

Consolidated Limited Review Report

Review Report to
The Board of Directors
Next Mediaworks Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Next Mediaworks Limited ('the Company'), its subsidiaries (collectively referred to as 'the Group') for the quarter ended June 30, 2014 except for the disclosures in Part II with respect to 'Particulars of Shareholding' and 'Investor Complaints' which have been traced from the details furnished by the Registrar & Transfer Agent / Management. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Financial results also includes figures in respect of 3 subsidiary companies, which are as presented by the management and have not been subjected to limited review. Aggregate amount of turnover, expenses and loss / profit after tax (before adjusting minority interest) of these subsidiary companies for the quarter ended on June 30, 2014 are Rs. Nil, Rs. 0.11 lacs and Rs. 0.11 lacs respectively.

We have not reviewed the financial statements of these subsidiaries and have relied on unaudited financial statements as presented by management.



4. QUALIFICATION

- 1) The management of Next Mediaworks Limited has recognized Deferred Tax Assets of Rs. 110.02 lacs as on June 30, 2014, on unabsorbed business losses/unabsorbed depreciation on the basis of expected profits in future.

Further the subsidiary Next Radio Limited (formerly known as Radio One Limited) has recognized Deferred Tax Asset of Rs. 3,966.03 lacs as on June 30, 2014, on unabsorbed Business Losses/unabsorbed Depreciation on the basis of expected profits in future.

The above is not in accordance with para 17 and 18 of 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, management's expectation cannot be considered as virtual certainty to recognize such assets. Consequently, the relevant consolidated asset and the reserves & surplus are overstated by Rs. 4,076.05 lacs.

- 2) Further, the management of Next Mediaworks Limited has considered that no provision is required against fall in the value of investments aggregating Rs. 15,602.86 lacs in the subsidiary company Next Radio Limited (formerly known as Radio One Limited), even though the networth of the subsidiary has been substantially eroded. Consequently, no impairment has been considered necessary by the management for Goodwill on Consolidation amounting to Rs. 5,489.67 lacs in the Consolidated Accounts.

Our report for the year ended March 31, 2014 was also qualified in respect of the above matters.

5. Based on our review conducted as above, subject to the effects of our observations given in para 4, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards as specified under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. We draw attention to Note 5 to the unaudited consolidated financial results with regard to the managerial remuneration paid by the Company during the quarter being subject to approval of shareholders and Central Government.

Our report is not qualified in respect of this matter.

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No.103523W

Atul Gala

ATUL GALA

Partner

Membership No.: 48650



Mumbai

August 08, 2014