seven (7) times on 29<sup>th</sup> April 2014, 7<sup>th</sup> July 2014, 8<sup>th</sup> August 2014, 9<sup>th</sup> September 2014, 29<sup>th</sup> October 2014, 23<sup>rd</sup> January 2015 and 17<sup>th</sup> February 2015.

The Company Secretary prepares a detailed agenda and the explanatory notes, in consultation with the Chairman & Managing Director and circulates the same in advance to the Directors. Every Director has the right to suggest inclusion of items in the agenda.

## Corporate Governance

The Minutes of the proceedings of the meetings of the Board of Directors are noted and the draft Minutes are circulated amongst the members of the Board for their review. Comments, if any, received from the Directors are also incorporated in the Minutes, in consultation with the Chairman. The Minutes are approved by the members of the Board prior to the next meeting and are noted at the subsequent meeting of the Board of Directors.

### (c) Directors' Attendance Record and Directorships held:

The names and categories of the Directors on the Board, their attendance at the Board Meetings during the year under review and at the last Annual General Meeting, also the number of directorships and committee memberships held by them in other Companies are given below:

Name of the Director	Nature of Directorship	No. of Board Meetings attended		Attendance at last AGM	No. of Directorships in other Public companies#	No. of Committee Memberships (including in Company) ##	
		Held	Attended			Member	Chairman
Mr. Tarique Ansari	Promoter, Executive & Non Independent	7	6	Present	3	2	-
Mr. Narayan Varma	Non - Executive & Independent	7	7	Present	1	2	1
Mr. Dilip Cherian	Non - Executive & Independent	7	5	Present	3	1	4
Mr. Adille Sumariwalla	Non - Executive & Independent	7	6	Present	1	3	1
Mr. I. Venkat	Non - Executive & Independent	7	3	Present	1	1	-
Mr. Raj Singh Bhandal	Non - Executive & Independent	7	5	Present	-	-	-
Ms. Monisha Shah	Non - Executive & Independent	7	2	-	-	-	-

# Excluding Directorships in Foreign companies, Private Limited companies, companies under Section 8 of the Companies Act, 2013.

## Memberships include Chairmanships. Only memberships of Audit Committee, Remuneration Committee and Shareholders'/ Investors' Grievance Committee are considered.

Note: Chairmanship of Committees includes only Audit and Stakeholders Relationship Committee.

### 3. BOARD COMMITTEES :

In compliance with the requirements of the Companies Act, 2013, the Listing Agreement and the applicable laws, the Board constituted / reconstituted the following committees: (i) Audit Committee (ii) Stakeholders Relationship Committee (iii) Nomination & Remuneration Committee (iv) Review Committee of Independent Directors.

The Board determines the constitution of the Committees and the terms of reference for Committee Members including their roles and responsibilities.

## Corporate Governance

### A. Audit Committee :

#### **Composition:**

The Audit Committee as on 31<sup>st</sup> March 2015 comprised of three (3) Non-Executive Independent Directors viz.: (1) Mr. Narayan Varma (Chairman), (2) Mr. Adille Sumariwalla and (3) Mr. I. Venkat.

All the members of the Audit Committee are financially literate and have accounting / related financial management expertise.

The Company Secretary acts as Secretary to the Committee.

The Statutory Auditors, Chief Financial Officer, Internal Auditors are invitees to the Audit Committee Meetings. The scope of activities and powers of the Audit Committee includes the are as prescribed under the Clause 49 of the Listing Agreement and section 177 of the Companies Act, 2013.

#### **Terms of reference:**

The terms of reference of the Audit Committee are broadly as follows:

- a) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board the appointment, re-appointment and removal of statutory auditors, cost auditors, branch auditors and fixation of their remuneration.
- c) Approving the payments to statutory auditors for any other services rendered by them.
- d) Reviewing with management the annual financial statements and auditor's report before submission to the Board for approval, focusing primarily on:
  - Matters required to be included in the Director's Responsibility and in the Board Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Any changes in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on exercise of judgments by management;
  - Qualifications in draft audit report;
  - Significant adjustments made in the financial statements arising out of audit;
  - The going concern assumption;
  - Compliance with accounting standards;
  - Compliance with listing and legal requirements concerning financial statements;
  - All related party transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc.
- e) Reviewing with the management, statutory and internal auditors, internal financial controls and risk management system.
- f) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board.

## Corporate Governance

- g) Reviewing with the management the quarterly and half yearly financial results before submission to the Board.
- h) Reviewing the adequacy of internal audit functions, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- i) Scrutinizing the inter-corporate loans & investments.
- j) Discussion with Internal Auditors, any significant findings and follow up thereon.
- k) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- l) Approval or any subsequent modification of transactions of the Company with related parties.
- m) To look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- n) Review and monitor the auditor's independence and performance, and effectiveness of audit processes.
- o) To review the functioning of the Whistle Blower Policy and Vigil mechanism.
- p) Valuation of undertaking or assets of the Company where ever it is necessary.
- q) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- r) All such other functions as may be specified from time to time.

### Meetings:

During the year under review, four (4) Audit Committee meetings were held on 29<sup>th</sup> April 2014, 8<sup>th</sup> August 2014, 29<sup>th</sup> October 2014 and 23<sup>rd</sup> January, 2015.

The details of meetings attended by the Members are given below:-

Name of the Member	No. of Audit Committee meetings held
Mr. Narayan Varma (Chairman)	4
Mr. Adille Sumariwalla (Member)	4
Mr. I. Venkat (Member)	1

Mr. Narayan Varma - Chairman of the Audit Committee was present at the previous Annual General Meeting held on 8<sup>th</sup> August 2014.

### B. Stakeholders' Relationship Committee :

In order to ensure compliance with the requirements of Section 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement (applicable w.e.f 1<sup>st</sup> October, 2014) the nomenclature of the Investor Grievance Committee was changed to Stakeholders Relationship Committee with revised role which also includes to consider and resolve the grievances of all security holders of the Company.

## Corporate Governance

### **Composition:**

The Stakeholders' Relationship Committee comprises of one (1) Non-Executive Independent Director and the Managing Director viz.: (1) Mr. Adille Sumariwalla (Chairman) and (2) Mr. Tarique Ansari.

The Company Secretary acts as Secretary to the Committee.

### **Terms of reference:**

The Stakeholders Relationship Committee primarily attends to and resolves grievances of the Company's shareholders and other stakeholders.

### **Meetings:**

The Committee did not hold any meeting during the year under review.

### **Details of Investor Complaints:**

The Company did not receive any queries / complaints during the year under review.

### **Name, Designation and Address of Compliance Officer:**

**Mr. Mandar Godbole**

**Company Secretary & Manager – Legal**

Next Mediaworks Limited

156, D.J Dadajee Road,

Behind Everest Building,

Tardeo Mumbai-400 034.

## **C. Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee was constituted on 8<sup>th</sup> August, 2014 in compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49(IV) of the revised Listing Agreement with the Stock Exchanges.

### **Composition:**

The Stakeholders' Relationship Committee comprises of three (3) Non-Executive Independent Directors viz.: (1) Mr. Dilip Cherian (Chairman), (2) Mr. Narayan Varma and (3) Mr. Adille Sumariwalla.

The Company Secretary acts as Secretary to the Committee.

### **Terms of reference:**

The role of the Nomination and Remuneration Committee is:

- a. To identify persons who are qualified to become directors or who can be appointed in the senior management.
- b. To formulate criteria for evaluation of Independent Directors and the Board.
- c. To devise a policy on Board diversity.
- d. To recommend the appointment/ removal of directors or senior management personnel.
- e. To carry out evaluation of every director's performance.
- f. To formulate criteria for determining qualifications, positive attributes and independence of a director.

## Corporate Governance

- g. To recommend to the Board, policy relating to remuneration for the directors, key managerial personnel and other senior employees and to review the policy at regular intervals.

### Meetings:

During the financial year ended 31<sup>st</sup> March 2015, meeting of the Nomination and Remuneration Committee was held once on 29<sup>th</sup> April 2014. The said meeting was attended by all the members.

### Nomination & Remuneration Policy

The Nomination and Remuneration policy provides a framework for appointment of Directors, Key Managerial Personnel and senior management, their performance evaluation and fixing their remuneration based on their performance.

### Policy for selection and Appointment of Directors and their Remuneration

Criteria for selection of Non-executive Directors

- The Non-executive Director shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Director to enable the Board to discharge its function and duties effectively.
- The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The Committee shall consider the following attributes / criteria, while recommending to the Board the candidature for appointment as Director.
  - i. Qualification, expertise and experience of the Directors in their respective fields;
  - ii. Personal, Professional or business standing;
  - iii. Diversity of the Board.

In case of re-appointment of Non-executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

### Remuneration

The Non-executive Directors shall be entitled to receive sitting fees for each meeting of the Board attended by them, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and reimbursement of expenses for participation in the Board Meetings.

### CEO & Executive Chairman / Director – Criteria for selection / appointment

For the purpose of selection of the CEO & Executive Chairman / Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

## Corporate Governance

### Remuneration for the CEO, CFO & Executive Chairman / Director

At the time of appointment or re-appointment, the CEO, CFO & Executive Chairman / Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Committee and the Board of Directors) and the CEO, CFO & Executive Chairman / Director within the overall limits prescribed under the Companies Act, 2013. The Committee shall also take into account the comparative remuneration in the industry, size of the Company and profile of the candidate while deciding the remuneration. The remuneration shall be subject to the approval of the Members of the Company in General Meeting, where required.

The remuneration of the CEO & Executive Chairman / Director comprises of fixed and variable component as per the provisions of Companies Act, 2013. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits

### Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees' the Committee shall ensure that the relationship of remuneration and performance benchmark is clear.

The Non-Executive Chairman will carry out the individual performance review based on the respective defined objectives, qualification, expertise, experience and other factors while recommending the annual increment and performance incentive to the Committee for its review and approval.

### Details of Remuneration paid to Directors during the year ended 31<sup>st</sup> March 2015:

The Executive Director is entitled to salary, allowances, perquisites a performance linked incentives and commission while the Non-Executive Independent Directors receive sitting fees for attending Board and Committee meetings. Payment of remuneration to the Chairman & Managing Director is governed by an agreement entered into between the Company and the Managing Director, the terms and conditions of which have been duly approved by the Board and the Shareholders of the Company. The remuneration (including perquisites and benefits) paid to the Executive Director during the year ended 31<sup>st</sup> March 2015 is as follows:

(Amount in Lacs)

Name of Executive Director	Mr. Tarique Ansari
Salary & Allowance*	42.00
Perquisites	22.80
TOTAL	64.80
Tenure:	
From	1 <sup>st</sup> July 2013
To	30 <sup>th</sup> June 2016

\* excludes Provident Fund, Gratuity & Superannuation.

The Company had made an application to the Ministry of Corporate Affairs ("MCA") seeking its approval for payment of remuneration of ₹ 69.46 Lacs p.a. and ₹ 5.95 Lacs to Mr. Tarique Ansari – Chairman & Managing Director for the period 01-07-2013 to 30-06-2014 and 01-07-2014 to 07-08-2014 respectively, which was rejected by the MCA. The Company will be making an application for seeking waiver of the MCA for recovery of the excess remuneration paid to Mr. Ansari commencing from 1<sup>st</sup> July 2015 to 31<sup>st</sup> March 2014. Further, the Company is also seeking approval of the shareholders in the forthcoming Annual General Meeting for payment of remuneration of ₹ 60 Lacs p.a. to Mr. Ansari, for the period 1<sup>st</sup> April, 2014 till the end of his tenure i.e. upto

30-06-2016 which is within the limits prescribed under Schedule V to the Companies Act, 2013.

#### **Service Contract, Severance Fees & Notice Period:**

The terms of employment stipulate a notice period of 3 (three) months, for termination of appointment of Chairman & Managing Director and Executive Directors, on either side. There is no provision for payment of severance fees.

#### **Sitting Fees to Non-Executive Independent Directors:**

Non-Executive Independent Directors of the Company do not draw any remuneration from the Company other than sitting fees for attending Board and Committee meetings. None of the Non-Executive Independent Directors have entered into any pecuniary transaction or relationship with the Company.

Details of sitting fees paid for attending Board and Committee Meetings during the year ended 31<sup>st</sup> March 2015 are given below:

<b>Name of the Director</b>	<b>Sitting Fees for Board Meeting</b>	<b>Sitting Fees for Committee Meeting</b>	<b>Total</b>
Mr. Narayan Varma	70,000	40,000	1,10,000
Mr. Adille Sumariwalla	60,000	40,000	1,00,000
Mr. I. Venkat	30,000	10,000	40,000
Mr. Dilip Cherian	50,000	-	50,000
Ms. Monisha Shah	20,000	-	20,000
Mr. Raj Singh Bhandal	50,000	-	50,000

#### **D. Risk Management Committee:**

The Board has set up Risk Management Committee pursuant to the requirement of the Companies Act, 2013. The Committee consists of Mr. I. Venkat (Chairman), Ms. Monisha Shah and Mr. Ismail Dabhoya as Members. The Committee regularly reviews the Company's assets and liabilities, its quality and business risk. The Internal Auditors also report to the Committee from time to time of their observation on the risk management.

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a strong risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprise of:

- Oversight of risk management performed by the executive management.
- Reviewing the policy and framework in line with legal requirements and SEBI guidelines.
- Reviewing risks and evaluate treatment including initiating mitigation actions.
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan

#### **4. COMPANY POLICIES :**

During the year under review, the Board adopted the following policies:

**(a) Policy on Related Party Transactions:**

Pursuant to Clause 49 of the Listing Agreement and upon recommendation by the Audit Committee, the Board of Directors, at its meeting held on 23<sup>rd</sup> January, 2015, approved and adopted the Policy on Related Party Transactions. This Policy can be viewed on the Company's website viz. [www.nextmediaworks.com](http://www.nextmediaworks.com) in the "Investors" Section.

**(b) Policy on Material Subsidiaries:**

Pursuant to Clause 49 of the Listing Agreement and upon recommendation by the Audit Committee, the Board of Directors, at its meeting held on 23<sup>rd</sup> January 2015, approved and adopted the Policy on Material Subsidiaries. This Policy can be viewed on the Company's website viz. [www.nextmediaworks.com](http://www.nextmediaworks.com) in the "Investors" Section.

**(c) Whistle Blower Policy:**

Pursuant to Clause 49 of the Listing Agreement the Company has in place a Whistle Blower Policy and the same can be viewed on the Company's website viz. [www.nextmediaworks.com](http://www.nextmediaworks.com) in the "Investors" Section.

**(d) Nomination & Remuneration Policy:**

Pursuant to Clause 49 of the Listing Agreement the Company has in place a Nomination & Remuneration Policy and the same can be viewed on the Company's website viz. [www.nextmediaworks.com](http://www.nextmediaworks.com) in the "Investors" Section.

#### **5. PERFORMANCE EVALUATION OF THE BOARD**

After taking into consideration one to one inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance; pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee and Nomination and Remuneration committee.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

#### **6. MEETING OF THE INDEPENDENT DIRECTORS:**

During the year under review, the Independent Directors met on 27<sup>th</sup> March 2015, inter alia, to discuss:

- (a) Evaluation of the performance of the Board of Directors as a Whole;
- (b) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Non-executive Directors.
- (c) Evaluation of the quality, content and timelines of flow of information between the management and the

Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

## 7. OTHER INFORMATION:

(a) The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is : L22100MH1981PLC024052.

### (b) Code of Conduct :

The Company has laid down a Code of Conduct for all Board members and the Senior Management Personnel. The Code of Conduct is available on the Company's website viz., [www.nextmediaworks.com](http://www.nextmediaworks.com). All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by the Chairman & Managing Director forms part of this Report.

### (c) General Body Meetings :

#### (i) Location, Date and Time of Annual General Meetings held during the last 3 (three) years:

The Annual General Meetings ("AGM") of the Company for the financial years 2011-12, 2012-13, and 2013-14 were held at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018, as detailed below :

AGM	Financial Year	Date of AGM
31 <sup>st</sup>	2011-12	29 <sup>th</sup> August 2012
32 <sup>nd</sup>	2012-13	31 <sup>st</sup> July 2013
33 <sup>rd</sup>	2013-14	8 <sup>th</sup> August 2014

#### (ii) Special Resolutions passed in the previous three Annual General Meetings:

31 <sup>st</sup> AGM held on 29 <sup>th</sup> August 2014	(i) Special Resolution was passed to approve the remuneration to Mr. Tarique Ansari as a Managing Director.
	(ii) Special Resolution was passed to approve implementation of ESOP Scheme.
	(iii) Special Resolution was passed to approve implementation of ESOP Scheme to Radio One Limited.
32 <sup>nd</sup> AGM held on 31 <sup>st</sup> July 2013	(i) Special Resolution was passed for the re-appointment of Mr. Tarique Ansari as the Managing Director of the Company.
	(ii) Special Resolution was passed for payment of remuneration to Mr. Tarique Ansari as the Managing Director of the Company.
33 <sup>rd</sup> AGM held on 8 <sup>th</sup> August 2014	(i) Special Resolution was passed for the re-appointment of Mr. Tarique Ansari as the Managing Director of the Company.
	(ii) Special Resolution was passed for issue of shares to the Promoters group Companies Viz. Ferari Investment & Trading Company Private Limited and Meridian Holding & Leasing Company Private Limited on preferential basis.

#### (iii) Resolution Passed by Postal Ballot on 18<sup>th</sup> February, 2015:

During the year 2014-15, the following resolutions were passed by Postal Ballot, results of which were declared on 26<sup>th</sup> March 2015:

1. Increase in the Authorised Share Capital of the Company.
2. Alteration of the Capital Clause of the Memorandum of Association.
3. Alteration of the Capital Clause of the Article of Association.
4. Raising of Funds upto ₹ 30 Crores by issue of Securities.

Mr. J U Poojari of M/s. J.U Poojari & Associates, Company Secretaries was appointed as the Scrutinizer for conducting the Postal Ballot process.

**Procedure for Conducting Postal Ballot:**

After receiving the approval of the Board of Directors and consent of the scrutinizer, notice of the Postal Ballot containing text of the Resolution and Explanatory Statement to be passed through postal ballot, Postal ballot Form and self-addressed postage pre-paid envelopes are sent to the shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. The Company also provides e-voting facility to enable the shareholders to cast their vote by electronic means. A notice is also published in the newspapers regarding dispatch of Postal Ballot notices. After the last date of receipt of ballots, the Scrutinizer, after due verification, submits the result to the Chairman. Thereafter, the Chairman declares the result of the postal ballot. The same along with Scrutinizer's Report is submitted to the Stock Exchanges and also displayed on the website of the Company.

**8. OTHER DISCLOSURES:**

- (a) Other than transactions entered into in the normal course of business for which necessary approvals are taken and disclosures made, the Company has not entered into any materially significant related party transactions i.e., transactions of material nature, with its Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. However, the Company has annexed to the accounts a list of all related parties as per the Companies Act, 2013 and Accounting Standard 18 and the transactions entered into with them.
- (b) A qualified practicing Company Secretary conducts Share Capital Reconciliation Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) along with shares held in physical form and the total issued and listed capital. The Share Capital Reconciliation Audit Report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- (c) The Chairman and Managing Director and the Chief Financial Officer have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO / CFO Certification for the period ended 30<sup>th</sup> September, 2014.
- (d) The Companies risk management framework is being reviewed and revised to minimize risk and strengthen risk assessment.
- (e) During the last three years, there were no strictures or penalties imposed either by Securities and Exchange Board of India or the Stock Exchange or any regulatory authority for non-compliance of any matter related to the capital market.
- (f) No personnel have been denied access to the Chairman or members of the Audit Committee. The mechanism of Whistle Blower Policy is in place.
- (g) To the extent possible, the Company has complied with the mandatory requirement of this clause.
- (h) The Company has complied with all applicable Accounting Standards in preparation of its financial statements pursuant to the amended Schedule III of Companies Act, 2013.

**9. MEANS OF COMMUNICATION :**

- a. Financial Results: As required under the Listing Agreement, Quarterly and Half-Yearly results of the Company are published within forty five days from the end of the respective quarter and the annual audited results are announced as and when approved by the Board. The financial results are published usually in the Free Press Journal.
- b. News Releases, Presentations etc.: Official news releases, detailed presentations made to media, analysts, institutional investors etc. if any, are displayed on the Company's website viz. [www.nextmediaworks.com](http://www.nextmediaworks.com). Official announcements are sent to the Stock Exchanges.
- c. Website: The Company's corporate website [www.nextmediaworks.com](http://www.nextmediaworks.com) provides information about the Company's business. It also contains a separate dedicated Section 'Investor Relations' where shareholders information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable format.
- d. Annual Report: Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.
- e. There were no presentations made to the institutional investors or to the analysts.

**10. MANDATORY REQUIREMENT :**

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

**11. NON-MANDATORY REQUIREMENTS :****Subsidiary Monitoring Framework:**

All Subsidiaries of the Company are Board managed with their Boards having the rights and obligations to manage such Companies in the best interest of their stakeholders. As a majority shareholder, the Company has nominated its representatives on the Boards of subsidiary Companies and monitors the performance of such companies, inter alia, by means of taking Consolidated Accounts and including all items of the subsidiaries as required under the provision of the Companies Act 2013.

**12. GENERAL SHAREHOLDER INFORMATION:**

<b>Annual General Meeting</b>	6 <sup>th</sup> August 2015.
<b>Financial Year</b>	1 <sup>st</sup> April 2014 to 31 <sup>st</sup> March 2015.
<b>Date of Book Closure</b>	31 <sup>st</sup> July 2015 to 5 <sup>th</sup> August 2015 (both days inclusive).
<b>Dividend Payment</b>	No Dividend
<b>Listing on Stock Exchanges</b>	(1) Bombay Stock Exchange Limited (2) National Stock Exchange of India Limited
	The Company has paid the listing fees to the Stock Exchanges.
<b>Stock Code</b>	BSE: 532416
	NSE: NEXT MEDIA EQ
	NSDL/CDSL - ISIN - INE747B01016
<b>Registered office of Company</b>	156, D.J Dadajee Road, Behind Everest Building, Tardeo, Mumbai-400 034 Tel: +91-22-67527038 Email: <a href="mailto:cs@nextmediaworks.com">cs@nextmediaworks.com</a> Web site: <a href="http://www.nextmediaworks.com">www.nextmediaworks.com</a>

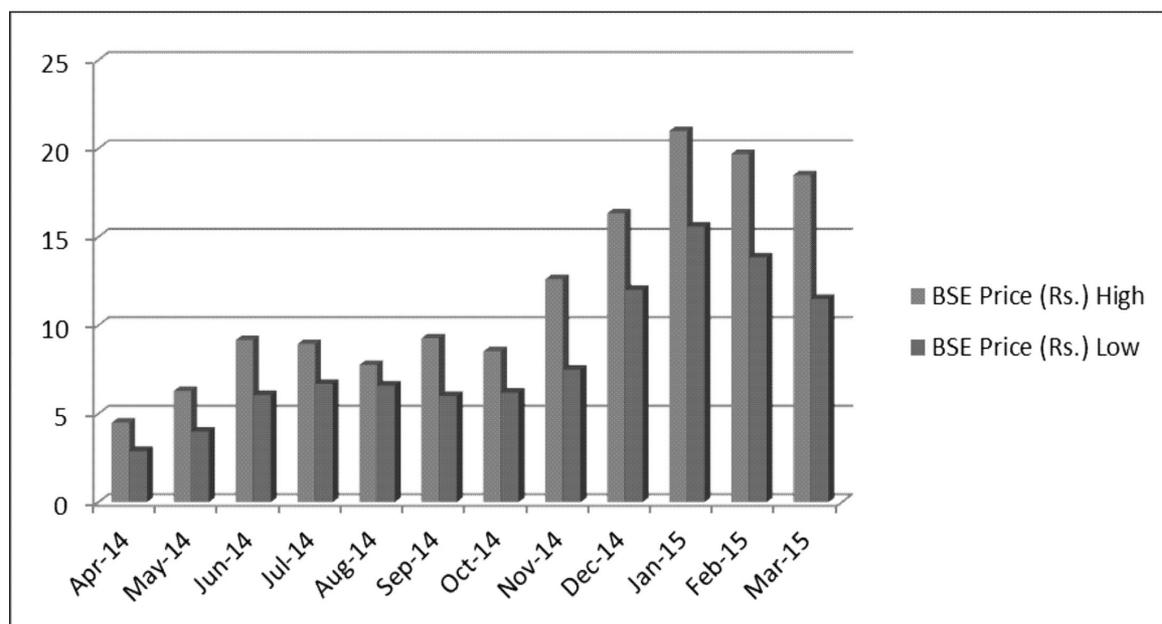
**Financial Calendar (tentative and subject to change) (AT THE END OF THE YEAR)**

Particulars	Date
Financial results for 1 <sup>st</sup> Qtr ended 30 <sup>th</sup> June 2015	August 06, 2015
Financial results for 2 <sup>nd</sup> Qtr ended 30 <sup>th</sup> September 2015	November 2015
Financial results for 3 <sup>rd</sup> Qtr ended 31 <sup>st</sup> December 2015	February 2016
Financial audited results for the year ended 31 <sup>st</sup> March 2016	Apr/ May 2016

**Market Price Data from NSE & BSE website:**

MONTH	BSE (High)	BSE (Low)	NSE (High)	NSE (Low)
Apr-2014	4.50	2.90	4.50	2.90
May-2014	6.29	4.00	6.45	4.00
Jun-2014	9.17	6.06	9.00	6.10
Jul-2014	8.95	6.70	8.80	6.55
Aug-2014	7.77	6.60	7.65	6.55
Sept-2014	9.28	6.01	9.35	6.05
Oct-2014	8.54	6.20	8.55	6.40
Nov-2014	12.62	7.50	12.85	7.50
Dec-2014	16.35	12.01	16.35	11.90
Jan-2015	21.00	15.60	21.50	15.65
Feb-2015	19.70	13.85	20.40	14.10
Mar-2015	18.50	11.50	18.20	10.65

**PERFORMANCE IN COMPARISON TO BSE SENSEX**



## Shareholder's Information

<b>Registrar and Share Transfer Agent</b>	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078. Tel: +91-22-2596 3838, Fax: +91-22-2594 6969 Email: ashwini.nemlekar@linkintime.co.in
<b>Share Transfer System</b>	The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Stakeholder relationship Committee.  The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

The Distribution of Shareholding as on 31<sup>st</sup> March 2015

No. of Equity Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares	% to total Shares
1-500	15749	81.23	2615090	4.00
501-1000	1768	9.11	1506591	2.30
1001-2000	835	4.31	1323002	2.02
2001-3000	279	1.44	741714	1.14
3001-4000	144	0.74	525344	0.80
4001-5000	166	0.86	803907	1.23
5001-10000	214	1.10	1615343	2.48
10001 and above	233	1.20	56204285	86.02
<b>TOTAL</b>	<b>19388</b>	<b>100.00</b>	<b>65335276</b>	<b>100.00</b>

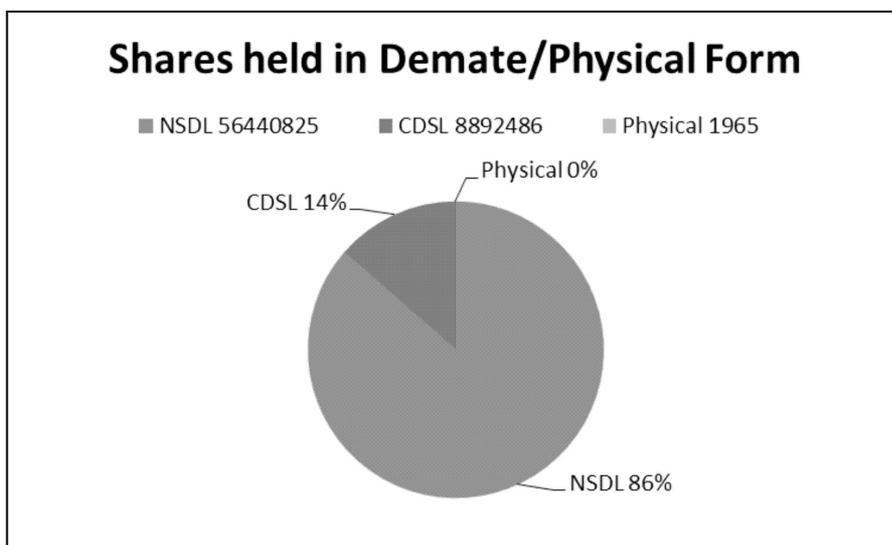
Category of Shareholders as on 31<sup>st</sup> March, 2014

Category	No. of Shareholders	No of Shares Held	Voting Strength (%)
Individuals	18853	16090259	24.63
Bodies Corporates	365	6580535	10.07
Clearing Members and Trust	85	364193	0.56
FIs	4	1822664	2.79
Promoters Group	8	39838852	60.98
Mutual Funds, Banks, Financial Institutions	1	35000	0.05
Non Resident Indians	72	603773	0.92
<b>TOTAL</b>	<b>19388</b>	<b>65335276</b>	<b>100.00</b>

## 14. Dematerialisation of shares

99.99% of the total equity capital is held in dematerialised form with NSDL and CDSL as on 31<sup>st</sup> March, 2015. As per guidelines of SEBI, the trading in equity shares of the Company is permitted only in dematerialised form.

Particulars	No. of Shares	% of Total Capital Issued
NSDL	56440825	86.37
CDSL	8892486	13.60
Physical	1965	0.003
Total	65335276	100.00



## CERTIFICATE PURSUANT TO CLAUSE 49(IX) OF THE LISTING AGREEMENT

We, Mr. Tarique Ansari, Managing Director and Mr. Ismail Dabhoya, Chief Financial Officer hereby certify for the financial year ended 31<sup>st</sup> March 2015 that: -

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
  - (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year; and
  - (iii) that there are no instances of significant fraud of which we have become aware.

**Tarique Ansari**  
Managing Director  
(Din: 00101820)

**Ismail Dabhoya**  
Chief Financial Officer

Date: 18<sup>th</sup> June, 2015

## **PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

### **To the Members of Next Mediaworks Limited**

We have examined the Compliance of conditions of Corporate Governance by Next Mediaworks Limited ("the Company"), for the financial year ended 31<sup>st</sup> March, 2015, as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementations thereof, adopted by the Company for ensuring the compliances with the conditions of the Corporate Governance as stipulated in the said Clause 49. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

### **For J U Poojari & Associates**

Practicing Company Secretary

**J.U POOJARI**

**ACS: 22867 CP: 8187**

Mumbai 18<sup>th</sup> June, 2015

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## **DECLARATION PURSUANT TO CLAUSE 49(II) (E) OF THE LISTING AGREEMENT**

In accordance with Clause 49(II)(E) of the Listing Agreement with the Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended 31<sup>st</sup> March 2015.

For **Next Mediaworks Limited**

**Tarique Ansari**  
**Managing Director**  
**(DIN: 00101820)**

Mumbai 18<sup>th</sup> June, 2015

# INDEPENDENT AUDITORS' REPORT

## **To the Members of Next Mediaworks Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Next Mediaworks Limited, which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

## Independent Auditors' Report

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, its loss and its cash flows for the year ended on that date.

### Emphasis of Matter

1. We draw attention to Note no. 24 of the audited financial statements with regards to the Managerial Remuneration paid to the Managing Director by the Company during the period from 1<sup>st</sup> July, 2013 to 31<sup>st</sup> March, 2015 which is subject to approval of Central Government.
2. We draw attention to Note No. 21 of the audited financial statements with regards to the Company's investment in its subsidiary Next Radio Limited (formerly known as Radio One Limited) amounting ₹ 15,602.86 Lacs. For reasons stated in the Note, no provision is considered necessary by the Management of the Company against such investment.

Our opinion is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. we have sought and 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 it appears from our examination of those books;
  - d. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;  
The matter described in sub-paragraph 2 under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act;

## Independent Auditors' Report

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- (i) The Company has disclosed the the impact of pending litigations on its financial position in its standalone financial statements - Refer note 20 on Contingent Liabilities to the Standalone financial statements;
  - (ii) As per information and explanation give to us, the Company did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Atul Gala**  
Partner  
Membership No. 48650

Mumbai: 29<sup>th</sup> April, 2015

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## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Next Mediaworks Limited on the Standalone financial statements for the year ended 31<sup>st</sup> March, 2015]**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) During the year, the fixed assets of the company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) The Company does not hold any inventory and hence Clause 4(ii) (a), 4(ii) (b) and 4(ii) (c) is not applicable to the Company.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii) (b) of the Order are not applicable.

## ANNEXURE TO AUDITORS' REPORT

- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Section 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the Company under Sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, there have been delays in payment of Income Tax deducted at source in few cases.

and

- (a) According to the information and explanations given to us, undisputed dues in respect of provident fund, income-tax, sales-tax, service tax, value added tax, cess and any other material statutory dues applicable to it, which were outstanding at the year end for a period of more than six months from the date they became payable are as follows.

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Due Date	Date of Payment
Income Tax	TDS on Rent	2.28 lacs	2014-15	07-09-2014	Not paid

- (b) According to the information and explanations given to us, the dues outstanding with respect to, income tax, sales-tax, service tax, value added tax, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows.

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	152.65 lac	AY 2009-2010	ITAT

- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company does not have accumulated losses at the end of the financial year. However, the company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution(s), bank(s) or debenture holder(s).

- (x) The Company has given counter guarantees for loans taken by others from banks or financial institutions aggregating ₹ 1,153 lacs (₹ 1,771 lacs) as on balance sheet date, where the terms and conditions in our opinion are prima facie not prejudicial to the interest of the Company.
- (xi) The Company has not obtained any term loans during the year.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

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

**Atul Gala**  
Partner  
Membership No. 48650

Mumbai: 29<sup>th</sup> April, 2015

# BALANCE SHEET

as at 31<sup>st</sup> March, 2015

Particulars	Refer Note No.	As at 31 <sup>st</sup> Mar, 2015 ₹ in lakhs	As at 31 <sup>st</sup> Mar, 2014 ₹ in lakhs
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	4	6,499.88	5,829.88
Reserves and surplus	5	8,248.74	8,707.20
		<b>14,748.62</b>	14,537.08
<b>Non-current liabilities</b>			
Long-term borrowings	6	82.30	1,208.54
Long-term provisions	7	5.84	12.98
		<b>88.14</b>	1,221.52
<b>Current liabilities</b>			
Other current liabilities	8	906.87	107.46
Short-term provisions	7	5.05	5.75
		<b>911.92</b>	113.21
	<b>Total</b>	<b>15,748.68</b>	15,871.81
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	9		
Tangible assets		18.86	24.61
Non-current investments	10	15,602.87	15,602.87
Deferred tax assets (net)	11	-	111.30
Long-term loans and advances	13	106.91	100.91
<b>Current assets</b>			
Cash and Bank Balances	12	1.44	3.57
Short-term loans and advances	13	18.60	28.55
		<b>20.04</b>	32.12
	<b>Total</b>	<b>15,748.68</b>	15,871.81
Summary of significant accounting policies	3		
The Notes are an integral part of financial statements			

As per our report of even date attached

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Regn No. 103523W

**Atul Gala**

(Partner)

Membership No.: 48650

Place: Mumbai

Date: 29<sup>th</sup> April, 2015

For and on behalf of the Board of Directors of

**Next Mediaworks Limited**

**Tarique Ansari**

Director

(DIN: 00101820)

**Manoj Gujran**

Company Secretary

**Adille Sumariwalla**

Director

(DIN: 00045855)

**Ismail Dabhoya**

Chief Financial Officer

# PROFIT AND LOSS STATEMENT

for the year ended 31<sup>st</sup> March, 2015

Particulars	Refer Note No.	Year Ended	Year Ended
		31 <sup>st</sup> Mar, 2015	31 <sup>st</sup> Mar, 2014
		₹ in lakhs	₹ in lakhs
<b>Revenue From Operations</b>			
Income from operation		-	-
<b>Total Revenue</b>		-	-
<b>Expenses</b>			
Employee Benefit Expenses	14	155.96	117.13
General & Administration Expenses	15	97.43	143.90
		253.39	261.03
<b>Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) [Refer Note 3(p)]</b>		(253.39)	(261.03)
Depreciation & Amortization	9	5.75	0.57
Finance charges	16	100.57	90.47
<b>Profit / (Loss) before tax</b>		(359.71)	(352.07)
<b>Tax expense:</b>			
Deferred tax		111.30	-
<b>Profit (Loss) for the year</b>		(471.01)	(352.07)
<b>Earnings per equity share:</b>			
Basic & Diluted	17	(0.76)	(0.60)
Summary of significant accounting policies	3		
The Notes are an integral part of financial statements			

As per our report of even date attached

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Regn No. 103523W

**Atul Gala**

(Partner)

Membership No.: 48650

Place: Mumbai

Date: 29<sup>th</sup> April, 2015

For and on behalf of the Board of Directors of  
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**Tarique Ansari**

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**Manoj Gujran**

Company Secretary

**Adille Sumariwalla**

Director

(DIN: 00045855)

**Ismail Dabhoya**

Chief Financial Officer

## CASH FLOW STATEMENT

Particulars	Year ended 31st Mar, 2015	Year ended 31st Mar, 2014
	₹ in lakhs	₹ in lakhs
<b>A. Net Cashflow from operating Activities</b>		
Net Profit / (Loss) before tax	(359.71)	(352.07)
Depreciation	5.75	0.57
Employee Stock Option	12.54	-
Sundry Balance w/off	17.24	-
Interest & finance cost	100.57	90.47
Rent Equilisation Reserve	0.76	0.51
<b>Operational Profit before Working Capital</b>	<b>(222.85)</b>	<b>(260.52)</b>
<b>Adjustments for changes in Working Capital</b>		
Other Current assets	(7.29)	(11.94)
Current Liabilities & provisions	718.06	17.09
<b>Sub-Total</b>	<b>710.77</b>	<b>5.15</b>
<b>Cash generated from operations</b>	<b>487.92</b>	<b>(255.37)</b>
Tax	(6.00)	(55.47)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>481.92</b>	<b>(310.84)</b>
<b>B. Cash Flow from Investing Activities</b>		
Investments (net)	-	(0.01)
Interest received	-	208.82
<b>Net Cash Flow from Investing Activities (B)</b>	<b>0.00</b>	<b>208.81</b>
<b>C. Cash Flow from financing Activities</b>		
Capital	670.00	-
Long Term & Other borrowings	-	548.54
Repayment of Long Term & Other borrowings	(1126.24)	(325.00)
Interest Paid	(27.82)	(122.49)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(484.06)</b>	<b>101.05</b>
<b>Net Increase/decrease in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(2.14)</b>	<b>(0.97)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>3.57</b>	<b>4.54</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>1.43</b>	<b>3.57</b>

As per our report of even date attached

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Regn No. 103523W

**Atul Gala**

(Partner)

Membership No.: 48650

Place: Mumbai

Date: 29<sup>th</sup> April, 2015

For and on behalf of the Board of Directors of  
**Next Mediaworks Limited**

**Tarique Ansari**

Director

(DIN: 00101820)

**Manoj Gujran**

Company Secretary

**Adille Sumariwalla**

Director

(DIN: 00045855)

**Ismail Dabhoya**

Chief Financial Officer

# NOTES TO FINANCIAL STATEMENTS

for the year ended on 31<sup>st</sup> March, 2015

## 1. Corporate Information

Next Mediaworks Limited ('the company') is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956.

The Company was incorporated for several multimedia activities; including but not limited to; the business as broadcasters, marketers of television programs, television films and television software, to carry on the business of a Advertising agents, to provide on-line and/or interactive information, online music and news for business and general use, to deal in internet commerce and all internet related activity, the main business being that of printing and publishing.

Pursuant to the Scheme of Arrangement with Jagran Prakashan Limited ("JPL") the entire print and publishing business of the Company, along with all the related licences, trade marks, logos etc transferred in the name of JPL and accordingly the name "MiD DAY" and its Logo were transferred to JPL in order to avoid any disruption in the use of the name "MiD DAY" and its Logo. The Company's name was thus changed to "Next Mediaworks Ltd".

## 2. Basis of preparation

The Financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standard specified u/s 133 of Companies Act, 2013 read with Rule 7 of the Companies(Accounts) Rules, 2014 and the relevant provision of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under historical cost convention. The accounting policies have been consistently applied by the company and are consistent with those used in previous year.

## 3. Summary of significant accounting policies

### a) Use of estimates

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

### b) 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.

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 of performance. All other expenses for 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.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the fixed asset and are recognized in the statement of profit and loss when the asset is disposed.

### c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial

## Notes to financial statements

recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment, if any.

**d) Depreciation**

Depreciation on fixed assets is provided on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II of the Companies Act, 2013, whichever is higher. Depreciation on additions during the year is provided on a pro-rata basis from the date of addition.

**e) Impairment**

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

**f) Leases**

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on accrual basis.

**g) 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.

On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

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

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged off or credited to the statement of profit and loss.

**h) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Interest**

Interest Income is recognized on a time proportion basis, taking into account the amount outstanding and the applicable interest rate.

## Notes to financial statements

### i) Foreign currency translation

#### Initial recognition

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 transaction.

#### Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

The exchange differences arising on the settlement of the monetary items or on reporting such items at rates different from those at which they were initially recorded in previous financial statements are recognized in the Statement of Profit & Loss.

### j) Retirement and other employee benefits

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

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

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

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

### k) Income Taxes

Tax expense comprises current and deferred tax. Current tax is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

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

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

### l) Earnings Per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders (after deducting preference dividends and attributable expenses) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity share outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share spilt and reverse share spilt (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### m) Provisions

A provision is recognized when the company has a present obligation as a result of a past event, it

## Notes to financial statements

is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. Provisions are not discounted to their present value and 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.

**n) Contingent liabilities, contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed.

**o) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**p) Measurement of EBITDA**

The company has elected to present earning 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 expense, finance costs and tax expense.

## 4. Share Capital

**a. Authorized and issued and paid-up capital**

	As at 31 <sup>st</sup> Mar, 2015		As at 31 <sup>st</sup> Mar, 2014	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
<b>Authorized Capital</b>				
Equity Shares of ₹ 10/- each	70,000,000	7,000.00	70,000,000	7,000.00
	<b>70,000,000</b>	<b>7,000.00</b>	<b>70,000,000</b>	<b>7,000.00</b>
<b>Issued, Subscribed &amp; Paid up Capital</b>				
Equity Shares of ₹ 10/- each fully paid	64,998,756	6,499.88	58,298,776	5,829.88
	<b>64,998,756</b>	<b>6,499.88</b>	<b>58,298,776</b>	<b>5,829.88</b>

**b. Reconciliation of the Equity shares outstanding at the beginning and at the end of the year**

	As at 31 <sup>st</sup> Mar, 2015		As at 31 <sup>st</sup> Mar, 2014	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
Shares outstanding at the beginning of the year	58,298,776	5,829.88	58,298,776	5,829.88
Add: Shares issued during the year	6,699,980	670.00	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of year	<b>64,998,756</b>	<b>6,499.88</b>	<b>58,298,776</b>	<b>5,829.88</b>

**c. Terms / rights attached to equity shares**

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share

## Notes to financial statements

is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### d. Details of Shareholders holding more than 5% shares in the company

Equity Shares	As at 31 <sup>st</sup> Mar, 2015		As at 31 <sup>st</sup> Mar, 2014	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Mr. Khalid Ansari	4,338,055	6.64%	4,338,055	7.37%
Mr. Tarique Ansari	4,337,298	6.64%	4,337,298	7.37%
Mrs. Rukya Ansari	4,615,075	7.06%	4,337,298	7.37%
Mr. Sharique Ansari	4,337,298	6.64%	4,337,298	7.37%
Ms. Tehzeb Ansari	4,337,298	6.64%	4,337,298	7.37%
Bennett, Coleman and Company Ltd.	3,649,391	5.59%	3,649,391	6.20%
Ferari Investments & Trading Company Pvt. Ltd.	9,659,226	14.78%	5,839,226	9.92%
Meridian Holding and Leasing Co. Pvt. Ltd.	7,469,856	11.43%	4,447,679	7.56%
<b>Total</b>	<b>42,743,497</b>	<b>65.42%</b>	<b>35,623,543</b>	<b>60.53%</b>

- e. There are no equity shares issued as bonus shares, or for consideration other than cash during the period five years immediately preceding the reporting date.
- f. ESOP: Please refer note no 26.

## 5. Reserves & Surplus

Particulars	As at 31 <sup>st</sup> Mar, 2015 Amount (₹) in lakhs	As at 31 <sup>st</sup> Mar, 2014 Amount (₹) in lakhs
<b>Securities Premium</b>		
Opening Balance	8,393.09	8,393.09
	8,393.09	8,393.09
Employee Stock Option Outstanding	355.04	-
Less: Deferred Employee Compensation Cost	(342.49)	-
	12.55	-
<b>Surplus</b>		
Opening Balance	314.11	666.18
Add: Net Profit / (Loss) for the year	(471.01)	(352.07)
Closing Balance	(156.90)	314.11
<b>Total Reserves &amp; Surplus</b>	<b>8,248.74</b>	<b>8,707.20</b>

## Notes to financial statements

### 6. Long Term Borrowings

Particulars	Non – Current Portion	
	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹) in lakhs	Amount (₹) in lakhs
<b>Unsecured Borrowings</b>		
Inter Corporate Loans		
- From Related parties	<b>82.30</b>	1,208.54
	<b>82.30</b>	<b>1,208.54</b>

Unsecured loans from related parties are payable at end of tenure of loan i.e. 8 years

### 7. Provisions

Particulars	Long Term		Short Term	
	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
<b>Provision for Employee Benefits</b>				
Gratuity (Funded)	-	3.24	<b>4.92</b>	4.87
Leave Encashment (Unfunded)	<b>4.57</b>	9.23	<b>0.13</b>	0.88
<b>Rent Equalisation Reserve</b>	<b>1.27</b>	0.51	-	-
	<b>5.84</b>	<b>12.98</b>	<b>5.05</b>	<b>5.75</b>

### 8. Other Current Liabilities

	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹) in lakhs	Amount (₹) in lakhs
<b>Other Liabilities</b>		
Statutory Dues Payable	<b>6.52</b>	6.67
Other Current Liabilities	<b>35.92</b>	59.12
Advances Received	<b>750.00</b>	-
Interest Accrued but not due to related parties	<b>114.42</b>	41.67
	<b>906.87</b>	<b>107.46</b>

## Notes to financial statements

## 9. Fixed Assets

Amount (₹) in lakhs

Particulars	Gross Block				Depreciation				Net Block		
	As at 1st Apr, 2014	Additions	Deductions	As at 31st Mar, 2015	As at 1st Apr, 2014	For the period	Deductions	As at 31st Mar, 2015	As at 31st Mar, 2015	As at 31st Mar, 2014	
<b>Tangible Assets:</b>											
Office Premises	35.25	-	-	35.25	10.63	5.75	-	16.38	18.86	24.61	
Office Equipments	0.61	-	-	0.61	0.61	-	-	0.61	-	-	
<b>Total Tangible Assets</b>	<b>35.86</b>	-	-	<b>35.86</b>	<b>11.24</b>	<b>5.75</b>	-	<b>16.99</b>	<b>18.86</b>	<b>24.61</b>	
<b>Intangible Assets:</b>											
Softwares	28.30	-	-	28.30	28.30	-	-	28.30	-	-	
<b>Total Intangible Assets</b>	<b>28.30</b>	-	-	<b>28.30</b>	<b>28.30</b>	-	-	<b>28.30</b>	-	-	
<b>Total</b>	<b>64.16</b>	-	-	<b>64.16</b>	<b>39.55</b>	<b>5.75</b>	-	<b>45.29</b>	<b>18.86</b>	<b>24.61</b>	
Intangible Assets under development									-	-	
<b>Total</b>	<b>64.16</b>	-	-	<b>64.16</b>	<b>39.55</b>	<b>5.75</b>	-	<b>45.29</b>	<b>18.86</b>	<b>24.61</b>	
Previous Year (as on 31st March, 2014)	64.16	-	-	64.16	38.97	0.57	-	39.55	24.61		

## 10. Non Current Investment

Particulars	As at 31st Mar, 2015		As at 31st Mar, 2014	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
<b>Trade Investments (Unquoted)</b>				
<b>Investments in Subsidiaries</b>				
Next Outdoor Limited (Equity Shares of ₹ 10/- Each)	3,494,200	349.42	3,494,200	349.42
Digital One Pvt Limited (Equity Shares of ₹ 10/- Each)	10,000	1.00	10,000	1.00
One Audio Limited (Equity Shares of ₹ 10/- Each)	50,000	5.00	50,000	5.00
Next Radio Limited (Equity Shares of ₹ 10/- Each)	96,430,770	13,025.86	96,430,770	13,025.86
Next Radio Limited (Preference Shares of ₹ 10/- Each)	25,770,000	2,577.00	25,770,000	2,577.00
<b>Other Investments</b>				
Awami Co-op Bank Limited (Equity Shares of ₹ 10 each)	250	0.03	250	0.03
Dombivli Nagari Sahakari Bank (Equity Shares of ₹ 50/- Each)	20	0.01	20	0.01
Less: Provision for diminution in value of Investment		355.45		355.45
		<b>15,602.87</b>		<b>15,602.87</b>

## Notes to financial statements

### 11. Deferred Tax Assets

As per AS 22 on accounting for taxes on income, the company has reversed the entire amount of deferred tax asset in the current year

Particulars	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹) in lakhs	Amount (₹) in lakhs
<b>Deferred Tax Assets/ Liabilities</b>		
Carried Forward Losses	-	110.02
Depreciation on Fixed Assets	-	(4.85)
Leave Encashment	-	2.98
Gratuity	-	3.15
	-	<b>111.30</b>

### 12. Cash & Bank Balances

Particulars	Non-current		Current	
	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
<b>Cash &amp; Cash Equivalents</b>				
Balances with banks - In Current Account	-	-	1.44	3.57
Cash in Hand	-	-	0.00	0.00
	-	-	1.44	3.57

### 13. Loans & Advances

Particulars	Long Term		Short Term	
	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
<b>Unsecured Considered Good</b>				
Sundry Deposit	-	-	3.80	3.80
Other Loans and Advances	-	-	4.53	1.46
Loans to Others	-	-	203.10	203.10
Less: Provision against Loans	-	-	(201.73)	(201.73)
Tax Deducted at Source / Advance Income Tax	106.91	100.91	-	-
Other Taxes Receivable	-	-	-	14.07
Prepaid Expenses	-	-	8.90	7.85
	<b>106.91</b>	<b>100.91</b>	<b>18.60</b>	<b>28.55</b>

## Notes to financial statements

## 14. Employee Benefit Expenses

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015	Year Ended 31 <sup>st</sup> Mar, 2014
	Amount (₹) in lakhs	Amount (₹) in lakhs
Salary & Wages	115.30	109.43
Contribution to PF and other funds	7.58	7.51
Staff Welfare expenses & Other Employee expenses	0.54	0.19
Employee Compensation (ESOP) Exp	32.54	-
	<b>155.96</b>	<b>117.13</b>

## 19. General &amp; Administration Expenses

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015	Year Ended 31 <sup>st</sup> Mar, 2014
	Amount (₹) in lakhs	Amount (₹) in lakhs
Telephone charges	2.87	2.68
Travelling & Conveyance	8.48	11.99
Directors' sitting fees	3.71	3.40
Business Promotion	4.70	1.97
Auditors' remuneration :-		
- Statutory Audit	1.00	1.00
- Tax Audit	-	-
- Others	1.00	0.65
Repairs & Maintainance - Others	0.70	2.77
Miscellaneous Expenses	0.68	1.95
Electricity charges	0.11	0.05
Sundry Balances W/Off	17.24	(0.00)
Hire Charges	3.10	2.54
Membership & Subscription fees	2.08	0.62
Legal & Professional Charges	17.35	91.09
Printing and stationery	7.67	5.24
Insurance	1.37	1.25
Rates and Taxes	1.81	1.00
Rent	23.56	15.71
	<b>97.43</b>	<b>143.90</b>

## Notes to financial statements

### 16. Finance Charges

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015	Year Ended 31 <sup>st</sup> Mar, 2014
	Amount (₹) in lakhs	Amount (₹) in lakhs
<b>Interest Charges</b>		
- On loans from Others	100.50	90.44
<b>Other Borrowing Costs</b>		
- Bank Charges & Commission	0.07	0.03
	<b>100.57</b>	<b>90.47</b>

### 17. Earnings per Share (EPS)

	March 31, 2015	March 31, 2014
Net loss for the year attributable to equity shareholders (₹ in lakhs)	(471.01)	(352.07)
<b>Calculation of weighted average number of equity shares</b>		
Number of shares at the beginning of the year	58,298,776	58,298,776
Weighted average number of Shares issued during the year	3,782,451	0
Weighted average number of equity shares at the end of the year	62,081,227	58,298,776
<b>Basic and diluted earnings (in ₹) per share</b>	<b>(0.76)</b>	<b>(0.60)</b>

**18.** In the opinion of the Board of Directors, all assets other than fixed assets have a value on realization in the ordinary course of business atleast equal to the amounts stated in balance sheet.

### 19 Segment Reporting

The Company has only one segment namely sale of online digital music, hence no separate disclosure of segment wise information has been made.

### 20.(A) Contingent Liabilities

- In respect of guarantees issued by Company's bankers to MSRDC and other authorities for ₹ 3.00 lakhs (Previous Year ₹ 3.00 lakhs)
- Corporate guarantee issued to banks for Company's Subsidiary for term loan of ₹ 412.73 lakhs (Previous Year ₹ 1150.00 lakhs) and Cash Credit limit of ₹ 740.00 lakhs.(Previous Year ₹ 740.00 lakhs)
- In respect of Income Tax demand under dispute (net of advances) ₹ 532.49 lakhs (Previous Year ₹ 1454.20 lakhs)

**20.(B)** Estimated amount of contracts remaining to be executed on capital account is Rs Nil(Previous Year ₹ Nil).

**21.** The company's exposure in its subsidiary Next Radio Ltd.( Formerly known as Radio One Ltd.) limited through investments is ₹15,602.86 lakhs. Though net worth of the subsidiary is substantially eroded, no provision for impairment on this account is considered necessary by the management taking into consideration the nature of Radio business and gradual improvement in performance of the subsidiary.Further, the management has obtained a valuation of the Radio business from an independent valuer and based on his report, the management does not believe that any provision is necessary against exposure in Radio business.

## Notes to financial statements

## 22. Related party disclosures

## Names of related parties and related party relationship

- a. Subsidiary Companies - Next Radio Limited (Formerly known as Radio One Limited)  
One Audio Limited  
Digital One Private Limited  
Next Outdoor Limited
- b. Under control of Management - Next Publishing Services Private Limited  
Mid-Day Exports Pvt Ltd  
Inquilab Offset Printers Ltd  
Ferari Investments and Trading Co Pvt Ltd  
Meridian Holding & Leasing Co Pvt Ltd
- c. Key Managerial Personnel - Mr. Tarique Ansari, Managing Director

## Related party transactions

Nature of Transactions	Subsidiary Company	Under control of Management	Key Managerial Personnel
<b>Interest Expenses</b>	88.52		-
	(24.24)		
Meridian Holding & Leasing Co Pvt Ltd		0.91	
		(1.80)	
Ferari Investments and Trading Co Pvt Ltd		10.93	
		(18.06)	
<b>Managerial Remuneration-Mr Tarique Ansari</b>	-	-	71.36
			(63.76)
<b>Receipt of Unsecured Loan during the year</b>			-
Next Radio Ltd.	709.60		
	(548.54)		
Ferari Investments and Trading Co Pvt Ltd		210.00	
		-	
Meridian Holding & Leasing Co Pvt Ltd		210.00	
		-	
<b>Repayment of Unsecured Loan During the year</b>	-		-
Next Radio Ltd.	1,181.84		
	-		
Ferari Investments and Trading Co Pvt Ltd		424.00	
		(25.00)	
Inquilab Offset Printers Ltd.		-	
		(1.50)	
<b>Unsecured loan converted to equity during the year</b>			
Ferari Investments and Trading Co Pvt Ltd		380.00	
		-	
Meridian Holding & Leasing Co Pvt Ltd		270.00	
		-	

## Notes to financial statements

Nature of Transactions	Subsidiary Company	Under control of Management	Key Managerial Personnel
<b>Unsecured Loan payable at end of year</b>			
Next Radio Ltd.	76.30		
	(548.54)		
Ferari Investments and Trading Co Pvt Ltd		6.00	
		(600.00)	
Meridian Holding & Leasing Co Pvt Ltd		0.00	
		(60.00)	
<b>Interest Payable</b>		-	-
Next Radio Ltd.	112.76		
	(24.24)		
Ferari Investments and Trading Co Pvt Ltd		1.66	
		(5.08)	
Meridian Holding & Leasing Co Pvt Ltd			
		(18.59)	
<b>Interest Receivable</b>			
Meridian Holding & Leasing Co Pvt Ltd		0.59	
		-	

### 23. Employee Benefits

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

#### a. Defined Contribution Plans

##### Provident Fund

The Company has recognized ₹ 7.58 lakhs in Profit & Loss Statement towards employer's contribution to provident fund.

#### b. Defined Benefit Plans

##### i. Contribution to Gratuity Fund (Funded Scheme)

##### ii. Leave Encashment (Non-funded Scheme)

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

Discount Rate	- 7.98% pa
Rate of Increase in compensation levels (pa)	- 6.00% pa
Attrition Rate	- 2.00% pa

## Notes to financial statements

## a. Change in the Present Value obligation

	Year Ended 31 <sup>st</sup> Mar, 2015 (₹) in lakhs	Year Ended 31 <sup>st</sup> Mar, 2014 (₹) in lakhs
Present Value of Defined Benefit Obligation as at beginning of the Period	53.87	54.41
Interest Cost	4.89	4.35
Current Service Cost	2.23	2.46
Benefits Paid	-	-
Actuarial (gain) / Loss on Obligation	(0.12)	(7.35)
Present Value of Defined Benefit Obligation as at end of the period	60.86	53.87

## b. Fair Value of Plan Assets (for Funded Scheme – Gratuity)

Present Value of Plan Assets as at beginning of the period	45.76	44.21
Expected Return on Plan Assets	4.15	3.54
Actuarial gain/(loss) on Plan Assets	6.03	(1.99)
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at end of the period *	55.94	45.76

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

Present Value of Funded Obligation as at end of the period	60.86	53.87
Fair Value of Plan Assets as at end of the period	55.94	45.76
<b>Funded Asset recognised in the Balance Sheet</b>	<b>(4.92)</b>	<b>(8.11)</b>
Included in provision (Schedule )	-	-
Present Value of Unfunded Obligation as at end of the period	-	-
Unrecognised Actuarial gains / (losses)	-	-
Unfunded Liability recognised in the Balance Sheet	-	-
Included in provision (Schedule )	-	-

## d. Amount Recognized in the Balance Sheet

Present Value of Defined Benefit Obligation as at the end of the period	60.86	53.87
Fair Value of Plan Assets As at the end of the period	55.94	45.76
Liability / (Net Asset) recognized in the Balance Sheet	4.92	8.11

## Notes to financial statements

### e. Expenses Recognized in the Profit & Loss Statement

	Year Ended 31 <sup>st</sup> Mar, 2015 (₹) in lakhs	Year Ended 31 <sup>st</sup> Mar, 2014 (₹) in lakhs
Current Service Cost	2.23	2.46
Past Service Cost	-	-
Interest Cost	4.89	4.35
Expected Return on Plan Assets	(4.15)	(3.54)
Curtailment Cost / (Credit)	(6.15)	(5.36)
Settlement Cost / (Credit)	-	-
Net Actuarial (gain) / Loss recognised in the Period	-	-
Total Expenses recognised in the Statement of Profit and Loss	(3.19)	(2.09)

The expected rate of return on plan assets is based on market expectation any the beginning of the year. The rate of return on risk free investments is taken as reference for this purpose.

The company has based on actuarial Valuations reversed an amount of ₹ 5.41 lakhs on account of leave encashment payable to the employees.

### f. Other Disclosure

Experience Adjustments of last three years	Year Ended 31 <sup>st</sup> Mar, 2015 (₹) in lakhs	Year Ended 31 <sup>st</sup> Mar, 2014 (₹) in lakhs	Year Ended 31 <sup>st</sup> Mar, 2013 (₹) in lakhs
(Present Value Of Benefit Obligation as at the End of the Period)	(60.86)	(53.87)	(54.41)
Fair Value Of Plan Assets as at End of the period	55.94	45.76	44.21
Funded Status (Deficit)/Surplus	(4.92)	(8.11)	(10.20)
Experience Adjustment On Benefit Obligation (Gains)/Losses	(2.91)	(4.39)	0.54
Experience Adjustments On Plan Assets (Losses)/ Gains	6.03	(1.99)	0.45

## 24 Managerial Remuneration

During the year, the company has paid remuneration to Managing Director which is in excess of the limits specified in Section 197 of the Companies Act, 2013. Such higher remuneration is approved by the Remuneration Committee and the Board of Directors. As required under Schedule V to the Companies Act, 2013 the Company has made an application to the Central Government for the approval of the same. The approval of the members by way of special resolution was taken at the previous Annual General Meeting. Managerial Remuneration debited to Statement of Profit and Loss ₹ 71.36 lakhs is subject to approval of the Central Government.

## Notes to financial statements

## 25 Expenditure in Foreign Currency

Particulars	Current Year (₹) in lakhs	Previous Year (₹) in lakhs
Space on Server	-	-
Commission on Sales	2.22	0.83

Earning in Foreign Currency – ₹ Nil (Previous Year – ₹ Nil)

## 26. The company administers its ESOP Scheme through a Trust. The details of the Share Capital are as follows:

	No. of Shares	Nominal Value
Total No. Shares issued (Including for ESOP)	65,335,276	6,533.53
Shares Held by Trust under ESOP Scheme*	(336,520)	(33.65)
Share Capital reflected in Balance Sheet	64,998,756	6,499.88

\* ESOP Trust (Mid-Day Exports Pvt Ltd) is holding in total 377,436 shares including 40,916 shares held from earlier ESOP Scheme which is part of share Capital reflected in balance sheet.

27. During the year ended 31<sup>st</sup> March, 2015, the company has adopted the useful life of assets as given in part C of Schedule II of the Companies Act, 2013. An excess amount of ₹ 5.17 lakhs relating to assets where the useful life has already expired or changed, has been charged to Statement of Profit and Loss Account.

## 28. Figures for Previous Year have been regrouped/rearranged wherever required to make them comparable.

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

For and on behalf of the Board of Directors of  
**Next Mediaworks Limited**

**Atul Gala**  
(Partner)  
Membership No.: 48650

**Tarique Ansari**  
Director  
(DIN: 00101820)

**Adille Sumariwalla**  
Director  
(DIN: 00045855)

Place: Mumbai  
Date: 29<sup>th</sup> April, 2015

**Manoj Gujran**  
Company Secretary

**Ismail Dabhoya**  
Chief Financial Officer

# INDEPENDENT AUDITORS' REPORT

## **On Consolidated Financial Statements of Next Mediaworks Limited**

### **To The Members of Next Mediaworks Limited**

We have audited the accompanying consolidated financial statements of Next Mediaworks Limited ("the Company") and its subsidiaries (the Company and its subsidiaries "the Group") which comprise the Consolidated balance sheet as at March 31, 2015, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone 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 auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Basis for Qualified Opinion**

- a) As on the Balance Sheet date, one of its component have Deferred Tax Assets of ₹ 3,725.31 Lacs recognised on the basis of unabsorbed Business Losses / unabsorbed Depreciation and expected profits in future. This is not in accordance with Accounting Standard 22 on "Accounting for Taxes on Income" which requires that such assets should be recognized to the extent that there is virtual certainty supported by convincing evidence that the future taxable income will be available against which such assets can be realized. In our opinion this expectation cannot be considered as virtual certainty to recognize such assets. Consequently, profits, the relevant asset and the reserves surplus for the year are overstated by ₹ 3,725.31 Lacs.

**INDEPENDENT AUDITORS' REPORT On Consolidated Financial Statements**

- b) In respect of contribution to the cost of Common Transmission Infrastructure in one of the radio stations by one of its component, which was hitherto in dispute and for which settlement was agreed during the year, the component has not capitalized the asset. The amount to be impaired / written off is ₹ 92.55 Lacs. Consequently the profit for the year, relevant asset and the reserves and surplus are overstated ₹ 92.55 Lacs.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, as mentioned in the 'Other Matter' paragraph below, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid consolidated 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, of the state of affairs of the Group as at 31<sup>st</sup> March, 2015, its profit and its cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to:

1. Note no. 29(a) of the audited consolidated financial statements with respect to the managerial remuneration paid to the managing director by the Company during the period from July 1, 2013 to March 31, 2015 which is subject to approval of Central Government.
2. Note no. 29(b) of the audited consolidated financial statements with respect to the managerial remuneration paid to the managing director by one of the Subsidiary during the period from April 1, 2014 to March 31, 2015 which is subject to approval of Central Government.
3. Note No. 30 of the audited financial statements with regards to the Company's investment in its subsidiary Next Radio Limited (formerly known as Radio One Limited) amounting ₹ 15,602.86 Lacs. For reasons stated in the note no provision is considered necessary by the Management of the Company against such investment and consequent no impairment has been considered necessary of Goodwill on Consolidation amounting ₹ 5,489.67 Lacs in the Consolidated financial statements.

Our report is not modified in respect of the above matters.

**Other Matter**

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets (net) of ₹ 14.50 Lacs as at March 31, 2015, total revenues of ₹ NIL and net cash inflows amounting to ₹ 0.01 Lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion in so far as it relates to the amounts and disclosures in respect of these subsidiaries. Our opinion is not qualified in respect of this matter.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Reg No. 103523W

**Atul Gala**

Partner

Membership No. 48650

Mumbai: April 29, 2015

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Next Mediaworks Limited on the Consolidated financial statements for the year ended March 31, 2015]**

- (i) (a) The Group and its subsidiaries has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Group and its subsidiaries have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to their size and the nature of their assets.
- (ii) The Group and its subsidiaries does not hold any inventory and hence Clause 4(ii) (a), 4(ii) (b) and 4(ii) (c) is not applicable to the Company.
- (iii) As informed, the Group and its subsidiaries have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given by the management of the Group and its subsidiaries, there exists an adequate internal control system commensurate with the size of respective entities and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of audit, we have not observed any continuing failure to correct major weakness in internal control system of the respective entities.
- (v) In our opinion and according to the information and explanations given by the Management of the Group and its subsidiaries, the respective entities have not accepted any deposits from the public within the provisions of Section 73 to 76 of the Act of the rules framed there under.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the Group and its subsidiaries under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) The Company and its subsidiaries are generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it. However, in case of holding Company, Next Mediaworks Limited, there has been delay in few cases.

and

- (a) According to the information and explanations given by the management of the Group and its subsidiaries, undisputed dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, value added tax, cess and any other material statutory dues applicable to it, which were outstanding at the year end, for a period of more than six months from the date they became payable are as follows.

Name of Component	Nature of the statute	Nature of the dues	Amount	Period to which the amount relates	Due Date	Date of Payment
Next Mediaworks Limited (Holding Company)	Income Tax	TDS on Rent	2.28 Lacs	2014-15	07-09-2014	Not paid

- (b) According to the information and explanations given to us, the dues outstanding with respect to, income tax, sales-tax, wealth tax, service tax, value added tax, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows.

Name of Component	Nature of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where dispute is pending
Next Mediaworks Limited (Holding Company)	Income Tax Act, 1961	Income Tax	152.65 Lacs	AY 2009-2010	ITAT
Next Radio Limited (Subsidiary Company)	Income Tax Act, 1961	TDS	181.44 Lacs	AY 2011-2012	CIT (Appeals)
Next Radio Limited (Subsidiary Company)	Income Tax Act, 1961	TDS	65.91 Lacs	AY 2012-2013	CIT (Appeals)

- (c) According to the information and explanations given by the management of the Group and its subsidiaries, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the respective entities.
- (viii) The accumulated losses of the Group and its subsidiaries are not more than fifty percent of the net worth of the respective entities. Further, the Group and its subsidiaries have not incurred cash losses during the financial year covered by our audit and in the the immediately preceding financial year.
- (ix) According to the information and explanations given given by the management of the Group and its subsidiaries, the respective entities have not defaulted in repayment of dues to financial institution(s), bank(s) or debenture holders(s).
- (x) In our opinion and according to the information and explanations given by the management of the Group and its subsidiaries, the terms and conditions of the guarantees given by the respective entities, for loans taken by others from banks or financial institutions are not prejudicial to the interest of the respective entities.
- (xi) The Group and its subsidiaries, have not obtained any term loans.
- (xii) During the course of our examination of the books and records of the Group and its Subsidiaries, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given, we have neither come across any instance of fraud on or by respective entities, noticed or reported during the year, nor have we been informed of any such case by the management of the respective entities.

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

**Atul Gala**  
Partner  
Membership No. 48650

Mumbai: April 29, 2015

# CONSOLIDATED BALANCE SHEET

as at 31<sup>st</sup> Mar, 2015

Particulars	Refer Note No.	As at	As at
		31 <sup>st</sup> Mar, 2015	31 <sup>st</sup> Mar, 2014
		₹ in lakhs	₹ in lakhs
<b>Equity And Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	4	6,499.88	5,829.88
Reserves and surplus	5	5,685.94	5,778.95
		<b>12,185.82</b>	11,608.83
<b>Minority Interest</b>	6	<b>1,312.39</b>	1,125.30
<b>Non-current liabilities</b>			
Long-term borrowings	7	331.35	1,471.27
Long-term provisions	8	31.13	33.07
		<b>362.48</b>	1,504.34
<b>Current liabilities</b>			
Short-term borrowings	9	580.22	591.90
Trade payables	10	67.50	266.68
Other current liabilities	11	1,440.08	1,272.98
Short-term provisions	8	201.69	165.33
		<b>2,289.49</b>	2,296.90
		<b>16,150.18</b>	16,535.36
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	12		
Tangible assets		838.60	1,271.78
Intangible assets		6,809.67	7,795.75
		<b>7,648.27</b>	9,067.53
Non-current investments	13	0.51	0.51
Deferred tax assets (net)	14	3,745.41	4,122.71
Long-term loans and advances	15	407.30	519.32
Other non-current assets	17	254.22	218.02
<b>Current assets</b>			
Trade receivables	16	1,533.67	1,684.96
Cash and Bank Balances	17	1,860.12	245.05
Short-term loans and advances	15	684.48	609.59
Other current assets	18	16.20	67.67
		<b>4,094.47</b>	2,607.27
		<b>16,150.18</b>	16,535.36

Summary of significant accounting policies

The Notes are an integral part of financial statements

3

As per our report of even date attached

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Regn No. 103523W

**Atul Gala**

(Partner)

Membership No.: 48650

Place: Mumbai

Date: 29<sup>th</sup> April, 2015

For and on behalf of the Board of Directors of

**Next Mediaworks Limited**

**Tarique Ansari**

Director

(DIN: 00101820)

**Manoj Gujran**

Company Secretary

**Adille Sumariwalla**

Director

(DIN: 00045855)

**Ismail Dabhoya**

Chief Financial Officer

# CONSOLIDATED PROFIT AND LOSS STATEMENT

for the year ended 31<sup>st</sup> Mar, 2015

Particulars	Refer Note No.	Year Ended 31 <sup>st</sup> Mar, 2015 ₹ in lakhs	Year Ended 31 <sup>st</sup> Mar, 2014 ₹ in lakhs
<b>Revenue from Operations</b>			
Advertisement Income		6,542.88	5,896.56
Other income	19	180.56	-
<b>Total Revenue</b>		<b>6,723.44</b>	<b>5,896.56</b>
<b>Expenses</b>			
Radio license fees		394.75	419.32
Employee Benefit Expenses	20	1,977.37	1,361.02
Operating expenses	21	1,241.38	1,390.14
General & Administration Expenses	22	874.76	906.64
		<b>4,488.26</b>	<b>4,077.12</b>
<b>Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)-[Refer Note 3(p)]</b>		<b>2,235.18</b>	<b>1,819.44</b>
Depreciation & Amortization	12	1,363.73	1,229.38
Finance charges (Net)	23	292.34	457.22
<b>Profit / (Loss) before tax</b>		<b>579.11</b>	<b>132.84</b>
<b>Tax expense:</b>			
Deferred tax for the current period	14	377.30	231.97
<b>Profit (Loss) for the year</b>		<b>201.81</b>	<b>(99.14)</b>
Less: Share of Profit / (Loss) of Minority Shareholders		187.09	70.47
<b>Profit (Loss) for the period after Minority Interest</b>		<b>14.72</b>	<b>(169.61)</b>
<b>Earnings per equity share:</b>	24	<b>0.02</b>	<b>(0.29)</b>
Basic & Diluted			
Summary of significant accounting policies	3		
The Notes are an integral part of financial statements			

As per our report of even date attached

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Regn No. 103523W

**Atul Gala**

(Partner)

Membership No.: 48650

Place: Mumbai

Date: 29<sup>th</sup> April, 2015

For and on behalf of the Board of Directors of

**Next Mediaworks Limited**

**Tarique Ansari**

Director

(DIN: 00101820)

**Manoj Gujran**

Company Secretary

**Adille Sumariwalla**

Director

(DIN: 00045855)

**Ismail Dabhoya**

Chief Financial Officer

## CONSOLIDATED CASH FLOW STATEMENT

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015	Year Ended 31 <sup>st</sup> Mar, 2014
	₹ in lakhs	₹ in lakhs
<b>A. Net Cashflow from operating Activities</b>		
Net Profit / (Loss) before tax	579.11	132.84
Depreciation	1,363.73	1,229.38
Employee Stock Option	12.54	-
Interest	322.60	484.25
Loss/(profit) on sale of fixed assets (net)	(0.22)	-
Income from Investment	(0.08)	-
Interest Income	(30.27)	(27.04)
Sundry Balances W/off	27.23	-
Rent Equilisation Reserve	3.42	0.51
Creditors Written Back	(160.43)	-
Provision for Doubtful Debt	130.86	114.66
<b>Operational Profit before Working Capital</b>	<b>2,248.49</b>	<b>1,934.60</b>
<b>Adjustments for changes in Working Capital</b>		
Sundry Debtors	20.45	(69.12)
Loans & Advances	1,691.33	51.79
Other Current assets	(43.49)	(29.08)
Current Liabilities	333.82	(275.17)
<b>Sub-Total</b>	<b>2,002.11</b>	<b>(321.57)</b>
<b>Cash generated from operations</b>	<b>4,250.60</b>	<b>1,613.02</b>
Direct Taxes Paid	(74.60)	(106.23)
<b>Sub-Total</b>	<b>(74.60)</b>	<b>(106.23)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>4,176.00</b>	<b>1,506.79</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase fixed Assets	53.70	(39.69)
Sale of Fixed Assets	0.22	-
Interest Received	57.51	8.72
Income on Investments	0.08	-
Purchase of Noncurrent Investments	-	(0.51)
<b>Net Cash Flow from Investing Activities</b>	<b>111.51</b>	<b>(31.48)</b>

## Consolidated Cash Flow Statement

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015	Year Ended 31 <sup>st</sup> Mar, 2014
<b>C. Cash Flow from financing Activities</b>		
Capital	670.00	-
Long term and Other Borrowings	1.82	260.37
Repayment of Long term and Other Borrowings	(2,985.62)	(1,011.33)
Interest Paid	(359.00)	(546.36)
<b>Net Cash Flow from Financing Activities</b>	<b>(2,672.80)</b>	<b>(1,297.32)</b>
<b>Net Increase/decrease in Cash &amp; Cash Equivalents</b>	<b>1,614.71</b>	<b>178.00</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>245.41</b>	<b>67.06</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>1,860.12</b>	<b>245.06</b>

As per our report of even date attached

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Regn No. 103523W

**Atul Gala**

(Partner)

Membership No.: 48650

Place: Mumbai

Date: 29<sup>th</sup> April, 2015

For and on behalf of the Board of Directors of

**Next Mediaworks Limited**

**Tarique Ansari**

Director

(DIN: 00101820)

**Manoj Gujran**

Company Secretary

**Adille Sumariwalla**

Director

(DIN: 00045855)

**Ismail Dabhoya**

Chief Financial Officer

# NOTES TO FINANCIAL STATEMENTS

for the year ended on 31<sup>st</sup> March, 2015

## 1. Corporate Information

Next Mediaworks Limited ('the company') is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956.

The Company was incorporated for several multimedia activities; including but not limited to; the business as broadcasters, marketers of television programs, television films and television software, to carry on the business of a Advertising agents, to provide on-line and/or interactive information, online music and news for business and general use, to deal in internet commerce and all internet related activity, the main business being that of printing and publishing.

Pursuant to the Scheme of Arrangement with Jagran Prakashan Limited ("JPL") the entire print and publishing business of the Company, along with all the related licences, trade marks, logos etc transferred in the name of JPL and accordingly the name "MiD DAY" and its Logo were transferred to JPL in order to avoid any disruption in the use of the name "MiD DAY" and its Logo. The Company's name was thus changed to "Next Mediaworks Ltd".

## 2.A.Basis of preparation

- a) The consolidated financial statement relates to Next Mediaworks Limited, (the holding Company) and its Subsidiaries (together referred to as `NMW Group') has been prepared to comply in all material respects with the accounting standard specified u/s 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act 2013.
- b) The Consolidated financials statements have been prepared under historical cost convention on an accrual basis.

## B. Principle of Consolidation

- a) **The Subsidiaries considered in the consolidated financials statements are**

Name of the subsidiary	Country of Incorporation	Ownership Interest / Voting power	Financial Year ends on
Next Radio Limited (formerly known as Radio One Limited)	India	72.24%	31-Mar-15
One Audio Limited	India	100%	31-Mar-15
Digital One Limited	India	100%	31-Mar-15
Next Outdoor Limited	India	99.97%	31-Mar-15

- b) The consolidated financials statements have been prepared on following basis
  - The consolidated financial statement has been prepared in accordance with the Accounting Standard 21, "Consolidated Financial Statement" issued by The Institute of Chartered Accountants of India.
  - The financial statements of NMW Group have been consolidated on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un-realized profits or losses.
  - The consolidated financial statement has been prepared by using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as those of the parent company's independent financial statements unless stated otherwise.

## Notes to financial statements

- The difference between the cost to the company of its investments in the subsidiary and its portion of equity of subsidiary at the date it became subsidiary is recognized in the financial statement as Goodwill or Capital Reserve, as the case may be. This is based upon determination of pre-acquisition profits/losses and of net worth as on the date of acquisition determined by the management on the basis of certain estimates which have been relied upon by the auditors.
- Minority Interest in the consolidated financial statement is identified and recognized after taking into consideration :
  - (i) The Minority share of movement in equity since the date parent-subsidiary relationship came into existence.
  - (ii) The Profit / Loss attribute to the minority is adjusted against income of the group in order to arrive at the net income attribute to the company.
- As per requirement of AS-28 "Impairment of Assets" issued by ICAI, the management is of the opinion that there is no impairment of goodwill (on consolidation) except as provided in the financial statement.

### 3. Summary of significant accounting policies

#### a) Use of estimates

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

#### b) 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.

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 of performance. All other expenses for 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.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the fixed asset and are recognized in the statement of profit and loss when the asset is disposed.

#### c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment, if any.

Intangible assets ie computer software's are amortized over a period of five years.

^The One Time Entry Fees' paid by the Company to acquire FM broadcasting license has been classified as an intangible asset. The benefit of this will be derived over a period of 10 years, and hence it is being amortized accordingly.

## Notes to financial statements

**d) Depreciation**

Depreciation on fixed assets is provided on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II of the Companies Act, 2013, whichever is higher. Depreciation on additions during the year is provided on a pro-rata basis from the date of addition.

**e) Impairment**

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

**f) Leases**

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on accrual basis.

**g) 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.

On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

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

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged off or credited to the statement of profit and loss.

**h) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Radio FM Broadcasting**

Revenue from radio broadcasting is recognized on accrual basis and net of service tax.

**Interest**

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

## Notes to financial statements

### Others

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

#### i) Foreign currency translation

##### Initial recognition

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 transaction.

##### Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

The exchange differences arising on the settlement of the monetary items or on reporting such items at rates different from those at which they were initially recorded in previous financial statements are recognized in the Statement of Profit & Loss.

#### j) Retirement and other employee benefits

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

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

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

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

#### k) Income Taxes

Tax expense comprises current and deferred tax. Current tax is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

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

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

#### l) Earnings Per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders (after deducting preference dividends and attributable expenses) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity share outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share spilt and reverse share spilt (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

## Notes to financial statements

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### m) Provisions

A provision is recognized when the company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. Provisions are not discounted to their present value and 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.

### n) Contingent liabilities, contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed.

### o) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### p) Measurement of EBITDA

The company has elected to present earning 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 expense, finance costs and tax expense.

## 4. Share Capital

### a. Authorized and issued and paid-up capital

Particulars	As at 31 <sup>st</sup> Mar, 2015		As at 31 <sup>st</sup> Mar, 2014	
	Number of Shares	Amount (₹ in lakhs)	Number of Shares	Amount (₹ in lakhs)
<b>Authorized Capital</b>				
Equity Shares of ₹ 10/- each	70,000,000	<b>7,000.00</b>	70,000,000	7,000.00
	<b>70,000,000</b>	<b>7,000.00</b>	<b>70,000,000</b>	<b>7,000.00</b>
<b>Issued, Subscribed &amp; Paid up Capital</b>				
Equity Shares of ₹ 10/- each fully paid	64,998,756	<b>6,499.88</b>	58,298,776	5,829.88
	<b>64,998,756</b>	<b>6,499.88</b>	<b>58,298,776</b>	<b>5,829.88</b>

## Notes to financial statements

## b. Reconciliation of Equity Shares at the beginning of the year &amp; at the end of the year

Particulars	As at 31 <sup>st</sup> Mar, 2015		As at 31 <sup>st</sup> Mar, 2014	
	Number of Shares	Amount (₹ in lakhs)	Number of Shares	Amount (₹ in lakhs)
Shares outstanding at the beginning of the year	58,298,776	5,829.88	58,298,776	5,829.88
Add: Shares issued during the year	6,699,980	670.00	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of year	64,998,756	6,499.88	58,298,776	5,829.88

## c. Terms / rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## d. Details of Shareholders holding more than 5% shares in the company

	As at 31 <sup>st</sup> Mar, 2015		As at 31 <sup>st</sup> Mar, 2014	
	Number of Shares	% of Holding	Number of Shares	% of Holding
<b>Equity Shares</b>				
Mr. Khalid Ansari	4,338,055	6.64%	4,338,055	7.37%
Mr. Tarique Ansari	4,337,298	6.64%	4,337,298	7.37%
Mrs. Rukya Ansari	4,615,075	7.06%	4,337,298	7.37%
Mr. Sharique Ansari	4,337,298	6.64%	4,337,298	7.37%
Ms. Tehzeb Ansari	4,337,298	6.64%	4,337,298	7.37%
Bennett, Coleman and Company Ltd.	3,649,391	5.59%	3,649,391	6.20%
Ferari Investments & Trading Company Pvt. Ltd.	9,659,226	14.78%	5,839,226	9.92%
Meridian Holding and Leasing Co. P. Ltd.	7,469,856	11.43%	4,447,679	7.56%
<b>Total</b>	<b>42,743,497</b>	<b>65.42%</b>	<b>35,623,543</b>	<b>60.53%</b>

e. There are no equity shares issued as bonus shares, or for consideration other than cash during the period five years immediately preceding the reporting date.

f. ESOP: Please refer note no 32

## Notes to financial statements

### 5. Reserves & Surplus

Particulars	As at 31 <sup>st</sup> Mar, 2015 Amount (₹) in lakhs	As at 31 <sup>st</sup> Mar, 2014 Amount (₹) in lakhs
<b>Securities Premium</b>		
Opening Balance	9,300.68	9,300.68
	9,300.68	9,300.68
Employee Stock Option Outstanding	355.04	-
Less: Deferred Employee Compensation Cost	(342.50)	-
	12.54	-
<b>Surplus</b>		
Opening Balance	(3,521.73)	(3,352.12)
Add: Net Profit/(Loss) for the year	14.72	(169.61)
Less: WDV of Fixed Assets-[Refer Note 33]	(120.27)	-
	(3,627.29)	(3,521.73)
	5,685.94	5,778.95

### 6. Minority Interest

Particulars	As on 1st April 2014	Additions during the year	Deductions during the year	As on 31 <sup>st</sup> March 2015
	Amount (₹ in lakhs)	Amount (₹ in lakhs)	Amount (₹ in lakhs)	Amount (₹ in lakhs)
Contribution to Share Capital	7,845.04	-	-	7,845.04
Share of Retained Profits	(6,719.73)	187.09	-	(6,532.64)
	1,125.31	187.09	-	1,312.39

### 7. Long Term Borrowings

Particulars	Non – Current Portion	
	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>Secured Borrowings</b>		
Term Loans (From Banks/FI's)	286.81	559.75
<b>Unsecured Borrowings</b>		
Inter Corporate Loans		
- From Others	44.54	911.52
	331.35	1,471.27

## Notes to financial statements

- Term loans are secured against personal property and guarantee of the managing director of the holding company and also secured by corporate guarantee of holding company.
- Term Loan from bank is repayable in 36 equal monthly installments of ₹ 14.20 lakhs each.
- Unsecured inter corporate loan from others is payable over a period of 8 years.
- Current maturities of long term borrowings have been reported as other current liabilities.

## 8. Provisions

Particulars	Long Term		Short Term	
	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>Provision for Employee Benefits</b>				
Gratuity (Funded)	4.36	3.24	39.81	13.43
Leave Encashment (Unfunded)	25.50	29.32	0.75	3.28
<b>Other Provisions</b>				
Other Provisions	1.27	0.51		-
Provision for other expenses	-	-	161.13	148.62
	<b>31.13</b>	<b>33.07</b>	<b>201.69</b>	<b>165.33</b>

## 9. Short Term Borrowings

Particulars	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>Secured Borrowings</b>		
Cash Credit Facility (From Banks)	580.22	331.90
Loans from Financial Institution	-	260.00
	<b>580.22</b>	<b>591.90</b>

Cash Credit facilities are secured against hypothecation of Book Debts and further secured by pari-passu charge on movable and immovable assets of the company, present and future, and by personal guarantee of Managing director of holding company Next Mediaworks Limited and also secured by corporate guarantee of holding company.

## 10. Trade Payables

Particulars	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>Trade payables</b>		
To Others-(Other than MSME) (Refer Note 26)	67.50	266.68
	<b>67.50</b>	<b>266.68</b>

## Notes to financial statements

### 11. Other Current Liabilities

Particulars	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>Other Liabilities</b>		
Current Maturities of Long term Debt	126.05	305.74
Advance Received from customers	12.57	8.39
Other Advances Received	750.00	-
Statutory Dues Payable	64.88	150.09
Other Liabilities	484.92	746.46
Interest accrued and due	-	15.38
Interest Accrued but not due to Related party	1.66	45.72
Interest accrued but not due to others	-	1.19
	<b>1,440.08</b>	<b>1,272.98</b>

### 12. Fixed Assets

Amount (₹) in lakhs

Particulars	Gross Block				Depreciation				Net Block		
	As at 1 <sup>st</sup> Apr, 2014	Additions	Deductions	As at 31 <sup>st</sup> Mar, 2015	As at 1 <sup>st</sup> Apr, 2014	For the year	Transfer to Opening Reserves	Deductions	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
<b>Tangible Assets:</b>											
Building	73.32	-	-	73.32	31.57	4.39	12.69	-	48.65	24.67	41.75
Studio equipment	451.63	-	-	451.63	356.28	36.45	1.08	-	393.80	57.83	95.35
Transmitter	687.97	21.67	-	709.64	251.85	131.96	3.11	-	386.92	322.72	436.12
Furniture and fixtures	640.45	0.81	-	641.26	293.93	107.65	18.42	-	420.00	221.26	346.52
Office Equipments	56.20	2.12	-	58.32	20.44	14.64	19.34	-	54.42	3.90	35.76
Computers	336.18	27.12	5.93	357.37	321.17	10.58	10.30	5.93	336.11	21.26	15.01
Air-conditioners	97.36	5.29	-	102.65	31.08	8.83	53.77	-	93.68	8.96	66.27
Audio-visual equipments	2.63	-	-	2.63	1.05	-	1.58	-	2.63	(0.00)	1.57
Vehicles	-	7.73	-	7.73	-	0.21	-	-	0.21	7.52	-
Common Transmission Infrastructure	429.29	-	-	429.29	195.87	62.94	-	-	258.81	170.48	233.43
<b>Total Tangible Assets</b>	<b>2,775.02</b>	<b>64.74</b>	<b>5.93</b>	<b>2,833.83</b>	<b>1,503.24</b>	<b>377.65</b>	<b>120.27</b>	<b>5.93</b>	<b>1,995.23</b>	<b>838.60</b>	<b>1,271.78</b>
<b>Intangible Assets:</b>											
One Time Entry Fees	9,732.54	-	-	9,732.54	7,454.92	973.25	-	-	8,428.18	1,304.36	2,277.61
Computer software	120.94	-	-	120.94	92.47	12.83	-	-	105.30	15.64	28.46
Goodwill on Consolidation	5,489.67	-	-	5,489.67	-	-	-	-	-	5,489.67	5,489.67
<b>Total Intangible Assets</b>	<b>15,343.14</b>	<b>-</b>	<b>-</b>	<b>15,343.14</b>	<b>7,547.40</b>	<b>986.08</b>	<b>-</b>	<b>-</b>	<b>8,533.48</b>	<b>6,809.67</b>	<b>7,795.75</b>
<b>Total</b>	<b>18,118.16</b>	<b>64.74</b>	<b>5.93</b>	<b>18,176.97</b>	<b>9,050.63</b>	<b>1,363.73</b>	<b>120.27</b>	<b>5.93</b>	<b>10,528.70</b>	<b>7,648.27</b>	<b>9,067.53</b>
Intangible Assets under development	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>18,118.16</b>	<b>64.74</b>	<b>5.93</b>	<b>18,176.97</b>	<b>9,050.63</b>	<b>1,363.73</b>	<b>120.27</b>	<b>5.93</b>	<b>10,528.70</b>	<b>7,648.27</b>	<b>9,067.53</b>
Previous Year	18,078.47	39.69	-	18,118.16	7,821.26	1,229.38	-	-	9,050.63	9,067.53	-

## Notes to financial statements

Common Transmission Infrastructure (CTI) is co-owned by the subsidiary company along with other Radio FM players in each city. The subsidiary company has started using such facility at Bangalore, Delhi, Pune, Ahmedabad & Mumbai in earlier period. Depreciation on CTI is charged on straight line method over balance period of License at each location.

## 13. Non Current Investments

Particulars	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>Non-Trade Investments</b>		
Investments in Equity Shares		
DNS Bank Shares (Equity Shares of ₹ 50/- each)	0.51	0.51
	<b>0.51</b>	<b>0.51</b>

## 14. Deferred Tax Assets

As per AS 22 on accounting for taxes on income, the company has reversed ₹ 377.30 lakhs net deferred tax asset for the year

Particulars	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>Deferred Tax Assets/ (Liability) on:</b>		
Carried Forward Losses	3,710.19	4,167.52
Depreciation on Fixed Assets	15.13	(57.35)
Leave Encashment	7.12	8.53
Gratuity	12.97	4.01
	<b>3,745.41</b>	<b>4,122.71</b>

## 15. Loans &amp; Advances

Particulars	Long Term		Short Term	
	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>Unsecured considered good</b>				
Trade Deposits	309.74	300.91	-	-
Capital Advances	97.56	216.00	-	-
Loans to Others	-	-	203.09	202.55
Less: Provision against Loans			(201.73)	(201.73)
Receivable from BECIL	-	-	-	77.71
Staff Loans & Advances	-	-	9.42	1.74
Advances to Creditors			73.19	17.01
Other Taxes Receivable	-	-	44.29	14.07
Tax Deducted at Source	-	-	420.92	346.32
Prepaid Expenses	-	-	131.50	146.43
Loans to Related Parties	-	2.41	-	1.71
Sundry Deposit	-	-	3.80	3.80
	<b>407.30</b>	<b>519.32</b>	<b>684.48</b>	<b>609.60</b>

## Notes to financial statements

## 16. Trade Receivables

Particulars	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>Trade receivables</b>		
Debts Outstanding for Period exceeding six months		
Unsecured Considered good	205.22	230.25
Unsecured Considered doubtful	249.42	242.77
	<b>454.64</b>	<b>473.02</b>
Debts Outstanding for Period less than six months		
Unsecured Considered good	1,328.45	1,454.71
	<b>1,783.09</b>	<b>1,927.73</b>
Less: Provision for doubtful debts	249.42	242.77
<b>Total</b>	<b>1,533.67</b>	<b>1,684.96</b>

## 17. Cash and Cash equivalents

	Non-current		Current	
	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>Balances with Scheduled Bank</b>				
In Current Accounts	-	-	1,696.80	143.66
In Fixed Deposit Accounts	7.25	4.80	160.00	-
Cash in hand	-	-	3.32	1.39
<b>Other bank balances</b>				
Deposit Account - (under lien with bank)	17.08	25.16	-	100.00
Margin Money - (under lien with bank)	229.89	188.05	-	-
	<b>254.22</b>	<b>218.02</b>	<b>1,860.12</b>	<b>245.05</b>

Non Current portion of Cash & bank balance has been reported as other non- current assets.

## 18. Other Current Assets

Particulars	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>Other Current Assets</b>		
Interest Accrued but not due	16.20	43.43
Interest Accrued and Due	-	24.24
	<b>16.20</b>	<b>67.67</b>

## Notes to financial statements

## 19. Other Income

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015	Year Ended 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>Other Income</b>		
Profit on Sale of Fixed Assets	0.22	-
Creditors / Liabilities Written Back	160.43	-
Dividend Income	0.08	-
Other Misc Income	19.83	-
	<b>180.56</b>	-

## 20. Employee Benefit Expenses

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015	Year Ended 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>Employee Cost</b>		
Salary & Wages	1,760.46	1,221.91
Contribution to PF and other funds	55.97	40.88
Staff Welfare expenses & Other Employee cost	128.40	98.23
Employee Compensation (ESOP) Exp	32.54	-
	<b>1,977.37</b>	<b>1,361.02</b>

## 21. Operating Expenses

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015	Year Ended 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>Operating Expenses</b>		
Royalty	171.27	155.81
Radio programme creation and studio hire	136.76	374.27
Repairs & Maintenance - Equipment	108.89	173.37
Repairs & Maintenance - Others	84.11	87.37
Electricity charges	191.61	181.93
Rent	548.73	417.39
	<b>1,241.38</b>	<b>1,390.14</b>

## Notes to financial statements

## 22. General &amp; Administration Expenses

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015	Year Ended 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>General &amp; Administration Expenses</b>		
Telephone charges	47.66	45.69
Travelling	46.51	59.10
Conveyance	38.92	29.59
Directors sitting fees	4.04	3.68
Business Promotion	39.79	33.12
Auditors remuneration :-		
- Statutory Audit	4.42	4.42
- Tax Audit	0.75	0.75
- Others	2.10	1.55
Miscellaneous Expenses	25.21	22.09
Repairs & Maintainance - Others	0.70	7.27
Discounts & Credits	151.96	206.96
Advertisement Expenses	114.77	89.57
Provision for bad and doubtful debts	130.86	114.66
Balances Written Off	27.23	(0.00)
Hire Charges	3.10	2.54
Membership & Subscription	2.08	0.62
Legal & Professional Charges	164.14	229.86
Printing and stationery	20.39	15.74
Insurance	17.47	11.52
Rent	23.56	15.70
Rates & Taxes	9.11	12.21
Bad Debts Written Off	124.30	-
Provision made in earlier years for bad debts	(124.30)	-
	<b>874.76</b>	<b>906.64</b>

## 23. Finance Charges

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015	Year Ended 31 <sup>st</sup> Mar, 2014
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
<b>Interest Charges</b>		
- On Loans from Banks	119.24	215.43
- On loans from Others	109.25	221.17
Bank Charges & Commission	63.85	20.61
	<b>292.34</b>	<b>457.21</b>

## Notes to financial statements

## 24. Earnings per Share (EPS)

	March 31, 2015	March 31, 2014
Net loss for the year attributable to equity shareholders	14.72	(169.60)
<b>Calculation of weighted average number of equity shares</b>		
Number of shares at the beginning of the year	58,298,776	58,298,776
Weighted average number of Shares issued during the year	3,782,451	-
Weighted average number of equity shares at the end of the year	62,081,227	58,298,776
<b>Basic and diluted earnings (in ₹ ) per share</b>	<b>0.02</b>	<b>(0.29)</b>

## 25.(A) Contingent Liabilities

- In respect of guarantees issued by Company's bankers to MSRDC and other authorities for ₹ 3.00 lakhs (Previous Year ₹ 3.00 lakhs)
- In respect of guarantees issued by the Company's bankers for company's subsidiary to government and other parties ₹ 331.53 lakhs (Previous Year ₹ 348.37 lakhs).
- Corporate guarantee issued to banks for Company's Subsidiary for term loan of ₹ 412.73 lakhs (Previous Year ₹ 1031.00 lakhs) and Cash Credit limit of ₹ 740.00 lakhs.(Previous Year ₹ 740.00 lakhs)
- In respect of Income Tax demand under dispute ₹ 779.84 lakhs (Previous Year ₹ 1701.55 lakhs)

25.(B) Estimated amount of contracts remaining to be executed on capital account is ₹ NIL (Previous Year ₹ NIL)

## 26. Disclosure pertaining to Micro, Small and Medium Enterprises

There are no dues payable to Micro, Small and Medium Enterprises. The same has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

## 27. Segment Reporting

The Group has only one segment namely Radio Broadcasting; hence no separate disclosure of segment information has been made.

## 28. Related party disclosures

## Names of related parties and related party relationship

- Associate Company
  - Next Publishing Services Private Limited
  - Mid-Day Exports Pvt Ltd
  - Inquilab Offset Printers Ltd
  - Ferari Investments and Trading Co Pvt Ltd
  - Meridian Holding & Leasing Co Pvt Ltd
- Key Managerial Personnel
  - Mr. Tarique Ansari, Managing Director (Next Mediaworks Limited)
  - Mr. Vineet Singh Hukmani, Managing Director (Next Radio Limited)

## Notes to financial statements

### Related party transactions

(₹ in lakhs)

Nature of Transactions	Under control of Management	Key Managerial Personnel
<b>Interest Expenses</b>		
Meridian Holding & Leasing Co Pvt Ltd	15.62 (37.92)	
Ferari Investments and Trading Co Pvt Ltd	10.93 (18.06)	
Inquilab offset printers Ltd	0.00 (13.06)	
<b>Managerial Remuneration</b>		
Mr Tarique Ansari		71.36 (63.76)
Mr Vineet Singh Hukmani		175.00 (58.80)
<b>Receipt of Unsecured Loan during the year</b>		
Ferari Investments and Trading Co Pvt Ltd	210.00 -	
Meridian Holding & Leasing Co Pvt Ltd	210.00 -	
<b>Repayment of Unsecured Loan During the year</b>		
Ferari Investments and Trading Co Pvt Ltd	424.00 (25.00)	
MC Media Limited	30.00 -	
Inquilab offset printers Ltd	- (201.50)	
Meridian Holding & Leasing Co Pvt Ltd	187.04 (3.68)	
<b>Unsecured loan converted during the year</b>		
Ferari Investments and Trading Co Pvt Ltd	380.00 -	
Meridian Holding & Leasing Co Pvt Ltd	270.00 -	
<b>Unsecured Loan payable at end of year</b>		
Inquilab Offset Printers Ltd	- -	
MC Media Limited	- (30.00)	
Ferari Investments and Trading Co Pvt Ltd	6.00 (600.00)	
Meridian Holding & Leasing Co Pvt Ltd	0.13 (247.17)	
<b>Unsecured Loan receivable at end of year</b>	0.90 (0.47)	-
<b>Interest Payable</b>		
Ferari Investments and Trading Co Pvt Ltd	1.66 (5.08)	
Meridian Holding & Leasing Co Pvt Ltd	- (15.59)	

## Notes to financial statements

Nature of Transactions	Under control of Management	Key Managerial Personnel
<b>Interest Receivable</b>		
Meridian Holding & Leasing Co Pvt Ltd	0.59 -	
<b>Rent Expense</b>		-
Inquilab offset printers Pvt Ltd	7.00 -	

**29 Managerial Remuneration**

- (a) During the year, the company has paid remuneration to Managing Director which is in excess of the limits specified in Section 197 of the Companies Act, 2013. Such higher remuneration is approved by the Nomination & Remuneration Committee and the Board of Directors. As required under Schedule V to the Companies Act, 2013 the Company has made an application to the Central Government for the approval of the same. The approval of the members by way of special resolution was taken at the previous Annual General Meeting. Managerial Remuneration debited to Statement of Profit and Loss ₹ 71.36 lakhs is subject to approval of the Central Government.
- (b) During the year, the company's subsidiary Next Radio Limited has paid remuneration to its Managing Director which is in excess of the limits specified in Section 197 of the Companies Act, 2013. Such higher remuneration is approved by the Nomination & Remuneration Committee and the Board of Directors. As required under Schedule V to the Companies Act, 2013 the Company is in process of making an application to the Central Government for the approval of the same. The approval of the members by way of special resolution was taken at the Extraordinary General Meeting. Managerial Remuneration debited to Statement of Profit and Loss ₹ 175.00 lakhs is subject to approval of the Central Government.

**30.** The company's exposure in its subsidiary Next Radio Ltd. (Formerly known as Radio One Ltd.) limited through investments is ₹ 15,602.86 lakhs. Though net worth of the subsidiary is substantially eroded, no provision for impairment on this account is considered necessary by the management taking into consideration the nature of Radio business and gradual improvement in performance of the subsidiary. Further, the management has obtained a valuation of the Radio business from an independent valuer and based on his report, the management does not believe that any provision is necessary against exposure in Radio business. Consequently no impairment of goodwill on consolidation is considered necessary.

**31. Expenditure in Foreign Currency**

Particulars	Current Year (₹ in lakhs)	Previous Year (₹ in lakhs)
Capital Expenditure	-	2.55
Others	<b>38.02</b>	21.42

Earning in Foreign Currency – ₹ Nil lakhs (Previous Year – ₹ Nil lakhs)

**32. The company administers its ESOP Scheme through a Trust. The details of the Share Capital are as follows:**

	No. of Shares	Nominal Value
Total No. Shares issued (Including for ESOP)	65,335,276	6,533.53
Shares Held by Trust under ESOP Scheme*	(336,520)	(33.65)
Share Capital reflected in Balance Sheet	64,998,756	6,499.88

\* ESOP Trust (Mid-Day Exports Pvt Ltd) is holding in total 377,436 shares including 40,916 shares held from earlier ESOP Scheme which is part of share Capital reflected in balance sheet.

## Notes to financial statements

**33.** During the year ended 31<sup>st</sup> March, 2015, the company & its subsidiary has adopted the useful life of assets as given in part C of Schedule II of the Companies Act, 2013. An amount of ₹ 120.27 lakhs (net of deferred tax) relating to assets where the useful life has already expired, has been charged to retained earnings.

### 34. Additional Information on Consolidated Financial Statement

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities	"Amount (₹ in lakhs)"	Share in profit or loss	"Amount (₹ in lakhs)"
	As % of consolidated net assets		As % of consolidated profit or loss	
1	2	3	4	5
Parent - Next Mediaworks Limited	35.73%	4,823.43	-233.39%	(471.00)
Indian Subsidiaries				
1 - Next Radio Limited	64.45%	8,699.34	333.96%	673.96
2 - One Audio Limited	-0.19%	(24.98)	-0.18%	(0.37)
3 - Digital one Private Limited	0.00%	0.43	-0.14%	(0.29)
4 - Next Outdoor Limited	0.00%	(0.00)	-0.24%	(0.49)
<b>TOTAL</b>		<b>13,498.21</b>		<b>201.81</b>
Minority interested in all subsidiaries associates (Investment as per equity method)				
Indian Subsidiaries				
1 - Next Radio Limited	9.72%	1,312.39	92.71%	187.09
<b>TOTAL</b>		<b>1,312.39</b>		<b>187.09</b>

**35.** Previous years figures have been regrouped/rearranged wherever required to make them comparable.

As per our report of even date attached  
**For Haribhakti & Co. LLP**  
 Chartered Accountants  
 ICAI Firm Regn No. 103523W

**Atul Gala**  
 (Partner)  
 Membership No.: 48650

Place: Mumbai  
 Date: 29<sup>th</sup> April, 2015

For and on behalf of the Board of Directors of  
**Next Mediaworks Limited**

**Tarique Ansari**  
 Director  
 (DIN: 00101820)

**Manoj Gujran**  
 Company Secretary

**Adille Sumariwalla**  
 Director  
 (DIN: 00045855)

**Ismail Dabhoya**  
 Chief Financial Officer

## FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part “A”: Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹)

(₹ in lakhs)

1. Sl. No	1	2	3	4
2. Name of the subsidiary	Next Radio Limited	One Audio Limited	Digital one Private Limited	Next Outdoor Limited
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5. Share capital	15,926.38	5.00	1.00	349.50
6. Reserves & surplus	(7,034.48)	(233.14)	(1.20)	(358.36)
7. Total assets	10,693.64	12.68	1.82	0.17
8. Total Liabilities	1,801.74	240.81	2.03	9.03
9. Investments	0.50	-	-	-
10. Turnover	6,542.88	-	-	-
11. Profit before taxation	939.96	(0.37)	(0.29)	(0.49)
12. Provision for taxation	266.01	-	-	-
13. Profit after taxation	673.96	(0.37)	(0.29)	(0.49)
14. Proposed Dividend	296.36	-	-	-
15. % of shareholding	72.24%	100%	100%	100%
Notes: The following information shall be furnished at the end of the statement:				

1. Names of subsidiaries which are yet to commence operations-Not Applicable

2. Names of subsidiaries which have been liquidated or sold during the year.-Not Applicable

**Part “B”: Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – Not Applicable

# DIRECTOR'S REPORT

Your Directors have pleasure in presenting their 15<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2015.

## 1. FINANCIAL PERFORMANCE

(₹ IN LAKHS)

Particulars	Standalone	
	2014-15	2013-14
Profit before Interest, Depreciation, Taxes & Exceptional Items	2489.71	2081.40
Less: Interest	191.76	366.74
Depreciation	1357.98	1228.81
<b>Profit / (Loss) before taxes</b>	<b>939.97</b>	<b>485.85</b>
Less: Provision for Taxation	266.01	231.97
Net Profit / (Loss) after taxes	673.96	253.88

During the year under review, the Company earned revenues of ₹ 6723.44 lakhs as against ₹ 5896.56 lakhs in the previous year. The revenues from operations increased by 11% and stood at ₹ 6542.88 lakhs (Previous Year: ₹ 5896.56 lakhs). The Company also registered profit (after tax) of ₹ 673.96 lakhs against the profit of ₹ 253.88 lakhs for the previous year.

## 2. DIVIDEND:

The Board of Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March 2015.

## 3. INCREASE IN THE PAID-UP & ISSUED SHARE CAPITAL:

During the year under review, the Company made an allotment of 25,770,000 equity shares to Next Mediaworks Ltd. (Promoter) of ₹ 10/- each at par.

Subsequent to the said allotment, the paid-up equity share capital of the Company stands increased to ₹ 1,592,637,570/- (Rupees One Hundred and Fifty Nine Crores Twenty Six Lakhs Thirty Seven Thousand Five Hundred and Seventy) divided into 159,263,757 (Fifteen Crores Ninety Two Lakhs Sixty Three Thousand Seven Hundred and Fifty Seven) equity shares of ₹ 10/- each.

## 4. FINANCE:

During the year under review, your Company did not raise any capital from the capital markets either by way of issue of equity shares /ADR/GDR / or any debt by way of debentures. The Company continued to get financial assistance from its lenders within the overall facilities to meet the working capital requirements.

## 5. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## 6. DEPOSITORY SYSTEM:

The Company has provided to its shareholders, the facility to hold their respective shareholdings in dematerialized form. As of 31<sup>st</sup> March 2015, 63.05 % of the Company's total paid-up capital representing 133493757 equity shares is in dematerialized form. In view of the benefits offered by the depository system, members holding shares in physical mode are advised to avail the demat facility.

## Director's Report

### 7. PUBLIC DEPOSITS:

Your Company did not invite or accept deposits from public during the year under review.

### 8. SUBSIDIARY COMPANIES:

The Company does not have any subsidiary. Further, no new subsidiary was incorporated / acquired by the Company during the year under review.

### 9. DIRECTORS:

The Board, at its meeting held on 29<sup>th</sup> April 2015, on the recommendation of the Nomination and Remuneration Committee, re-appointed Mr. Vineet Singh Hukmani as the Whole-time Director of the Company designated as the Managing Director for a period of three (3) years.

As on the date of this report, the Company's Board consists of the following Independent Directors:

- (1) Mr. Adille Sumariwalla
- (2) Mr. Dilip Cherian

The period of office of the aforementioned Directors was liable to retire by rotation under the erstwhile Companies Act, 2013. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the aforementioned Directors, being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors for a term of five (5) years commencing from 23<sup>rd</sup> Jan, 2015. The appointment of the aforementioned Director has been approved by the Board of Directors as its meeting held on 23<sup>rd</sup> January, 2015.

### 10. BOARD & COMMITTEE MEETINGS:

During the year under review, the following Board/Committee Meetings were convened and held:

- (a) six (6) Board Meetings were held, details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.
- (b) Four (4) Audit Committee Meetings were held, details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### 11. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee and the Nomination & Remuneration. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### 12. REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

### 13. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;

- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2015 and of the profit and loss of the Company for the financial year ended 31st March, 2015;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

#### **14. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

#### **15. AUDITORS:**

M/s. Haribhakti & Co., Chartered Accountants, (Firm Registration No. 103523W), Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. A certificate to the effect that their appointment, if made, will be within the limits prescribed under Section 141 of the Companies Act, 2013, has been obtained from them. The Board, on the recommendation of the Audit Committee, recommends the appointment of M/s. Haribhakti & Co., as the Statutory Auditors of the Company for the financial year 2015-16.

#### **16. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. J. U. Poojari & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended 31st March 2015. The Report of the Secretarial Audit Report is annexed herewith as Annexure 'A'.

**Directors' explanation on the comments of the Secretarial Auditor for the year ended 31st March 2015 as set out in his Secretarial Audit Report dated 18<sup>th</sup> June 2015 is as follows:**

1. With reference to sub-clause (a) of clause (ii) of the said report wherein the Secretarial Auditor has observed that the Company has not appointed woman director and independent directors in terms of the provisions of Section 149 of the Companies Act, 2013, the Board would like to inform you that the Company is in the business of broadcasting and is governed by the Ministry of Information & Broadcasting. As per the terms of the license agreement executed by the Company with MIB, appointment of Director on the Company's Board is subject to the prior approval of MIB. The Company has, vide its letter dated 1st July 2014, made an application to MIB for appointment of Ms. Myleeta Aga as Director of the Company and MIB's reply on the same is awaited. The Board of Directors has, at its meeting held on 18<sup>th</sup> June 2015, appointed Mr. Adille Sumariwalla and Mr. Dilip Cherian as Independent Directors, subject to the approval of the shareholders, which is being sought at the forthcoming Annual General Meeting of the Company.

2. With reference to sub-clause (b) of clause (ii) of the said report wherein the Secretarial Auditor has observed that the Company has not appointed Chief Financial Officer as the Key Managerial Personnel in terms of the provisions of Section 203 of the Companies Act, 2013, the Board would like to inform you that the Board of Directors has, at its meeting held on 29<sup>th</sup> April 2015, appointed Mr. Ismail Dabhoya - Chief Financial Officer as the Key Managerial Personnel.
3. With reference to sub-clause (c) of clause (ii) of the said report wherein the Secretarial Auditor has mentioned non-filing of Form MGT-14 in respect of the resolution passed at the Board Meeting held on 9<sup>th</sup> April 2014 relating to availing of borrowings, the Board would like to inform you that the said Form shall be filed with the Ministry of Corporate Affairs at the earliest.
4. With reference to sub-clause (d) of clause (ii) of the said report wherein the Secretarial Auditor has mentioned that the Company has not re-appointed Mr. Vineet Singh Hukmani as the Managing Director of the Company after the expiry of his term on 6<sup>th</sup> May 2014, the Board would like to inform you that the Board of Directors has, at its meeting held on 29<sup>th</sup> April, 2015, appointed Mr. Vineet Singh Hukmani as the Managing Director of the Company for a period of three (3) years effective 7<sup>th</sup> May, 2015, subject to the approval of the shareholders, which is being sought at the forthcoming Annual General Meeting of the Company.
5. With reference to sub-clause (d) of clause (ii) of the said report wherein the Secretarial Auditor has mentioned that the Company has not obtained approval of the Board and shareholders for payment of remuneration to Mr. Vineet Singh Hukmani as the Managing Director of the Company, the Board would like to inform you that the remuneration payable to Mr. Vineet Singh Hukmani - Managing Director has been approved by the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 29<sup>th</sup> April, 2015.
6. With reference to sub-clause (e) of clause (ii) of the said report wherein the Secretarial Auditor has mentioned non-filing of Form MGT-14 in respect of the resolution passed at the Board Meeting held on 29<sup>th</sup> April 2014 relating to further issue of shares, the Board would like to inform you that the said Form shall be filed with the Ministry of Corporate Affairs at the earliest.

## **17. DIRECTORS' EXPLANATION ON AUDITOR'S REPORTS:**

The Company's exposure in its subsidiary Next Radio Limited (Formerly known as Radio One Limited) through investments is ₹ 15,602.86 lakhs. Though net worth of the subsidiary is substantially eroded, no provision for impairment on this account is considered necessary by the management taking into consideration the nature of the Radio business and gradual improvement in the performance of the subsidiary. Further, the management has obtained a valuation of the Radio business from an independent valuer and based on his report, the management does not believe that any provision is necessary against exposure in Radio business. Consequently no impairment of goodwill on consolidation is considered necessary.

## **18. EXTRACT OF ANNUAL RETURN:**

Pursuant to sub-section 3(a) of section 134 and sub-section (3) of section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the annual returns on 31st March, 2015 forms part of this report as Annexure 'B'.

## **19. VIGIL MECHANISM:**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report.

## **20. SEXUAL HARRASMENT POLICY:**

The company has not received any complaint from the employees related to sexual harassment

## **21. ENERGY CONVERSATION, TECHNOLOGY ABSORBTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

- A. Conversation of Energy: NIL
- B. Technology Absorption: NIL
- C. Foreign Exchange Earning: NIL
- D. Foreign Exchange Outgo: NIL

## **21. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**For Next Radio Limited**

**Vineet Singh Hukmani**  
**Managing Director**  
**(DIN: 02514684)**

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# ANNEXURE 'A' TO THE DIRECTORS' REPORT

To,  
The Members,  
NEXT RADIO LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For J.U.Poojari & Associates  
Company Secretaries

Place: Mumbai  
Date: 18<sup>th</sup> June, 2015

J.U.Poojari  
ACS No: 22867 CP No: 8187

# ANNEXURE 'A' TO THE DIRECTORS' REPORT

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2015

### FORM NO. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
NEXT RADIO LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Next Radio Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Next Radio Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and the representations made by the Company, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Next Radio Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Other laws applicable to the Company as per the representations made by the Company.

Secretarial Standards of The Institute of Company Secretaries of India with respect to board and general meetings are not in force as on the date of this report.

During the period under review and subject to the explanations given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:-

- a. Non- compliance of provisions of Section 149 with respect to appointment of woman director and independent directors.
- b. Non- compliance of provisions of section 203 with respect to appointment of Chief Financial Officer as Key Managerial Personnel.
- c. Non- filing of Form MGT-14 with the Registrar of Companies in respect of resolution passed at the Board Meeting held on 09.04.2014 for availing of Debt funding.
- d. The company has not re-appointed Mr. Vineet Singh Hukhmani as Managing Director of the company whose term expired on 06.05.2014 as Managing Director.
- e. The company has not obtained the approval of the Board/shareholders for payment of remuneration to Mr.

Vineet Singh Hukhmani as Managing Director of the company.

- f. Non- filing of Form MGT-14 with the Registrar of Companies in respect of resolution passed at the Board Meeting held on 29.04.2014 for further issue of shares and borrowing.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors as on 31<sup>st</sup> March, 2015.

Adequate notice for the Board/Committee Meetings was given at least seven days in advance to the directors for holding the Board Meetings during the year. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

Place: Mumbai

Date: 18<sup>th</sup> June, 2015

For J.U.Poojari & Associates  
Company Secretaries

J.U.Poojari  
ACS No: 22867 CP No: 8187

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

## ANNEXURE 'B' TO THE DIRECTORS' REPORT

## EXTRACT OF ANNUAL RETURN

(As on the financial year ended 31<sup>st</sup> March 2015)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION &amp; OTHER DETAILS:

CIN	: U32201MH1999PLC122233
Registration Date	: 14 <sup>th</sup> October 1999
Name of the Company	: Next Radio Limited
Category / Sub-category of the Company	: Public Company/Limited by shares
Address of the Registered Office and contact details	: 156, DJ Dadajee Road, Behind Everest Building Tardeo, Mumbai -400 034
Whether listed company Yes/No	: No
Name, Address and Contact details of Registrar & Transfer Agent, if any.	: M/s. Datamatics Financial Services Limited, Plot No B-5, Part B Cross Lane, MIDC, Andheri (East), Mumbai 400 093,. Telephone: 91-22-66712001 e-mail : shares@dfssl.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and description of main services	NIC Code of the service	% to total turnover of the Company
1.	Broadcasting	18112	NIL

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Next Mediaworks Limited 156, D.J. Dadajee Road, Behind Everest Building, Tardeo, Mumbai - 400034.	L22100MH1981PLC024052	Holding	72.24%	2(87)ii

The Company does not have any subsidiary/associate companies.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

(i) Category-wise Shareholding

Category of shareholders		No. of shares held at the beginning of the year (as at 01.04.2014)				No. of shares held at the end of the year (as at 31.03.2015)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A.</b>	<b>Promoters</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individual / HUF	-	5	5	0.00%	-	5	5	0.00%	-
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	74732992	25027778	99760770	74.73	74732992	25027778	99760770	74.73	-
(e)	Banks/Fl	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>		<b>74732992</b>	<b>25027783</b>	<b>99760775</b>	<b>74.73</b>	<b>74732992</b>	<b>25027783</b>	<b>99760775</b>	<b>74.73</b>	
<b>(2)</b>	<b>Foreign</b>									
(a)	NRI – Individuals	-	-	-	-	-	-	-	-	-
(b)	Other – Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/Fls	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoters (A) = (A) (1) + (A) (2)</b>		<b>74732992</b>	<b>25027783</b>	<b>99760775</b>	<b>74.73</b>	<b>74732992</b>	<b>25027783</b>	<b>99760775</b>	<b>74.73</b>	<b>-</b>

Category of shareholders		No. of shares held at the beginning of the year (as at 01.04.2014)				No. of shares held at the end of the year (as at 31.03.2015)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Banks/Fls	2775000	-	2775000	2.08	2775000	-	2775000	2.08	-
(c)	Central Govt.	-	-	-	-	-	-	-	-	-
(d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Fls	-	-	-	-	-	-	-	-	-

Category of shareholders		No. of shares held at the beginning of the year (as at 01.04.2014)				No. of shares held at the end of the year (as at 31.03.2015)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>		<b>2775000</b>	<b>-</b>	<b>2775000</b>	<b>2.08</b>	<b>2775000</b>	<b>-</b>	<b>2775000</b>	<b>2.08</b>	<b>-</b>
<b>2.</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate									
(i)	Indian	-	-	-	-	-	-	-	-	-
(ii)	Overseas	24287982	-	24287982	18.19	24287982	-	24287982	18.19	-
(b)	Individuals	-	-	-	-	-	-	-	-	-
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
(c)	Others	-	-	-	-	-	-	-	-	-
	Clearing Member	-	-	-	-	-	-	-	-	-
	Foreign Nationals	-	-	-	-	-	-	-	-	-
	Non-Resident Indians (Non-Repat)	-	-	-	-	-	-	-	-	-
	Non-Resident Indians (Repat)	-	-	-	-	-	-	-	-	-
	<b>Foreign Portfolio Investor (Corporate)</b>	-	-	-	-	-	-	-	-	-
	Other Directors	6670000		6670000	5%	6670000		6670000	5%	-
	Overseas Bodies Corporate									
	Trusts									
<b>Sub-total (B)(2)</b>		<b>30957982</b>	<b>-</b>	<b>30957982</b>	<b>23.19</b>	<b>30957982</b>	<b>-</b>	<b>30957982</b>	<b>23.19</b>	<b>-</b>
<b>Total public shareholding (B) = (B)(1) + (B)(2)</b>		<b>33732982</b>	<b>-</b>	<b>33732982</b>	<b>25.27</b>	<b>33732982</b>	<b>-</b>	<b>33732982</b>	<b>25.27</b>	<b>-</b>
C.	Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		<b>108465974</b>	<b>25027783</b>	<b>133493757</b>	<b>100</b>	<b>108465974</b>	<b>25027783</b>	<b>133493757</b>	<b>100</b>	<b>-</b>

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as at 01.04.2014)			Shareholding at the end of the year (as at 31.03.2015)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	Next Mediaworks Limited	96430770	73.24	-	96430770	73.24	-	-
2.	Ferrari Investment and Trading Company Private Limited	3330000	2.49	-	3330000	2.49	-	-

**(iii) Change in Promoters' Shareholding**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as at 01.04.2014)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Next Mediaworks Limited	96430770	73.24	96430770	73.24
2.	Ferrari Investment and Trading Company Private Limited	3330000	2.49	3330000	2.49

**(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)**

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding (No of Shares)		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
1	BBC Worldwide Holding B.V	24287982	18.19	-	-	24287982	18.19
2	Axis Bank Limited	2775000	2.08	-	-	2775000	2.08

**(v) Shareholding of Directors and Key Management Personnel**

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 31.03.2014			Cumulative Shareholding during the year			Shareholding at the end of the year as on 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	Date of Change	Reason of Change	No. of shares	% of total shares of the company
1	Vineet Singh Hukmani	6670000	5%	-	-	-	-	6670000	5%
	<b>Total :</b>	<b>6670000</b>	<b>5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6670000</b>	<b>5%</b>

**V. INDEBTEDNESS:**

(Indebtedness of the Company including interest outstanding/accrued but not due for payment)

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	1457.75	212.87	-	1670.62
(ii) Interest due but not paid	12.92	2.46	-	15.38
(iii) Interest accrued but not due	1.19	4.05	-	5.24
<b>Total (i) + (ii) + (iii)</b>	<b>1471.86</b>	<b>219.38</b>	<b>-</b>	<b>1691.24</b>
<b>Change in indebtedness during the financial year</b>				
Addition				
Reduction	478.78	219.38	-	698.16
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	993.08	-	-	993.08
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Director and/or Manager:**

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of Managing Director / Whole-time Director/Manager MR. VINEET SINGH HUKMANI MANAGING DIRECTOR
1.	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	157.67
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	6.23
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	- As % to profit	-
	- Others, specify	-
5.	Others	11.10
	<b>Total (A)</b>	<b>175.00</b>

**B. Remuneration to other directors:** No remuneration has been paid to any other director except sitting fees.

**C. Remuneration to Key Managerial Personnel other than MD / WTD / Manager:**

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Ismail Dabhoya Chief Financial Officer	Mr. Satyender Singh Chauhan Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	54.22	5.75	59.97
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	3	-	3
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % to profit	-	-	-
	- Others, specify	-	-	-
5.	Others	7.78	0.19	7.97

**PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of penalties / punishment / compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any
<b>A. Company</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>C. Others Officers in default</b>					
Penalty			NONE		
Punishment					
Compounding					

# INDEPENDENT AUDITORS' REPORT

## **To the Members of Next Radio Limited (formerly known as Radio One Limited)**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Next Radio Limited (formerly known as Radio One Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards required 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has the place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

## Auditors' Report

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Basis for Qualified Opinion

- a) As on the Balance Sheet date, the Company has Deferred Tax Assets of ₹ 3,725.31 Lacs recognised on the basis of unabsorbed Business Losses / unabsorbed Depreciation and expected profits in future. This is not in accordance with Accounting Standard 22 on “Accounting for Taxes on Income” which requires that such assets should be recognized to the extent that there is virtual certainty supported by convincing evidence that the future taxable income will be available against which such assets can be realized. In our opinion this expectation cannot be considered as virtual certainty to recognize such assets. Consequently, profits, the relevant asset and the reserves surplus for the year are overstated by ₹ 3,725.31 Lacs.
- b) In respect of contribution to the cost of Common Transmission Infrastructure in one of the radio stations, which was hitherto in dispute and for which settlement was agreed during the year, the Company has not capitalized the asset. The amount to be impaired / written off is ₹ 92.55 Lacs. Consequently the profit for the year, relevant asset and the reserves and surplus are overstated ₹ 92.55 Lacs.

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion Paragraph, the aforesaid financial statement 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, of the state of affairs of the Group as at 31<sup>st</sup> March, 2015, its profit and its cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to Note no. 32 of the audited financial statements with regards to the Managerial Remuneration paid to the Managing Director by the Company during the period from April 01, 2014 to March 31, 2015 which is subject to approval of the shareholders & Central Government.

Our report is not modified in respect of the above matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. we have sought and 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 it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d. Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. The matter described under para (a) of the Basis of Qualified Opinion Paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
  - (i) The Company has disclosed the the impact of pending litigations on its financial position in its financial statements - refer note 24 on Contingent Liabilities to the financial statements;
  - (ii) As per information and explanation give to us, the Company did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Haribhakti & Co. LLP**

Chartered Accountants

Firm Reg No. 103523W

**Atul Gala**

Partner

Membership No. 48650

Mumbai: April 29, 2015

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## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Next Radio Limited ( formerly known as Radio One Limited ) on the financial statements for the year ended March 31, 2015]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) The Company does not hold any inventory and hence Clause 4(ii)(a), 4(ii)(b) and 4(ii)(c) is not applicable to the Company.
- (iii) As informed to us, the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act, except loan amounting ₹ 76.30 Lacs to its holding Company, Next Mediaworks Limited. The Maximum amount involved during the year was ₹ 829.10 lacs and the year-end balance of loan granted to such party was ₹ 76.30 Lacs.
  - (a) As informed to us, there are no stipulations as to the repayment of the principal amount and interest amount.
  - (b) As informed to us, In respect of the aforesaid loans, there is no overdue amount of loan.
- (iv) In our opinion and according to the information and explanations given to us, there exists adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the Company.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, value added tax, cess and any other material statutory dues applicable to it.

AND

- (a) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding at the year end, for a period of more than six months from the date they became payable.

### Annexure to Auditors' Report

- (b) According to the information and explanations given to us, the dues outstanding with respect to income-tax, sales-tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	TDS	181.44 Lacs	AY 2011-2012	CIT (Appeals)
Income Tax Act, 1961	TDS	65.91 Lacs	AY 2012-2013	CIT (Appeals)

- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The accumulated losses of the Company are not more than fifty percent of its net worth. However the Company has not incurred cash losses during the financial year covered by our audit and in the the immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution(s), bank(s) or debenture holders(s).
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other from banks or financial institutions.
- (xi) The Company has not obtained any term loans during the year.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

For **Haribhakti & Co. LLP**

Chartered Accountants

Firm Reg No. 103523W

**Atul Gala**

Partner

Membership No. 48650

Mumbai: April 29, 2015

# BALANCE SHEET

as at 31<sup>st</sup> March, 2015

Particulars	Refer Note No.	As at 31 <sup>st</sup> March, 2015 ₹ in lakhs	As at 31 <sup>st</sup> March, 2014 ₹ in lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	4	15,926.38	15,926.38
Reserves and surplus	5	(7,034.48)	(7,588.17)
		<b>8,891.90</b>	<b>8,338.21</b>
<b>Non-current liabilities</b>			
Long-term borrowings	6	286.81	772.62
Long-term provisions	7	25.29	20.09
		<b>312.10</b>	<b>792.71</b>
<b>Current liabilities</b>			
Short-term borrowings	8	580.22	592.26
Trade payables	9	67.50	266.43
Other current liabilities	10	645.29	1,164.08
Short-term provisions	7	196.63	159.59
		<b>1,489.64</b>	<b>2,182.36</b>
	<b>Total</b>	<b>10,693.64</b>	<b>11,313.28</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	11		
Tangible assets		819.73	1,247.17
Intangible assets		1,320.00	2,306.08
		<b>2,139.73</b>	<b>3,553.25</b>
Non-current investments	12	0.50	0.50
Deferred tax assets (net)	13	3,745.41	4,011.42
Long-term loans and advances	16	484.31	1,067.86
Other non-current assets	15	254.22	218.02
<b>Current assets</b>			
Trade receivables	14	1,533.67	1,684.96
Cash and Bank Balances	15	1,857.72	240.88
Short-term loans and advances	16	549.12	468.73
Other current assets	17	128.96	67.67
		<b>4,069.47</b>	<b>2,462.24</b>
	<b>Total</b>	<b>10,693.64</b>	<b>11,313.28</b>
Summary of significant accounting policies	3		
The Notes are an integral part of financial statements			

As per our report of even date attached  
**For Haribhakti & Co. LLP**  
 Chartered Accountants  
 ICAI Firm Regn No. 103523W

For and on behalf of the Board of Directors of  
**Next Radio Limited**

**Atul Gala**  
 (Partner)  
 Membership No.: 48650

**Vineet Singh Hukmani**  
 Managing Director  
 (DIN: 02514684)

**Dilip Cherian**  
 Chairman and Director  
 (DIN: 00322763)

**Satyender Singh Chauhan**  
 Company Secretary

Place: Mumbai

**Ismail Dabhoya**  
 Group Chief Financial Officer

**Adille Sumariwalla**  
 Director  
 (DIN: 00045855)

Date: 29<sup>th</sup> April, 2015

# STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March, 2015

Particulars	Refer Note No.	Year Ended 31st Mar, 2015	Year Ended 31st Mar, 2014
		₹ in lakhs	₹ in lakhs
<b>REVENUE FROM OPERATIONS</b>			
Advertisement Revenue		6,542.88	5,896.56
Other income	18	180.56	-
<b>Total Revenue</b>		<b>6,723.44</b>	<b>5,896.56</b>
<b>EXPENSES</b>			
Radio license fees		394.75	419.32
Employee Benefit Expenses	19	1,821.41	1,243.89
Operating expenses	20	1,241.26	1,390.09
General & Administration Expenses	21	776.31	761.86
		<b>4,233.73</b>	<b>3,815.16</b>
<b>Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)-[Refer Note 3(o)]</b>		<b>2,489.71</b>	<b>2,081.40</b>
Depreciation & Amortization	11	1,357.98	1,228.81
Finance charges (Net)	22	191.76	366.74
<b>Profit / (Loss) before tax</b>		<b>939.97</b>	<b>485.85</b>
<b>Tax expense:</b>			
Deferred tax for the current period	13	266.01	231.97
<b>Profit / (Loss) before tax</b>		<b>673.96</b>	<b>253.88</b>
<b>Earnings per equity share:</b>	23		
Basic & Diluted		0.24	(0.07)
Summary of significant accounting policies	3		
The Notes are an integral part of financial statements			

As per our report of even date attached

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Regn No. 103523W

**Atul Gala**

(Partner)

Membership No.: 48650

Place: Mumbai

Date: 29<sup>th</sup> April, 2015

For and on behalf of the Board of Directors of

**Next Radio Limited**

**Vineet Singh Hukmani**

Managing Director  
(DIN: 02514684)

**Dilip Cherian**

Chairman and Director  
(DIN: 00322763)

**Ismail Dabhoya**

Group Chief Financial Officer

**Satyender Singh Chauhan**

Company Secretary

**Adille Sumariwalla**

Director  
(DIN: 00045855)

# CASH FLOW STATEMENT

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015 ₹ in lakhs	Year Ended 31 <sup>st</sup> Mar, 2014 ₹ in lakhs
<b>A. Net Cashflow from operating Activities</b>		
Net Profit / (Loss) before tax	939.97	485.85
Depreciation	1,357.98	1,228.81
Interest & finance cost	310.56	418.02
Loss/(profit) on sale of fixed assets (net)	(0.22)	-
Income from Investment	(0.08)	-
Interest Income	(118.80)	(51.28)
Rent Equalisation Reserve	2.66	-
Sundry Balances W/off	9.99	-
Creditors written back	(160.43)	-
Provision for Doubtful Debt	130.86	114.66
<b>Operational Profit before Working Capital</b>	<b>2,472.49</b>	<b>2,196.06</b>
<b>Adjustments for changes in Working Capital</b>		
Sundry Debtors	20.44	(69.13)
Loans & Advances	509.49	(496.84)
Liabilities & provisions	(383.55)	(292.73)
Non current assets	(36.20)	(17.38)
<b>Sub-Total</b>	<b>110.18</b>	<b>(876.08)</b>
<b>Cash generated from operations</b>	<b>2,582.67</b>	<b>1,319.99</b>
Income Tax	(68.60)	(50.53)
<b>Sub-Total</b>	<b>(68.60)</b>	<b>(50.53)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>(A) 2,514.07</b>	<b>1,269.46</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed Assets	53.70	(39.69)
Sale of Fixed Assets	0.22	-
Interest Received	57.50	8.72
Income on Investments	0.08	-
Investments	-	(0.50)
<b>Net Cash Flow from Investing Activities</b>	<b>(B) 111.50</b>	<b>(31.47)</b>
<b>C. Cash Flow from financing Activities</b>		
Long Term & Other borrowings	-	260.00
Repayment of Long Term & Other borrowings -Net	(677.55)	(685.97)
Interest & finance cost	(331.18)	(632.69)
<b>Net Cash Flow from Financing Activities</b>	<b>(C) (1,008.73)</b>	<b>(1,058.65)</b>
<b>Net Increase/decrease in Cash &amp; Cash Equivalents</b>	<b>(A+B+C) 1,616.84</b>	179.33
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>240.88</b>	61.55
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>1,857.72</b>	<b>240.88</b>

As per our report of even date attached  
**For Haribhakti & Co. LLP**  
 Chartered Accountants  
 ICAI Firm Regn No. 103523W

**Atul Gala**  
 (Partner)  
 Membership No.: 48650

Place: Mumbai

Date: 29<sup>th</sup> April, 2015

**Vineet Singh Hukmani**  
 Managing Director  
 (DIN: 02514684)

**Dilip Cherian**  
 Chairman and Director  
 (DIN: 00322763)

**Ismail Dabhoya**  
 Group Chief Financial Officer

For and on behalf of the Board of Directors of  
**Next Radio Limited**

**Satyender Singh Chauhan**  
 Company Secretary

**Adille Sumariwalla**  
 Director  
 (DIN: 00045855)

# NOTES TO FINANCIAL STATEMENTS

for the year ended on 31<sup>st</sup> March, 2015

## 1. Corporate Information

Next Radio Limited (previously known as Radio One Limited) ('the company') is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. The radio business was initially promoted as a wholly-owned subsidiary of the Next Mediaworks Limited which later became a joint venture between Next Mediaworks Ltd. (formerly "MiD- Day Multimedia Limited") and BBC Worldwide Holdings B. V. (BBC). Next Radio Limited (previously known as Radio One Limited) was among the first private players to venture into private FM broadcasting and presently has established "Radio One" as the premium FM Brand in top 7 cities of the country being Delhi, Mumbai, Chennai, Kolkata, Bangalore, Pune, and Ahmedabad.

## 2. Basis of preparation

The Financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply with all material respects with the accounting standard specified u/s 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act 2013. The financial statements have been prepared on an accrual basis and under historical cost convention. The accounting policies have been consistently applied by the company and are consistent with those used in previous year.

## 3. Summary of significant accounting policies

### a) Use of estimates

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

### b) 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.

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 of performance. All other expenses for 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.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the fixed asset and are recognized in the statement of profit and loss when the asset is disposed.

### c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition,

## Notes to financial statements

intangible assets are carried at cost less accumulated amortization and accumulated impairment, if any.

The One Time Entry Fees' paid by the Company to acquire FM broadcasting license has been classified as an intangible asset. The benefit of this will be derived over a period of 10 years, and hence it is being amortized accordingly.

### d) Depreciation

Depreciation on fixed assets is provided on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II of the Companies Act, 2013, whichever is higher. Depreciation on additions during the year is provided on a pro-rata basis from the date of addition.

### e) Impairment

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

### f) Leases

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on accrual basis.

### g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### Radio FM Broadcasting

Revenue from radio broadcasting is recognized on accrual basis and net of service tax.

#### Interest

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

#### Others

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

### h) Foreign currency translation

#### Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount

## Notes to financial statements

the exchange rate between the reporting currency and the foreign currency at the date of transaction.

### Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

The exchange differences arising on the settlement of the monetary items or on reporting such items at rates different from those at which they were initially recorded in previous financial statements are recognized in the Statement of Profit & Loss.

### i) Retirement and other employee benefits

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

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

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

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

### j) Income Taxes

Tax expense comprises current and deferred tax. Current tax is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

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

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

### k) Earnings Per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders (after deducting preference dividends and attributable expenses) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity share outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share spilt and reverse share spilt (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### l) Provisions

A provision is recognized when the company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. Provisions are not discounted to their present value and 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.

## Notes to financial statements

### m) Contingent liabilities, contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed.

### n) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### o) Measurement of EBITDA

The Company has elected to present earning 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 expense, finance costs and tax expense.

## 4. Share Capital

### a. Authorized and issued and paid-up capital

Particulars	As at 31 <sup>st</sup> Mar, 2015		As at 31 <sup>st</sup> Mar, 2014	
	Number of Shares	Amount (₹ in lakhs)	Number of Shares	Amount (₹ in lakhs)
<b>Authorized Capital</b>				
Equity Shares of ₹ 10/- each	188,930,000	18,893.00	138,930,000	13,893.00
11.50% Optionally Convertible Cumulative Preference Shares of ₹ 10/- Each	25,770,000	2,577.00	25,770,000	2,577.00
	<b>214,700,000</b>	<b>21,470.00</b>	<b>164,700,000</b>	<b>16,470.00</b>
<b>Issued, Subscribed &amp; Paid up Capital</b>				
Equity Shares of ₹ 10/- each fully paid	133,493,757	13,349.38	133,493,757	13,349.38
11.50% Optionally Convertible Cumulative Preference Shares of ₹ 10/- Each fully paid	25,770,000	2,577.00	25,770,000	2,577.00
	<b>159,263,757</b>	<b>15,926.38</b>	<b>159,263,757</b>	<b>15,926.38</b>

## Notes to financial statements

**b. Reconciliation of Equity Shares & Preference Shares at the beginning of the year & at the end of the year**

Particulars	As at 31 <sup>st</sup> Mar, 2015		As at 31 <sup>st</sup> Mar, 2014	
	Number of Shares	Amount (₹ in lakhs)	Number of Shares	Amount (₹ in lakhs)
<b>Equity Shares</b>				
Shares outstanding at the beginning of the year	133,493,757	<b>13,349.38</b>	133,493,757	13,349.38
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of year</b>	<b>133,493,757</b>	<b>13,349.37</b>	<b>133,493,757</b>	<b>13,349.38</b>
<b>Preference Shares</b>				
Shares outstanding at the beginning of the year	25,770,000	<b>2,577.00</b>	25,770,000	2,577.00
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of year</b>	<b>25,770,000</b>	<b>2,577.00</b>	<b>25,770,000</b>	<b>2,577.00</b>

**c. Terms / rights attached to equity shares**

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**d. Terms of conversion / redemption of 11.50% optionally convertible cumulative preference shares**

Preference shares are convertible at the option of the holder at the premium of ₹ 8/- per share or to be redeemed at the completion of 20 years i.e. in the year 2029-30.

Cumulative outstanding preference dividend as on 31<sup>st</sup> Mar, 2015 is ₹ 1676.64 lakhs (as on 31<sup>st</sup> Mar, 2014 - ₹ 1380.28 lakhs)

**e. Shares held by holding company and / or their subsidiaries**

Particulars	As at 31 <sup>st</sup> Mar, 2015		As at 31 <sup>st</sup> Mar, 2014	
	Number of Shares	% of Holding	Number of Shares	% of Holding
<b>Equity Shares</b>				
Next Mediaworks Limited (the holding Company)	96,430,770	72.24%	96,430,770	72.24%
<b>Preference Shares</b>				
Next Mediaworks Limited (the holding Company)	25,770,000	100.00%	25,770,000	100.00%

## Notes to financial statements

### f. Details of Shareholders holding more than 5% shares in the company

Particulars	As at 31 <sup>st</sup> Mar, 2015		As at 31 <sup>st</sup> Mar, 2014	
	Number of Shares	% of Holding	Number of Shares	% of Holding
<b>Equity Shares</b>				
Next Mediaworks Limited	96,430,770	72.24%	96,430,770	72.24%
BBC Worldwide Holdings B.V	24,287,982	18.19%	24,287,982	18.19%
Vineet Singh Hukmani	6,670,000	5.00%	6,670,000	5.00%
<b>Total</b>	<b>127,388,752</b>	<b>95.43%</b>	<b>127,388,752</b>	<b>95.43%</b>
<b>Preference Shares</b>				
Next Mediaworks Limited	25,770,000	100.00%	25,770,000	100.00%
<b>Total</b>	<b>25,770,000</b>	<b>100.00%</b>	<b>25,770,000</b>	<b>100.00%</b>

### g. Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period five years immediately preceding the reporting date.

Particulars	Year (Aggregate No. of Shares)				
	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Equity Shares</b>					
- Fully Paid by way of bonus shares	-	-	-	-	6,773,482
<b>Preference Shares</b>	-	-	-	-	-

## 5. Reserves & Surplus

Particulars	As at 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
<b>Securities Premium</b>		
Opening Balance	3,837.81	3,837.81
Closing Balance	3,837.81	3,837.81
<b>Surplus</b>		
Opening Balance	(11,425.98)	(11,679.86)
Add: Net Profit for the year	673.96	253.88
Less: WDV of Assets-[Refer Note 27]	(120.27)	-
Closing Balance	(10,872.29)	(11,425.98)
<b>Total Reserves &amp; Surplus</b>	<b>(7,034.48)</b>	<b>(7,588.17)</b>

## Notes to financial statements

## 6. Long Term Borrowings

Particulars	Non – Current Portion	
	As at 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
<b>Secured Borrowings</b>		
Term Loans (From Banks)	286.81	559.75
<b>Unsecured Borrowings</b>		
Inter Corporate Loans		
- From Others	-	212.87
	<b>286.81</b>	<b>772.62</b>

- a Term loan is secured by personal property and guarantee of Managing director of holding company and also secured by corporate guarantee of holding company.
- b Term Loan from bank is repayable in 36 equal monthly installments of Rs 14.20 lakhs each
- c Current maturities of Long term borrowings have been reported as Other Current Liabilities

## 7. Provisions

Particulars	Long Term		Short Term	
	As at 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
<b>Provision for Employee Benefits</b>				
Leave Encashment (Unfunded)	20.93	20.09	0.62	2.40
Gratuity Payable(Funded)	4.36	-	34.89	8.57
<b>Provision for other expenses</b>	-	-	161.12	148.62
	<b>25.29</b>	<b>20.09</b>	<b>196.63</b>	<b>159.59</b>

## 8. Short Term Borrowings

Particulars	As at 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
<b>Secured Borrowings</b>		
Cash Credit Facility (From Banks)	580.22	332.26
Overdraft from Bank	-	90.00
Term Loan from Financial Institution	-	170.00
	<b>580.22</b>	<b>592.26</b>

- a Cash Credit facilities are secured against hypothecation of Book Debts and further secured by pari-passu charge on movable and immovable assets of the company, present and future, and by personal guarantee of Managing director of holding company Next Mediaworks Limited and also secured by corporate guarantee of holding company.

## Notes to financial statements

## 9. Trade Payables

Particulars	As at 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
Trade Payables		
To Others	67.50	266.43
	67.50	266.43

## 10. Other Current Liabilities

Particulars	As at 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
<b>Other Current Liabilities</b>		
Current Maturities of Long term debt	126.05	305.74
Advance Received from customers	12.57	8.39
Taxes Payable	58.36	143.42
Other Current Liabilities	448.31	685.90
Interest Accrued and due	-	15.38
Interest accrued but not due to others	-	5.24
	645.29	1,164.08

## 11. Fixed Assets

Amount (₹) in lakhs

Particulars	Gross Block				Depreciation				Net Block		
	As at 1 <sup>st</sup> Apr, 2014	Additions during the year	Deductions during the year	As at 31 <sup>st</sup> Mar, 2015	As at 1 <sup>st</sup> Apr, 2014	For the year	Transfer to Opening reserve	Deductions during the year	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2015	As at 31 <sup>st</sup> Mar, 2014
<b>Tangible Assets:</b>											
Building	38.07	-	-	38.07	20.92	4.39	12.69	-	38.00	0.07	17.16
Studio equipment	451.63	-	-	451.63	356.28	36.45	1.08	-	393.80	57.83	95.35
Transmitter	687.97	21.67	-	709.64	251.85	131.95	3.10	-	386.91	322.73	436.12
Furniture and fixtures	640.44	0.81	-	641.25	293.94	107.65	18.42	-	420.00	221.24	346.52
Office Equipments	55.59	2.12	-	57.71	19.84	8.89	19.34	-	48.07	9.65	35.76
Computers	336.18	27.11	5.94	357.37	321.17	10.58	10.30	5.94	336.12	21.25	15.01
Air-conditioners	97.36	5.29	-	102.65	31.10	8.83	53.77	-	93.69	8.95	66.26
Audio-visual equipments	2.63	-	-	2.63	1.05	-	1.58	-	2.62	0.01	1.57
Vehilces	-	7.73	-	7.73	-	0.21	-	-	0.20	7.52	-
Common Transmission Infrastructure (Refer note below)	429.29	-	-	429.29	195.87	62.94	-	-	258.81	170.48	233.44
<b>Total Tangible Assets</b>	2,739.15	64.73	5.94	2,797.95	1,492.00	371.89	120.26	5.94	1,978.21	819.73	1,247.18
<b>Intangible Assets:</b>											
One Time Entry Fees	9,732.53	-	-	9,732.53	7,454.92	973.25	-	-	8,428.18	1,304.36	2,277.61
Computer software	92.63	-	-	92.63	64.17	12.83	-	-	77.00	15.64	28.46
<b>Total Intangible Assets</b>	9,825.16	-	-	9,825.16	7,519.09	986.08	-	-	8,505.18	1,320.00	2,306.07
Capital Work in Progress											
<b>Total</b>	12,564.31	64.73	5.94	12,623.12	9,011.09	1,357.97	120.26	5.94	10,483.39	2,139.73	3,553.25
Previous Year	12,524.64	39.69	-	12,564.33	7,782.28	1,228.81	-	-	9,011.09	3,553.25	

Common Transmission Infrastructure (CTI) is co-owned by the company along with other Radio FM players in each city. The company has started using such facility at Bangalore, Delhi, Pune, Ahmedabad & Mumbai in earlier period. Depreciation on CTI is charged on straight line method over balance period of License at each location.

## Notes to financial statements

## 12. Non Current Assets

Particulars	As at 31 <sup>st</sup> Mar, 2015		As at 31 <sup>st</sup> Mar, 2014	
	Number of Shares	Amount (₹ in lakhs)	Number of Shares	Amount (₹ in lakhs)
Investments in Dombivli Nagari Sahakari Bank (Equity Shares of ₹ 50/- Each)	1,000	0.50	1,000	0.50
		<b>0.50</b>		<b>0.50</b>

## 13. Deferred Tax Assets (net)

As per AS 22 on accounting for taxes on income, the company has reversed ₹ 266.01 lakhs net deferred tax asset for the year

Particulars	As at 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
<b>Deferred Tax Assets/(Liabilities)</b>		
On Carried Forward Losses	<b>3,710.19</b>	4,057.50
On Depreciation on Fixed Assets	<b>15.12</b>	(52.49)
On Leave Encashment	<b>7.12</b>	5.55
On Gratuity	<b>12.98</b>	0.86
	<b>3,745.41</b>	<b>4,011.42</b>

## 14. Trade Receivables

Particulars		As at 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
<b>Trade receivables outstanding for period exceeding six months from the date they are due for payment</b>			
Unsecured, considered good		<b>205.22</b>	230.25
Unsecured, considered doubtful		<b>249.42</b>	242.77
		<b>454.64</b>	<b>473.02</b>
Less: Provision for doubtful debts		<b>249.42</b>	242.77
	(A)	<b>205.22</b>	<b>230.25</b>
<b>Trade receivables outstanding for a period less than six months from the date they are due for payment</b>			
Unsecured, considered good		<b>1,328.45</b>	1,454.71
	(B)	<b>1,328.45</b>	<b>1,454.71</b>
<b>Total</b>	(A+B)	<b>1,533.67</b>	<b>1,684.96</b>

## Notes to financial statements

## 15. Cash &amp; Bank Balances

Particulars	Non-current		Current	
	As at 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
<b>Cash &amp; Cash Equivalents</b>				
Balances with banks				
- In Current Account	-	-	1,694.41	139.50
- In Deposit Accounts	7.25	4.81	160.00	-
Cash in Hand	-	-	3.31	1.38
<b>Other bank balances</b>				
Deposit Account (Under lien with bank)	17.08	25.16	-	100.00
Margin Money	229.89	188.05	-	-
	<b>254.22</b>	<b>218.02</b>	<b>1,857.72</b>	<b>240.88</b>

Non Current portion of Cash & bank balance has been reported as other non- current assets.

## 16. Loans &amp; Advances

Particulars	Long Term		Short Term	
	As at 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
<b>Unsecured considered good</b>				
Trade Deposits	309.74	300.91	-	-
Capital Advances	97.56	216.00	-	-
Advances to Creditors	-	-	73.19	17.01
Receivable from BECIL	-	-	-	77.71
Staff Loans & Advances	-	-	5.05	1.74
Tax Deducted at Source	-	-	300.30	231.70
Service Tax Cenvat Receivable			44.29	-
Prepaid Expenses	-	-	122.60	138.57
Loans to Others	-	-	0.90	0.79
Loans to Related Parties	77.01	550.95	2.79	1.20
	<b>484.31</b>	<b>1,067.86</b>	<b>549.12</b>	<b>468.73</b>

## Notes to financial statements

## 17. Other Current Assets

Particulars	As at 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	As at 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
<b>Other Current Assets</b>		
Interest Accrued but not due	16.20	43.43
Interest Accrued but not due from Related parties	112.76	24.24
	128.96	67.67

## 18. Other Income

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	Year Ended 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
<b>Other Income</b>		
Dividend Income	0.08	-
Other Income	19.83	-
Profit on Sale of Fixed Assets	0.22	-
Creditors / Liabilities Written Back	160.43	-
	180.56	-

## 19. Employee Benefit Expenses

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	Year Ended 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
<b>Employee Costs</b>		
Salary & Wages	1,645.16	1,112.48
Contribution to PF and other funds	48.38	33.38
Staff Welfare expenses & Other Employee expenses	127.87	98.04
	1,821.41	1,243.90

## 20. Operating Expenses

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	Year Ended 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
<b>Operational Expenses</b>		
Royalty	171.27	155.81
Radio programme creation and studio hire	136.76	374.27
Repairs & Maintenance - Equipment	108.89	173.37
Repairs & Maintenance - Others	84.11	87.37
Electricity charges	191.50	181.88
Rent	548.73	417.39
	1,241.26	1,390.09

## Notes to financial statements

### 21. General & Administration Expenses

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	Year Ended 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
<b>General &amp; Administrative Expenses</b>		
Telephone charges	44.79	43.01
Travelling	38.04	51.60
Conveyance	38.92	29.59
Directors sitting fees	0.33	0.28
Business Promotion	35.09	31.15
Auditors remuneration :-	-	
- Statutory Audit	3.00	3.00
- Tax Audit	0.75	0.75
- Others	1.10	0.90
Sundry Balance w/off	9.99	-
Miscellaneous Expenses	24.53	20.14
Discounts & Other Incentives	151.95	206.96
Advertisement Expenses	114.77	89.57
Legal & Professional Charges	146.07	138.26
Printing and stationery	12.73	10.51
Insurance	16.10	10.27
Rates and Taxes	7.29	11.21
Bad Debts Written Off	124.30	-
Add: Provision made during the year for doubtful debts	130.86	114.66
Less: Provision made in earlier years for bad debts	(124.30)	-
	130.86	114.66
	776.31	761.86

### 22. Finance Charges

Particulars	Year Ended 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	Year Ended 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
<b>Interest Charges</b>		
On Loans from Banks	119.24	215.43
On Loans from Others	127.54	182.01
Less: Interest Income	(118.79)	(51.28)
Bank Charges & Commission	63.77	20.58
	191.76	366.74

## Notes to financial statements

**23. Earnings per Share (EPS)**

	March 31, 2015	March 31, 2014
Net Loss as per Profit & Loss Statement (₹ in lakhs)	673.96	253.88
Less: Dividend on Preference Shares (₹ in lakhs)	357.02	346.72
Net loss for the year attributable to equity shareholders (₹ in lakhs)	316.94	(92.84)
<b>Calculation of weighted average number of equity shares</b>		
Number of shares at the beginning of the year	133,493,757	133,493,757
Weighted average number of Shares issued during the year	0	0
Weighted average number of equity shares at the end of the year	133,493,757	133,493,757
<b>Basic and diluted earnings (in ₹) per share</b>	<b>0.24</b>	<b>(0.07)</b>

**24. (A) Contingent Liabilities**

- In respect of guarantees issued by the Company's bankers ₹ 331.53 lakhs (Previous Year ₹ 348.37 lakhs).
- In respect of cumulative outstanding preference dividend as on 31<sup>st</sup> March, 2015 is ₹ 1676.64 lakhs (Previous year ₹ 1380.28 lakhs)
- In respect of Income Tax demand under dispute ₹ 247.35 lakhs (Previous Year ₹ 247.35 lakhs)

**24. (B)** Estimated amount of contracts remaining to be executed on capital account is ₹ Nil (Previous Year ₹ Nil)

**25. Disclosure pertaining to Micro, Small and Medium Enterprises**

There are no dues payable to Micro, Small and Medium Enterprises. The same has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

**26. Segment Reporting**

The Company has only one segment namely Radio Broadcasting; hence no separate disclosure of segment wise information has been made.

**27. Depreciation**

During the year ended 31<sup>st</sup> March, 2015, the company has adopted the useful life of assets as given in part C of Schedule II of the Companies Act, 2013. An amount of ₹ 120.27 lakhs relating to assets where the useful life has already expired, has been charged to retained earnings.

**28.** In the opinion of the Board of Directors, all assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amounts stated in balance sheet.

**29. Related party disclosures****Names of related parties and related party relationship**

- Holding Company - Next Mediaworks Limited
- Fellow Subsidiaries - One Audio Limited

## Notes to financial statements

- Digital One Private Limited  
 Next Outdoor Limited  
 c. Under control of Management - Next Publishing Services Private Limited  
 Mid-Day Exports Pvt. Ltd.  
 Inquilab Offset Printers Ltd.  
 Ferari Investments and Trading Co. Pvt. Ltd.  
 Meridian Holding & Leasing Co. Pvt. Ltd.  
 MC Media Limited  
 d. Key Managerial Personnel - Mr. Vineet Singh Hukmani, Managing Director

### Related party transactions

Nature of Transactions	Holding Company	Fellow Subsidiaries	Under control of Management	Key Managerial Personnel
<b>Interest Expenses:</b>	-	-		-
Inquilab offset printers Ltd			-	
			(13.06)	
Meridian Holding & Leasing Co Pvt Ltd			14.71	-
			(36.12)	-
Managerial Remuneration- Mr. Vineet Singh Hukmani	-	-	-	175.00
	-	-	-	(58.80)
<b>Interest Earned</b>	88.52			
	(24.24)			
<b>Unsecured Loan repaid during the year by holding company</b>	1,181.84			-
	-			
Repayment of Unsecured Loan During the year	-	-		-
	(210.70)			
Inquilab offset printers Ltd			-	
			(200.00)	
MC Media Limited			30.00	
			-	
Meridian Holding & Leasing Co Pvt Ltd			187.04	
			(3.68)	
<b>Unsecured Loan payable at end of year</b>	-	-		-
	-			
Rent Expense			7.00	
			-	

## Notes to financial statements

Nature of Transactions	Holding Company	Fellow Subsidiaries	Under control of Management	Key Managerial Personnel
MC Media Limited			-	
			(30.00)	
Meridian Holding & Leasing Co Pvt Ltd			0.13	
			(187.17)	
Unsecured Loan given During the year	709.60	2.20	0.44	-
	(548.54)	(1.11)	(0.46)	-
Unsecured Loan receivable at end of year	76.30	3.49	0.90	-
	(548.54)	(2.23)	(0.47)	-
Interest Recievable	112.76			
	(24.24)			

## 30. Employee Benefits

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

## a. Defined Contribution Plans

**Provident Fund**

The Company has recognized ₹ 44.36 lakhs in Profit & Loss Statement towards employer's contribution to provident fund.

## b. Defined Benefit Plans

## - Contribution to Gratuity Fund (Funded Scheme)

## - Leave Encashment (Non-funded Scheme)

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

Discount Rate	- 7.94% pa
Rate of Increase in compensation levels (pa)	- 6.00% pa
Attrition Rate	- 2.00% pa

## a. Change in the Present Value obligation

	Year Ended 31 <sup>st</sup> Mar, 2015 Amount (₹ in lakhs)	Year Ended 31 <sup>st</sup> Mar, 2014 Amount (₹ in lakhs)
Present Value of Defined Benefit Obligation as at beginning of the period	39.03	33.68
Interest Cost	3.63	2.78
Current Service Cost	7.68	7.73
Benefits Paid from the fund	(0.92)	(2.11)
Actuarial (gain) / Loss on Obligation	30.97	(3.04)
Present Value of Defined Benefit Obligation as at end of the period	80.40	39.03

## Notes to financial statements

### b. Fair Value of Plan Assets (for Funded Scheme – Gratuity)

Present Value of Plan Assets as at beginning of the period	30.46	31.28
Expected Return on Plan Assets	2.84	2.58
Actuarial gain/(loss)on Plan Assets	2.49	(1.29)
Contributions	6.27	-
Benefits Paid	(0.92)	(2.11)
Fair Value of Plan Assets as at end of the period *	41.14	30.46

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

Present Value of Funded Obligation as at end of the period	80.40	39.03
Fair Value of Plan Assets as at end of the period	41.14	30.46
<b>Funded Asset recognised in the Balance Sheet</b>	<b>(39.25)</b>	<b>(8.57)</b>
Included in provision (Schedule )	-	-
Present Value of Unfunded Obligation as at end of the period	-	-
Unrecognised Actuarial gains / (losses)	-	-
Unfunded Liability recognised in the Balance Sheet	-	-
Included in provision (Schedule )	-	-

### d. Amount Recognized in the Balance Sheet

Present Value of Defined Benefit Obligation as at the end of the period	80.40	39.03
Fair Value of Plan Assets As at the end of the period	41.14	30.46
Liability / (Net Asset) recognized in the Balance Sheet	39.25	8.57

### e. Expenses Recognized in the Profit & Loss Statement

Current Service Cost	7.68	7.73
Past Service Cost	-	-
Interest Cost	3.63	2.78
Expected Return on Plan Assets	(2.84)	(2.58)
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Actuarial (gain) / Loss recognised in the Period	28.48	(1.75)
Total Expenses recognised in the Statement of Profit and Loss	36.96	6.17

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

The company has based on Actuarial Valuations reversed an amount of ₹ 0.96 lakhs as expenses on account of leave encashment payable to the employees.

## Notes to financial statements

**31. Foreign Currency Earnings & Expenditure****Expenditure in Foreign Currency**

Particulars	Current year (₹ in lakhs)	Previous year (₹ in lakhs)
Capital Expenditure	-	2.55
Others	<b>35.80</b>	20.59

Earning in Foreign Currency – ₹ Nil (Previous Year – ₹ Nil)

**32 Managerial Remuneration**

During the year, the company's subsidiary Next Radio Limited has paid remuneration to Managing Director which is in excess of the limits specified in Section 197 of the Companies Act, 2013. Such higher remuneration is approved by the Nomination & Remuneration Committee and the Board of Directors. As required under Schedule V to the Companies Act, 2013 the Company is in process of making an application to the Central Government for the approval of the same. The approval of the members by way of special resolution was taken at the Extraordinary General Meeting.

Managerial Remuneration debited to Statement of Profit and Loss is subject to approval of the Central Government.

**33** Previous years figures have been regrouped/rearranged wherever required to make them comparable.

As per our report of even date attached

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Regn No. 103523W

**Atul Gala**

(Partner)

Membership No.: 48650

**Vineet Singh Hukmani**

Managing Director

(DIN: 02514684)

**Dilip Cherian**

Chairman and Director

(DIN: 00322763)

**Satyender Singh Chauhan**

Company Secretary

**Ismail Dabhoya**

Group Chief Financial Officer

**Adille Sumariwalla**

Director

(DIN: 00045855)

Place: Mumbai

Date: 29<sup>th</sup> April, 2015

For and on behalf of the Board of Directors of

**Next Radio Limited**

## NOTICE

**NOTICE** is hereby given that the **34<sup>th</sup> ANNUAL GENERAL MEETING** of **NEXT MEDIAWORKS LIMITED** will be held on Thursday, 6<sup>th</sup> August 2015 at 4.00p.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2015 and Profit & Loss Account for the period ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the Companies (Audit and Auditors) Rules, 2014, M/s. Haribhakti & Co., Chartered Accountants (Firm Registration No. 103523W), the retiring Statutory Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

### **SPECIAL BUSINESS**

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed there under and Clause 49 of the Listing Agreement entered into with the Stock Exchanges (including any statutory modifications or amendments or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Narayan K. Varma (DIN: 00044796), Director of the Company, in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years effective 23<sup>rd</sup> January 2015.”

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed there under and Clause 49 of the Listing Agreement entered into with the Stock Exchanges (including any statutory modifications or amendments or re-enactment thereof for the time being in force) read with Schedule IV of the Act, Mr. Adille Sumariwalla (DIN: 00045855), Director of the Company, in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years effective from 23<sup>rd</sup> January 2015.”

## Notice

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an OrdinaryResolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed there under and Clause 49 of the Listing Agreement entered into with the Stock Exchanges (including any statutory modifications or amendments or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Ms. Monisha Shah (DIN: 00542228), Director of the Company, in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years effective from 23<sup>rd</sup> January 2015.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an OrdinaryResolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed there under and Clause 49 of the Listing Agreement entered into with the Stock Exchanges (including any statutory modifications or amendments or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Rajbir Singh Bhandal (DIN: 01962971), Director of the Company, in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years effective from 23<sup>rd</sup> January 2015.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an OrdinaryResolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed there under and Clause 49 of the Listing Agreement entered into with the Stock Exchanges (including any statutory modifications or amendments or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Dilip Cherian (DIN: 00322763), Director of the Company, in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years effective from 23<sup>rd</sup> January 2015.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed there under and Clause 49 of the Listing Agreement entered into with the Stock Exchanges (including any statutory modifications or amendments or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. I. Venkat (DIN: 00089679), Director of the Company, in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years effective from 23<sup>rd</sup> January 2015.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, including the rules made thereunder and any amendments

## Notice

thereto or any statutory modification or re-enactment thereof for the time being in force (“the Act”) and subject to all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accords its approval for revision in the remuneration payable to Mr. Tarique Ansari – Chairman & Managing Director (DIN: 00101820) from the present ₹ 7,135,500/- (Seventy One Lakhs Thirty Five Thousand and Five Hundred only) to ₹ 6,000,000/- (Rupees Sixty Lacs Only) for the period commencing from 1<sup>st</sup> April 2014 till the end of his tenure i.e. upto 30<sup>th</sup> June 2016;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this resolution, including the Nomination & Remuneration Committee) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions in relation to the above remuneration in such manner as may be permitted in accordance with the provisions of the Act and/or to the extent as may be required, by the Central Government while according its approval;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including but not limited to making of an application to regulatory authorities, execution of necessary documents and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V thereto and the Rules made thereunder, as amended from time to time and subject to the approval of the Central Government if required, approval of the Company be and is hereby accorded to the re-appointment of Mr. Tariq Ansari (DIN: 00101820) as Whole-time Director of the Company designated as the Chairman & Managing Director for a further period of three (3) years with effect from 1<sup>st</sup> July 2016 to 30<sup>th</sup> June 2019 upon such terms and conditions as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board of Directors (the “Board”) and Mr. Ansari;

**RESOLVED FURTHER THAT** the Board (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

By Order of the Board of Directors  
**For Next Mediaworks Limited**

Sd/-  
**MANDAR GODBOLE**  
**COMPANY SECRETARY &**  
**MANAGER – LEGAL**

**Registered Office:**

156, D J Dadajee Road,  
Behind Everest Building,  
Tardeo, Mumbai – 400034.

Dated: 18<sup>th</sup> June 2015

## Notice

### NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, 31<sup>st</sup> July 2015 to Wednesday, 5<sup>th</sup> August 2015 (both days inclusive) for the purpose of the 34<sup>th</sup> Annual general Meeting (“AGM”) of the Company.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy Form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
7. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the 34<sup>th</sup> AGM, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
8. Electronic copy of the Annual Report for the year 2015 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2015 is being sent in the permitted mode.
9. Electronic copy of the Notice of the 34<sup>th</sup> AGM of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 34<sup>th</sup> AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members may note that the Notice of the 34<sup>th</sup> Annual General Meeting and the Annual Report for the financial year 2014-15 will also be available on the Company’s website [www.nextmediaworks.com](http://www.nextmediaworks.com) for their download. The physical copies of the aforesaid documents will also be available at the Company’s Registered

Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cs@nextmediaworks.com.

#### **11. Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 34<sup>th</sup> AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Sunday, 2<sup>nd</sup> August 2015 (9:00 am) and ends on Wednesday, 5<sup>th</sup> August 2015 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, 30<sup>th</sup> July 2015, may cast their vote by remote e-voting.** The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
    - (i) Open email and open PDF file viz; "NMW remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
    - (iii) Click on Shareholder – Login.
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "REVEN" of Next Mediaworks Limited.
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cs@nextmediaworks.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

REVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) and e voting user manual for Members available in the ‘Downloads’ section of www.evoting.nsdl.com.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 30<sup>th</sup> July 2015.
- X. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 30<sup>th</sup> July 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl. com.
- XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XII. Mr. J.U. Poojari, Practicing Company Secretary (Membership No. 22867) of M/s J.U. Poojari & Associates, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.nextmediaworks.com and on the website of NSDL immediately after the declaration of

## Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)

result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and NSE Limited.

12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
13. This Notice has been updated with the instructions for voting through electronic means as per the latest amended rules.
14. Information required to be provided under the Listing Agreement entered into with various Stock Exchanges, regarding the Directors who are proposed to be appointed / re-appointed is as below:

<b>Name of Director</b>	<b>Mr. Narayan K. Varma</b>	<b>Mr. Adille J. Sumariwalla</b>
Date of Birth	20/08/1931	01/01/1958
Date of Appointment	10/05/2001	30/01/2005
Qualifications	Chartered Accountant	Master's degree in Commerce (Management) from University of Mumbai, and an Executive MBA from the Asian Institute of Management, Manila, with distinction (Dean's List).
Directorshipsheld in other Companies (Indian companies)	Acrow India Limited	1. Professional Sports Services (India) Private Limited. 2. SE Transstadia Private Limited. 3. Next Radio Limited. 4. Interspace Communications Private Limited. 5. Interspace SolutionsPrivate Limited.
Memberships/Chairmanships of Committees of other public companies.	NIL	Next Radio Limited: Audit Committee (Member) & Nomination & Remuneration Committee (Chairman)
Shareholding (No. of shares)	NIL	5,875

<b>Name of Director</b>	<b>Ms. Monisha Shah</b>	<b>Mr. Rajbir Singh Bhandal</b>
Date of Birth	09/11/1969	19/12/1970
Date of Appointment	05/05/2011	28/07/2011
Qualifications	M.SC., University of London, MBA, London Business School	Masters in Engineering, Economics and Management from the University of Oxford and is qualified Management Accountant
Directorships held in other Companies (Indian companies)	NIL	1. Techmobia Digital Solutions Private Limited. 2. Brilliant Institute Of Professional Studies Private Limited. 3. Futurize Ventures Private Limited. 4. BOP Connect Social Venture Private Limited. 5. Techaccino Solutions Private Limited

Memberships/Chairmanships of committees of other public companies.	NIL	NIL
Shareholding (No. of shares)	NIL	NIL

<b>Name of Director</b>	<b>Mr. Dilip Cherian</b>	<b>Mr. I. Venkat</b>
Date of Birth	10/04/1956	14/10/1947
Date of Appointment	28/01/2010	29/10/2009
Qualifications	Masters degree in Economics	Graduate in Science
Directorships held in other Companies (Indian companies)	<ol style="list-style-type: none"> <li>1. Perfect Relations Private Limited</li> <li>2. Accord Public Relations Private Limited</li> <li>3. Image Public Relations Private Limited</li> <li>4. Imprimis Life Pr Private Limited</li> <li>5. The Advertising Standard Council of India</li> <li>6. Perfect PR Communication Services Private Limited</li> <li>7. Spring Sport and Sustainability Private Limited</li> <li>8. Next Radio Limited</li> <li>9. Bajaj Corp Limited</li> <li>10. Hoipolloi Jobs Solutions Private Limited</li> <li>11. Bizsol Advisors Private Limited</li> <li>12. Jagaran Prakashan Limited</li> <li>13. Cell Centre for Ethical Life &amp; Leadership</li> <li>14. My Dreams Product Com Private Limited</li> <li>15. Atit Digital Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Ushodaya Enterprises Private Limited</li> <li>2. Audit Bureau of Circulation Limited</li> </ol>
Memberships/Chairmanships of Committees of other public companies.	<ol style="list-style-type: none"> <li>1. Bajaj Corp Limited: Audit Committee (Member) &amp; Shareholder and Grievance Committee (Chairman)</li> <li>2. Jagran Prakashan Limited: Nomination &amp; Remuneration Committee (Chairman)</li> <li>3. Next Radio Limited: Audit Committee (Chairman) &amp; Nomination &amp; Remuneration Committee (Member)</li> </ol>	NIL
Shareholding (No. of shares)	NIL	NIL

<b>Name of</b>	<b>Mr. Narayan K. Varma</b>
Director	Mr. Tariq Ansari
Date of Birth	11/06/1961
Date of Appointment	01/07/2004
Qualifications	Bachelor's of Business Administration from Notre Dame, USA.
Directorships held in other	NIL
Companies (Indian companies)	1. Inquilab Offset Printers Limited. 2. Next Outdoor Limited. 3. Meridian Holding and Leasing Company Private Limited. 4. Mid Day Exports Private Limited. 5. Ferari Investments and Trading Company Private Limited. 6. Outdoor Network Private Limited. 7. Next Publishing Services Private Limited. 8. One Audio Limited. 9. Asset Vantage Systems Private Limited. 10. One By Two Media Private Limited.
Memberships/Chairmanships of committees of other public companies.	NIL
Shareholding (No. of shares)	4,337,298

## ANNEXURE TO NOTICE

**As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out the material facts relating to the businesses under Item Nos. 3 to 10 of the accompanying Notice dated 18<sup>th</sup> June 2015.**

### **Item Nos. 3 to 8:**

As per the provisions of Section 149(4) of the Companies Act, 2013 (the "Act") and Clause 49 of Listing Agreement entered into with the Stock Exchanges ("Clause 49"), every listed company shall have at least 1/3<sup>rd</sup> of its total number of directors as independent directors and Section 149(6) of the Act and Clause 49 II B (1) of Listing Agreement, lays down the criteria for independence.

In terms of Section 149(11) of the Act, an independent director can hold office for two terms of upto 5 consecutive years each on the board of the company. The explanation to Section 149(10) and (11) further provides that any tenure of an independent director before commencement of the Act shall not be reckoned while calculating maximum term of office of Independent Directors under the Act.

As on the date of this report, the Company's Board consists of the following Independent Directors:

- (1) Mr. Narayan Varma
- (2) Mr. Adille Sumariwalla
- (3) Mr. Venkat Idupuganti
- (4) Mr. Dilip Cherian
- (5) Ms. Monisha Shah
- (6) Mr. Rajbir Singh Bhandal

The period of office of the aforementioned Directors was liable to retire by rotation under the erstwhile Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the aforementioned Directors, being eligible and offering themselves for appointment, are proposed to be appointed as Independent

Directors for a term of five (5) years effective 23<sup>rd</sup> January 2015. The said appointment has been approved by the Board of Directors at its meeting held on 23<sup>rd</sup> January 2015.

The aforementioned Directors have furnished declarations to the Company under Section 149(7) of the Act, confirming that they meet the criteria prescribed for independent directors under Section 149(6) of the Act as well as Clause 49. In the opinion of the Board, these individuals are persons of integrity, possess the relevant expertise and experience, fulfill the conditions specified in the Act and the Rules framed there under and Clause 49 and are independent of the management of the Company. Notices, as required under Section 160 of the Act, have been received from certain Members proposing the candidature of the said Directors as Independent Directors of the Company. Brief profiles of the said Directors, in terms of Clause 49 of the Listing Agreement are being provided below:

- (a) **Mr. Narayan K. Varma:** Mr. Varma holds a Bachelor's degree in Commerce and is a Fellow Member of the Institute of Chartered Accountants of India. He has 45 years of rich experience in the accounts and taxation. Mr. Varma was Ex-president of the Bombay Chartered Accountants Society. He has been on the Company's Board as an Independent Director since May 2001.
- (b) **Mr. Adille J. Sumariwalla:** Mr. Sumariwalla holds a Master's degree in Commerce (Management) from University of Mumbai, and an Executive MBA from the Asian Institute of Management, Manila, with distinction (Dean's List). He is a world-class athlete and recipient of the Arjuna Award, India's highest honour for sportspersons. Mr. Sumariwalla has worked with Tata Engineering Ltd. for 15 years in various capacities. He was also the CEO with the Asian Age and as a Vice President with Sai Service Group of Companies. He is the Chairman and Managing Director of Clear Channel Communications (I) Pvt. Ltd. He has been on the Company's Board as an Independent Director since January 2005.
- (c) **Ms. Monisha Shah:** Ms. Shah holds a Master's degree in Science from University of London and has also done Masters in Business Administration from London Business School. She is an independent consultant in the media and entertainment business with a special interest in the international exploitation of intellectual property across radio, television, publishing and digital media. Ms. Shah has been on the Company's Board as an Independent Director since May 2011.
- (d) **Mr. Rajbir Singh Bhandal:** Mr. Bhandal holds a Masters in Engineering, Economics and Management from The University of Oxford and is a qualified Management Accountant.  
  
Mr. Bhandal heads Zergo India, which is part of the UK Headquartered Zergo Group Plc. Leading the company's India operations, he advises on mobile strategy to many of the country's leading mobile operators, media and brands. He is a veteran of the mobile marketing industry having worked with clients on strategies to maximize returns using the mobile channel since 2002. He has been instrumental in the launch of many ground breaking projects, especially in the area of mobile couponing. Mr. Bhandal is a recognized thought leader in the mobile marketing industry having spoken at forum's in India and abroad plus authored numerous articles. He has been on the Company's Board as an Independent Director since July 2011.
- (e) **Mr. Dilip Cherian:** Mr. Cherian holds a Master's degree in Economics. He has vast experience of over 15 years in the journalistic and media sector. Mr. Cherian is a Consulting Partner with Perfect Relations Limited ("PRL"), a company which he founded in 1992. PRL advises CEOs and country management teams on External Communications, Internal Communications and Public Affairs. He writes regular columns for The Asian Age, The Indian Express and Mid-Day. He has been on the Company's Board as an Independent Director since January 2010.
- (f) **Mr. I. Venkat:** Mr. Venkat holds a Bachelor's degree in Science. He has been in the Communication profession from 1970. In 1987 he joined the Board of Directors of Ushodaya Enterprises Limited, publishers of Eenadu Telugu Newspaper and ETV group of channels. Mr. Venkat is the Founder Member and member

of Board of Governors of MRUC, Mumbai. Recently inducted into INMA Board of Directors. He has been on the Company's Board as an Independent Director since October 2009.

Upon the approval of the Members of the Company on the said resolutions, the appointment of the aforementioned directors shall be formalized by way of issuance of the letter of appointment by the Company to the said Independent Directors.

The Board accordingly recommends the resolutions at Item Nos. 3 to 8 of this Notice for the approval of the Members.

None of the said Directors are related to any of the Director of the Company. None of the Directors or Key Managerial Personnel of the Company other than those mentioned in the respective resolutions and their relatives are in any way concerned or interested, financially or otherwise, in the resolutions at Item Nos. 3 to 8 of this Notice.

**Item No. 9:**

Members are hereby informed that the Company had, at its Annual General Meeting held on 31<sup>st</sup> July 2013, re-appointed Mr. Tarique Ansari as the Chairman & Managing Director of the Company for a period of three (3) years effective 1<sup>st</sup> July 2013 on remuneration of ₹ 7,135,500/- (Seventy One Lakhs Thirty Five Thousand and Five Hundred only) per annum.

The past few years had been challenging not just for the Indian Media and Entertainment (M&E) industry but for the Indian economy as a whole. Domestically, growth slowed much more than anticipated, with both manufacturing and services activity hamstrung by supply bottlenecks and sluggish external demand. A weaker rupee, sudden reversal of capital flows and inhibited investment sentiment have caused a significantly adverse impact on India's growth.

Despite the difficult economic situation, the Company's consolidated performance witnessed significant growth in the past two years. During the year 2014-15, the Company's consolidated revenue grew by \_\_\_% and stood at ₹ 6,542.88 Lacs as compared to ₹ 5,896.56 lacs in the year 2013-14. The Company also turn around its operations in the past two years and registered profit of ₹ 201.81 lakhs against the loss of ₹ 99.14 Lacs during the year 2013-14.

During the financial year 2014-15, the Ministry of Information & Broadcasting ("MIB") cleared the proposal for migration of existing radio licenses from Phase II to Phase III and e-auctions in 69 cities for new 135 frequencies. The radio industry, which already performed well during the previous year, is expected to witness a significant growth in the next few years, especially in the wake of approval from MIB for auctions and migration from Phase II to Phase III.

In spite of the turnaround in the operations and bright future ahead for the Company, as a measure of improving the Company's profitability, Mr. Tarique Ansari – Chairman & Managing Director has, with the approval of the Nomination and Remuneration Committee and the Board in their respective meetings held on 18<sup>th</sup> June 2015 expressed his desire to limit his remuneration to what is permissible under Schedule V to the Companies Act, 2013 for the period commencing from 1<sup>st</sup> April 2014 till the end of his tenure i.e. upto 30<sup>th</sup> June 2016. Accordingly, Mr. Ansari has voluntarily agreed to take lesser salary than what was approved by the shareholders i.e. ₹ 60 Lacs per annum for the aforesaid period.

Information as required in terms of Section II of Part II of Schedule V to the Companies Act, 2013 is furnished below:

### I. GENERAL INFORMATION :

1. Nature of Industry : Radio Broadcasting
2. Date of commencement of commercial production : Not Applicable
3. In case of new companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the Prospectus : Not Applicable
4. Financial Performance :  
Financial parameters of the Company for the last five financial years:

(Amount in Lacs)

Particulars	Year				
	2010-11	2011-12	2012-13	2013-14	2014-15
Turnover	-	-	-	-	-
Net Profit/(Loss) (as computed u/s 198)	176.19	(240.17)	(77.36)	(284.91)	(395.94)
Net Profit/(Loss) as per Profit & Loss Account	(1,644.49)	(205.46)	(97.26)	(352.07)	(471.01)
Amount of dividend paid	-	-	-	-	-
Earnings before interest, depreciation & taxes (EBIDTA)	(1,571.24)*	(102.30)	(144.82)	(261.03)	(253.39)
Export performance and net foreign exchange collaborations	-	2.65	-	-	-
Foreign Investments or collaborators, if any.					

Note: \*EBIDTA for the year 2010-11 includes exceptional item of ₹ (1,753.34) Lacs.

### II. INFORMATION ABOUT THE APPOINTEE :

#### a. Background Details:

Mr. Tariq Ansari, aged 54 years, holds a degree in business administration from the University of Notre Dame in the United States. Mr. Ansari was appointed as the Managing Director of the Company in 1988 and since then has been re-appointed as the Chairman and Managing Director of the Company from time to time. He has over 25 years of experience in strategic planning and management in the media industry. Mr. Ansari reports to the Board of Directors of the Company.

#### b. Past Remuneration:

Amount (in ₹)

Year	Remuneration (per annum)
2012-13	42,00,000
2013-14	57,20,000
2014-15	64,80,000

#### c. Recognition / Awards: NIL

**d. Job Profile & Suitability:**

Mr. Tariq Ansari joined the Company (formerly known as Mid Day Publications Limited) as an Executive Assistant to the Managing Director which was into publishing and media business. He took over as the Managing Director of the Company in 1988. With his sharp business acumen, his leadership skills, and his rich experience in the media business, the Company's turnover increased from ₹ 5 Crores in 1992 to over ₹ 100 Crores in 2013. He also launched one more daily newspaper (Gujrati Mid-Day) and a magazine (The Brief) and two more editions of Mid-Day in Pune and Delhi. During this period, Mr. Ansari has also served as President for South Asia for the International Newsmedia Marketing Association and on the Board of the Indian Newspaper Society. He is widely respected among the newspaper and media fraternity for his abilities as a sharp and successful professional.

The Company operates through its subsidiary viz. Next Radio Limited ("NRL") which is into media and broadcasting business. Considered as a pioneer in the privatization of FM in India, the Company's radio broadcasting arm, NRL became the first private broadcaster on All India Radio's FM service under the leadership of Mr. Ansari. He also successfully spearheaded NRL's foray into the outdoor advertising space. His outstanding efforts also fetched NRL a good chunk of capital infusion by the British Broadcasting Corporation, U.K. Mr. Ansari has been the major force behind NRL's rapid turnaround of its losses in the recent years where NRL registered a profit of ₹ 6.73 Crores as at 31<sup>st</sup> March 2015 against loss of ₹ 6.26 Crores in the year 2013.

Presently, Mr. Ansari is evaluating investment and growth opportunities for the Company and putting into place plans to initiate new businesses. He is spearheading the migration of NRL's existing stations from Phase II to Phase III. Mr. Ansari is also taking efforts towards the Company's foray into Phase III where the Ministry of Information & Broadcasting has approved auctions for licenses in more cities. The business of the Company's subsidiary viz. NRL has grown manifold and in these challenging times it is imperative that the Company continues to function under the leadership and stewardship of Mr. Ansari.

**e. Remuneration proposed:**

₹ 6,000,000/- (Rupees Sixty Lacs Only) per annum.

**f. Comparative Remuneration profile with respect to Industry, Size of the Company, Profile of the position and person:**

Mr. Tariq Ansari oversees the business of the Company's subsidiaries on a day to day basis. He is also responsible for exploring new business opportunities for the Company. Considering Mr. Ansari's job responsibilities, the duties performed by him, his rich experience and expertise, the size of the Company, comparable remuneration of managerial personnel in similar industry and the industry in which it operates, the Nomination & Remuneration Committee at its meeting held on 18<sup>th</sup> June 2015 approved the re-appointment of Mr. Ansari as Whole-time Director of the Company designated as the Managing Director for a period of three (3) years on remuneration of ₹ 60 Lacs per annum and recommended the same to the Board for its approval. Based on the recommendation of the Nomination & Remuneration Committee, the Board, at its meeting held on 18<sup>th</sup> June 2015, approved the appointment of Mr. Ansari as set out in the resolution at Item No. 10 of the Notice.

**g. Pecuniary Relationship, directly or indirectly with the Company or relationship with the Managerial Personnel, if any:**

Mr. Tariq Ansari - Managing Director is not related to any managerial personnel in the Company. He does not have any pecuniary relationship, directly or indirectly with the Company or with any managerial personnel besides the proposed remuneration as mentioned above except to the extent of his shareholding as a Promoter in the Equity Share Capital of the Company.

**III. OTHER INFORMATION :****(a) Reasons for loss/inadequate profits:**

The Company operates through its subsidiary viz. Next Radio Limited (“NRL”) which is into media and broadcasting business. Since the Company, on a standalone basis, has not earned any revenues, it has loss of ₹ 4.71 Crores.

**(b) Steps taken or proposed to be taken for improvement:**

The Company is currently exploring new business opportunities and has formalized a business strategy.

**(c) Expected increase in productivity and profits in measurable terms:**

The Company expects to turnaround the existing loss and achieve a productivity of 10% in approximately the next 2 years.

**IV. DISCLOSURES :**

Disclosures required to be made pursuant to point IV of Part A of Section II of Part II of Schedule V to the Act have been made in the Corporate Governance Report for the year ended 31<sup>st</sup> March 2015.

Approval for revision in the remuneration to Mr. Ansari is being sought in accordance with Section II of Part II of Schedule V to the Act which, inter alia, includes seeking approval from the shareholders by way of a Special Resolution for the payment of remuneration as set out above to the Whole-time Director.

Except for Mr. Tariq Ansari, no other Directors or Key Managerial Personnel of the Company or their relatives are directly or indirectly concerned or interested in the resolution at Item No. 9 of this Notice.

Your Directors commend the resolution at Item No. 9 for your approval as a Special Resolution.

**Item No. 10:**

Mr. Tariq Ansari’s term as the Whole-time Director of the Company designated as the Managing Director will expire on 30<sup>th</sup> June 2016. The Board of Directors (the “Board”) at its meeting held on 18<sup>th</sup> June 2015, has, on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members and the Central Government, if required, re-appointed Mr. Ansari as the Whole time Director of the Company, designated as the Managing Director for a further period of three (3) years commencing from 1<sup>st</sup> July 2016. Since the term of Mr. Ansari may end prior to the convening of the Company’s Annual General Meeting for the financial year 2015-16, the Board recommends his re-appointment to the members for their approval at the forthcoming Annual General Meeting.

Mr. Tariq Ansari, aged 54 years, holds a degree in business administration from the University of Notre Dame in the United States. Mr. Ansari was appointed as the Managing Director of the Company in 1988 and since then has been re-appointed as the Chairman and Managing Director of the Company from time to time. He has over 25 years of experience in strategic planning and management in the media industry. Mr. Ansari reports to the Board of Directors of the Company.

The principal terms and conditions of Mr. Ansari’s appointment as the Managing Director are:

- |    |                        |   |                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----|------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Term of Appointment    | : | 3 years                                                                                                                                                                                                                                                                                                                                                                                                            |
| 2. | Period                 | : | 1 <sup>st</sup> July 2016 – 30 <sup>th</sup> June 2019                                                                                                                                                                                                                                                                                                                                                             |
| 3. | Brief nature of duties | : | (a) Mr. Ansari shall devote his whole time attention to the business of the Company and carry out such duties, as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company its subsidiaries and associate companies. |

- (b) He shall undertake to employ the best of the skill and ability to make his utmost endeavors to promote interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such directions as may be given to him by the Board from time to time.
4. Remuneration : Mr. Ansari shall be entitled to a remuneration of ₹ 6,000,000/- (Rupees Sixty Lacs Only) per annum.
5. Termination : This appointment may be terminated by either party by giving to the other party an advance notice of three months.

Except for Mr. Tariq Ansari, no other Directors or Key Managerial Personnel of the Company or their relatives are directly or indirectly concerned or interested in the resolution at Item No. 10 of this Notice.

Your Directors commend the resolution at Item No. 10 for your approval as a Special Resolution.

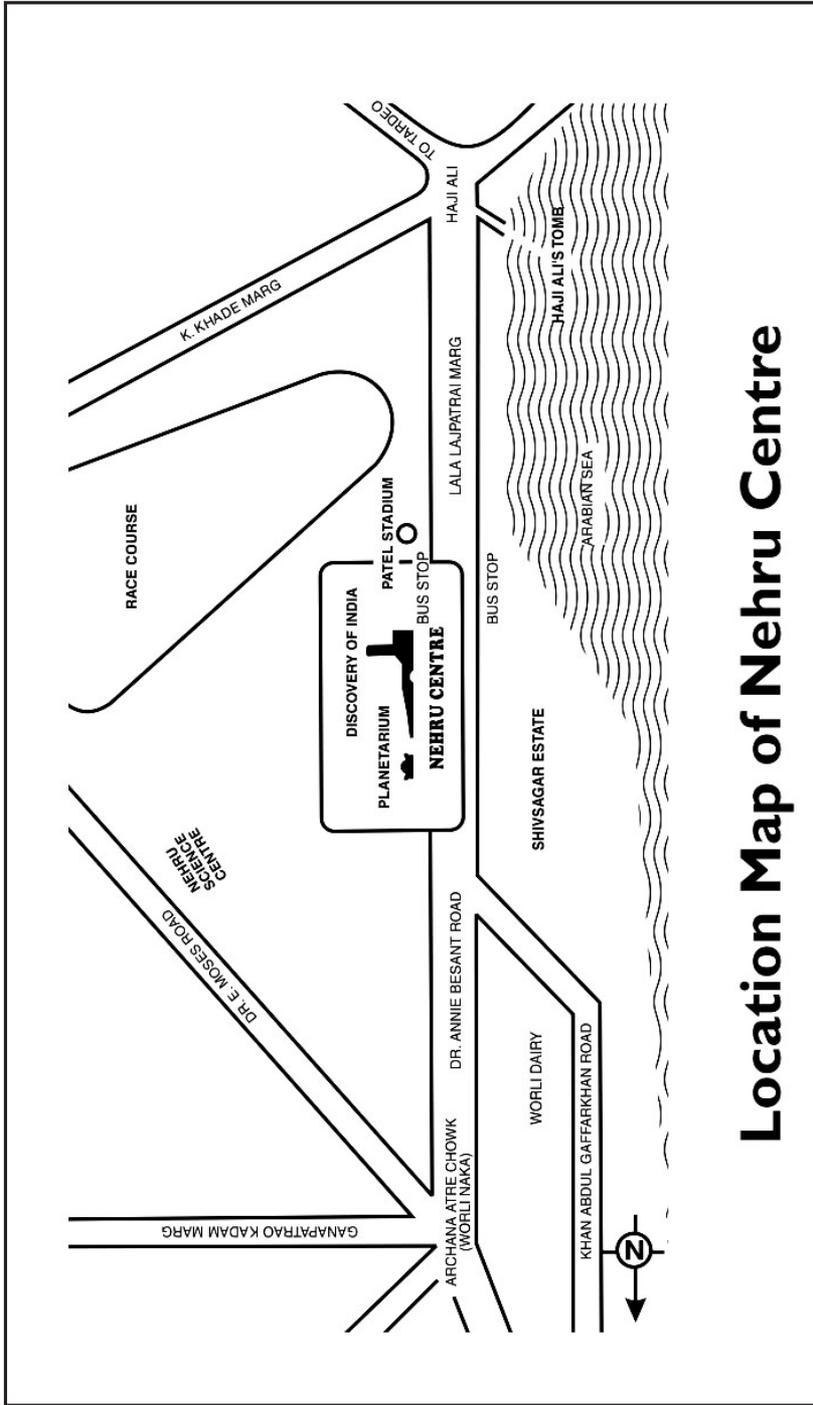
By Order of the Board of Directors  
**For Next Mediaworks Limited**

**Mandar Godbole**  
Company Secretary &  
Manager – Legal

Registered Office:  
156, D J Dadaji Road,  
Behind Everest Building,  
Tardeo, Mumbai - 400 034.

Place: Mumbai,  
Dated: 18<sup>th</sup> June 2015





## Location Map of Nehru Centre

**Next Mediaworks Limited**

CIN: L22100MH1981PLC024052

Regd. Office: 156, D.J Dadajee Road, Behind Everest Building, Tardeo, Mumbai- 400 034

Tel: +91 22 67527038 Fax: +91 22 67015757 Website: www.nextmediaworks.com

Email: cs@nextmediaworks.com

**Form No. MGT-11****PROXY FORM**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]**

Name of the Member (s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No/Client Id: \_\_\_\_\_

DP ID: \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the above company,  
hereby appoint

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_

2. Name: \_\_\_\_\_ Address: \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_

3. Name: \_\_\_\_\_ Address: \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_

As my/our proxy to attend and vote (on poll) for me/our behalf at the 34<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, August 6, 2015 at 4.00PM at Hall of Culture, Nehru Centre, Worli, Mumbai- 400 018 and at any adjournment thereof in respect of such resolution as are indicate below:

Sr, No	Resolution	Optional*	
		For	Against
<b>Ordinary Resolution</b>			
1.	Adoption of Standalone and Consolidated financial statement of the Company for the year ended March 31, 2015		
2.	Re-Appointment of M/S Haribhakti & Co. LLP., Chartered Accountant a Statutory Auditors and fix there remuneration thereof		
<b>Special Business</b>			
1.	Approval for appointment of Mr. Narayan K. Varma (DIN: 00044796) as an Independent Director.		

2.	Approval for appointment of Mr. Adille J. Sumariwalla (DIN: 00045855) as an Independent Director.		
3.	Approval for appointment of Mrs. Monisha Shah (DIN: 00542228) as an Independent Director.		
4.	Approval for appointment of Mr. Rajbir Singh Bhandal (DIN: 01962971) as an Independent Director.		
5.	Approval for appointment of Mr. Dilip Cherian (DIN: 00322763) as an Independent Director.		
6.	Approval for appointment of Mr. I venkat (DIN: 00089679) as an Independent Director.		
7.	Approval for revision in the remuneration of Mr. Tarique Ansari Chairman and Managing Director for the period 1 <sup>st</sup> April 2014 till the end of his tenure i.e. upto 30 <sup>th</sup> June 2016.		
8.	Approval for re-appointment of Mr. Tarique Ansari as the Chairman and Managing Director of the Company for a period of 3 years effective from 1 <sup>st</sup> July, 2016 to 30 <sup>th</sup> June, 2019.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

\_\_\_\_\_  
Signature of the Shareholder

\_\_\_\_\_  
Signature of the proxy holder(s)

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company addressed to the 'Company Secretary', not later than 48 hours before the commencement of the meeting.
2. A person can act as proxy on behalf of the Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a member holding ten percent of the total paidup share capital of the company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

\*It is optional to put a in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against. Column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

**Next Mediaworks Limited**  
(formerly Mid-Day Multimedia Limited)

Registered Office: 156, D.J Dadajee Road, Behind Everest Building, Tardeo Mumbai-400 034.

Tel No:022-67527038 Fax:022-67015701

**CIN:L22100MH1981PLC024052**

Website: www.nextmediaworks.com E-mail id: cs@nextmediaworks.com

**ATTENDANCE SLIP**

I hereby record my presence at the 34<sup>TH</sup> ANNUAL GENERAL MEETING of the Company held on Thursday, 06<sup>th</sup> August, 2015 at 04:00 p.m. Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

<b>Regd. Folio/DPID &amp; Client ID</b>	
<b>Name and address of the shareholder</b>	
<b>Joint Holders</b>	

\_\_\_\_\_  
Signature of the Shareholder or proxy

**Note:**

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of meeting hall.
2. Electronic copy of the Annual Report for the year ended 31<sup>st</sup> March, 2015 and Notice of the Annual General Meeting (AGM) along with attendance slip and proxy form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance slip.
3. Physical copy of the Annual Report for the year ended 31<sup>st</sup> March, 2015 and Notice of the AGM along with the attendance slip and proxy form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

**E-Voting Information**

<b>EVEN</b> <b>(Electronic Voting Event Number)</b>	<b>User ID</b>	<b>Password</b>

