NEXT MEDIAWORKS LIMITED

ANNUAL REPORT 2011-2012

Corporate Information

Board of Directors
Tarique Ansari - Chairman & Managing Director
Narayan Varma
Adille Sumariwalla
I. Venkat
Dilip Cherian
Monisha Shah
Rajbir Singh Bhandal

Chief Financial Officer
Mr. Manish Thukral

Auditors
M/s Haribhakti & Co.
Chartered Accountants
Free Press House, Nariman Point,
Mumbai - 400 021.

Bankers
The Royal Bank of Scotland
(formerly ABN AMRO Bank)
Nariman Point, Mumbai - 400 021.

Registrar & Transfer Agent
Linkintime India Private Limited
C-13, Pannalal Silk Mill Compund,
L.B.S. Marg, Bhandup-West,
Mumbai - 400 078.
tel No. 2596 3838 Fax No. 2594 6969

Registered Office
Peninsula Centre, Dr. S.S. Rao Road,
Near M.G. hospital,
Parel, Mumbai - 400 012.
Tel: 6701 7171, Fax: 2415 0009
E-mail: cs@nextmediaworks.com

Solicitors & Legal Advisors
Economics Laws Practice

31st Annual General Meeting on Wednesday, 29th day of August, 2012 at 4.00 p.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

Corporate Information

CHAIRMAN'S NOTE

Dear Shareholders,

Welcome to the 31st Annual General Meeting of our Company.

The financial year 2011-12 has been a challenging year not just for the Indian Media and Entertainment (M&E) industry but for the Indian economy as a whole.

An abnormally high inflation, soaring interest rates, high fiscal deficit and a weaker rupee have caused a significantly adverse impact on India's growth. The country's GDP grew by 5.3% in Q4 of financial year 2011-12, the lowest in the last 32 quarters.

India's economic growth in 2011-12 moderated to 6.5% from 8.4% in 2010-11. This subdued rate of GDP growth coupled with high inflation and high interest rates has put significant pressure on margins of companies. This resulted in a considerable slowdown in the growth of the advertisement industry for 2011-12 and resulted in a severe negative impact on our growth plans.

2011- 12 – An Overview

AS PER THE PITCH MADISON MEDIA ADVERTISING OUTLOOK 2012 REPORT

Due to sustained slow down from high inflation and high interest rates in 2011 the Indian advertising grew by just 8% vis a vis expectations of 17%. While TV and print advertising grew by 9% and 8% respectively, Radio advertising grew by only 2%. This was against a 30% growth in radio advertising in 2010. As per the report, radio advertising is expected to grow by only 5% in 2012.

Our radio subsidiary, Radio One registered a marginally negative growth in revenues with the current year revenues at Rs. 4348 lakhs, lower by 1% over the last year revenues of Rs. 4413 lakhs. The Company continues to operate it's seven FM stations across the country. While the Company was able to minimize the negative impact on the revenue front, the overall high inflation and increase in certain costs led to increase in costs and lower operating margins. However, in spite of an extremely challenging environment, the Company was able to maintain positive EBIDTA of Rs 26 lakhs lower from an EBIDTA of Rs 406 lakhs last year.

The industry is dominated by those with much deeper pockets and operating large networks. They have made radio advertising sales like any other commodity. However, on the other hand, we have been able to show excellent results for some of our stations by following a locally differentiated and premium associative strategy, which has allowed us to get higher advertising revenues through 'pull' from the advertiser and keep our costs to the lowest in the market. Therefore, our strategy for getting to profitability is therefore centered around these two initiatives, coupled with an aggressive reduction in operating costs.

Going Forward

FM Radio Broadcasting -

The third Phase of the FM Radio licensing policy was announced in July 2011 but has still not been implemented by the Ministry of Information and Broadcasting. As you would be aware, Phase-III policy proposes to extend FM radio services from present 86 cities to 313 cities with upto 839 new FM radio stations. Phase -III policy will result in coverage of all cities with a population of one lakh and above with private FM radio channels.

Chairman's Note

While the Company believes that the Phase III policy will help expand the market for FM Radio, the timing of the same is still a big question. The Phase – III auctions have been repeatedly postponed by the Ministry of Information and Broadcasting. As we stand today, the date for the auctions has been postponed to the latter part of the financial year 2012-13.

Arising from the strategy of getting to profitability with our current stations, our approach of 'locally differentiated stations with high associative value', will allow 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.

The recently introduced new Copyright Act has been approved in the Lok Sabha and the Rajya Sabha. The Bill now awaits the President's approval. The changes as proposed therein shall have a significant bearing on the manner in which the Radio and the Music industry will operate going forward. The proposed new Copyright Act shall have a significant impact on cost of programming of the FM radio stations. While the Company is still studying the overall impact oj these changes, the initial view which is coming out is that the proposed changes should have a positive impact onthe bottomline of FM radio companies.

The Digital opportunity

The Company has made good progress with regard to its objective of entering the digital space and launched its music based Applications on I-pads, I-phones and the Blackberry OS – 7 handsets under the "INDIAONE" brand. The Company is of the firm belief that digital music applications shall be in great demand and this will result in creating a sustainable and profitable revenue model.

With the launch of 3G / 4G and with the rapid growth of smart phones there has been an increase in the internet penetration and new applications are in demand by music listeners. People are increasingly consuming music in digital form through different devices. We clearly see the following significant shifts happening in the market today;

- Increased internet penetration.
- Increased consumption on mobile devices : and
- Smartphone and tablet proliferation.

This has substantiated and cemented our views and beliefs that there is a strong growth potential and therefore a great opportunity in this area. The Company will continue to explore sustainable and profitable opportunities in the areas of new age media and entertainment.

Acknowledgement

I would like to thank various Government bodies, banks and financial institutions and vendors for their support and our Board members for their guidance.

I would also like to express my deep gratitude to our Shareholders, Employees and our Listeners for their continued support and encouragement at an important phase of our journey.

Thank you,

Tarique Ansari
Chairman & Managing Director

Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

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

This management discussion concerns the performance of Next Mediaworks Ltd, consolidated with Radio One Ltd, 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.

GENERAL BUSINESS ENVIRONMENT

The Indian economic growth slowed down to 6.5% in 2011-12 from 8.4% in 2010-11. The economic growth in January-March quarter of 2011-12 slowed to a nine-year low of 5.3%. While this sharp slowdown in growth attracted calls from various business and industry leaders for urgent attention to revive growth and boost investor sentiment, the outlook for 2012-13 remains cautious and grim.

In fact, various agencies including investment banks and brokerage firms have reduced the country's growth for 2012-13. CRISIL has recently said GDP growth in 2012-13 will remain around 6.5%. It cautioned that adverse global and domestic events can create further downside risks to growth forecast of 6.5% for 2012-13.

The current macro economic situation will have a direct impact on the growth of the advertising industry. Our experience of the year 2011-12 remains fresh in our mind. We started the year on a bullish note as the country's economy had grown by 8.4% in the previous year i.e in 2010-11. There was a general consensus that the economy shall grow by over 8% in 2011-12 as well. Accordingly, it was estimated that the Indian advertising industry shall see a robust growth of 17%. However, high inflation, tight monetary policy resulting in regular increase in interest rates saw huge contraction in demand and thus a slowing growth rate. This also impacted the growth of the advertising industry. Indian advertising industry grew by just 8% against an expected growth of 17%. The radio industry grew by a mere 2% in 2011.

RADIO BUSINESS

The FM radio business, over the years, has become only about addressing mass audiences. Those with deep pockets and large networks are currently dominating by making airtime sales on radio just another commodity. On the other hand, through our own experience we have been able to generate excellent results for some of 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.

Our initiatives have been centered around two areas:

1. Building locally differentiated stations with high 'associative value' in each city ; and
2. Reducing operating costs significantly through a combination of a more focused programming and sales approach.

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

GROUP PERFORMANCE

This Group performance is in context of the performance of Next Mediaworks Ltd, consolidated with Radio One Ltd and other subsidiaries. Radio One Ltd is the substantive part of the business. Through this note, we are providing shareholders the details on the performance of the financial year ended March 31, 2012.

(Rs. In Lakhs)

Particulars	Next Mediaworks Ltd	Next Mediaworks Ltd	Radio One Ltd	Radio One Ltd	Group	Group
	FY 2011-12	FY 2010-11	FY 2011-12	FY 2010-11	FY2011-12	FY 2010-11
Operating Revenue	1.38	-	4,348.31	4,413.17	4,349.68	4,413.16
Other Income	-	256.90	199.04	0.48	199.98	51.91
Operating Costs	285.03	74.81	4521.49	4,007.73	4,807.40	4,079.91
EBITDA	(283.65)	182.10	25.85	405.92	(257.73)	385.16
Finance Charges (Net)	(3.42)	17.99	633.60	687.53	630.16	503.13
Depreciation	2.97	0.74	1169.52	1,159.50	1,172.48	1,160.24
Profit / (Loss) before exceptional items	(283.18)	163.36	(1,777.27)	(1,441.11)	(2,060.38)	(1,278.21)
Exceptional Items	-	1753.33	(385.43)	(933.10)	(385.43)	820.24
Prior Period Items	-	-	42.68	-	42.69	-
Profit / (Loss) Before Tax	(283.18)	(1,589.97)	(1,434.53)	(508.01)	(1,717.64)	(2,098.44)
Deferred Tax	(77.72)	54.51	(132.83)	103.20	(210.56)	157.71
Profit After Tax	(205.46)	(1,644.48)	(1,301.69)	(611.21)	(1,507.08)	(2,256.15)

COMPANY PERFORMANCE

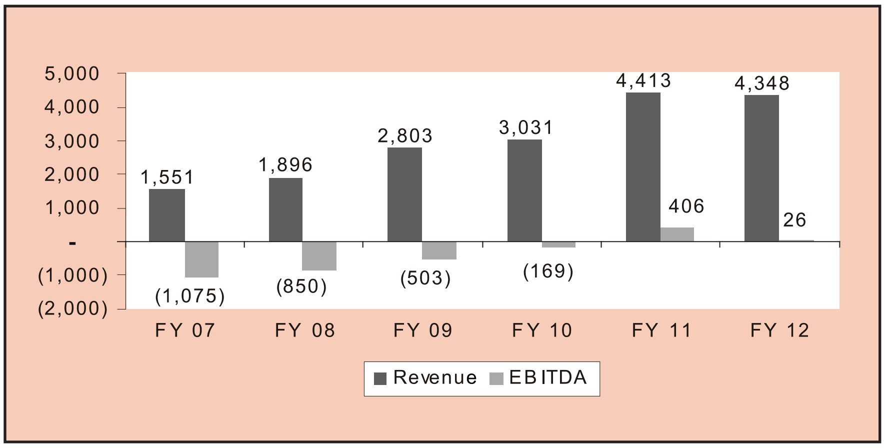
During the year Next Mediaworks Ltd registered a loss before exceptional items of Rs. 283.18 lakhs, as per table above. This is compared to a profit of Rs. 163.36 lakhs for financial year 2011-12. The loss in the financial year was primarily due to royalty and other operational costs associated with the digital business. There has also been increase in salary costs due to addition of employees.

The company launched its “India One” application on the apple devices during the year. The Company has also launched the application on BlackBerry Devices operating on OS 7 operating software. The Company earned revenue of Rs. 1.38 lakh in the financial year ended March 31, 2012. The company is now gearing up to increase the listener base which shall enable it to create advertising based revenue models for the digital business.

SUBSIDIARY PERFORMANCE

During the financial year 2011-12 the Company had a marginal fall in its revenues when compared with last financial year. From revenue of Rs 4413 lakhs in the last financial year, Radio One’s revenues for the current year were slightly lower at Rs 4348 lakhs, a decline of 1.5%. Further, increase in certain specific costs led to a reduction in EBITDA from Rs 406 lakhs in the last financial year, to Rs 26 lakhs. The detailed analysis of the increase in specific costs is reflected in the ‘Cost Analysis’ section below.

(Rs. In lakhs)



COST ANALYSIS

Particulars	FY 2011-12 (in Rs lakhs)	(% to Net Sales)	FY 2010-11 (in Rs lakhs)	(% to Net Sales)
Radio License Fees	358	8	341	8
Employee Costs	1113	25	942	21
Operating Expenses	1315	30	1280	29
General & Administration Expenses	1541	35	1445	33
Interest & Finance Charges	634	15	687	16
Depreciation	1170	27	1159	26

Contribution of Employee costs went up from 21% to 25% of sales. This was because of exceptionally high wage inflation and increased headcount. The management has made focused efforts to bring down manpower costs and expects to see the positive impact of these initiatives in the financial year 2012-13.

General and Administration expenses went up primarily on account of increase in advertising and marketing spends.

HUMAN RESOURCE MANAGEMENT

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.

ADEQUACY OF INTERNAL CONTROLS

The Company has appointed Internal Auditors, who conduct audits at regular intervals on key areas which are of substantial importance for its businesses and submit their reports. The Internal Audit reports are circulated to the Audit Committee, which reviews the findings and directs the senior management to take effective steps to upgrade systems for better control, where necessary.

THE FUTURE

With the new programming strategy in place and already showing results the management is committed to continue to drive the Company towards better performance. The management shall continue to put its relentless efforts in the area of driving sales and profitability, evaluating opportunities and possibilities in the digital space.

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.

CORPORATE GOVERNANCE

The Directors present the Company's report on Corporate Governance for the year ended March 31, 2012.

Company's Philosophy on Corporate Governance

Our 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.

Board of Directors

Composition of the Board

As on 31.03.2012 the Company has Executive Chairman. There were seven board members, six of whom are independent directors. All Board members are professionals from diverse fields. The day-to-day management of the company is conducted by the Chairman and Managing Director subject to supervision and control of the Board of Directors.

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

Mr. Rajbir Singh Bhandal has been appointed as an Additional Director with effect from July 28, 2011.

Mr. Nana Chudasama has resigned from the board with effect from August 8, 2011.

The Company has adopted a Code of Conduct for Board members and Senior Management Personnel of the Company. The Company has received confirmations from all Board members regarding compliance of the Code for the year ended March 31, 2012.

Director	Executive/ Non-Executive/ Independent	Other Directorships (Public Ltd. Co.)*	Chairman/Membership of Board Committees in other Public limited companies	
			Chairman/ Membership	Membership
Mr. Tarique Ansari	Executive	4	-	-
Mr. Narayan Varma	Independent	1	-	-
Mr. Dilip Cherian	Independent	1	-	-
Mr. Adille J. Sumariwalla	Independent	1	-	1
Mr. I. Venkat	Independent	1	-	-
Ms. Monisha Shah	Independent	-	-	-
Mr. Raj Singh Bhandal	Independent	-	-	-

* Excluding directorships in Next Media works Limited.

- Committees considered are Remuneration Committee, Audit Committee and Shareholders /Investors' Grievance Committee excluding Next Mediaworks Limited.

Information about Director appointed

Name of the Director	Mr. Raj Singh Bhandal
Date of Birth	19.12.1970
Date of Initial appointment	28.07.2011
Expertise in specific functional areas	Mr. Rajbir Singh Bhandal heads 2ergo India
Qualifications	Masters in Engineering, Economics and Management from The University of Oxford and is a qualified Management Accountant
Directorships held in other Public Companies	NIL
Membership of Committees in other Public Limited Companies	NIL

Information about Directors re-appointed

Name of the Director	Mr. I. Venkat	Mr. Dilip Cherian
Date of Birth	14.10.1947	10.04.1956
Date of Initial appointment	29.10.2009	28.01.2010
Expertise in specific functional areas	He has been in Communication profession from 1970. 1987 on wards joined Board of Directors of Ushodaya Enterprises Limited, publishers of Eenadu Telugu Newspaper and ETV group of channels. Founder Member and member of Board of Governors of MRUC, Mumbai. Recently inducted into INMA Board of Directors.	He has vast experience of over 15 years in the journalistic and media sector. He is a Consulting Partner with Perfect Relations Limited, a company which he founded in 1992. The Company advises CEOs and country management teams on External Communications, Internal Communications and Public Affairs. He writes regular columns for The Asian Age, The Indian Express and Mid-Day.
Qualifications	Graduate in Science	M.A. (Economics)
Directorships held in other Public Companies	Object One Information Systems Limited	Bajaj Corp Limited Radio One Limited
Membership of Committees in other Public Limited Companies	NIL	Radio One Limited – Chairman of the Audit Committee

Details of Directors Shareholding as on 31.03.2012

Sr. No.	Name of the Director	No. of shares held	Relationship between Directors
1	Mr. Tarique Ansari	43,37,298	N.A
2	Mr. Adille J. Sumariwalla	5,875	N.A

Board Meetings

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

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

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

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

Details of Board meetings held during the financial year 2011-12 and the number of Directors present

Sr. No.	Date of the Board meeting	Total strength of the board	No of Directors present
1	May 5, 2011	7	6
2	July 28, 2011	7	7
3	October 21, 2011	7	5
4	January 24, 2012	7	5
5	March 2, 2012	7	3

Attendance of Directors

Directors	Relationship With other Directors	Sitting Fees Paid for the year 2011-2012 (In Rs)	No. of Board Meetings Attended during the year	No. of Committee Meetings Attended	Attended Last AGM held on September 8, 2011
Mr. Tarique Ansari	--	--	5	4	Yes
Mr. Narayan Varma	--	60,000	3	3	No
Mr. Nana Chudasama		50,000	2	3	Yes
Mr. Adille J. Sumariwalla		70,000	4	3	No
Mr. Dilip Cherian	--	60,000	4	2	No
Mr. I. Venkat	--	30,000	3	--	Yes
Ms. Monisha Shah	--	20,000	2	--	No
Mr. Rajbir Singh Bhandal	--	30,000	3	--	No
	TOTAL	**3,20,000**			

Committees of the Board

1. Audit Committee

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

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

Mr. Narayan Varma, Chairman of the Audit Committee was present at the Annual General Meeting held on September 8, 2011.

Role

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

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

The role of the Committee includes the following:

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

b) Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by the auditors;

c) Reviewing with the management the financial statements before submission to the Board.

d) Reviewing with the management, external and internal auditors, the adequacy of internal control system;

e) Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity.

f) Discussion with the external auditors, before the audit commences, on nature and scope of audit, as well as after conclusion of the audit, to ascertain any areas of concern and review the comments contained in their management letter;

g) Reviewing the Company's financial and risk management policies;

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

During the year Audit Committee meetings were held on May 5, 2011, July 28, 2011, October 21, 2011 and January 24, 2012.

Members	Category	Meetings held	Meetings attended
Mr. Narayan Varma- Chairman	Independent	4	3
Mr.Nana Chudasama	Independent	2	2
Mr. Tarique Ansari	Executive	4	4
Mr. Adille Sumariwalla	Independent	4	2
Mr. Dilip Cherian	Independent	4	1

2. Shareholders/Investors' Grievance Committee

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

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

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

Investor Services - Complaints Received during the Year ended 31st March 2012

There were no investor complaints pending at the beginning of the financial year. During the year No complaints were received. There were no complaints pending at the end of the financial year 2011-2012.

3. Remuneration Committee

With effect from May 5, 2011, Mr. Dilip Cherian was appointed as the Chairman of the Remuneration Committee and Mr. Adille J. Sumariwalla was appointed as a member of the Remuneration Committee. Mr. Nana Chudasama resigned from the Remuneration Committee with effect from August 8, 2011.

The Remuneration Committee comprises the following:

Members	Category
Mr. Dilip Cherian	Independent
Mr. Narayan Varma	Independent
Mr. Adille J. Sumariwalla	Independent

Corporate Governance

Remuneration Policy

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

Remuneration of employees largely consists of base remuneration and perquisites.

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

Remuneration to Directors

During the year the Company has paid remuneration of Rs. 42,00,000/- to the Managing Director Mr. Tarique Ansari, which is in excess of the limits specified in Section 198 of the Companies Act, 1956. Such remuneration has been approved by the Remuneration Committee and the Board of Directors. As required under Schedule XIII to the Companies Act, 1956, the Company has made an application to the Central Government. The approval of the members by way of a special resolution will be taken at the ensuing Annual General Meeting.

Apart from this, none of the directors were entitled to any remuneration except sitting fees for attending board meetings and committee meetings.

Subsidiary Companies

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

General Body Meetings

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

Financial Year	Date of AGM	Venue & Time of AGM	Special Resolutions passed at AGM/EGM for
2008-09	16.07.2009	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	No Special Resolution was passed
2009-10	20.07.2010	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	No Special Resolution was passed
2010-11	08.09.2011	Kamalnayan Bajaj HallAuditorium, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021 at 4.00 p.m.	No Special Resolution was passed

Corporate Governance

Disclosures

The particulars of transactions between the Company and its related parties as per the Accounting Standards is set out under Note No. 29 to Financial Statements of Main company and Note No. 30 to Consolidated accounts. There are no materially significant related party transactions, which have potential conflict with the interest of the company at large.

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

Code of Conduct

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

Means of Communication

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

Compliances

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

Compliance of Accounting Standards:

The company's exposure in its subsidiary Radio One Ltd. (Formerly known as Radio Mid-Day West (India) Ltd) through investments and loans aggregate Rs. 1,531,400,334 (investment Rs. 1,382,491,498 and loan Rs. 148,908,836). Though net worth of the subsidiary is substantially eroded and the company has been incurring constant losses, however no provision for impairment on this account is considered necessary by the management taking in to consideration the nature of Radio business and gradual improvement in performance of the subsidiary.

As on March 31, 2012, the Company has accounted for Rs. 85,40,663/- Lacs as Deferred Tax Asset. The company has started digital business in current year and losses during the year were on account of setting up of new business and which is expected to generate substantial revenue going forward. The Board reviews the carrying amount of Deferred Tax Assets at each Balance Sheet date and reviews the performance of the Company vis-à-vis the plan to arrive at a conclusion for carrying forward and creating a further Deferred Tax Asset.

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

SHAREHOLDER'S INFORMATION

General Information for Shareholders

Members	Category
Date of Book Closure	Wednesday, August 22, 2012 to Wednesday, August 29, 2012
Date, Time & Venue of the AGM	Wednesday, August 29, 2012 at 4.00 p.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
Dividend Payment	No Dividend
Listing on Stock Exchanges	1) Bombay Stock Exchange Limited, Phiroze Jeejebhoy Towers, Dalal Street, Mumbai 400 001. Tel: 2272 1233, 2272 1234
	2) The National Stock Exchange of India Ltd., Exchange Plaza", Bandra–Kurla Complex, Bandra- East, Mumbai – 400 051 Tel: 2659 8100-114
Listing fees	Annual Listing fees paid for the year 2011-2012 to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
Listing on Stock Exchange outside India	Not Applicable
Registered office of Company	Peninsula Centre, Dr. S. S. Rao Road, Parel, Mumbai – 400 012. Tel: 6701 7171 Fax: 24150009 E-mail – cs@nextmediaworks.com Web site: www.nextmediaworks.com
Correspondence related to dividends may be addressed to	M/s Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup-West, Mumbai – 400 078. Tel: 2596 3838, Fax: 2594 6969
Share Transfer System	The shares of the Company are traded in dematerialised form only.
Stock Code	Bombay Stock Exchange Limited, Scrip Code – 532416 National Stock Exchange - NEXTMEDIA EQ NSDL/CDSL - ISIN - INE747B01016

Market Price Data

MONTH	BSE (High)	BSE (Low)	NSE (High)	NSE (Low)
April, 2011	8.00	5.40	8.00	5.50
May, 2011	6.86	5.55	6.85	5.45
June, 2011	6.50	5.00	6.50	4.60
July, 2011	7.94	5.25	7.75	5.15
August, 2011	7.00	4.05	7.00	4.15
September, 2011	5.30	4.35	5.25	4.00
October, 2011	5.25	4.41	5.80	4.20
November, 2011	5.60	4.14	5.60	4.10
December, 2011	4.89	3.25	4.95	3.35
January, 2012	4.20	3.61	4.30	3.50
February, 2012	4.50	3.70	4.45	3.20
March, 2012	4.45	3.45	4.35	3.30

Shareholder's Information

Share Price Performance

Company's Share Price	BSE	NSE
01.04.2011	6.30	5.60
31.03.2012	3.79	3.85
Increase/Decrease		
in %	-39.84	-31.25

The Distribution of Shareholding as on 31st March 2012

No. of Equity Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares	% to total Shares
1-500	18,331	83.43	30,08,005	5.69
501-1000	1,895	8.63	16,14,032	3.06
1001-2000	835	3.80	13,27,384	2.51
2001-3000	266	1.21	6,98,229	1.32
3001-4000	123	0.56	4,43,583	0.84
4001-5000	145	0.66	7,02,248	1.33
5001-10000	183	0.83	13,81,773	2.61
10001 and above	194	0.88	4,36,60,022	82.64
TOTAL	**21,972**	**100.00**	**5,28,35,276**	**100.00**

Category of Shareholders as on 31 March, 2012

Category	No. of Shareholders	No of Shares Held	Voting Strength (%)
Individuals	21,386	1,29,05,915	24.42
Bodies Corporates	436	97,35,585	18.42
Clearing Members and Trust	77	3,05,313	0.58
FIIs	3	18,22,664	3.45
Promoters Group	8	2,69,96,675	51.10
Mutual Funds, Banks, Financial Institutions	1	35,000	0.07
Non Resident Indians	61	10,34,124	1.96
TOTAL	**21,972**	**5,28,35,276**	**100.00**

Financial Calendar (tentative and subject to change)

Particulars	Date
Annual General Meeting	August 29, 2012
Financial reporting for 1st Qtr ended June 30, 2012	July, 2012
Financial reporting for 2nd Qtr ended September 30, 2012	October 2012
Financial reporting for 3rd Qtr ended December 31, 2012	January 2013
Financial reporting for 4th Qtr ended March 31, 2013	May 2013
Annual General Meeting for the year ended March 31, 2013	July 2013

Investors Correspondence:

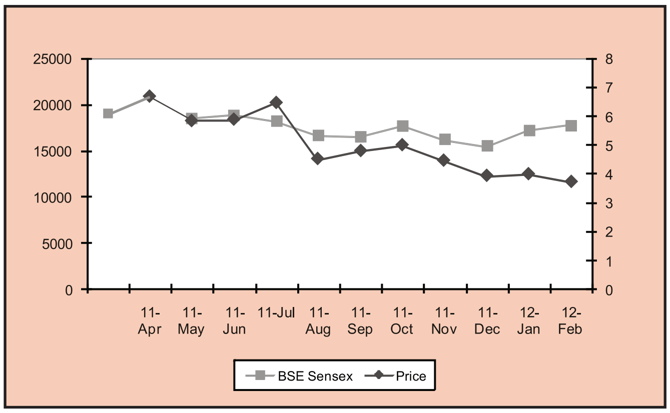
Investors' correspondence may be addressed to:
M/s Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup-West,
Mumbai – 400 078.
Tel: 2596 3838, Fax: 2594 6969

Nomination Facility:

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

- CLOSING PRICE
- BSE SENSEX

MONTH	BSE SENSEX	Closing Price (Rs.)
Apr-11	19135.96	6.67
May-11	18503.28	5.85
Jun-11	18845.87	5.88
Jul-11	18197.20	6.46
Aug-11	16676.75	4.48
Sep-11	16453.76	4.79
Oct-11	17705.01	5.00
Nov-11	16123.46	4.45
Dec-11	15454.92	3.90
Jan-12	17193.55	4.00
Feb-12	17752.68	3.72
Mar-12	17404.20	3.79



DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2012.

For **Next Mediaworks Limited**

Tarique Ansari
Chairman and Managing Director
Mumbai: May 8, 2012

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors hereby present their 31st Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31st March 2012.

Financial Performance

(Rs. In Lakhs)

Particulars	2011-12	2010-11
Profit before Interest, Depreciation, Taxes & Exceptional Items	(102)	182
Less : Interest	178	18
Depreciation	3	1
Less: Exceptional Item	-	1753
Profit before taxes	(283)	(1590)
Less: Provision for Taxation	(78)	55
Net Profit after Tax	(205)	(1645)

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

Company Performance

During the year under review, the Company has incurred a loss of Rs. 205 lakhs from Loss of Rs. 1645 in last year. Your Directors are continuously looking for avenues for future growth of the Company.

The Company launched a digital radio business under the "India One" brand. The application is available on all i-pad, i-phone and most recently to blackberry OS7 users.

Dividend

In view of the losses during the year and in order to preserve cash for the operating businesses, your Directors do not recommend any dividend for the financial year 2011-2012.

Fixed Deposits

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

Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association, Mr. I. Venkat, and Mr. Dilip Cherian, Directors retire by rotation and are eligible for re-appointment.

Corporate Governance

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

Director's Report

Directors' Responsibility Statement

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
2. They have, in selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
3. They have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis.

Auditors

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

Auditors' Observation in their Report

The company's exposure in its subsidiary Radio One Ltd. (Formerly known as Radio Mid-Day West (India) Ltd) through investments and loans aggregate Rs. 1,531,400,334 (investment Rs. 1,382,491,498 and loan Rs. 148,908,836). Though net worth of the subsidiary is substantially eroded and the company has been incurring constant losses, however no provision for impairment on this account is considered necessary by the management taking in to consideration the nature of Radio business and gradual improvement in performance of the subsidiary.

As on March 31, 2012, the Company has accounted for Rs. 85,40,663/- Lacs as Deferred Tax Asset. The company has started digital business in current year and losses during the year were on account of setting up of new business and which is expected to generate substantial revenue going forward. The Board reviews the carrying amount of Deferred Tax Assets at each Balance Sheet date and reviews the performance of the Company vis-à-vis the plan to arrive at a conclusion for carrying forward and creating a further Deferred Tax Asset.

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

Employee Stock Option Scheme

The management is in the process of formulating Combined ESOP Scheme for the company and its subsidiaries.

Subsidiary Companies

As required under section 212 (1) (e) of the Companies Act, 1956, the audited statements of accounts, along with the report of the Board of Directors relating to the Company's subsidiaries, Radio One Ltd (Formerly Radio Mid Day West (India) Limited), Digital One Private Ltd (Formerly Mid Day Broadcasting South (India) Private Limited), One Audio Limited (Formerly Mid Day Radio North (India) Limited), Next Outdoor Ltd (Formerly Mid Day Outdoor Limited) and respective Auditors' Reports thereon for the year ended March 31, 2012 are annexed.

ANNEXURES TO THE DIRECTORS' REPORT

Particulars of Employees

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

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

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

Acknowledgement

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

For and on behalf of the Board

Tarique Ansari
Chairman & Managing Director

Place : Mumbai
Date: May 8, 2012

Annexure to the Director's Report

ANNEXURE – 'A'

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

Rs. in lacs

Sr. No.	Name of the Subsidiary	Digital One Pvt. Ltd.	Next Outdoor Limited	One Audio Limited	Radio One Limited
1	Holding Company's Interest	Holder of 10,000 Equity Shares of Rs. 10 each out of the total issued and subscribed 10,000 Equity Shares of Rs. 10 each of the aforesaid Subsidiary Company	Holder of 34,94,200 Equity Shares of Rs. 10 each out of the total issued and subscribed 34,95,000 Equity Shares of Rs. 10 each of the aforesaid Subsidiary Company	Holder of 50,000 Equity Shares of Rs. 10 each out of the total issued and subscribed 50,000 Equity Shares of Rs. 10 each of the aforesaid Subsidiary Company	Holder of 8,43,76,928 Equity Shares of Rs. 10 each out of the total issued and subscribed 12,14,39,910 Equity Shares of Rs. 10 each of the aforesaid Company
	Net aggregate amount of Subsidiaries profits less losses and not dealt within the Company's Accounts				
	For the Subsidiaries Financial Year ended 31st March, 2012	NIL	NIL	NIL	NIL
	For the previous Financial years since it became subsidiary	NIL	NIL	NIL	NIL
	Net aggregate amount of Subsidiaries profits less losses and dealt within the Company's Accounts				
	For the Subsidiaries Financial Year ended 31st March, 2012	-0.05	-0.33	0.45	-1301.69
	For the previous Financial years since it became subsidiary	-0.40	-357.25	-232.15	-11052.93

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

AUDITORS' REPORT

To the Members of Next Mediaworks Limited,

1. We have audited the attached Balance Sheet of Next Mediaworks Limited ('the Company'), (formerly known as MidDay Multimedia Limited), as at March 31, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conduct our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

   (iii) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, except for

      a) non compliance with Accounting Standard 13 "Accounting for Investments" with respect to non provisioning of permanent diminution in value of investments in subsidiaries more specifically explained in Note No.25 of notes to financial statement.

      b) Recognition of Deferred Tax Assets on unabsorbed tax losses and depreciation amounting to Rs.8,540,663 based on expected profits in future. We are unable to comment whether these can be considered as 'virtual certainty' prescribed under Accounting Standard 22 – "Accounting for Taxes on Income", to recognize such assets.

   (v) Based on the written representations received from the directors and taken on record by the Board of Directors, we report that none of them are disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

   (vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and

Auditors' Report

subject to our observations in para (iv) above, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2012;

(b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

(vii) Without qualifying our report we draw attention to Note No. 26 of notes to financial statements with respect to Managerial Remuneration paid during the year which is subject to approval of the members and Central Government as per the requirements of Schedule XIII to the Companies Act, 1956.

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

Chetan Desai
Partner
Membership No. 17000

Mumbai: May 08, 2012

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the Members' of Next Mediaworks Limited (formerly known as MidDay Multimedia Limited) on the financial statements of the year ended March 31, 2012]

(i) (a) The Company have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

(c) In our opinion and according to the information and explanation given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

(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) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 except loan amounting to Rs. 220.00 lacs to its subsidiary Radio One Limited (formerly known as Radio Mid-day West (India) Limited) . The maximum amount involved during the year was Rs.220 lacs and the year- end balance of loan granted to such party was Rs. 1489.08 lacs.

(b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.

ANNEXURE TO AUDITORS' REPORT

(c) According to the information and explanation given to us, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956 except loan of Rs. 50.00 lacs from two companies. The maximum amount involved during the year was Rs. 50 lacs and the year-end balance of loans taken from such parties was Rs. 1290.00 lacs.

(d) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loans are, prima facie, not prejudicial to the interest of the Company.

(e) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.

(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 with regard to purchase of fixed assets and 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) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rs. five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.

(ix) (a) Except for delays in payment of Income tax during the year, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, cess and other material statutory dues applicable to it.

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

(c) According to the records of the Company, the dues outstanding of income-tax, wealth-tax, service tax, customs duty, and cess as at March 31, 2012 which have not been deposited with respective authorities on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	183.11	2008-2009	CIT- Appeal

(x) The Company does not have accumulated losses as on Balance sheet date. Further, the company has incurred cash losses during the financial year covered by our audit. There were no cash losses in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) The Company has given counter guarantees for loans taken by others from banks or financial institutions aggregating Rs.2250 lacs (2240 lacs) where the terms and conditions in our opinion are prima facie not prejudicial to the interest of the Company.

(xvi) The Company has not obtained any term loans during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company did not raise any money by way of public issue during the year.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Chetan Desai
Partner
Membership No. 17000

Mumbai: May 8, 2012

BALANCE SHEET

as at 31st Mar, 2012

Particulars	Refer Note No.	As at 31st Mar, 2012	As at 31st Mar, 2011
Equity and Liabilities		₹	₹
Shareholders' funds			
Share capital	4	**52,29,87,760**	52,29,87,760
Reserves and surplus	5	**91,56,53,471**	93,61,99,702
		1,43,86,41,231	1,45,91,87,462
Non-current liabilities			
Long-term borrowings	6	**12,90,00,000**	13,20,00,000
Long-term provisions	7	**8,40,277**	9,02,735
Current liabilities		**12,98,40,277**	13,29,02,735
Short-term borrowings	8	**2,75,00,000**	-
Other current liabilities	9	**2,23,01,666**	46,10,883
Short-term provisions	7	**6,84,171**	31,048
		5,04,85,837	46,41,931
Total		**1,61,89,67,345**	1,59,67,32,128
Assets			
Non-current assets			
Fixed assets	10		
Tangible assets		**33,90,738**	34,65,657
Intangible assets		**17,69,484**	-
Intangible Assets under development		**9,89,188**	-
		61,49,410	34,65,657
Non-current investments	11	**1,38,24,91,498**	1,38,24,91,498
Deferred tax assets (net)	12	**80,82,676**	3,10,179
Long-term loans and advances	15	**13,25,32,983**	13,25,16,438
Other non-current assets	14	**-**	75,000
Current assets			
Trade receivables	13	**12,740**	-
Cash and Bank Balances	14	**11,91,716**	4,45,103
Short-term loans and advances	15	**2,13,91,260**	58,13,288
Other current assets	16	**6,71,15,062**	7,16,14,965
		8,97,10,778	7,78,73,356
Total		**1,61,89,67,345**	1,59,67,32,128
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.
Chartered Accountants

Chetan Desai
(Partner)
Membership No.: 17000

Place: Mumbai
Date: May 8, 2012

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

Tarique Ansari
Chairman & Managing Director

Adille Sumariwalla
Director

PROFIT AND LOSS STATEMENT

for the year ended 31st Mar, 2012

Particulars	Refer Note No.	Year Ended 31st Mar, 2012	Year Ended 31st Mar, 2011
Revenue From Operations		₹	₹
Income from sale of smartphone applications		**1,38,100**	-
Other income	17	**1,81,34,478**	2,56,90,439
Total Revenue		**1,82,72,578**	2,56,90,439
Expenses			
Employee Benefit Expenses	18	**1,04,46,386**	17,21,646
Operating expenses	19	**49,25,269**	-
General & Administration Expenses	20	**1,31,31,331**	57,59,044
		2,85,02,986	74,80,690
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)		**(1,02,30,408)**	1,82,09,749
Depreciation & Amortization	10	**2,96,615**	74,108
Finance charges	21	**1,77,91,705**	17,99,244
Profit / (Loss) before exceptional and extraordinary items and tax		**(2,83,18,728)**	1,63,36,397
Exceptional items (Net)		**-**	17,53,33,835
Profit / (Loss) before tax		**(2,83,18,728)**	(15,89,97,438)
Tax expense:			
Current tax		**-**	57,61,339
Deferred tax		**(77,72,497)**	(3,10,179)
Profit (Loss) for the year		**(2,05,46,231)**	(16,44,48,598)
Earnings per equity share:			
Basic & Diluted	22	**(0.39)**	(3.14)
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.
Chartered Accountants

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

Chetan Desai
(Partner)
Membership No.: 17000

Tarique Ansari
Chairman & Managing Director

Adille Sumariwalla
Director

Place: Mumbai
Date: May 8, 2012

CASH FLOW STATEMENT

	Particulars	Refer Note No.	Year ended 31st Mar, 2012	Year ended 31st Mar, 2011
A.	**Net Cashflow from operating Activities**			
	Net Profit / (Loss) before tax		(28,318,728)	(158,997,437)
	Depreciation		296,615	74,108
	Interest & finance cost		17,791,705	1,799,244
	Interest Income		(18,134,478)	(20,238,978)
	Loss on Demerger		-	175,333,835
	Operational Profit before Working Capital		(28,364,886)	(2,029,228)
	Adjustments for changes in Working Capital			
	Sundry Debtors		(12,740)	0
	Loans & Advances		(11,778,133)	(149,055,853)
	Current Liabilities & provisions		18,281,448	(2,269,725)
	Sub-Total		6,490,575	(151,325,578)
	Cash generated from operations		(21,874,311)	(153,354,806)
	Tax		683,519	3,350,766
	Sub-Total		683,519.00	3,350,766
	Net Cash Flow from Operating Activities	(A)	(21,190,792)	**(150,004,040)**
B.	**Cash Flow from Investing Activities**			
	Purchase of fixed Assets		(2,980,370)	-
	Net Cash Flow from Investing Activities	(B)	(2,980,370)	**-**
C.	**Cash Flow from financing Activities**			
	Capital		-	-
	Borrowings		24,500,000	132,000,000
	Interest		342,773	18,439,734
	Net Cash Flow from Financing Activities	(C)	24,842,773	**150,439,734**
	Net Increase/decrease in Cash & Cash Equivalents	(A+B+C)	671,611	**435,694**
	Cash & Cash Equivalents at the beginning of the year		445,103	**9,409**
	Cash & Cash Equivalents at the end of the year		1,116,714	**445,103**

As per our report of even date attached
For Haribhakti & Co.
Chartered Accountants

Chetan Desai
(Partner)
Membership No.: 17000

Place: Mumbai
Date: May 8, 2012

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

Tarique Ansari
Chairman & Managing Director

Adille Sumariwalla
Director

NOTES TO FINANCIAL STATEMENTS

for the year ended on 31st March, 2012

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 notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. 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) Presentation and disclosure of financial statements

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified / regrouped previous year figures in accordance with the requirements applicable in the current year.

b) Use of estimates

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

c) 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.

Notes to financial statements

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 in existing fixed assets, including day-today 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.

d) 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.

e) 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 XIV of the Companies Act, 1956, whichever is higher. Depreciation on additions during the year is provided on a pro-rata basis from the date of addition. Depreciation on assets costing ₹ 5,000/- or less has been charged at 100% in the year of acquisition.

f) 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.

g) 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.

h) 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.

Notes to financial statements

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 or credited to the statement of profit and loss.

i) 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. The following specific recognition criteria must also be met before revenue is recognized.

Sale of Smartphone applications

Revenue from sale of Smartphone applications is recognized on the date of actual sale of application by distributors.

Interest

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

j) 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.

k) 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.

Notes to financial statements

l) 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.

m) 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.

n) 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.

o) 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.

p) 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.

q) 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.

Notes to financial statements

4. Share Capital

a. Authorized and issued and paid-up capital

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Authorized Capital				
Equity Shares of Rs. 10/- each	5,50,00,000	5,50,000,000	5,50,00,000	5,50,000,000
0.01% Optionally Convertible Preference Shares of Rs. 10/- Each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
	6,00,00,000	60,00,00,000	6,00,00,000	60,00,00,000
Issued, Subscribed & Paid up Capital				
Equity Shares of Rs. 10/- each fully paid	5,22,98,776	52,29,87,760	5,22,98,776	52,29,87,760
	5,22,98,776	52,29,87,760	5,22,98,776	52,29,87,760

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

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Shares outstanding at the beginning of the year	5,22,98,776	52,29,87,760	5,22,98,776	52,29,87,760
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of year	5,22,98,776	52,29,87,760	5,22,98,776	52,29,87,760

c. Terms / rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 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 preference shares

0.01% Optionally Convertible Preference shares are convertible in equity shares in the ratio of 1:1 on or after 18 months from the date of allotment.

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

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Mr. Khalid Ansari	4,338,055	8.21%	4,338,055	8.21%
Mr. Tarique Ansari	4,337,298	8.21%	4,337,298	8.21%
Mrs. Rukhya Ansari	4,337,298	8.21%	4,337,298	8.21%

Notes to financial statements

Mr. Sharique Ansari	4,337,298	8.21%	4,337,298	8.21%
Ms. Tehzeeb Ansari	4,337,298	8.21%	4,337,298	8.21%
Bennett, Coleman and Company Ltd.	3,649,391	6.91%	3,649,391	6.91%
Ferari Investments & Trading Company Pvt. Ltd.	2,839,226	5.37%	2,839,226	5.37%
Total	**28,175,864**	**53%**	**28,175,864**	**53%**

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

	Number of Shares				
	2011-12	**2010-11**	**2009-10**	**2008-09**	**2007-08**
Equity Shares	-	-	-	-	-

5. Reserves & Surplus

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Securities Premium		
Opening Balance	**83,93,08,740**	83,93,08,740
Add: Securities premium Credited on Share Issue	-	-
Less: Premium utilized for issuing bonus shares	-	-
Closing Balance	**83,93,08,740**	83,93,08,740
Surplus		
Opening Balance	**9,68,90,962**	26,13,39,559
Add: Net Profit / (Loss) for the current year	**(2,05,46,231)**	(16,44,48,597)
Closing Balance	**7,63,44,731**	9,68,90,962
Total Reserves & Surplus	**91,56,53,471**	93,61,99,702

6. Long Term Borrowings

	Non – Current Portion		Current Maturities	
	As at 31st Mar, 2012	As at 31st Mar, 2011	As at 31st Mar, 2012	As at 31st Mar, 2011
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Unsecured Borrowings				
Inter Corporate Loans				
- From Related parties	**12,90,00,000**	**13,20,00,000**	-	-
	12,90,00,000	**13,20,00,000**	-	-

a Unsecured loans from related parties are payable at end of tenure of loan i.e. 36 months.

b Current maturities of long term borrowings have been reported as other current liabilities.

Notes to financial statements

7. Provisions

	Long Term		Short Term	
	As at 31st Mar, 2012	As at 31st Mar, 2011	As at 31st Mar, 2012	As at 31st Mar, 2011
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Provision for Employee Benefits				
Gratuity (Funded)	-	-	6,05,580	-
Leave Encashment (Unfunded)	**8,40,277**	9,02,735	78,590	31,048
	8,40,277	9,02,735	**6,84,170**	31,048

8. Short Term Borrowings

	As at 31st Mar, 2012	As at 31st Mar, 2011
	Amount (₹)	Amount (₹)
Secured Borrowings		
Short Term Loan from Others	**2,75,00,000**	-
	2,75,00,000	-

a Short term Loan is secured by personal guarantee and pledge of shares in another company of a Promoter Shareholder.

b Short term Loan is payable at end of tenure ie at end of 1 year.

9. Other Current Liabilities

	As at 31st Mar, 2012	As at 31st Mar, 2011
	Amount (₹)	Amount (₹)
Other Current Liabilities		
Taxes Payable	**16,94,415**	1,62,202
Other Current liabilities	**36,81,834**	26,63,401
Interest Accrued but not due to related parties on borrowings	**1,69,25,418**	17,85,280
	2,23,01,667	46,10,883

Other current liabilities also include current maturities of Long term borrowings (Refer note no. 6).

10. Fixed Assets

Amount (₹)

	Gross Block			
	As at 1st Apr, 2011	Additions During the year	Deductions during the year	As at 31st Mar, 2012
Tangible Assets				
Office Premises	45,46,712	-	-	**45,46,712**
Office Equipments	-	60,930	-	**60,930**
Total Tangible Assets	**45,46,712**	**60,930**	-	**46,07,642**
Intangible Assets				
Application Softwares	-	19,30,250	-	**19,30,250**
Total Intangible Assets	-	**19,30,250**	-	**19,30,250**
Total Gross Block	**45,46,712**	**19,91,180**	-	**65,37,892**

Notes to financial statements

	Accumulated Depreciation / Amortization			
	As at 1st Apr, 2011	For the year	On Deductions	As at 31st Mar, 2012
Tangible Assets				
Office Premises	10,81,055	74,919	-	**11,55,974**
Office Equipments	-	60,930	-	**60,930**
Depreciation Tangible Assets	**10,81,055**	**1,35,849**	**-**	**12,16,904**
Intangible Assets				
Application Software	-	1,60,766	-	**1,60,766**
Amortization of Intangible Assets	**-**	**1,60,766**	**-**	**1,60,766**
Total Depreciation & Amortization	**10,81,055**	**2,96,615**	**-**	**13,77,670**

	Net Block	
	As at 31st Mar, 2012	As at 31st Mar, 2011
Tangible Assets		
Office Premises	33,90,738	34,65,657
Office Equipments	-	-
Total Tangible Assets	**33,90,738**	34,65,657
Intangible Assets		
Application Software	17,69,484	-
Total Intangible Assets	**17,69,484**	-
Intangible Assets under development	9,89,188	-
Total	**61,49,410**	34,65,657

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Trade Investments (Unquoted) – Valued at Cost unless stated otherwise				
Investments in Subsidiaries (Equity Shares)				
- Next Outdoor Limited (Equity Shares of ₹ 10 each)	34,94,200	3,49,42,000	34,94,200	3,49,42,000
- Digital One Private Limited (Equity Shares of ₹ 10 each)	10,000	1,00,000	10,000	1,00,000
- One Audio Limited (Equity Shares of ₹ 10 each)	50,000	5,00,000	50,000	5,00,000
- Radio One Limited (Equity Shares of ₹ 10 each)	8,43,76,928	1,12,47,91,498	8,43,76,928	1,12,47,91,498

Notes to financial statements

Investments in Subsidiaries (Preference Shares)				
- Radio One Limited (Preference Shares of ₹ 10 each)	2,57,70,000	25,77,00,000	2,57,70,000	25,77,00,000
Other Investments				
Awami Co-op Bank Limited (Equity Shares of ₹ 10 each)	250	2,500	250	2,500
Less: Provision for diminution in value of Investments		3,55,44,500		3,55,44,500
Total Unquoted Trade Investments		**1,38,24,91,498**		**1,38,24,91,498**

Details of Unquoted Trade Investments

Particulars	No. of Shares		% of Holding	
	As at 31st Mar, 2012	As at 31st Mar, 2011	As at 31st Mar, 2012	As at 31st Mar, 2011
Investments in Equity Shares of Subsidiaries				
- Next Outdoor Limited (Equity Shares of ₹ 10 each)	34,94,200	34,94,200	99.98%	99.98%
- Digital One Private Limited (Equity Shares of ₹ 10 each)	10,000	10,000	100%	100%
- One Audio Limited (Equity Shares of ₹ 10 each)	50,000	50,000	100%	100%
- Radio One Limited (Equity Shares of ₹ 10 each)	8,43,76,928	8,43,76,928	69.48%	69.48%
Investments in Preference Shares of Subsidiaries				
- Radio One Limited (Preference Shares of ₹ 10 each)	2,57,70,000	2,57,70,000	100%	100%
Other Investments				
Awami Co-op Bank Limited (Equity Shares of ₹ 10 each)	250	250	-	-

12. Deferred Tax Assets (net)

As per standard on accounting for taxes on income, the company has provided ₹ 7,772,497 as deferred tax asset for the year.

	Opening Balance Amount (₹)	For the year Amount (₹)	Closing Balance Amount (₹)
Deferred Tax Assets			
Unabsorbed carried forward Losses	-	85,40,663	85,40,663
Leave Encashment	3,10,179	(3,05,340)	4,839
Impact of difference between tax depreciation and depreciation / amortization charged in financial reporting	-	93,127	93,127

Notes to financial statements

Gross deferred tax asset	**3,10,179**	**83,28,450**	**86,38,629**
Deferred Tax Liabilities			
Gratuity	-	5,55,953	5,55,953
Gross deferred tax liabilities	**-**	**5,55,953**	**5,55,953**
Net deferred tax asset	**3,10,179**	**77,72,497**	**80,82,676**

13. Trade Receivables

		Current	
		As at 31st Mar, 2012	As at 31st Mar, 2011
		Amount (₹)	Amount (₹)
Trade receivables outstanding for period exceeding six months from the date they are due for payment			
Unsecured, considered good		-	-
Unsecured, considered doubtful		-	-
		-	-
Less: Provision for doubtful debts		-	-
	(A)	-	-
Trade receivables outstanding for period less than six months from the date they are due for payment			
Unsecured, considered good		12,740	-
	(B)	12,740	-
Total (A+B)		**12,740**	**-**

14. Cash & Bank Balances

	Non-current		Current	
	As at 31st Mar, 2012	As at 31st Mar, 2011	As at 31st Mar, 2012	As at 31st Mar, 2011
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Cash & Cash Equivalents				
Balances with banks - In Current Account	-	-	11,40,475	3,54,087
Cash in Hand	-	-	51,241	91,016
Other bank balances				
Deposit Account	-	75,000	-	-
	-	**75,000**	**11,91,716**	**4,45,103**

Non Current portion of Cash and Bank Balances has been reported as other non-current assets.

Notes to financial statements

15. Loans & Advances

	Long Term		Short Term	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Unsecured considered good				
Loans to Related parties (Subsidiaries)	**13,25,32,983**	13,25,16,438	**1,65,00,000**	-
Staff Loans & Advances	**-**	-	**-**	69,357
Tax Deducted at Source	**-**	-	**39,52,474**	46,35,993
Prepaid Expenses	**-**	-	**9,38,786**	-
Excess fund in Employee Gratuity fund	**-**	-	**-**	11,07,938
	13,25,32,983	13,25,16,438	**2,13,91,260**	**58,13,288**

16. Other Current Assets

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Unsecured considered good		
Interest Accrued but not due (from Related parties)	**6,71,15,062**	7,16,14,965
	6,71,15,062	**7,16,14,965**

17. Other Income

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Interest Income	**1,81,35,406**	2,02,38,978
Gain / (Loss) on Foreign Currency	**(3,216)**	-
Creditors / Liabilities written back	**-**	54,51,461
Other Miscellaneous Income	**2,288**	
	1,81,34,478	**2,56,90,439**

18. Employee Benefit Expenses

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Salary, Wages & Bonus	**76,49,493**	17,48,766
Contribution to PF and other funds	**7,27,224**	(9,60,903)
Staff Welfare expenses & other Employees expenses	**20,69,669**	9,33,783
	1,04,46,386	**17,21,646**

Notes to financial statements

19. Operating Expenses

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Royalty	**48,67,013**	-
Commission	**58,256**	-
	49,25,269	**-**

20. General & Administration Expenses

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Telephone charges	**1,83,531**	3,20,431
Travelling & Conveyance	**5,16,505**	1,23,083
Directors' sitting fees	**3,20,000**	3,40,000
Business Promotion	**2,14,744**	70,557
Repairs & Maintenance - Others	**5,40,357**	1,15,096
Miscellaneous Expenses	**4,08,823**	48,303
Advertisement Expenses	**11,14,279**	-
Electricity Charges	**9,689**	28,397
Sundry Balances Written Off	**1,49,059**	-
Vehicle Hire Charges	**1,71,250**	-
Membership & Subscription	**1,36,641**	2,782
Legal & Professional Charges	**78,24,264**	37,90,851
Printing and stationery	**10,92,658**	3,51,214
Insurance	**1,30,921**	1,60,128
Rates and Taxes	**86,497**	1,07,879
Auditors' remuneration		
- Statutory Audit	**1,10,300**	1,65,450
- Tax Audit	**27,575**	85,238
- Other Services	**94,238**	49,635
	1,31,31,331	57,59,044

21. Finance Charges

	Year Ended 31st Mar, 2012	Year Ended 31st Mar, 2011
	Amount (₹)	Amount (₹)
Interest Charges		
- On loans from Others	**1,73,69,732**	17,85,280
Other Borrowing Costs		
- Bank Charges & Commission	**9,473**	13,964
- Loan Processing Fees	**4,12,500**	-
	1,77,91,705	17,99,244

Notes to financial statements

22. Earnings per Share (EPS)

	March 31, 2012	March 31, 2011
Net loss for the year attributable to equity shareholders	**(2,05,46,231)**	(16,44,48,598)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	**5,22,98,776**	5,22,98,776
Weighted average number of Shares issued during the year	-	-
Weighted average number of equity shares at the end of the year	**5,22,98,776**	5,22,98,776
Basic and diluted earnings (in ₹) per share	**(0.39)**	**(3.14)**

23. Contingent Liabilities

a. In respect of guarantees issued by Company's bankers to MSRDC and other authorities for ₹ 3,00,000 (Previous Year ₹ 3,00,000)

b. In respect of guarantees issued by the Company's bankers for company's subsidiary to government and other parties ₹ 3,32,70,000 (Previous Year ₹ 3,32,70,000).

c. Corporate guarantee issued to banks for Company's Subsidiary for term loan of ₹ 17,50,00,000 and Cash Credit limit of ₹ 6,40,00,000.

d. In respect of Income Tax demand under dispute (net of advances) ₹ 1,83,11,080 (Previous Year ₹ NIL)

24. Disclosure pertaining to Micro, Small and Medium Enterprises

Sr. No	Particulars	2011-12	2010-11
1	Principal amount outstanding as at 31st March	-	-
2	Interest due on (1) above and unpaid as 31st March	-	-
3	Interest paid to the supplier	-	-
4	Payments made to the supplier beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay	-	-
6	Interest accrued and remaining unpaid as at 31st March	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-

25. The company's exposure in its subsidiary Radio One Ltd.(Formerly known as Radio Mid-Day West (India) Ltd) limited through investments and loans aggregate ₹ 1,53,14,00,334 (investment ₹ 1,38,24,91,498 and loan ₹ 14,89,08,836). Though net worth of the subsidiary is substantially eroded and the company has been incurring constant losses, however no provision for impairment on this account is considered necessary by the management taking in to consideration the nature of Radio business and gradual improvement in performance of the subsidiary.

26. During the year the Company has paid remuneration to Managing Director which is in excess of the limits specified in Section 198 of the Companies Act. Such higher remuneration has been approved by the Remuneration Committee and the Board of Directors. As required under Schedule XIII to the Companies Act, 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 will be taken at the ensuing Annual General Meeting. Managerial remuneration debited to Statement of Profit and Loss is subject to the above approval from the members and Central Government.

Notes to financial statements

27. 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.

28. 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.

29. Related party disclosures

Names of related parties and related party relationship

a.	Subsidiary Companies	-	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 Pvt 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
Interest Expenses		1,70,54,448 (17,85,280)	
Managerial Remuneration			39,81,850 (9,42,300)
Rent Earned	- (3,08,790)		
Interest Earned	1,81,35,406 (2,02,38,978)		
Receipt of Unsecured Loan during the year		50,00,000 (13,20,00,000)	
Repayment of Unsecured Loan During the year		80,00,000 (-)	
Unsecured Loan payable at end of year		12,90,00,000 (13,20,00,000)	
Unsecured Loan given During the year	1,65,00,000 (13,08,00,000)	(20,000)	
Unsecured Loan receivable at end of year	14,89,08,836 (13,24,08,836)	(1,07,602)	
Investment in Equity Shares	- (25,05,00,000)		

Notes to financial statements

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 ₹ 727,224 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 – 8.50% pa

Rate of Increase in compensation levels (pa) – 6.00% pa

a. Change in the Present Value obligation

	Year Ended 31st Mar, 2012 Amount (₹)
Present Value of Defined Benefit Obligation as at beginning of the Period	**43,47,947**
Interest Cost	**3,58,706**
Current Service Cost	**1,82,596**
Benefits Paid	**(13,56,878)**
Actuarial (gain) / Loss on Obligation	**14,68,579**
Present Value of Defined Benefit Obligation as at end of the period	**50,00,949**

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

Present Value of Plan Assets as at beginning of the period	**54,55,884**
Expected Return on Plan Assets	**4,50,110**
Actuarial gain/(loss)on Plan Assets	**(1,53,748)**
Contributions	-
Benefits Paid	**(13,56,878)**
Fair Value of Plan Assets as at end of the period *	**(16,22,327)**

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	**(50,00,949)**
Fair Value of Plan Assets as at end of the period	**(43,95,369)**
Funded Asset recognised in the Balance Sheet	**(6,05,580)**
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)	-

Notes to financial statements

d. Amount Recognized in the Balance Sheet

	Year Ended 31st Mar, 2012 Amount (₹)
Present Value of Defined Benefit Obligation as at the end of the period	50,00,949
Fair Value of Plan Assets As at the end of the period	43,95,369
Liability / (Net Asset) recognized in the Balance Sheet	6,05,580

e. Expenses Recognized in the Profit & Loss Statement

Current Service Cost	1,82,596
Past Service Cost	-
Interest Cost	3,58,706
Expected Return on Plan Assets	(4,50,110)
Curtailment Cost / (Credit)	-
Settlement Cost / (Credit)	-
Net Actuarial (gain) / Loss recognised in the Period	16,22,327
Total Expenses recognised in the Statement of Profit and Loss	17,13,518

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 charged an amount of ₹ 16,132 as expenses on account of leave encashment payable to the employees.

31. Expenditure in Foreign Currency

For Space on Server – ₹ 3,44,405 (Previous Year – ₹ Nil)
For Commison on Sales – ₹ 58,256 (Previous Year – Nil)
Earning in Foreign Currency - – ₹ 1,38,100 (Previous Year – Nil)

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)	5,28,35,276	52,83,52,760
Shares Held by Trust under ESOP Scheme*	(5,36,500)	(53,65,000)
Share Capital reflected in Balance Sheet	5,22,98,776	52,29,87,760

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

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

Tarique Ansari
Chairman & Managing Director

Adille Sumariwalla
Director

Balance -Sheet Abstract And Company's General Business Profile

I Registration Details

Registration No	24052	State Code	11

Balance Sheet Date :- Date Month Year

31032012

CIN Number L22100MH1981PLC024052

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placements	NIL

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

Total Liabilities	1587058	Total Assets	1587058

Sources of Funds

Paid-up Capital	522988	Reserves and Surplus	915653
Secured Loans	NIL	Unsecured Loans	156500
Deffered tax Assets	8083	Deffered Tax liability	-

Application of Funds

Net Fixed Assets /	6149	Investments	1382491
Net Current Assets	19841 8	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV Performance of Company (Amount in Rs. Thousands)

Turnover	18273	Total Expenditure	46591
Profit / Loss before Tax	-28318	Profit / Loss after Tax	-20546
Earning per share (Rs.)		Dividend rate %	NA
Basic	-0.39		
Dividend	-0.39		

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

Product Description : 1. Newspaper Publishing

Item Code No. (ITC Code) 49021001

2. Outdoor Advertising

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To The Members of Next Mediaworks Ltd.

We have examined the compliance of conditions of Corporate Governance by Next Mediaworks Limited, for the year ended on March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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

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

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

For Haribhakti & Co.
Chartered Accountants

Place : Mumbai
Date : May 8, 2012

Chetan Desai
Partner
Membership No. 17000

AUDITORS' REPORT

On Consolidated Financial Statements of Next Mediaworks Limited and its Subsidiaries

To The Board of Directors of

Next Mediaworks Limited (Formerly known as Mid-Day Multimedia Limited)

We have examined the attached Consolidated Balance Sheet of Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited) ("the Company") and its Subsidiaries as at March 31, 2012 and the consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 14.68 lacs as at March 31, 2012, total revenues of Rs. 0.95 lacs and net negative cash flows of Rs. 0.15 lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of the other auditors.

We report as under:

1) The consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated Financial Statements", as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited) and its Subsidiaries.

2) The Balance Sheet and Statement of Profit and Loss dealt with by this report are prepared in compliance of the applicable accounting standards referred to under Section 211(3C) of the Companies Act, 1956 *except that the management of Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited) and Radio One Limited (formerly known as Radio Mid Day West (India) Limited) has considered factors like expected profits in future, to recognize deferred tax assets of Rs. 85,40,663/- and Rs. 46,03,83,155/- respectively as on the Balance Sheet date on account of unabsorbed tax losses and depreciation. We are unable to comment whether these can be considered as 'virtual certainty' prescribed under Accounting Standard 22 - Accounting for Taxes on Income, to recognize such assets.*

3) *Further the management of Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited) has considered that no provision is required against fall in the value of investments aggregating Rs. 138.25 crores in the subsidiary company Radio One Limited (formerly known as Radio Mid Day West (India) Limited). Consequently no impairment has been considered necessary by the management on Goodwill on Consolidation amount to Rs. 44,44,97,837 in the Consolidated Accounts.*

AUDITORS' REPORT On Consolidated Financial Statements

4) Subject to our observations in para 2 & 3 above and on the basis of the information and explanation given to us and on consideration of the separate audit reports on individual audited financial statements of Next Mediaworks Limited and its Subsidiaries, we are of the opinion that that the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:

   a) in the case of the Consolidated Balance Sheet, of the state of affairs of Next Mediaworks Limited and its Subsidiaries as at March 31, 2012;

   b) in the case of Consolidated Statement of Profit and Loss, of the loss of Next Mediaworks Limited and its Subsidiaries for the year ended on that date; and

   c) in case of Consolidated Cash Flow Statement, of the cash flows of Next Mediaworks Limited and its Subsidiaries for the year ended on that date.

5) Without qualifying our report we draw attention to

   a) Note 27 of notes to financial statements with respect to Managerial Remuneration paid during the year which is subject to approval of the members and Central Government as per the requirements of Schedule XIII to the Companies Act, 1956.

   b) Provision against certain debts due for over three years in one of the subsidiary, Radio One Limited aggregating Rs. 143.00 lacs against which provision of Rs. 77.70 lacs have been made by the management of the subsidiary. As per the management, based on internal assessment done, the provision amount of Rs. 77.70 lacs is sufficient.

   c) Write back of royalty payable in one of the subsidiaries pending appeals before the courts more specifically described in Note 23 of notes to financial statements

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

Chetan Desai
Partner
Membership No. 17000

Mumbai: May 08, 2012

CONSOLIDATED BALANCE SHEET

as at 31st Mar, 2012

Particulars	Refer Note No.	As at 31st Mar, 2012	As at 31st Mar, 2011
Equity And Liabilities		₹	₹
Shareholders' funds			
Share capital	4	**52,29,87,760**	52,29,87,760
Reserves and surplus	5	**54,40,55,379**	65,50,36,060
		1,06,70,43,139	1,17,80,23,820
Minority Interest	6	**12,43,11,896**	16,40,39,580
Non-current liabilities			
Long-term borrowings	7	**19,58,54,000**	25,98,54,000
Long-term provisions	8	**30,10,757**	28,36,537
		19,88,64,757	26,26,90,537
Current liabilities			
Short-term borrowings	9	**10,89,44,783**	5,68,49,901
Trade payables	10	**4,38,02,171**	9,89,77,892
Other current liabilities	7 & 11	**22,32,82,704**	14,93,18,376
Short-term provisions	8	**931,435**	4,79,398
		37,69,61,093	30,56,25,567
		1,76,71,80,885	1,91,03,79,504
Assets			
Non-current assets			
Fixed assets	12		
Tangible assets		**16,67,70,736**	15,19,20,205
Intangible assets		**86,88,12,270**	96,52,19,190
Intangible assets under development		**9,89,188**	-
		1,03,65,72,194	1,11,71,39,395
Deferred tax assets (net)	13	**4,59,47,37,46**	43,84,18,076
Long-term loans and advances	16	**7,00,60,889**	11,09,88,464
Other non-current assets	15	**2,75,20,764**	2,77,34,570
Current assets			
Trade receivables	14	**12,01,63,225**	15,44,82,009
Cash and Bank Balances	15	**81,82,355**	2,18,41,247
Short-term loans and advances	16	**3,73,14,034**	3,46,83,767
Other current assets	17	**78,93,678**	50,91,976
		17,35,53,292	21,60,98,999
		1,76,71,80,885	1,91,03,79,504

Summary of significant accounting policies

The Notes are an integral part of financial statements

As per our report of even date attached
For Haribhakti & Co.
Chartered Accountants

Chetan Desai
(Partner)
Membership No.: 17000

Place: Mumbai
Date: May 8, 2012

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

Tarique Ansari
Chairman & Managing Director

Adille Sumariwalla
Director

CONSOLIDATED PROFIT AND LOSS STATEMENT

for the year ended 31st Mar, 2012

Particulars	Refer Note No.	Year Ended 31st Mar, 2012	Year Ended 31st Mar, 2011
Revenue from Operations		₹	₹
Advertisement Income		**43,48,30,709**	44,13,16,965
Income from Sale of Smartphone applications		**1,38,100**	-
Other income	18	**5,65,115**	5,191,222
Total Revenue (I)		**43,55,33,924**	44,65,08,187
Expenses			
Radio license fees		**3,58,07,342**	3,40,80,596
Employee Benefit Expenses	19	**12,17,47,434**	9,59,53,097
Operating expenses	20	**13,92,94,802**	12,95,28,728
General & Administration Expenses	21	**16,44,57,509**	14,84,28,786
		46,13,07,087	40,79,91,207
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)		**(2,57,73,163)**	3,85,16,980
Depreciation & Amortization		**11,72,48,490**	11,60,24,458
Finance charges	22	**6,30,16,530**	5,03,13,406
Profit / (Loss) before exceptional and extraordinary items and tax		**(20,60,38,183)**	(12,78,20,884)
Exceptional items (Net)	23	**(3,85,42,811)**	8,20,23,864
Prior Period Items		**42,68,663**	-
Profit / (Loss) before tax		**(17,17,64,035)**	(20,98,44,748)
Tax expense:			
Current tax		**-**	57,61,339
Deferred tax	13	**(2,10,55,670)**	1,00,09,645
Profit (Loss) for the period		**(15,07,08,365)**	(22,56,15,732)
Less: Share of Profit / (Loss) of Minority Shareholders		**(3,97,27,684)**	(1,80,71,253)
Profit (Loss) for the period after Minority Interest		**(11,09,80,681)**	(20,75,44,479)
Earnings per equity share:	24	**(2.12)**	(3.97)
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.
Chartered Accountants

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

Chetan Desai
(Partner)
Membership No.: 17000

Tarique Ansari
Chairman & Managing Director

Adille Sumariwalla
Director

Place: Mumbai
Date: May 8, 2012

CONSOLIDATED CASH FLOW STATEMENT

	Particulars	As at 31st Mar, 2012	As at 31st Mar, 2011
A.	**Net Cashflow from operating Activities**		
	Net Profit / (Loss) before tax	**(17,17,63,304)**	(20,98,44,748)
	Depreciation	**11,72,48,490**	11,60,24,458
	Interest	**8,11,51,384**	4,94,06,429
	Loss/(profit) on sale of fixed assets (net)	**-**	(23,297)
	Interest Income	**(1,86,04,870)**	(25,254)
	Provision for Doubtful Debt	**-**	1,48,26,339
	Loss on Demerger		17,53,33,835
	Operational Profit before Working Capital	**80,31,700**	14,56,97,762
	Adjustments for changes in Working Capital		
	Sundry Debtors	**3,43,18,783**	(2,37,99,943)
	Loans & Advances	**4,18,54,279**	(5,21,44,881)
	Current Liabilities	**(54,08,246)**	(6,98,84,975)
	Sub-Total	**7,07,64,815**	(14,58,29,798)
	Cash generated from operations	**7,87,96,515**	(1,32,036)
	Income Tax	**(13,05,983)**	20,52,839
	Sub-Total	**(13,05,983)**	20,52,839
	Net Cash Flow from Operating Activities	**7,74,90,532**	19,20,803
B.	**Cash Flow from Investing Activities**		
	Purchase fixed Assets (net)	**(3,66,97,792)**	(42,87,383)
	Net Cash Flow from Investing Activities	**(3,66,97,792)**	(42,87,383)
C.	**Cash Flow from financing Activities**		
	Borrowings	**80,94,882**	5,50,83,210
	Interest	**(6,25,46,514)**	(4,93,81,175)
	Net Cash Flow from Financing Activities	**(5,44,51,632)**	57,02,035
	Net Increase/decrease in Cash & Cash Equivalents	**(1,36,58,892)**	33,35,455
	Cash & Cash Equivalents at the beginning of the year	**2,18,41,247**	1,85,05,792
	Cash & Cash Equivalents at the end of the year	**81,82,355**	2,18,41,247

As per our report of even date attached
For Haribhakti & Co.
Chartered Accountants

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

Chetan Desai
(Partner)
Membership No.: 17000

Tarique Ansari
Chairman & Managing Director

Adille Sumariwalla
Director

Place: Mumbai
Date: May 8, 2012

NOTES TO FINANCIAL STATEMENTS

for the year ended on 31st March, 2012

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') and has been prepared in compliance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provision of the Companies Act, 1956.

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
Radio One Limited	India	69.48%	31-Mar-2012
One Audio Limited	India	100%	31-Mar-2012
Digital One Limited	India	100%	31-Mar-2012
Next Outdoor Limited	India	99.97%	31-Mar-2012

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 operations of foreign subsidiary have been considered by the management, as non integral operations as described Accounting Standard — AS 11 (revised) "Accounting for the effects of changes in foreign exchange rates" issued by ICAI.
- 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 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

  The Minority share of movement in equity since the date parent-subsidiary relationship came into existence.

  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.
- All Employees' related benefits including social security have been provided in accordance with the laws of the country in which the individual entity is operating.
- The financial statements of the Subsidiaries for the period ended March 31, 2012 have been prepared & are audited as per the generally accepted principles (GAAP) of the country in which it operates, and the same is being considered for the purpose of consolidation.
- Other significant accounting policies are as set out in standalone financial statement of Next Mediaworks Limited, to the extent applicable.

3. Summary of significant accounting policies

a) Presentation and disclosure of financial statements

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified / regrouped previous year figures in accordance with the requirements applicable in the current year.

b) Use of estimates

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

c) 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.

Notes to financial statements

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 in existing fixed assets, including day-today 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.

d) 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.

e) 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 XIV of the Companies Act, 1956, whichever is higher. Depreciation on additions during the year is provided on a pro-rata basis from the date of addition. Depreciation on assets costing ` 5,000/- or less has been charged at 100% in the year of acquisition.

f) 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.

g) 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.

h) 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.

Notes to financial statements

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 or credited to the statement of profit and loss.

i) 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. The following specific recognition criteria must also be met before revenue is recognized.

Sale of Smartphone applications

Revenue from sale of Smartphone applications is recognized on the date of actual sale of application by distributors.

Radio FM Broadcasting

Revenue from radio broadcasting is recognized on accrual basis. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from the revenue.

Interest

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

j) 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.

k) 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.

Notes to financial statements

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.

l) 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.

m) 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.

n) 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.

o) 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.

p) 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.

q) 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 or 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.

Notes to financial statements

4. Share Capital

a. Authorized and issued and paid-up capital

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Authorized Capital				
Equity Shares of Rs. 10/- each	5,50,00,000	**5,50,000,000**	5,50,00,000	5,50,000,000
0.01% Optionally Convertible Preference Shares of Rs. 10/- Each	50,00,000	**5,00,00,000**	50,00,000	5,00,00,000
	6,00,00,000	**60,00,00,000**	**6,00,00,000**	**60,00,00,000**
Issued, Subscribed & Paid up Capital				
Equity Shares of Rs. 10/- each fully paid	5,22,98,776	**52,29,87,760**	5,22,98,776	52,29,87,760
	5,22,98,776	**52,29,87,760**	**5,22,98,776**	**52,29,87,760**

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

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Shares outstanding at the beginning of the year	5,22,98,776	**52,29,87,760**	5,22,98,776	52,29,87,760
Add: Shares issued during the year	-	**-**	-	-
Less: Shares bought back during the year	-	**-**	-	-
Shares outstanding at the end of year	**5,22,98,776**	**52,29,87,760**	**5,22,98,776**	**52,29,87,760**

c. Terms / rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 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 preference shares

0.01% Optionally Convertible Preference shares are convertible in equity shares in the ratio of 1:1 on or after 18 months from the date of allotment.

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

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Mr. Khalid Ansari	43,38,055	8.21%	43,38,055	8.21%
Mr. Tarique Ansari	43,37,298	8.21%	43,37,298	8.21%
Mrs. Rukhya Ansari	43,37,298	8.21%	43,37,298	8.21%
Mr. Sharique Ansari	43,37,298	8.21%	43,37,298	8.21%
Ms. Tehzeeb Ansari	43,37,298	8.21%	43,37,298	8.21%
Bennett, Coleman and Company Ltd.	36,49,391	6.91%	36,49,391	6.91%
Ferari Investments & Trading Company Pvt. Ltd.	28,39,226	5.37%	28,39,226	5.37%
Total	**2,81,75,864**	**53%**	**2,81,75,864**	**53%**

Notes to financial statements

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

	Number of Shares				
	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares	-	-	-	-	-

5. Reserves & Surplus

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Securities Premium		
Opening Balance	**93,00,67,512**	93,00,67,512
Add: Securities premium Credited on Share Issue	-	-
Less: Premium utilized for issuing bonus shares	-	-
Closing Balance	**93,00,67,512**	93,00,67,512
Surplus		
Opening Balance	**(27,50,31,452)**	(29,16,76,921)
Add: Net Loss for the year	**(11,09,80,681)**	(20,75,44,479)
Less: Goodwill on consolidations	-	20,70,90,715
Less: Loss on Demerger of Subsidiary	-	1,70,99,232
Closing Balance	**(38,60,12,133)**	(27,50,31,452)
Total Reserves & Surplus	**54,40,55,379**	65,50,36,060

6. Minority Interest

	As on 1st Apr, 2011	Additions During the year	Deductions during the year	As on 31st Mar, 2012
Contribution to Share Capital	78,45,03,565	-	-	**78,45,03,565**
Share of Retained Profits	(62,04,63,984)	-	3,97,27,685	**(66,01,91,669)**
	16,40,39,580	**-**	**3,97,27,684**	**12,43,11,896**

7. Long Term Borrowings

	Non – Current Portion		Current Maturities	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Secured Borrowings				
Term Loans (From Banks)	5,50,00,000	12,40,00,000	12,00,00,000	10,00,00,000
Unsecured Borrowings				
Inter Corporate Loans				
- From Related parties	**14,08,54,000**	**13,58,54,000**	-	-
	19,58,54,000	**25,98,54,000**	**12,00,00,000**	**10,00,00,000**

Notes to financial statements

a Term loans are secured against movable and immovable assets of the company, present and future, having pari-passu charge on such assets of the company and further secured by pledge of certain shares of another company held by a promoter of holding company, Next Mediaworks Limited and by personal guarantee of Managing director of holding company and also secured by corporate guarantee of holding company.

b Term Loan – I from bank is repayable in 20 quarterly installments of ₹ 25,000,000 each.

c Term Loan – II from bank is repayable in 15 quarterly installments of ₹ 5,000,000 each.

d Unsecured loans from related parties are payable at end of tenure of loan ie 36 months.

e Current maturities of long term loans have been reported as other current liabilities.

8. Provisions

	Long Term		Short Term	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Provision for Employee Benefits				
Gratuity (Funded)	-	-	**6,05,581**	-
Leave Encashment (Unfunded)	**30,10,757**	28,36,537	**3,25,854**	4,79,398
	30,10,757	28,36,537	**9,31,435**	4,79,398

9. Short Term Borrowings

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Secured Borrowings		
Cash Credit Facility (From Banks)	**6,14,44,783**	5,68,49,901
Short Term Loan from Others	**2,75,00,000**	-
Secured Borrowings		
Inter Corporate Loans		
- From Others	**2,00,00,000**	-
	10,89,44,783	5,68,49,901

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.

b Short term loan from others is payable at end of 1 year and is secured by personal guarantee and pledge of shares in another company of a Promoter Shareholder.

c Unsecured inter corporate loan from others of ₹ 20,000,000 are payable at end of tenure of loan i.e. 9 months respectively.

10. Trade Payables

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Taxes Payable	**4,38,02,171**	9,89,77,892
	4,38,02,171	9,89,77,892

Notes to financial statements

11. Other Current Liabilities

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Other Current Liabilities		
Advance Received from customers	**3,33,856**	57,54,545
Taxes Payable	**3,44,69,693**	2,14,03,118
Other Current liabilities	**5,12,31,012**	2,03,75,433
Interest Accrued but not due to related parties	**1,72,48,143**	17,85,280
	10,32,82,704	4,93,18,376

Other current liabilities also include current maturities of Long term loans (Refer note no. 6).

12. Fixed Assets

Amount (₹)

	Gross Block			
	As at 1st Apr, 2011	Additions During the year	Deductions during the year	As at 31st Mar, 2012
Tangible Assets				
Building	1,10,14,888	-	-	1,10,14,888
Studio Equipment	4,57,90,111	45,000	-	4,58,35,111
Transmitter	6,75,84,398	1,13,420	-	6,76,97,818
Furniture & Fixtures	6,43,35,757	8,68,138	-	6,52,03,895
Office Equipments	49,67,797	2,87,725	-	52,55,521
Computers	3,28,51,475	5,69,682	16,500	3,34,04,657
Air-Conditioners	93,53,839	-	-	93,53,839
Audio Visual Equipments	2,62,636	-	-	2,62,636
Common Transmission Infrastructure	-	**32,129,421**	-	**3,21,29,421**
Total Tangible Assets	**23,61,60,900**	**3,40,13,386**	**16,500**	**27,01,57,786**
Intangible Assets				
One Time Entry Fees	97,32,53,698	-	-	97,32,53,698
Computer Software	60,02,964	19,30,250	-	79,33,214
Total Intangible Assets	**97,92,56,662**	**19,30,250**	**-**	**98,11,86,912**
Total Gross Block	**1,21,54,17,562**	**3,59,43,636**	**16,500**	**1,25,13,44,698**
	Accumulated Depreciation / Amortization			
	As at 1st Apr, 2011	For the year	On Deductions	As at 31st Mar, 2012
Tangible Assets				
Building	22,30,378	5,60,901	-	**27,91,279**
Studio Equipment	2,28,66,829	44,33,913	-	**2,73,00,742**
Transmitter	1,73,12,570	26,74,531	-	**1,99,87,101**

Notes to financial statements

Furniture & Fixtures	1,77,18,134	43,99,262	-	**2,21,17,396**
Office Equipments	12,05,746	3,27,672	-	**15,33,418**
Computers	2,10,25,378	52,75,657	1,326	2,62,99,709
Air-Conditioners	18,13,801	4,57,228	-	22,71,029
Audio Visual Equipments	67,860	12,544	-	80,404
Common Transmission Infrastructure	-	10,05,972	-	10,05,972
Depreciation Tangible Assets	**8,42,40,696**	**1,91,47,680**	**1,326**	**10,33,87,050**
Intangible Assets				
One Time Entry Fees	45,35,16,102	9,73,25,376	-	55,08,41,478
Computer Software	50,19,208	10,11,794	-	60,31,002
Amortization of Intangible Assets	**45,85,35,310**	**9,83,37,170**	**-**	**55,68,72,480**
Total Depreciation & Amortization	**54,27,76,006**	**11,74,84,850**	**1,326**	**66,02,59,530**

	Net Block	
	As at 31st Mar, 2012	As at 31st Mar, 2011
Tangible Assets		
Building	**82,23,609**	87,84,510
Studio Equipment	**1,85,34,369**	2,29,23,282
Transmitter	**4,77,10,717**	5,02,71,828
Furniture & Fixtures	**4,30,86,499**	4,66,17,623
Office Equipments	**37,22,103**	37,62,051
Computers	**71,04,948**	1,18,26,097
Air-Conditioners	**70,82,810**	75,40,038
Audio Visual Equipments	**1,82,232**	1,94,776
Common Transmission Infrastructure	**3,11,23,449**	-
Total Tangible Assets	**16,67,70,736**	15,19,20,205
Intangible Assets		
One Time Entry Fees	**42,24,12,220**	51,97,37,596
Computer Software	**19,02,212**	9,83,756
Goodwill on Consolidation	**44,44,97,837**	44,44,97,837
Total Intangible Assets	**86,88,12,269**	96,52,19,189
Intangible assets under development	**9,89,188**	-
Total	**1,03,65,72,193**	1,11,71,39,394

Notes to financial statements

13. Deferred Tax Assets (net)

As per standard on accounting for taxes on income, the company has provided ₹ 21,055,670 as deferred tax asset for the year.

	Opening Balance Amount (₹)	For the year Amount (₹)	Closing Balance Amount (₹)
Deferred Tax Assets			
Unabsorbed carried forward Losses	44,78,27,667	2,10,96,147	46,89,23,813
Leave Encashment	8,31,028	(2,93,793)	5,37,235
Gross deferred tax asset	**44,86,58,695**	**2,08,02,356**	**46,94,61,048**
Deferred Tax Liability			
Impact of difference between tax depreciation and depreciation / amortization charged in financial reporting	1,00,85,578	(7,83,606)	9,301,976
Gratuity	1,55,038	5,30,290	6,85,328
Gross deferred tax liabilities	**1,02,40,616**	**(2,53,314)**	**99,87,302**
Net deferred tax asset	**43,84,18,076**	**2,10,55,670**	**45,94,73,746**

14. Trade Receivables

		Current	
		As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Outstanding for period exceeding six months from the date they are due for payment			
Unsecured considered good		**2,94,72,842**	3,48,94,604
Unsecured considered doubtful		**77,69,849**	2,72,03,195
		3,72,42,691	6,20,97,800
Less: Provision for doubtful debts		**77,69,849**	2,72,03,195
	(A)	**2,94,72,842**	3,48,94,604
Outstanding for period less six months from the date they are due for payment			
Unsecured, considered good		**9,06,90,383**	11,95,87,405
	(B)	**9,06,90,383**	11,95,87,405
Total (A+B)		**12,01,63,225**	15,44,82,009

15. Cash & Bank Balances

	Non-current		Current	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Cash & Cash Equivalents				
Balances with banks - In Current Account	**-**	-	**77,78,437**	2,07,05,346
Cash in Hand	**-**	-	**4,03,918**	11,35,901

Notes to financial statements

Other bank balances				
Deposit Account	-	75,000	-	-
Deposit Account – Under lien with bank	**1,41,50,764**	1,42,89,570	-	-
Margin Money	**1,33,70,000**	1,33,70,000	-	-
	2,75,20,764	**2,77,34,570**	**81,82,355**	**2,48,41,247**

Non Current portion of Cash Bank Balances has been reported as other non-current assets.

16. Loans & Advances

	Long Term		Short Term	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Unsecured considered good				
Trade Deposits	**3,64,43,734**	3,74,71,309	-	-
Capital Advances	**3,36,17,155**	7,3517,155	-	-
Receivable from BECIL	-	-	**77,70,579**	-
Staff Loans & Advances	-	-	**2,14,536**	2,92,471
Tax Deducted at Source	-	-	**2,19,05,014**	2,05,99,031
Prepaid Expenses	-	-	**68,77,822**	1,26,84,327
Excess fund in Employee Gratuity fund	-	-	**5,46,083**	11,07,938
	7,00,60,889	11,09,88,464	**3,73,14,034**	**3,46,83,767**

17. Other Current Assets

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Unsecured considered good		
Interest Accrued but not due	**78,93,678**	50,91,976
	78,93,678	50,91,976

18. Other Income

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Other Income	**4,70,392**	25,254
Gain / (Loss) on Foreign Currency	**(3,216)**	-
Creditors / Liabilities written back	**95,561**	51,42,671
Other Miscellaneous Income	**2,288**	-
Profit on sale of Fixed Assets	-	23,297
	5,65,115	**51,91,222**

Notes to financial statements

19. Employee Benefit Expenses

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Employee Benefit Expenses		
Salary, Wages & Bonus	**10,66,09,922**	8,55,86,955
Contribution to PF and other funds	**39,87,599**	20,30,757
Staff Welfare expenses & other Employees expenses	**1,11,49,913**	83,35,386
	12,17,47,434	**9,59,53,097**

20. Operating Expenses

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Operating Expenses		
Royalty	**3,22,34,701**	3,90,22,960
Commission	**58,256**	-
Radio Programme Creation & Studio Hire	**3,31,89,763**	3,01,55,331
Repairs & Maintenance – Equipment	**1,08,70,828**	87,32,400
Repairs & Maintainance – Others	**7,7,14,270**	57,88,527
Electricity charges	**1,46,02,699**	1,54,94,353
Rent	**4,05,34,285**	3,03,35,157
	13,92,94,802	**12,95,28,728**

21. General & Administration Expenses

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
General & Administrative Expenses		
Telephone charges	**69,36,964**	75,91,214
Travelling	**58,97,631**	48,28,760
Conveyance	**53,24,097**	55,94,839
Directors' sitting fees	**3,45,000**	6,20,000
Business Promotion	**33,61,349**	90,91,705
Miscellaneous Expenses	**21,02,763**	20,31,395
Discounts & Credits	**52,13,224**	28,52,294
Advertisement Expenses	**9,76,32,967**	7,39,74,676
Sundry Balances Written Off	**4,12,155**	40,05,026
Vehicle Hire Charges	**1,71,250**	-
Membership & Subscription	**1,36,641**	2,782
Legal & Professional Charges	**1,69,57,693**	1,96,83,625

Notes to financial statements

Printing and stationery	**24,57,738**	15,30,465
Insurance	**18,71,429**	11,95,185
Auditors' remuneration		
- Statutory Audit	**3,50,188**	3,54,607
- Tax Audit	**1,02,575**	99,635
- Other Services	**1,54,238**	1,47,238
Bad Debts Written off	**3,44,62,953**	
Add: Provision made during the year for doubtful debts	**-**	1,48,26,339
Less: Provision made in earlier year for doubtful debts	**1,94,33,346**	-
	1,50,29,607	**1,48,26,339**
	16,44,57,509	**1,4,84,28,786**

22. Finance Charges

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Finance Charges		
Interest Charges		
- On Loans from Banks*	**3,78,56,561**	3,77,26,638
- On loans from Others	**2,44,90,589**	1,16,80,165
Other Borrowing Costs		
- Bank Charges & Commission	**2,56,880**	9,06,603
- Loan Processing Fees	**4,12,500**	-
* Net of Interest Income of ₹ 2,806,997 (PY ₹ 1,502,655))		
	63,016,530	**5,03,13,406**

23. Exceptional Items

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Exceptional Items		
Lease waiver & interest thereon reversed		(10,96,88,515)
Royalty payable / (Reversed)	**(3,85,42,811)**	1,63,78,544
Loss on Demerger	**-**	17,53,33,835
	(3,8542,811)	**8,20,23,864**

Pursuant to the Final Copyright Board Order dated 25-08-2010 for revised method of calculation of royalty payable in terms of the agreement with Phonographic Performance Limited (PPL) with retrospective effect, the Company has reworked the royalty provided in earlier years and has written back as exceptional item of ₹ 3,85,42,811 representing the reversal of excess royalty which is in line with industry practice. Though PPL has preferred further appeal before the courts, the management believes that the new rate is arrived on realistic grounds and will be further ratified by the courts.

Notes to financial statements

24. Earnings per Share (EPS)

	March 31, 2012	March 31, 2011
Net loss for the year attributable to equity shareholders	**(11,09,80,681)**	(20,75,44,479)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	**5,22,98,776**	5,22,98,776
Weighted average number of Shares issued during the year	**-**	-
Weighted average number of equity shares at the end of the year	**5,22,98,776**	5,22,98,776
Basic and diluted earnings / (loss) (in ₹) per share	**(2.12)**	**(3.97)**

25. Contingent Liabilities

a. In respect of guarantees issued by the Company's bankers to company's subsidiaries ₹ 3,32,70,000 (Previous Year ₹ 3,32,70,000).

b. In respect of Income Tax demand under dispute (net of advances) ₹ 1,83,11,080 (Previous Year ₹ NIL)

c. In respect of service tax claim under litigation ₹ 5,96,537 (Previous year ₹ 5,96,537).

d. Further royalty payable if any, amount not quantifiable, in the matter covered in note no. 20.

e. Liability if any, amount not quantifiable, towards royalty to Indian Performing Rights Society (IPRS), pending final outcome of arbitration.

f. Corporate guarantee issued to banks for Company's Subsidiary for term loan of ₹ 17,50,00,000 and Cash Credit limit of ₹ 6,40,00,000.

g. In respect of guarantees issued by Company's bankers to MSRDC and other authorities for ₹ 3,00,000 (Previous Year ₹ 3,00,000).

26. Disclosure pertaining to Micro, Small and Medium Enterprises

Sr. No	Particulars	2011-12	2010-11
1	Principal amount outstanding as at 31st March	-	-
2	Interest due on (1) above and unpaid as 31st March	-	-
3	Interest paid to the supplier	-	-
4	Payments made to the supplier beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay	-	-
6	Interest accrued and remaining unpaid as at 31st March	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-

27. During the year the Company has paid remuneration to Managing Director which is in excess of the limits specified in Section 198 of the Companies Act. Such higher remuneration has been approved by the Remuneration Committee and the Board of Directors. As required under Schedule XIII to the Companies Act, 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 will be taken at the ensuing Annual General Meeting. Managerial remuneration debited to Statement of Profit and Loss Account is subject to the above approval from the members and Central Government.

28. Prior period item represents the amount payable to Broadcast Engineering Consultants India Limited (BECIL) towards tower rent payable for earlier periods.

Notes to financial statements

29. Segment Reporting

The Company has only one reportable segment of FM radio broadcasting; hence no separate disclosure of segment wise information has been made.

30. Related party disclosures

Names of related parties and related party relationship

a. Associate Company - Next Publishing Services Private Limited
Mid-Day Exports Pvt Ltd
Inquilab offset printers Pvt Ltd
Ferari Investments and Trading Co Pvt Ltd
Meridian Holding & Leasing Co Pvt Ltd

b. Key Managerial Personnel - Mr. Tarique Ansari, Managing Director

Related party transactions

Nature of Transactions	Under control of Management	Key Managerial Personnel
Interest Expenses	1,70,54,448 (17,85,280)	
Managerial Remuneration		39,81,850 (9,42,300)
Receipt of Unsecured Loan during the year	50,00,000 (13,20,00,000)	
Repayment of Unsecured Loan During the year	80,00,000 (-)	
Unsecured Loan payable at end of year	12,90,00,000 (13,20,00,000)	
Unsecured Loan given During the year	(20,000)	
Unsecured Loan receivable at end of year	(1,07,602)	

31. Expenditure in Foreign Currency

For Space on Server – ₹ 3,44,405 (Previous Year – ₹ Nil)
For Commison on Sales – ₹ 58,256 (Previous Year – Nil)
Earning in Foreign Currency - – ₹ 1,38,100 (Previous Year – Nil)

32. Lease

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

Payable Not later than one year - ₹ Nil (Previous Year - ₹ 39,78,285)

Later than one year and not later than five years - ₹ Nil (Previous Year - ₹ Nil)

Later than five year - ₹ Nil (Previous Year - ₹ Nil)

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

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

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

For and on behalf of Board of Directors of

Next Mediaworks Limited

Tarique Ansari
Chairman & Managing Director

Adille Sumariwalla
Director

DIRECTOR'S REPORT

To the members of Digital One Private Limited

The Directors have pleasure in presenting the Twelfth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2012.

Business Operations: -

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

Directors: -

Your Directors confirm that none of them is disqualified as on 31st March 2012 from being appointed as director of the Company within the meaning of section 274(1)(g) of the Act, as amended to date.

Auditors: -

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

Particulars of Employees: -

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

Directors' Responsibility Statement

The Directors confirm that: -

* In the preparation of the annual accounts, the applicable Accounting Standards have been followed.
* The selected and applied accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2012.
* Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
* The annual accounts are prepared on a going concern basis.

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

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

Acknowledgement: -

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 8th May, 2012

Tarique Ansari
Director

Aziz Khatri
Director

AUDITORS' REPORT

Report of the Auditors to the Shareholders of M/s. Digital One Private Limited

We have audited the attached Balance Sheet of Digital One Private Limited. (Formerly known as Mid-day Broadcasting South (India) Private Limited.) as at 31st March, 2012 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report as under:-

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;

c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account;

d) In our opinion, the Profit & Loss Account and the Balance Sheet comply with the requirement of the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable to the Company.

e) We have been informed that none of the directors of the Company are disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account read together with the significant Accounting Policies and the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

    i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.

    ii) in so far as it relates to the Profit and Loss Account, of the Loss for the year ended on that date.

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

For R.D.SHENVI & Co.
Chartered Accountants
Firm Registration No. 110030W

R.D.Shenvi
Proprietor
(Membership No.: 035818)
Place: Mumbai
Date: 8th May, 2012.

BALANCE SHEET

as at 31st Mar, 2012

Particulars	Refer Note No.	As at 31st Mar, 2012	As at 31st Mar, 2011
EQUITY AND LIABILITIES		₹	₹
Shareholders' funds			
Share capital	4	**1,00,000**	1,00,000
Reserves and surplus	5	**(41,466)**	(36,723)
		58,534	63,277
Non-current liabilities			
Long-term borrowings	6	**1,10,000**	1,10,000
		1,10,000	1,10,000
Current liabilities			
Trade payables	7	**-**	6,250
Short-term provisions	8	**14,180**	17,365
		14,180	23,615
		1,82,714	1,96,892
ASSETS			
Current assets			
Cash and Bank Balances	9	**61,065**	75,243
Short-term loans and advances	10	**1,21,649**	1,21,649
		1,82,714	1,96,892
		1,82,714	1,96,892

Summary of significant accounting policies 3

As per our report of even date attached
For R.D. Shenvi & Co.
Chartered Accountants

R.D. Shenvi
(Proprietor)

for and on behalf of Board of Directors
Digital One Private Limited

Tarique Ansari — Director
Aziz Khatri — Director

Place : Mumbai
Date : May 8, 2012

PROFIT AND LOSS STATEMENT

for the year ended 31st Mar, 2012

Particulars	Refer Note No.	Year Ended 31st Mar, 2012	Year Ended 31st Mar, 2011
INCOME		₹	₹
Other income	11	**17,548**	-
Total Revenue		**17,548**	-
EXPENSES			
General & Administration Expenses	12	**22,180**	6,067
Finance charges (Net)		**111**	55
Total expenses		**22,291**	6,122
Profit before tax		**(4,743)**	(6,122)
Tax expense:			
Deferred tax			
Profit (Loss) for the period		**(4,743)**	(6,122)
Earnings per equity share:	13		
Basic & Diluted		**(0.47)**	(0.61)
Summary of significant accounting policies	3		

As per our report of even date attached
For R.D. Shenvi & Co.
Chartered Accountants

R.D. Shenvi
(Proprietor)

Place : Mumbai
Date : May 8, 2012

for and on behalf of Board of Directors
Digital One Private Limited

Tarique Ansari
Director

Aziz Khatri
Director

CASH FLOW STATEMENT

	Particulars		Year ended 31st Mar, 2012	Year ended 31st Mar, 2011
A.	**Net Cashflow from operating Activities**			
	Net Profit / (Loss) before tax		**(4,743)**	(6,122)
	Operational Profit before Working Capital		**(4,743)**	(6 ,122)
	Adjustments for changes in Working Capital			
	Current Liabilities		**(9,435)**	
	Sub-Total		**(9,435)**	-
	Cash generated from operations		**(14,178)**	(6,122)
	Net Cash Flow from Operating Activities	**(A)**	**(14,178)**	**(6,122)**
B.	**Cash Flow from Investing Activities**			
	Net Cash Flow from Investing Activities	**(B)**	**-**	**-**
C.	**Cash Flow from financing Activities**			
	Net Cash Flow from Financing Activities	**(C)**	**-**	**-**
	Net Increase/decrease in Cash & Cash Equivalents	**(A+B+C)**	**(14,178)**	**(6,122)**
	Cash & Cash Equivalents at the beginning of the year		**75,243**	**81,365**
	Cash & Cash Equivalents at the end of the year		**61,065**	**75,243**

for and on behalf of Board of Directors
Digital One Private Limited

For R.D. Shenvi & Co.
Chartered Accountants

R.D. Shenvi
(Proprietor)

Tarique Ansari
Director

Aziz Khatri
Director

Place : Mumbai
Date : May 8, 2012

NOTES TO FINANCIAL STATEMENTS

for the year ended on 31st March, 2012

1. Corporate Information

Digital One Private Limited (the company) is a public company domiciled in India and Incorporated under the provisions of Companies Act, 1956.

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 notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under historical cost convention.

3. Summary of significant accounting policies

a) Presentation and disclosure of financial statements

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified / regrouped previous figures in accordance with the requirements applicable in the current year.

b) Use of estimates

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

c) 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 in existing fixed assets, including day-today 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 derecognizing 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 derecognized.

d) 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.

Notes to financial statements

Internally generated intangible assets, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which expenditure is incurred.

e) Depreciation

Depreciation on fixed assets is calculated 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 XIV of the Companies Act, 1956, whichever is higher. Depreciation on additions during the year is provided on a pro-rata basis from the date of addition.

f) Impairment

The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for asset is required, the company estimates the assets recoverable amount. Assets recoverable amount is the higher of asset's or Cash generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are independent of those from other assets or groups of assets. Where carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used.

g) 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 lased item, are classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on accrual basis.

h) 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 or credited to the statement of profit and loss.

i) 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.

Notes to financial statements

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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting 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.

m) Contingent liabilities

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.

n) Cash and Bank Balances

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

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, 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 or 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.

Notes to financial statements

4. Share Capital

a. Authorized and issued and paid-up capital

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Authorized Capital				
Equity Shares of Rs. 10/- each	60,000	6,00,000	60,000	6,00,000
	60,000	**6,00,000**	**60,000**	**6,00,000**
Issued, Subscribed & Paid up Capital				
Equity Shares of Rs. 10/- each fully paid	10,000	1,00,000	10,000	1,00,000
	10,000	**1,00,000**	**10,000**	**1,00,000**

b. Reconciliation of the shares outstanding at the beginning and at the end of the period

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Shares outstanding at the beginning of the period	10,000	1,00,000	10,000	1,00,000
Add: Shares issued during the period	-	-	-	-
Less: Shares bought back during the period	-	-	-	-
Shares outstanding at the end of year	**10,000**	**1,00,000**	**10,000**	1,00,000

c. Terms / rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 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.

d. Shares held by holding company and / or their subsidiaries

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited	10,000	100%	10,000	100%

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

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited	10,000	100%	10,000	100%
Total	**10,000**	**100%**	**10,000**	**100%**

Notes to financial statements

5. Reserves & Surplus

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Surplus		
Opening Balance	**(36,723)**	(30,601)
Add: Net Loss for the year	**(4,743)**	(6,122)
Total Reserves & Surplus	**(41,466)**	(36,723)

6. Long Term Borrowings

	Non – Current Portion		Current Maturities	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Unsecured Borrowings				
Inter Corporate Loans				
- From Related parties	**1,10,000**	**1,10,000**	-	-
	1,10,000	**1,10,000**	**-**	**-**

a Current maturities of long term loans (if any) have been reported as other current liabilities..

7. Trade Payables

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Taxes Payable	-	6,250
	-	6,250

8. Provisions

	Long Term		Short Term	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Provisions				
Audit Fees Payable	-	-	**6,180**	6,067
Other Provisions	**-**	-	**8,000**	11,298
	-	**-**	**14,180**	17,365

Notes to financial statements

9. Cash & Bank Balances

	Non-current		Current	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Balances with banks - In Current Account	-	-	**60,865**	75,043
Cash in Hand	-	-	**200**	200
	-	-	**61,065**	**75,243**

Non Current portion of Cash & bank Balances (If any) has been reported as other current assets.

10. Loans & Advances

	Long Term		Short Term	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Unsecured considered good				
Tax Deducted at Source / Income Tax Paid	-	-	**1,21,649**	1,21,649
	-	-	**1,21,649**	1,21,649

11. Other Income

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Other Income		
Creditors / Liabilities written back	**17,548**	-
	78,103	**-**

12. General & Administration Expenses

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
General & Administrative Expenses		
Legal & Professional Charges	**16,000**	-
Auditors remuneration		
- Statutory Audit	**6,180**	6,067
	22,180	**6,067**

Notes to financial statements

13. Earnings per Share (EPS)

	March 31, 2012	March 31, 2011
Net loss for the year attributable to equity shareholders	**(4,743)**	(6,122)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	**10,000**	10,000
Weighted average number of Shares issued during the year	**-**	-
Weighted average number of equity shares at the end of the period	**10,000**	10,000
Basic and diluted earnings / (loss) (in ₹) per share	**(0.47)**	**(0.61)**

14. Contingent Liabilities

There are no contingent liabilities.

15. Deferred Tax Assets (net)

The deferred tax assets as per Accounting standard – 22 on accounting of taxes toward carried forward losses have not been recognized, as there is no certainty on realization of the same.

16. Employee Benefits

No Provision has been made for retirement benefits since there are no employees on the roll of the company.

17. Segment Reporting

The Company has no operations during the year; hence disclosure requirement for segment reporting as per AS – 17 is not applicable to company.

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

19. Expenditure in Foreign Currency – Nil (Previus Year – Nil)

20. Earning in Foreign Currency – Nil (Previus Year – Nil)

21. Company had not entered in any transaction with Micro, Small and Medium Enterprise during the year under review or in preceding previous year, as such no disclosure is required.

22. Related party disclosures

Names of related parties and related party relationship

a.	Holding Company	-	Next Mediaworks Limited
b.	Fellow Subsidiaries	-	Digital One Private Limited
			Radio One Limited
			Digital One Private Limited
			Digital One Private Limited
c.	Associate Company	-	Next Publishing Services Private Limited
			Mid-Day Exports Pvt Ltd
			Inquilab offset printers Pvt Ltd
			Ferari Investments and Trading Co Pvt Ltd
			Meridian Holding & Leasing Co Pvt Ltd

Notes to financial statements

Related party transactions

Name of Related Party	Relation	Nature of Transaction	Amount (₹)
Inquilab Offset Printers	Associate	Unsecured loan Outstanding at year end	1,10,000 (1,10,000)

For Digital One Private Limited

Tarique Ansari
Director

Aziz Khatri
Director

Balance -Sheet Abstract And Company's General Business Profile

I Registration Details

Registration No	11-122232	State Code	11
Balance Sheet Date :- (Date Month Year)	31 03 2012		
CIN Number	U99999MH1999PTC122232		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placements	NIL

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

Total Liabilities	210	Total Assets	210

Sources of Funds

Paid-up Capital	100	Reserves and Surplus	NIL
Secured Loans	NIL	Unsecured Loans	110

Application of Funds

Net Fixed Assets /	NIL	Investments	NIL
Incidential Expenditure During the Construction Period } Pending Allocation to Capital/ Other Accounts	NIL	Misc. Expenditure	NIL
Net Current Assets	169	Accumulated Losses	41

IV Performance of Company (Amount in Rs. Thousands)

Turnover	17	Total Expenditure	22
Profit / Loss before Tax	-5	Profit / Loss after Tax	-5
Earning per share (Rs.)	(0.47)	Dividend rate %	NA

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

Item Code No. (ITC Code)	NA

Service Description: Radio Broadcasting Services

For and on behalf of Board of Directors
Digital One Private Limited

Place: Mumbai
Date: May 8, 2012

Tarique Ansari
Director

Aziz Khatri
Director

DIRECTOR'S REPORT

To The Members of One Audio Limited

The Directors have pleasure in presenting the Twelfth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2012.

Business Operations: -

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

Change in Name of the Company:-

During the year under review, the name of the company change from Mid- Day North (India) Limited to One Audio Limited. New Certificate of Incorporation post name change from the Central Government is duly received.

Directors: -

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

Auditors: -

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

Auditors' Observation in their Report: -

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

Particulars of Employees: -

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

Directors' Responsibility Statement

The Directors confirm that: -

* In the preparation of the annual accounts, the applicable Accounting Standards have been followed;
* The selected and applied accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2012;
* Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
* The annual accounts are prepared on a going concern basis.

Director's Report

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

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

Acknowledgement: -

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

For and on behalf of the Board

Tarique Ansari
Chairman

Place : Mumbai
Date : May 8, 2012

AUDITOR'S REPORT

To The Shareholders of One Audio Limited

1. We have audited the attached Balance Sheet of One Audio Limited (Formerly Mid-day Radio North (India) Limited) as at 31st March, 2012 and also the profit and loss account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments referred to above, we report that:

4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

4.2 In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

4.3 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

4.4 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.

4.5 On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.3.2012 from being appointed as a director under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

4.6 In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Statement of Significant Accounting Policies and the Notes forming parts of Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012; and

b) in the case of the Profit and Loss Account, of the profit of the company for the year ended on that date

c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For T. R. Chadha & Co.
Chartered Accountants
Firm Reg. No. 006711N

Vikas Kumar
(Partner)
Membership No. 75363

Place : Mumbai
Date : May 8th 2012

ANNEXURE TO AUDITOR'S REPORT

I. Fixed Assets

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

II. Inventories

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

III. Loans Given / Taken

a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. However, the company has taken interest free unsecured loan from Holding company and fellow subsidiary. The maximum amount involved during the year was Rs. 201.73 Lacs and closing balance was Rs.201.73 Lacs.

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

c) The repayment schedule and interest on the above mentioned loan has not been defined.

d) There was no overdue amount on account of principal or interest.

IV. Internal Control

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

V. Transactions under Section 301

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

VI. Public Deposits

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

VII. Internal Audit System

The internal audit is not applicable to the company considering its size.

VIII. Cost Records

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

IX. Statutory Dues

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

ANNEXURE TO AUDITOR'S REPORT

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

X. Miscellaneous

a) The net worth of the company is fully eroded as on 31.03.2012. The company has incurred cash losses in current financial year as well as in immediately preceding financial year.

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

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

d) As explained, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order are not applicable to the company.

e) As explained and verified, the Company is not dealing or trading in shares, securities, debentures and other investments.

f) The Company has not given any guarantee for loans taken by others from bank or financial institutions during the year and no such guarantees are outstanding as on 31.03.2012.

g) The Company has not obtained any term loans, accordingly clause (xvi) and (xvii) of para 4 of the order is not applicable.

h) The Company has not issued any shares / debentures during the year. Accordingly, the compliance of clause (xviii) to (xx) of para 4 of the order is not applicable.

i) As explained to us, no fraud on or by the Company has been noticed or reported during the year.

For T. R. Chadha & Co.
Chartered Accountants
Firm Reg. No. 006711N

Vikas Kumar
(Partner)
Membership No. 75363

Place : Mumbai
Date : May 8th 2012

BALANCE SHEET

as at 31st Mar, 2012

Particulars	Refer Note No.	As at 31st Mar, 2012	As at 31st Mar, 2011
Equity And Liabilities		₹	₹
Shareholders' funds			
Share capital	4	**5,00,000**	5,00,000
Reserves and surplus	5	**(2,32,15,209)**	(2,32,60,237)
		(2,27,15,209)	(2,27,60,237)
Non-current liabilities			
Long-term borrowings	6	**2,39,50,056**	2,39,33,511
		2,39,50,056	2,39,33,511
Current liabilities			
Trade payables	7	**-**	60,428
Other current liabilities	8	**32,854**	34,220
		32,854	94,648
Total		**12,67,701**	12,67,922
Assets			
Current assets			
Cash and Bank Balances	9	**18,892**	19,113
Other current assets	10	**12,48,809**	12,48,809
		12,67,701	12,67,922
Total		**12,67,701**	12,67,922
Summary of significant accounting policies	3		

As per our report of even date attached
For T.R.Chadha & Co.
Chartered Accountants

for and on behalf of Board of Directors
One Audio Limited

Vikas Kumar
(Partner)
Membership No.: 75363

Tarique Ansari
Director

Aziz Khatri
Director

Place : Mumbai
Date : May 08, 2012

PROFIT AND LOSS STATEMENT

for the year ended 31st Mar, 2012

Particulars	Refer Note No.	Year Ended 31st Mar, 2012	Year Ended 31st Mar, 2011
REVENUE FROM OPERATIONS		₹	₹
Other income	11	78,103	-
Total Revenue		**78,103**	-
EXPENSES			
General & Administration Expenses	12	32,854	19,854
Finance charges (Net)		221	277
Total expenses		**33,075**	20,131
Profit before exceptional and extraordinary items and tax		**45,028**	(20,131)
Exceptional items (Net)			
Profit before tax		**45,028**	(20,131)
Tax expense:			
Current tax		-	-
Profit (Loss) for the period		**45,028**	(20,131)
Earnings per equity share:			
Basic & Diluted	13	0.90	(0.40)
Summary of significant accounting policies	3		

As per our report of even date attached
For T.R.Chadha & Co.
Chartered Accountants

Vikas Kumar
(Partner)
Membership No.: 75363

Place : Mumbai
Date : May 08, 2012

for and on behalf of Board of Directors
One Audio Limited

Tarique Ansari
Director

Aziz Khatri
Director

CASH FLOW STATEMENT

	Particulars		As at 31st Mar, 2012	As at 31st Mar, 2011
A.	**Net Cashflow from operating Activities**			
	Net Cashflow from operating Activities		**45,028**	(20,131)
	Operational Profit before Working Capital		**45,028**	(20,131)
	Adjustments for changes in Working Capital			
	Current Liabilities		**(61,794)**	3,309
	Sub-Total		**(61,794)**	3,309
	Cash generated from operations		**(16,766)**	(16,822)
	Net Cash Flow from Operating Activities	**(A)**	**(16,766)**	**(16,822)**
B.	**Cash Flow from Investing Activities**			
	Net Cash Flow from Investing Activities	**(B)**	**-**	**-**
C.	**Cash Flow from financing Activities**			
	Borrowings		**16,545**	16,545
	Net Cash Flow from Financing Activities	**(C)**	**16,545**	**16,545**
	Net Increase/decrease in Cash & Cash Equivalents	**(A+B+C)**	**(221)**	**(277)**
	Cash & Cash Equivalents at the beginning of the year		**19,113**	**19,390**
	Cash & Cash Equivalents at the end of the year		**18,892**	**19,113**

As per our report of even date attached
For T.R.Chadha & Co.
Chartered Accountants

Vikas Kumar
(Partner)
Membership No.: 75363

Place : Mumbai
Date : May 08, 2012

for and on behalf of Board of Directors
One Audio Limited

Tarique Ansari
Director

Aziz Khatri
Director

NOTES TO FINANCIAL STATEMENTS

for the year ended on 31st March, 2012

1. Corporate Information

One Audio Limited (the company) is a public company domiciled in India and Incorporated under the provisions of Companies Act, 1956.

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 notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under historical cost convention.

3. Summary of significant accounting policies

a) Presentation and disclosure of financial statements

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified / regrouped previous figures in accordance with the requirements applicable in the current year.

b) Use of estimates

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

c) 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 in existing fixed assets, including day-today 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 derecognizing 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 derecognized.

d) 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

Notes to financial statements

.Internally generated intangible assets, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which expenditure is incurred.

e) Depreciation

Depreciation on fixed assets is calculated 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 XIV of the Companies Act, 1956, whichever is higher. Depreciation on additions during the year is provided on a pro-rata basis from the date of addition.

f) Impairment

The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for asset is required, the company estimates the assets recoverable amount. Assets recoverable amount is the higher of asset's or Cash generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are independent of those from other assets or groups of assets. Where carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used.

g) 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 lased item, are classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on accrual basis.

h) 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 or credited to the statement of profit and loss.

Notes to financial statements

i) 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.

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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

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.

m) Contingent liabilities

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.

n) Cash and Bank Balances

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.

Notes to financial statements

4. Share Capital

a. Authorized and issued and paid-up capital

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Authorized Capital				
Equity Shares of Rs. 10/- each	50,000	5,00,000	50,000	5,00,000
	50,000	**5,00,000**	**50,000**	**5,00,000**
Issued, Subscribed & Paid up Capital				
Equity Shares of Rs. 10/- each fully paid	50,000	5,00,000	50,000	5,00,000
	50,000	**5,00,000**	**50,000**	**5,00,000**

b. Reconciliation of the shares outstanding at the beginning and at the end of the period

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Shares outstanding at the beginning of the period	50,000	**5,00,000**	50,000	5,00,000
Add: Shares issued during the period	-	-	-	-
Less: Shares bought back during the period	-	-	-	-
Shares outstanding at the end of period	**50,000**	**5,00,000**	**50,000**	5,00,000

c. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 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.

d. Shares held by holding company and / or their subsidiaries

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited (the holding Company)	50,000	100.00%	50,000	100.00%

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

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited	50,000	100.00%	50,000	100.00%
Total	**50,000**	**100.00%**	**50,000**	**100.00%**

Notes to financial statements

f. No shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment. No Shares were allotted without payment being received in cash. The company had not buy back any of the shares during the period of five years immediately preceding the balance sheet date and none of the shares were forfeited.

5. Reserves & Surplus

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Surplus		
Opening Balance	**(2,32,60,237)**	(2,32,40,106)
Add: Net Loss for the year	**45,337**	(20,131)
Total Reserves & Surplus	**(2,32,14,900)**	(2,32,60,237)

6. Long Term Borrowings

	Non – Current Portion		Current Maturities	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Unsecured Borrowings				
Inter Corporate Loans				
- From Holding Company	**2,01,72,966**	2,01,72,966	-	-
- From Other Related parties	**37,77,090**	37,60,545	-	-
	2,39,50,056	**2,39,33,511**	**-**	**-**

7. Trade Payables

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Taxes Payable	-	60,428
	-	**60,428**

8. Other Current Liabilities

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Outstanding Expenditure	-	34,220
	-	**34,220**

9. Cash & Bank Balances

	Non-current		Current	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Balances with banks - In Current Account	-	-	**18,692**	18,913
Cash in Hand	-	-	**200**	200
	-	-	**18,892**	19,113

Non Current portion of Cash & bank Balances (If any) has been reported as other current assets.

Notes to financial statements

10. Loans & Advances

	Long Term		Short Term	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Unsecured considered good				
Tax Deducted at Source / Income Tax Paid	**-**	-	**12,48,809***	12,48,809
	-	**-**	**12,48,809**	**12,48,809**

*The amount is recoverable from Income Tax Department against refund receivable for Assessment Year 2003-04 and 2004-05. During the year under review, the ITAT Mumbai had accepted the company's contention for assessment year 2003-04 passed an order to that effect. The company is confident of having the appeal in it's favor for Assessment Year 2004-05 also as the grounds of both the cases are similar and accordingly no provision has been made against the same.

11. Other Income

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Other Income		
Creditors / Liabilities written Back	**78,103**	-
	78,103	**-**

12. General & Administration Expenses

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
General & Administrative Expenses		
Legal & Professional Charges	**16,000**	3309
Auditors remuneration		
- Statutory Audit Fee	**16,854**	16,545
	32,854	**19,854**

13. Earnings per Share (EPS)

	March 31, 2012	March 31, 2011
Net Profit / (Loss) for the year attributable to equity shareholders	**45,028**	(20,131)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	**50,000**	50,000
Weighted average number of Shares issued during the year	**-**	-
Weighted average number of equity shares at the end of the period	**50,000**	50,000
Basic and diluted earnings / (loss) (in ₹) per share	**0.90**	**(0.40)**

14. Contingent Liabilities

There are no contingent liabilities.

Notes to financial statements

15. Taxes

The deferred tax assets as per Accounting standard – 22 on accounting of taxes, towards carried forward losses have not been recognized, as there is no certainty on realization of the same.

16. Employee Benefits

No Provision has been made for retirement benefits since there are no employees on the roll of the company.

17. Segment Reporting

The Company has no operations during the year or immediately preceding previous year; hence disclosure requirement for segment reporting as per AS – 17 is not applicable to company.

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

19. Expenditure in Foreign Currency – Nil (Previus Year – Nil)

20. Earning in Foreign Currency – Nil (Previus Year – Nil)

21. Company had not entered in any transaction with Micro, Small and Medium Enterprise during the year under review or in preceding previous year, as such no disclosure is required.

22. Related party disclosures

Names of related parties and related party relationship

a. Holding Company - Next Mediaworks Limited

b. Fellow Subsidiaries - One Audio Limited
Radio One Limited
Digital One Private Limited
One Audio Limited

c. Associate Company - Next Publishing Services Private Limited
Mid-Day Exports Pvt Ltd
Inquilab offset printers Pvt Ltd
Ferari Investments and Trading Co Pvt Ltd
Meridian Holding & Leasing Co Pvt Ltd

Related party transactions

Name of Related Party	Relation	Nature of Transaction	Amount (₹)
Next Mediaworks Limited	Holding Company	Unsecured loan Outstanding at year end	2,01,72,966 (2,01,72,966)
Radio One Limited	Fellow Subsidiary	Unsecured loan received during the year	16,545 (16,545)
		Unsecured loan Outstanding at year end	33,090 (16,545)
Inquilab Offset Printers	Associate	Unsecured loan Outstanding at year end	37,44,000 (37,44,000)

For and on behalf of Board of Directors of
One Audio Limited

Tarique Ansari
Director

Aziz Khatri
Director

Date: May 8, 2012
Place: Mumbai

Balance -Sheet Abstract And Company's General Business Profile

I Registration Details

Registration No	11-122230	State Code	11
Balance Sheet Date :- (Date Month Year)	31032012		
CIN Number	U92130MH1999PTC122230		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placements	NIL

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

Total Liabilities	24450	Total Assets	24450
Sources of Funds			
Paid-up Capital	500	Reserves and Surplus	NIL
Secured Loans	NIL	Unsecured Loans	23950
Application of Funds			
Net Fixed Assets /	NIL	Investments	NIL
Incidental Expenditure Pending Allocation to Capital / Other Accounts	NIL	Misc . Expenditure	NIL
Net Current Assets	1235	Accumulated Losses	23215

IV Performance of Company (Amount in Rs. Thousands)

Turnover	78	Total Expenditure	33
Profit / Loss before Tax	45	Profit / Loss after Tax	45
Earning per share (Rs.)	0.9	Dividend rate %	NA

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

Item Code No. (ITC Code) NA

Service Description Radio Broadcasting Services

For and behalf of the Board of Directors
One Audio Limited

Place: Mumbai
Date: May 8, 2012

Tarique Ansari
Director

Aziz Khatri
Director

DIRECTOR'S REPORT

To The Members,

Your Directors' are pleased to submit their Annual Report together with the audited Statement of accounts for the year ended 31st March 2012.

Financial Performance

	Year ended 31.03.2012	Year ended 31.03.2011
Other Income	**0**	0
Operating Expenses	**33,074**	20,241
Profit / (Loss) during the year	**(33,074)**	(20,241)
Add/ (Less): Balance from Profit &Loss Account B/F	**(3,56,92,579)**	(3,56,72,338)
Net Profit/(Loss) carried to Balance Sheet	**(3,57,25,653)**	(3,56,92,579)

Board of Directors

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

Auditors

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

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

No Employee of the Company was in receipt of remuneration aggregating to Rs. 60,00,000/- or more per annum or Rs. 5,00,000/- per month if employed for a part of the year.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- the selected and applied accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and the profit of the Company for the period ended on that date;

Director's Report

- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts are prepared on a 'going concern' basis.

ACKNOWLEDGEMENT:

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

For and on behalf of the Board

Place: Mumbai
Date: May 8, 2012

Tarique Ansari
Director

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF NEXT OUTDOOR LIMITED (Formerly Midday Outdoor Limited)

1. We have audited the attached balance sheet of Next Outdoor Limited (Formerly Midday Outdoor Limited) as at 31st March 2012 and also the profit and loss account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   4.2 In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

   4.3 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   4.4 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.

   4.5 On the basis of representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.3.2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

   4.6 In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Statement of Significant Accounting Policies and the Notes forming parts of Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012,

      b) in the case of the Profit and Loss Account, of the loss of the company for the year ended on that date and.

      c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For T. R. Chadha & Co.
Chartered Accountants
Firm Reg. No. 006711N

Vikas Kumar
(Partner)
Membership No. 75363

Place : Mumbai
Date : May 8, 2012

ANNEXURE TO AUDITOR'S REPORT

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

I. Fixed Assets

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

II Inventories

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

III Loans Given / Taken

a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has taken interest free unsecured loan from Holding company M/s Next Mediaworks Limited (Formerly Mid-day Multimedia Limited). The maximum amount involved during the year was Rs. 7,60,517 and closing balance was Rs.7,60,517.

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

a. The repayment schedule and interest on the above mentioned loan has not been defined.

a) There was no overdue amount on account of principal or interest.

IV Internal Control

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

V. Transactions under Section 301

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

VI. Public Deposits

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

VII. Internal Audit System

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

VII. Cost Records

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

VIII. Statutory Dues

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

Auditor's Report

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

IX. Miscellaneous

a) The net worth of the company has been fully eroded as on 31.03.2011. The company has incurred cash losses in current financial year and in preceding financial year.

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

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

d) As explained, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order are not applicable to the company.

e) As explained and verified, the Company is not dealing or trading in shares, securities, debentures and other investments.

f) As explained, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

g) The Company has not obtained any term loans, accordingly clause (xvi) and (xvii) of para 4 of the order is not applicable.

h) The Company has not issued any shares / debentures during the year. Accordingly, the compliance of clause (xviii) to (xx) of para 4 of the order is not applicable.

i) As explained to us, no fraud on or by the Company has been noticed or reported during the year.

For T. R. Chadha & Co.
Chartered Accountants
Firm Reg. No. 006711N

Vikas Kumar
(Partner)
Membership No. 75363

Place : Mumbai
Date : May 8, 2012

BALANCE SHEET

as at 31st Mar, 2012

Particulars	Refer Note No.	As at 31st Mar, 2012	As at 31st Mar, 2011
EQUITY AND LIABILITIES		₹	₹
Shareholders' funds			
Share capital	4	**34,950,000**	34,950,000
Reserves and surplus	5	**(35,725,653)**	(35,692,579)
		(775,653)	(742,579)
Non-current liabilities			
Long-term borrowings	6	**760,517**	743,972
		760,517	743,972
Current liabilities			
Other current liabilities	7	**32,854**	16,545
		32,854	16,545
Current assets			
Cash and Bank Balances	8	**17,718**	17,938
		17,718	17,938
		17,718	17,938
Summary of significant accounting policies	3		

As per our report of even date attached
For T.R.Chadha & Co.
Chartered Accountants
Firm Reg. No. 006711N

for and on behalf of Board of Directors
Next Outdoor Limited

Vikas Kumar
(Partner)
Membership No. 75363

Rukya Ansari
Director

Tarique Ansari
Director

Place : Mumbai
Date : May 8, 2012

PROFIT AND LOSS STATEMENT

for the year ended 31st Mar, 2012

Particulars	Refer Note No.	Year Ended 31st Mar, 2012	Year Ended 31st Mar, 2011
INCOME		₹	₹
Other income		**-**	-
Total Revenue		**-**	-
EXPENSES			
General & Administration Expenses	9	**32,854**	20,199
Finance charges (Net)		**220**	42
Total expenses		**33,074**	20,241
Profit before exceptional and extraordinary items and tax		**(33,074)**	(20,241)
Profit before tax		**(33,074)**	(20,241)
Tax expense:			
Deferred tax		**-**	-
Profit (Loss) for the period		**(33,074)**	(20,241)
Earnings per equity share:	10		
Basic & Diluted		**(0.01)**	(0.01)
Summary of significant accounting policies	3		

As per our report of even date attached
For T.R.Chadha & Co.
Chartered Accountants
Firm Reg. No. 006711N

for and on behalf of Board of Directors
Next Outdoor Limited

Vikas Kumar
(Partner)
Membership No. 75363

Rukya Ansari
Director

Tarique Ansari
Director

Place : Mumbai
Date : May 8, 2012

CASH FLOW STATEMENT

	Particulars		As at 31st Mar, 2012	As at 31st Mar, 2011
A.	**Net Cashflow from operating Activities**			
	Net Profit / (Loss) before tax		**(33,074)**	(20,241)
	Operational Profit before Working Capital		**(33,074)**	(20,241)
	Adjustments for changes in Working Capital			
	Current Liabilities		**16,309**	
	Sub-Total		**16,309**	
	Cash generated from operations		**(16,765)**	(20,241)
	Net Cash Flow from Operating Activities	**(A)**	**(16,765)**	**(20,241)**
B.	**Cash Flow from Investing Activities**			
	Net Cash Flow from Investing Activities	**(B)**	**-**	**-**
C.	**Cash Flow from financing Activities**			
	Borrowings		**16,545**	20,000
	Net Cash Flow from Financing Activities	**(C)**	**16,545**	**20,000**
	Net Increase/decrease in Cash & Cash Equivalents	**(A+B+C)**	**(220)**	**(241)**
	Cash & Cash Equivalents at the beginning of the year		**17,938**	**18,179**
	Cash & Cash Equivalents at the end of the year		**17,718**	**17,938**

As per our report of even date attached
For T.R.Chadha & Co.
Chartered Accountants
Firm Reg. No. 006711N

for and on behalf of Board of Directors
Next Outdoor Limited

Vikas Kumar
(Partner)
Membership No. 75363

Rukya Ansari
Director

Tarique Ansari
Director

Place : Mumbai
Date : May 8, 2012

NOTES TO FINANCIAL STATEMENTS

for the year ended on 31st March, 2012

1. Corporate Information

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

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 notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under historical cost convention.

3. Summary of significant accounting policies

a) Presentation and disclosure of financial statements

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified / regrouped previous figures in accordance with the requirements applicable in the current year.

b) Use of estimates

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

c) 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 in existing fixed assets, including day-today 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 derecognizing 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 derecognized.

d) 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.

Internally generated intangible assets, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which expenditure is incurred.

Notes to Financial Statements

e) Depreciation

Depreciation on fixed assets is calculated 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 XIV of the Companies Act, 1956, whichever is higher. Depreciation on additions during the year is provided on a pro-rata basis from the date of addition.

f) Impairment

The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for asset is required, the company estimates the assets recoverable amount. Assets recoverable amount is the higher of asset's or Cash generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are independent of those from other assets or groups of assets. Where carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used.

g) 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 lased item, are classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on accrual basis.

h) 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 or credited to the statement of profit and loss.

i) 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.

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.

Notes to Financial Statements

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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting 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.

m) Contingent liabilities

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.

n) Cash and Bank Balances

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.

4. Share Capital

a. Authorized and issued and paid-up capital

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Authorized Capital				
Equity Shares of Rs. 10/- each	40,00,000	4,00,00,000	40,00,000	4,00,00,000
	40,00,000	**4,00,00,000**	**40,00,000**	**4,00,00,000**
Issued, Subscribed & Paid up Capital				
Equity Shares of Rs. 10/- each fully paid	34,95,000	3,49,50,000	34,95,000	3,49,50,000
	34,95,000	**3,49,50,000**	**34,95,000**	**3,49,50,000**

Notes to Financial Statements

b. Reconciliation of the shares outstanding at the beginning and at the end of the period				
	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Shares outstanding at the beginning of the period	34,95,000	3,49,50,000	34,95,000	3,49,50,000
Add: Shares issued during the period	-	-	-	-
Less: Shares bought back during the period	-	-	-	-
Shares outstanding at the end of year	**34,95,000**	**3,49,50,000**	**34,95,000**	3,49,50,000

c. **Terms / rights attached to equity shares**
The company has only one class of equity shares having par value of Rs. 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.

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

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited	34,94,200	99.98%	34,94,200	99.98%

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

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited	34,94,200	99.98%	34,94,200	99.98%
Total	**34,94,200**	**99.98%**	**34,94,200**	**99.98%**

f. No shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment. No Shares were allotted without payment being received in cash. The company had not buy back any of the shares during the period of five years immediately preceding the balance sheet date and none of the shares were forfeited.

5. Reserves & Surplus

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Surplus		
Opening Balance	**(3,56,92,579)**	(3,56,72,338)
Add: Net Loss for the year	**(32,765)**	(20,241)
Total Reserves & Surplus	**(3,57,25,344)**	(3,56,92,579)

Notes to Financial Statements

6. Long Term Borrowings

	Non – Current Portion		Current Maturities	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Unsecured Borrowings				
Inter Corporate Loans				
- From Holding Company	**7,60,517**	7,43,972	-	-
	7,60,517	**7,43,972**	**-**	**-**

7. Other Current Liabilities

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Outstanding Expenditure	**32,854**	16,545
Total	**32,854**	**16,545**

8. Cash & Bank Balances

	Non-current		Current	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Balances with banks - In Current Account	-	-	**17,718**	17,938
Cash in Hand	-	-	-	-
	-	**-**	**17,718**	**17,938**

Non Current portion of Cash & bank Balances (If any) has been reported as other current assets.

9. General & Administration Expenses

	Period ended 31st Mar, 2012 Amount (₹)	Peiod ended 31st Mar, 2011 Amount (₹)
General & Administrative Expenses		
Legal & Professional Charges	**16,000**	-
Auditors remuneration		
- Statutory Audit Fee	**16,854**	16,545
	32,854	**16,545**

Notes to Financial Statements

10. Earnings per Share (EPS)

	March 31, 2012	March 31, 2011
Net loss for the year attributable to equity shareholders	**(33,074)**	(20,241)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	**34,95,000**	34,95,000
Weighted average number of Shares issued during the year	**-**	-
Weighted average number of equity shares at the end of the period	**34,95,000**	34,95,000
Basic and diluted earnings / (loss) (in ₹) per share	**(0.01)**	**(0.01)**

11. Contingent Liabilities

There are no contingent liabilities.

12. Taxes

The deferred tax assets as per Accounting standard – 22 on accounting of taxes, towards carried forward losses have not been recognized, as there is no certainty on realization of the same.

13. Employee Benefits

No Provision has been made for retirement benefits since there are no employees on the roll of the company.

14. Segment Reporting

The Company has no operations during the year or immediately preceding previous year; hence disclosure requirement for segment reporting as per AS – 17 is not applicable to company.

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

16. Expenditure in Foreign Currency – Nil (Previus Year – Nil)

17. Earning in Foreign Currency – Nil (Previus Year – Nil)

18. Company had not entered in any transaction with Micro, Small and Medium Enterprise during the year under review or in preceding previous year, as such no disclosure is required.

19. Related party disclosures

Names of related parties and related party relationship

a.	Holding Company	-	Next Mediaworks Limited
b.	Fellow Subsidiaries	-	One Audio Limited Radio One Limited Digital One Private Limited Next Outdoor Limited
c.	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

Related party transactions

Name of Related Party	Relation	Nature of Transaction	Amount (₹)
Next Mediaworks Limited	Holding Company	Unsecured loan received during the year	16,545 (20,000)
		Unsecured loan Outstanding at year end	7,60,517 (7,43,972)

For Next Outdoor Limited

Tarique Ansari
Director

Rukya Ansari
Director

Balance -Sheet Abstract And Company's General Business Profile

I Registration Details

Registration No	37498	State Code	11
Balance Sheet Date :- (Date Month Year)	31032012		
CIN Number	U22219MH1985PLC037498		

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

Public Issue	0	Rights Issue	0
Bonus Issue	0	Private Placements	0

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

Total Liabilities	35694	Total Assets	35694
Sources of Funds			
Paid-up Capital	34950	Reserves and Surplus	0
Secured Loans	NIL	Unsecured Loans	761
Application of Funds			
Net Fixed Assets /	0	Investments	0
Net Current Assets	-15	Misc . Expenditure	0
Accumulated Losses	35726		

IV Performance of Company (Amount in Rs. Thousands)

Turnover	0	Total Expenditure	33
Profit / Loss before Tax	(33)	Profit / Loss after Tax	(33)
Earning per share (Rs.)	(-0.1)	Dividend rate %	NIL

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

Item Code No. (ITC Code)	NIL

Service Description Radio Broadcasting Services

For and behalf of the Board
Next Outdoor Limited

Place: Mumbai
Date: May 8, 2012

Rukya Ansari
Director

Tarique Ansari
Director

DIRECTOR'S REPORT

To The Members of Radio One Limited

The Directors have pleasure in presenting the Twelfth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2012.

Financial Performance

(Amt. in Lakhs)

Particulars	2011-12	2010-11
Profit / (Loss) before Depreciation, Interest and Tax	**25.84**	405.92
Less: Depreciation	**1,169.51**	1,159.50
Interest	**633.59**	687.53
Profit Before Exceptional Item	**(1,777.26)**	(1,441.11)
Exceptional Item	**(385.42)**	(933.10)
Prior Period Item	**42.68**	-
Profit Before Tax	**(1,434.52)**	(508.01)
Deferred Tax Adjustments	**(132.83)**	103.20
Profit After Tax	**(1,301.69)**	(611.21)

Business Operations and Future Prospects: -

All the 7 (seven) stations of the Company across the country were operational during the year under review as per the Licence granted by the Ministry of Information & Broadcasting. During the year under review management with the objective of making the operations to profitability, decided to change the programming strategy for Mumbai and Delhi. The stations are playing International/English music since January 29, 2012.

The Government has announced Phase III of the FM broadcasting policy. This will extend FM radio services to around 227 new cities and offers an opportunity to company to expand our broadcasting network.

Dividend

In view of the carry forward losses, the Board of Directors of your Company do not recommend any Dividend for the year ending 31st March 2012.

Fixed Deposits

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

Directors: -

In accordance with the provisions of the Companies Act, 1956 and the Articles of association of the Company, Ms. Preet Dhupar retires by rotation and is eligible for reappointment.

Auditors: -

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

Auditors' Observation in their Report:

As on March 31, 2012, the Company has accounted Rs. 46,03,83,155/- as Deferred Tax Assets on unabsorbed

Director's Report

business losses and depreciation. The Board reviews the carrying amount of Deferred Tax Assets at each Balance Sheet date and reviews the performance of the Company vis-à-vis the plan to arrive at a conclusion for carrying forward and creating a further Deferred Tax Asset.

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

Particulars of Employees: -

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

Directors' Responsibility Statement:-

The Directors confirm that -

1. In the preparation of the annual accounts, the applicable Accounting Standards have been followed;
2. The selected and applied accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2012;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts are prepared on a going concern basis.

Employee Stock Option Scheme

The ESOP Scheme of 2007, the employees or directors; having right to exercise their option; could not take advantage of the Scheme as the vesting was possible only on listing of the Radio business. Hence, the Board decided to cancel/ terminate the Scheme in their meeting held on 28.07.2011. The Board proposed to its holding company, Next Mediaworks Ltd, to formulate a combined scheme for employees and directors of both companies.

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

a) Conservation of Energy	:	NIL
b) Technology Absorption	:	NIL
c) Foreign Exchange Earning	:	NIL
d) Foreign Exchange Outgo	:	Rs. 5,18,145/-

Acknowledgement: -

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

For and on behalf of the Board

Vineet Singh Hukmani
Managing Director

Dilip Cherian
Director

Place : Mumbai
Date : May 8, 2012

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RADIO ONE LIMITED (Formerly Radio Mid-day West (India) Limited)

1. We have audited the attached Balance Sheet of Radio One Limited ('the Company'), (formerly known as Radio Mid-Day West (India) Limited), as at March 31, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (iii) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. ***Attention is drawn to Note no. 12 to the financial statement. The management has considered factors like expected profits in future, to recognize deferred tax assets of Rs. 5,06,17,669/- during the year and Rs. 46,03,83,155/- as on the Balance Sheet date on account of unabsorbed tax losses and depreciation. We are unable to comment whether these can be considered as 'virtual certainty' prescribed under Accounting Standard 22 – "Accounting for Taxes on Income", to recognize such assets.***

   (v) Without qualifying our report, we draw attention to

      1. Provision against certain debts due for over three years more specifically described in Note no. 28 of the financial statements.

      2. Write back of royalty payable pending appeals before the courts more specifically described in Note no. 22 of the financial statements.

   (vi) Based on the written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

Auditors' Report

(vii) Subject to our observation in para (iv) above and the consequential effect thereof, in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;

(b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For T. R. Chadha & Co.
Chartered Accountants
Firm Reg. No. 006711N

Vikas Kumar
(Partner)
Membership No. 75363

Place : Mumbai
Date : May 08, 2012

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the Members' of Radio One Limited (formerly known as Radio Mid-Day West (India) Limited) on the financial statements of the year ended March 31, 2012]

(i) (a) The Company have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

(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) (a) As informed, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, and hence clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.

(e) According to the information and explanation given to us, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956 except loan from the holding company. The maximum amount involved during the year was Rs. 220 lacs and the year-end balance of loans taken from such party was Rs. 1489.08 lacs.

(f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loans are prima facie, not prejudicial to the interest of the Company.

(g) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.

(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 with regard to purchase of fixed assets and 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) (a) According to the information and explanations given to us, there were no transactions during the year under audit which need to be entered into the register maintained under section 301 of the Companies Act, 1956.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(ix) (a) *Except for delays in payment of Income tax and service tax during the year,* the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, wealth-tax, customs duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, cess and

Annexture to Auditors' Report

other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, wealth-tax, service tax, customs duty, and cess as at March 31, 2012 which have not been deposited with respective authorities on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (in Lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	5.96	2006-2007 and 2007-2008	CESTAT

(x) In our opinion, the accumulated losses of the Company exceed fifty percent of its net worth. Further, the Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us, the Company have not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

(xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis to the tune of 2439.88 lacs have been used for long-term investment.

(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company did not raise any money by way of public issue during the year.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Chetan Desai
Partner
Membership No. 17000

Place: Mumbai
Date: May 08, 2012

BALANCE SHEET

as at 31st Mar, 2012

Particulars	Refer Note No.	As at 31st Mar, 2012	As at 31st Mar, 2011
EQUITY AND LIABILITIES		₹	₹
Shareholders' funds			
Share capital	4	**1,47,20,99,100**	1,47,20,99,100
Reserves and surplus	5	**(77,87,68,644)**	(64,85,99,299)
		69,33,30,456	82,34,99,801
Non-current liabilities			
Long-term borrowings	6	**19,54,08,836**	25,64,08,836
Long-term provisions	7	**21,70,480**	19,33,802
		19,75,79,316	25,83,42,638
Current liabilities			
Short-term borrowings	8	**9,79,44,783**	5,68,49,901
Trade payables	9	**4,38,02,171**	9,88,59,630
Other current liabilities	6 & 10	**26,80,16,460**	21,66,28,636
Short-term provisions	7	**2,47,264**	4,48,350
		41,00,10,678	37,27,86,517
Total		**1,30,09,20,450**	1,45,46,28,956
ASSETS			
Non-current assets			
Fixed assets	11		
Tangible assets		**16,33,79,998**	14,84,54,548
Intangible assets		**42,25,44,948**	52,07,21,352
		58,59,24,946	66,91,75,900
Deferred tax assets (net)	12	**45,13,91,073**	43,81,07,900
Long-term loans and advances	15	**7,00,60,884**	11,09,88,214
Other non-current assets	14	**2,75,20,764**	2,76,59,570
Current assets			
Trade receivables	13	**12,01,50,485**	15,44,82,008
Cash and Bank Balances	14	**68,92,964**	2,12,83,849
Short-term loans and advances	15	**3,10,85,656**	2,78,39,539
Other current assets	16	**78,93,678**	50,91,976
		16,60,22,783	20,86,97,372
Total		**1,30,09,20,450**	1,45,46,28,956

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.
Chartered Accountants

for and on behalf of Board of Directors
Radio One Limited

Chetan Desai
(Partner)
Membership No.: 17000

Vineet Singh Hukmani
Managing Director

Dilip Cherian
Director

Pravin Karambelkar
Company Secretary

Place : Mumbai
Date : May 08, 2012

PROFIT AND LOSS STATEMENT

for the year ended 31st Mar, 2012

Particulars	Refer Note No.	Year Ended 31st Mar, 2012	Year Ended 31st Mar, 2011
REVENUE FROM OPERATIONS		₹	₹
Advertisement Revenue		**43,48,30,709**	44,13,16,965
Other income	17	**4,70,392**	48,551
Total Revenue		**43,53,01,101**	44,13,65,516
EXPENSES			
Radio license fees		**3,58,07,342**	3,40,80,596
Employee Benefit Expenses	18	**11,13,01,048**	9,42,31,452
Operating expenses	19	**13,15,15,647**	12,79,88,886
General & Administration Expenses	20	**15,40,92,176**	14,44,72,253
		43,27,16,213	40,07,73,187
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)		**25,84,888**	4,05,92,329
Depreciation & Amortization	11	**11,69,51,875**	11,59,50,350
Finance charges (Net)	21	**6,33,59,679**	6,87,52,766
Profit before exceptional and extraordinary items and tax		**(17,77,26,666)**	(14,41,10,787)
Exceptional items (Net)	22	**(38,542,811)**	(93,309,971)
Prior Period Items	23	**4,268,663**	-
Profit before tax		**(14,34,52,518)**	(5,08,00,816)
Tax expense:			
Current tax		**-**	-
Deferred tax	12	**(1,32,83,173)**	1,03,19,824
Profit (Loss) for the period		**(13,01,69,345)**	(6,11,20,640)
Earnings per equity share:	24		
Basic & Diluted		**(1.32)**	(0.83)
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.
Chartered Accountants

for and on behalf of Board of Directors
Radio One Limited

Chetan Desai
(Partner)
Membership No.: 17000

Vineet Singh Hukmani
Managing Director

Dilip Cherian
Director

Pravin Karambelkar
Company Secretary

Place : Mumbai
Date : May 08, 2012

CASH FLOW STATEMENT

	Particulars		As at 31st Mar, 2012	As at 31st Mar, 2011
A.	**Net Cashflow from operating Activities**			
	Net Profit / (Loss) before tax		**(14,34,52,518)**	(5,08,00,816)
	Depreciation		**11,69,51,875**	11,59,50,350
	Interest & finance cost		**6,33,59,679**	6,78,46,163
	Loss/(profit) on sale of fixed assets (net)		**-**	(23,297)
	Interest Income		**(4,70,392)**	(25,254)
	Provision for Doubtful Debt		**-**	1,48,26,339
	Operational Profit before Working Capital		**3,63,88,644**	14,77,73,485
	Adjustments for changes in Working Capital			
	Sundry Debtors		**3,43,31,523**	(2,37,99,944)
	Loans & Advances		**3,70,24,320**	(1,90,99,810)
	Current Liabilities & provisions		**(2,36,34,043)**	(6,76,18,559)
	Sub-Total		**4,77,21,800**	(11,05,18,313)
	Cash generated from operations		**8,41,10,444**	3,72,55,172
	Income Tax		**(19,89,502)**	(12,97,929)
	Sub-Total		**(19,89,502)**	(12,97,929)
	Net Cash Flow from Operating Activities	**(A)**	**8,21,20,942**	3,59,57,243
B.	**Cash Flow from Investing Activities**			
	Purchase of fixed Assets		**(3,37,17,422)**	(42,87,382)
	Net Cash Flow from Investing Activities	**(B)**	**(3,37,17,422)**	(42,87,382)
C.	**Cash Flow from financing Activities**			
	Borrowings		**94,882**	53,083,210
	Interest & finance cost		**(6,28,89,287)**	(6,78,20,909)
	Net Cash Flow from Financing Activities	**(C)**	**(6,27,94,405)**	(1,47,37,699)
	Net Increase/decrease in Cash & Cash Equivalents	**(A+B+C)**	**(1,43,90,885)**	1,69,32,162
	Cash & Cash Equivalents at the beginning of the year		**2,12,83,849**	43,51,687
	Cash & Cash Equivalents at the end of the year		**68,92,964**	2,12,83,849
			68,92,964	2,12,83,849

As per our report of even date attached
For Haribhakti& Co.
Chartered Accountants

for and on behalf of Board of Directors
Radio One Limited

Chetan Desai
(Partner)
Membership No.: 17000

Vineet Singh Hukmani
Managing Director

Dilip Cherian
Director

Pravin Karambelkar
Company Secretary

Place : Mumbai
Date : May 08, 2012

NOTES TO FINANCIAL STATEMENTS

for the year ended on 31st March, 2012

1. Corporate Information

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). 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 in all material respects with the accounting standard notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. 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) Presentation and disclosure of financial statements

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified / regrouped previous year figures in accordance with the requirements applicable in the current year.

b) Use of estimates

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

c) 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 in existing fixed assets, including day-today 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

Notes to financial statements

proceeds and the carrying amount of the fixed asset and are recognized in the statement of profit and loss when the asset is disposed.

d) 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.

'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.

Software's are amortized over a period of 5 years.

e) 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 XIV of the Companies Act, 1956, whichever is higher. Depreciation on additions during the year is provided on a pro-rata basis from the date of addition. Depreciation on assets costing ₹ 5,000/- or less has been charged at 100% in the year of acquisition.

f) 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.

g) 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.

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. The following specific recognition criteria must also be met before revenue is recognized.

Radio FM Broadcasting

Revenue from radio broadcasting is recognized on accrual basis. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from the revenue.

Notes to financial statements

Interest

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

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 employee's provident fund scheme is a defined contribution plan. The contribution paid / payable under the scheme is recognized during the period in which the employee renders the related service.

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

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

k) 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,

Notes to financial statements

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 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 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Authorized Capital				
Equity Shares of Rs. 10/- each	13,29,30,000	1,32,93,00,000	12,17,30,000	1,21,73,00,000
11.50% Optionally Convertible Cumulative Preference Shares of Rs. 10/- Each	2,57,70,000	25,77,00,000	2,57,70,000	25,77,00,000
	15,87,00,000	**1,58,70,00,000**	**14,75,00,000**	**1,47,50,00,000**
Issued, Subscribed & Paid up Capital				
Equity Shares of Rs. 10/- each fully paid	12,14,39,910	1,21,43,99,100	12,14,39,910	1,21,43,99,100
11.50% Optionally Convertible Cumulative Preference Shares of Rs. 10/- Each fully paid	2,57,70,000	25,77,00,000	2,57,70,000	25,77,00,000
	14,72,09,910	**1,47,20,99,100**	**14,72,09,910**	**1,47,20,99,100**

Notes to financial statements

b. Reconciliation of the shares outstanding at the beginning and at the end of the period				
	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Equity Shares				
Shares outstanding at the beginning of the year	12,14,39,910	**1,21,43,99,100**	10,07,49,761	1,0,074,97,610
Add: Shares issued during the year	-	-	2,06,90,149	20,69,01,490
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of year	**12,14,39,910**	**1,21,43,99,100**	**12,14,39,910**	1,21,43,99,100
Preference Shares				
Shares outstanding at the beginning of the year	2,57,70,000	**25,77,00,000**	2,57,70,000	25,77,00,000
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of year	**2,57,70,000**	**25,77,00,000**	**2,57,70,000**	25,77,00,000

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

The Company has only one class of equity shares having par value of Rs. 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 31st Mar, 2012 is ₹ 78,757,356 (as on 31st Mar, 2011 - ₹ 49,121,856)

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

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited (the holding Company)	8,43,76,928	69.48%	8,43,76,928	69.48%
Preference Shares				
Next Mediaworks Limited (the holding Company)	2,57,70,000	100%	2,57,70,000	100%

Notes to financial statements

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

	As at 31st Mar, 2012		As at 31st Mar, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited	8,43,76,928	69.48%	8,43,76,928	69.48%
BBC Worldwide Holdings B. V.	2,42,87,982	20.00%	2,42,87,982	20.00%
Total	**10,86,64,910**	**89.48%**	**10,86,64,910**	**89.48%**
Preference Shares				
Next Mediaworks Limited	2,57,70,000	100%	2,57,70,000	100%
Total	**2,57,70,000**	**100%**	**2,57,70,000**	**100%**

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

	Number of Shares				
	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares					
- Allotment as fully paid bonus shares by capitalization of securities premium	-	67,73,482	-	-	1,77,212
Preference Shares	-	-	-	-	-

5. Reserves & Surplus

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Securities Premium		
Opening Balance	**32,65,24,757**	28,29,26,247
Add: Securities premium Credited on Share Issue	-	11,13,33,330
Less: Premium utilized for issuing bonus shares	-	6,77,34,820
Closing Balance	**32,65,24,757**	32,65,24,757
Surplus		
Opening Balance	**(97,51,24,056)**	(91,40,03,415)
Add: Net Profit / (Loss) for the current year	**(13,01,69,345)**	(6,11,20,641)
Closing Balance	**(1,10,52,93,401)**	(97,51,24,056)
Total Reserves & Surplus	**(77,87,68,644)**	(64,85,99,299)

6. Long Term Borrowings

	Non – Current Portion		Current Maturities	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Secured Borrowings				
Term Loans (From Banks)	5,50,00,000	12,40,00,000	12,00,00,000	10,00,00,000

Notes to financial statements

Unsecured Borrowings				
Inter Corporate Loans				
- From Related Parties (Holding Company)	**13,24,08,836**	13,24,08,836	-	-
- From Others	**80,00,000**	-	-	-
	19,54,08,836	**25,64,08,836**	**12,00,00,000**	**10,00,00,000**

a Term loans are secured against movable and immovable assets of the company, present and future, having pari-passu charge on such assets of the company and further secured by pledge of certain shares of another company held by a promoter of holding company, Next Mediaworks Limited and by personal guarantee of Managing director of holding company and also secured by corporate guarantee of holding company.

b Term Loan – I from bank is repayable in 20 quarterly installments of ₹ 2,50,00,000 each.

c Term Loan – II from bank is repayable in 15 quarterly installments of ₹ 50,00,000 each.

d Unsecured inter corporate loan from related parties are payable at end of tenure of loan i.e. 36 months.

e Unsecured inter corporate loan from others of ₹ 50,00,000 & ₹ 30,00,000 are payable at end of tenure of loan i.e. 36 months & 18 months respectively.

f Current maturities of long term borrowings have been reported as other current liabilities.

7. Provisions

	Long Term		Short Term	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Provision for Employee Benefits				
Leave Encashment (Unfunded)	**21,70,480**	19,33,802	**2,47,264**	4,48,350
	21,70,480	**19,33,802**	**2,47,264**	**4,48,350**

8. Short Term Borrowings

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Secured Borrowings		
Cash Credit Facility (From Banks)	**6,14,44,783**	5,68,49,901
Unsecured Borrowings		
Inter Corporate Loans		
- From Related Parties (Holding Company)	**1,65,00,000**	-
- From Others	**2,00,00,000**	-
	9,79,44,783	5,68,49,901

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.

b Unsecured inter corporate loan from others of ₹ 1,65,00,000 & ₹ 2,00,00,000 are payable at end of tenure of loan i.e. 13 months & 9 months respectively.

Notes to financial statements

9. Trade Payables

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Taxes Payable	**4,38,02,171**	9,88,59,630
	4,38,02,171	**9,88,59,630**

10. Other Current Liabilities

	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Other Current Liabilities		
Advance Received from customers	**3,33,856**	57,54,545
Taxes Payable	**3,27,75,279**	2,12,40,916
Other Current Liabilities	**4,74,69,540**	1,76,95,487
Interest Accrued but not due on borrowings to related party (Holding Company)	**6,74,37,785**	7,19,37,688
	14,80,16,460	**11,66,28,636**

Other current liabilities also include current maturities of Long term borrowings (Refer note no. 6).

11. Fixed Assets

Amount (₹)

	Gross Block			
	As at 1st Apr, 2011	**Additions During the year**	**Deductions during the year**	**As at 31st Mar, 2012**
Tangible Assets				
Building	64,68,176	-	-	**64,68,176**
Studio Equipment	4,57,90,111	45,000	-	**4,58,35,111**
Transmitter	6,75,84,398	1,13,420	-	**6,76,97,818**
Furniture & Fixtures	6,43,35,757	6,33,104	-	**6,49,68,861**
Office Equipments	49,67,796	2,26,795	-	**51,94,921**
Computers	3,28,51,475	5,69,682	16,500	**3,34,04,657**
Air-Conditioners	93,53,839	-	-	**93,53,839**
Audio Visual Equipments	2,62,636	-	-	**2,62,636**
Common Transmission Infrastructure	-	3,21,29,421	-	**3,21,29,421**
Total Intangible Assets	**23,16,14,188**	**3,37,17,422**	**16,500**	**26,53,15,110**
Intangible Assets				
One Time Entry Fees	97,32,53,698	-	-	**97,32,53,698**
Computer Software	60,02,964	-	-	**60,02,964**
Total Intangible Assets	**97,92,56,662**	**-**	**-**	**97,92,56,662**
Total Gross Block	**1,21,08,70,850**	**3,37,17,422**	**16,500**	**1,24,45,71,772**

Notes to financial statements

	Accumulated Depreciation / Amortization			
	As at 1st Apr, 2011	For the year	On Deductions	As at 31st Mar, 2012
Tangible Assets				
Building	11,49,323	4,85,982	-	**16,35,305**
Studio Equipment	2,28,66,829	44,33,913	-	**2,73,00,742**
Transmitter	1,73,12,570	26,74,531	-	**1,99,87,101**
Furniture & Fixtures	1,77,18,134	41,64,228	-	**2,18,82,362**
Office Equipments	12,05,746	2,66,742	-	**14,72,488**
Computers	2,10,25,378	52,75,657	1,326	**2,62,99,709**
Air-Conditioners	18,13,801	4,57,228	-	**22,71,029**
Audio Visual Equipments	67,860	12,544	-	**80,404**
Common Transmission Infrastructure	-	10,05,972	-	**10,05,972**
Depreciation Tangible Assets	8,31,59,641	1,87,76,797	1,326	**10,19,35,112**
Intangible Assets				
One Time Entry Fees	45,35,16,102	9,73,25,376	-	**55,08,41,478**
Computer Software	50,19,208	8,51,028	-	**58,70,236**
Amortization of Intangible Assets	45,85,35,310	9,81,76,404	-	**55,67,11,714**
Total Depreciation & Amortization	54,16,94,951	**11,69,53,201**	**1,326**	**65,86,46,826**

	Net Block	
	As at 31st Mar, 2012	As at 31st Mar, 2011
Tangible Assets		
Building	**48,32,871**	53,18,853
Studio Equipment	**1,85,34,369**	2,29,23,282
Transmitter	**4,77,10,717**	5,02,71,828
Furniture & Fixtures	**4,30,86,499**	4,66,17,623
Office Equipments	**37,22,103**	37,62,051
Computers	**71,04,948**	1,18,26,097
Air-Conditioners	**70,82,810**	75,40,038
Audio Visual Equipments	**1,82,232**	1,94,776
Common Transmission Infrastructure	**3,11,23,449**	-
Total Tangible Assets	**16,33,79,998**	14,84,54,548
Intangible Assets		
One Time Entry Fees	**42,24,12,220**	51,97,37,596
Computer Software	**1,32,728**	9,83,756
Total Intangible Assets	**42,25,44,948**	52,07,21,352
Total	**58,59,24,946**	66,91,75,900

Notes to financial statements

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 in earlier period. However in absence of relevant details/ documents from BECIL (the government agency constructing the infrastructure), no amount was capitalized in earlier period. On receipt of relevant information from BECIL, company has capitalized the Common Transmission Infrastructure during the year. Depreciation on CTI is charged on straight line method over balance period of License at each location

12. Deferred Tax Assets (net)

As per standard on accounting for taxes on income, the company has provided ₹ 1,32,83,173 as deferred tax asset for the year.

	Opening Balance	For the year	Closing Balance
	Amount (₹)	Amount (₹)	Amount (₹)
Deferred Tax Assets			
Unabsorbed carried forward Losses	44,78,27,667	1,25,55,488	46,03,83,155
Leave Encashment	5,20,849	11,547	5,32,396
Gross deferred tax asset	**44,83,48,516**	**1,25,67,035**	46,09,15,551
Deferred Tax Liabilities			
Impact of difference between tax depreciation and depreciation / amortization charged in financial reporting	1,00,85,578	(6,90,477)	93,95,101
Gratuity	1,55,038	(25,661)	1,29,377
Gross deferred tax liabilities	**1,02,40,616**	**(7,16,138)**	95,24,478
Net deferred tax asset	**43,81,07,900**	**1,32,83,173**	45,13,91,073

13. Trade Receivables

		Current	
		As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Trade receivables outstanding for period exceeding six months from the date they are due for payment			
Unsecured, considered good		**2,94,72,842**	3,48,94,603
Unsecured, considered doubtful		**77,69,849**	2,72,03,195
		3,72,42,691	6,20,97,798
Less: Provision for doubtful debts		**77,69,849**	2,72,03,195
	(A)	**2,94,72,842**	**3,48,94,603**
Trade receivables outstanding for a period less than six months from the date they are due for payment			
Unsecured, considered good		**9,06,77,643**	11,95,87,405
	(B)	**9,06,77,643**	**11,95,87,405**
Total	(A+B)	**12,01,50,485**	**15,44,82,008**

Notes to financial statements

14. Cash & Bank Balances

	Non-current		Current	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Cash & Cash Equivalents				
Balances with banks - In Current Account	-	-	**65,40,687**	2,02,39,365
Cash in Hand	-	-	**3,52,277**	10,44,484
Other bank balances				
Deposit Account (Under lien with bank)	**1,41,50,764**	1,42,89,570	-	-
Margin Money	**1,33,70,000**	1,33,70,000	-	-
	2,75,20,764	2,76,59,570	**68,92,964**	2,12,83,849

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

15. Loans & Advances

	Long Term		Short Term	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Unsecured considered good				
Deposits	**3,64,43,729**	3,74,71,059	-	-
Capital Advances	**3,36,17,155**	7,35,17,155	-	-
Receivable from BECIL	-	-	**77,70,579**	-
Staff Loans & Advances	-	-	**2,14,536**	5,45,837
Tax Deducted at Source	-	-	**1,65,82,082**	1,45,92,580
Prepaid Expenses	-	-	**59,39,036**	1,20,16,791
Loans to related parties	-	-	**33,340**	16,795
Excess fund in Employee Gratuity fund	-	-	**5,46,083**	6,67,536
	7,00,60,884	**11,09,88,214**	**3,10,85,656**	**2,78,39,539**

16. Other Current Assets

	Current	
	As at 31st Mar, 2012 Amount (₹)	As at 31st Mar, 2011 Amount (₹)
Other Current Assets		
Interest Accrued but not due	**78,93,678**	50,91,976
	78,93,678	**50,91,976**

Notes to financial statements

17. Other Income

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Interest Income	**4,70,392**	25,254
Profit on sale of fixed assets	-	23,297
	4,70,392	**48,551**

18. Employee Benefit Expenses

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Salary, Wages & bonus	**9,89,60,429**	8,20,94,406
Contribution to PF and other funds	**32,60,375**	29,91,660
Staff Welfare expenses & other Employees expenses	**90,80,244**	83,35,386
	11,13,01,048	**9,42,31,452**

19. Operating Expenses

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Royalty	**2,74,57,688**	3,90,22,960
Radio Program creation & studio hire	**3,31,89,763**	3,01,55,331
Repairs & Maintenance - Machinery	**1,08,70,828**	87,32,400
Repairs & Maintenance - Others	**71,73,913**	56,73,431
Electricity Expenses	**1,45,93,010**	1,54,65,956
Rent	**3,82,30,445**	2,89,38,808
	13,15,15,647	**12,79,88,886**

20. General & Administration Expenses

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
General & Administrative Expenses		
Telephone charges	**67,53,433**	72,70,783
Travelling	**53,98,662**	47,20,891
Conveyance	**53,06,561**	55,79,625
Directors sitting fees	**25,000**	2,80,000
Business Promotion	**31,46,605**	90,21,148
Miscellaneous Expenses	**16,93,940**	19,79,783
Discounts & Credits	**52,13,224**	28,52,294
Advertisement Expenses	**9,65,18,688**	7,39,74,676
Balances Written Off	**2,63,096**	40,05,026

Notes to financial statements

Legal & Professional Charges	**90,85,429**	158,90,120
Printing and stationery	**13,65,080**	11,79,251
Insurance	**17,40,508**	10,35,057
Rates and Taxes	**22,17,343**	15,97,260
Bad Debts Written off	**3,44,62,953**	
Add: Provision made during the year for doubtful debts	-	1,48,26,339
Less: Provision made in earlier year for doubtful debts	**1,94,33,346**	-
	1,50,29,607	**1,48,26,339**
Auditors remuneration		
- Statutory Audit	2,00,000	1,50,000
- Tax Audit	75,000	50,000
- Other Services	60,000	60,000
	15,40,92,176	**14,44,72,253**

21. Finance Charges

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Interest Charges		
- On loans from Banks*	**3,75,41,277**	3,77,26,638
- On loans from Others	**2,55,71,547**	3,01,19,525
Bank Charges & Commission	**2,46,855**	9,06,603
* Net of Interest Income of ₹ 2,806,997 (PY ₹ 1,502,655))		
	6,33,59,679	**6,87,52,766**

22. Exceptional Items

	Year Ended 31st Mar, 2012 Amount (₹)	Year Ended 31st Mar, 2011 Amount (₹)
Lease waiver & interest thereon reversed	-	(10,96,88,515)
Royalty payable / (Reversed)	**(3,85,42,811)**	1,63,78,544
	(3,85,42,811)	**(9,33,09,971)**

Pursuant to the Final Copyright Board Order dated 25-08-2010 for revised method of calculation of royalty payable in terms of the agreement with Phonographic Performance Limited (PPL) with retrospective effect, the Company has reworked the royalty provided in earlier years and has written back as exceptional item of ₹ 3,85,42,811 representing the reversal of excess royalty which is in line with industry practice. Though PPL has preferred further appeal before the courts, the management believes that the new rate is arrived on realistic grounds and will be further ratified by the courts.

23. Prior period item represents the amount payable to Broadcast Engineering Consultants India Limited (BECIL) towards tower rent payable for earlier periods.

Notes to financial statements

24. Earnings per Share (EPS)

	March 31, 2012	March 31, 2011
Net Loss as per Profit & Loss Statement	**(13,01,69,345)**	(6,11,20,640)
Less: Dividend on Preference Shares	**2,97,16,693**	2,97,16,693
Net loss for the year attributable to equity shareholders	**(15,98,86,038)**	(9,08,37,333)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	**12,14,39,910**	10,07,49,761
Weighted average number of Shares issued during the year	-	81,06,004
Weighted average number of equity shares at the end of the year	**12,14,39,910**	10,88,55,765
Basic and diluted earnings / (loss) (in ₹) per share	**(1.32)**	**(0.83)**

25. Contingent Liabilities

a. In respect of guarantees issued by the Company's bankers ₹ 3,32,70,000 (Previous Year ₹ 3,32,70,000).

b. In respect of service tax claim under litigation ₹ 5,96,537 (Previous year ₹ 5,96,537).

c. In respect of cumulative outstanding preference dividend as on 31st Mar, 2012 is ₹ 7,87,57,356 (as on 31st Mar, 2011 - ₹ 4,91,21,856).

d. Further royalty payable if any, amount not quantifiable, in the matter covered in note no. 22.

e. Liability if any, amount not quantifiable, towards royalty to Indian Performing Rights Society (IPRS), pending final outcome of arbitration.

26. Disclosure pertaining to Micro, Small and Medium Enterprises

Sr. No	Particulars	2011-12	2010-11
1	Principal amount outstanding as at 31st March	-	-
2	Interest due on (1) above and unpaid as 31st March	-	-
3	Interest paid to the supplier	-	-
4	Payments made to the supplier beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay	-	-
6	Interest accrued and remaining unpaid as at 31st March	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-

27. Segment Reporting

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

28. Provision for Doubtful debts

Sundry debtors include debts outstanding for over 3 years aggregating ₹ 1,43,00,375, against which company has provided ₹ 77,69,849 as provision for doubtful debts. As per the management based on internal assessment done, the provision amount of ₹ 77,69,849 is sufficient.

Notes to financial statements

29. 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.

30. Lease

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

Payable Not later than one year	- ₹ Nil (Previous Year - ₹ 39,78,285)
Later than one year and not later than five years	- ₹ Nil (Previous Year - ₹ Nil)
Later than five year	- ₹ Nil (Previous Year - ₹ Nil)

31. Related party disclosures

Names of related parties and related party relationship

a.	Holding Company	-	Next Mediaworks Limited
b.	Fellow Subsidiaries	-	One Audio Limited 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 Pvt 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 **Amount (₹)**

Nature of Transactions	Holding Company	Fellow Subsidiaries	Under control of Management	Key Managerial Personnel
Interest Expenses	1,81,35,406 (2,02,38,978)		7,88,549 (-)	
Managerial Remuneration				38,05,491 (33,02,481)
Rent Paid	- (3,08,790)		- (1,93,290)	
Receipt of Unsecured Loan during the year	1,65,00,000 (13,00,00,000)		80,00,000 (-)	
Repayment of Unsecured Loan During the year	- (25,13,00,000)			
Unsecured Loan payable at end of year	14,89,08,836 (13,24,08,836)			
Unsecured Loan given During the year		16,545 (16,545)		
Unsecured Loan receivable at end of year		33,090 (16,545)		
Issue of Equity Shares	- (25,05,00,000)			

Notes to financial statements

32. Employee Benefits

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

- **Defined Contribution Plans**

  Provident Fund

  The Company has recognized ₹ 2,948,580 in Profit & Loss Statement towards employer's contribution to provident fund.

- **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 – 8.75% pa

  Rate of Increase in compensation levels (pa) – 6.00% pa

a. Change in the Present Value obligation

	Year Ended 31st Mar, 2012 Amount (₹)
Present Value of Defined Benefit Obligation as at beginning of the Period	26,06,994
Interest Cost	2,15,077
Current Service Cost	8,16,845
Benefits Paid	-
Actuarial (gain) / Loss on Obligation	(6,18,540)
Present Value of Defined Benefit Obligation as at end of the period	30,20,376

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

Present Value of Plan Assets as at beginning of the period	32,74,531
Expected Return on Plan Assets	2,70,149
Actuarial gain/(loss)on Plan Assets	21,779
Contributions	-
Benefits Paid	-
Fair Value of Plan Assets as at end of the period *	35,66,459

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	30,20,376
Fair Value of Plan Assets as at end of the period	35,66,459
Funded Asset recognised in the Balance Sheet	5,46,083
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)	-

Notes to financial statements

d. Amount Recognized in the Balance Sheet

	Year Ended 31st Mar, 2012 Amount (₹)
Present Value of Defined Benefit Obligation as at the end of the period	30,20,376
Fair Value of Plan Assets As at the end of the period	35,66,459
Liability / (Net Asset) recognized in the Balance Sheet	5,46,083

e. Expenses Recognized in the Profit & Loss Statement

Current Service Cost	8,16,845
Past Service Cost	-
Interest Cost	2,15,077
Expected Return on Plan Assets	(2,70,149)
Curtailment Cost / (Credit)	-
Settlement Cost / (Credit)	-
Net Actuarial (gain) / Loss recognised in the Period	(6,40,320)
Total Expenses recognised in the Statement of Profit and Loss	1,21,454

TThe 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 charged an amount of ₹ 483,942 as expenses on account of leave encashment payable to the employees.

33. Expenditure in Foreign Currency

Expenditure in Foreign Currency

Particulars	Current year (in ₹)	Previous year (in ₹)
i) Capital Expenditure	Nil	1,89,543
ii) Royalty	5,18,145	Nil

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

For and on behalf of Board of Directors of

Radio One Limited

Vineet Singh Hukmani
Managing Director

Dilip Cherian
Director

Pravin Karambelkar
Company Secretary

Date: May 8, 2012
Place: Mumbai

Balance -Sheet Abstract And Company's General Business Profile

I Registration Details

Registration No	11-122233	State Code	11
Balance Sheet Date :- (Date Month Year)	31032012		
CIN Number	U32201MH1999PLC122233		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placements	NIL

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

Total Liabilities	2211978	Total Assets	2211978

Sources of Funds

Paid-up Capital	1472099	Reserves and Surplus	326525
Secured Loans	236445	Unsecured Loans	176909

Application of Funds

Net Fixed Assets /	585925	Investments	NIL
Incidential Expenditure		Net Current Assets	69369
During the Construction Period } Pending Allocation to Capital/			
Other Accounts	NIL	Misc. Expenditure	NIL
Deferred Current Assets	451391	Accumulated Losses	1105293

IV Performance of Company (Amount in Rs. Thousands)

Turnover	435301	Total Expenditure	578754
Profit / Loss before Tax	-143453	Profit / Loss after Tax	-130169
Earning per share (Rs.)	(1.32)	Dividend rate %	NA

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

Item Code No. (ITC Code) NA

Service Description: Radio Broadcasting Services

For and on behalf of Board of Directors of
Radio One Limited

Place: Mumbai	**Vineet Singh Hukmani**	**Dilip Cherian**	**Pravin Karambelkar**
Date: May 8, 2012	Managing Director	Director	Company Secretary

NOTICE

NOTICE is hereby given that the 31st ANNUAL GENERAL MEETING of the Company will be held on Wednesday, August 29, 2012 at 4.00 p.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

ORDINARY BUSINESS

1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and the Profit and Loss Account for the financial year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2) To appoint a Director in place of Mr. I. Venkat, who retires by rotation at this meeting and being eligible, offers himself, for re-appointment.
3) To appoint a Director in place of Mr. Dilip Cherian, who retires by rotation at this meeting and being eligible, offers himself, for re-appointment.
4) To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Mr. Rajbir Singh Bhandal, who has been appointed as an Additional Director with effect from July 28, 2011 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the notice has been received from a member in writing, under Section 257 of the Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed as a Director of the company, liable to retire by rotation."

6) To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 269, 198, 309 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof), and subject to approval of the Central Government, the consent of the Company be and is hereby accorded for the payment of remuneration to Mr. Tarique Ansari, Managing Director of the company @ Rs. 42,00,000/- lacs per annum with effect from April 01, 2011 to June 30, 2013 on the following terms and conditions:-

   In addition to the above, the Managing Director shall be also entitled for the following perquisites which shall not be included in the computation of the ceiling on remuneration:

a) Contribution to Provident Fund, Superannuation Fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act.
b) Gratuity payable at a rate not exceeding half a months salary for each completed year of service; and
c) Encashment of Leave at the end of the tenure of the appointment.

RESOLVED FURTHER that the remuneration, consisting of salary and perquisites; including the monetary value thereof as specified above may be varied, increased, expanded, enhanced, enlarged, widened or altered in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 1956 as may be agreed to between the Board and Mr. Tarique Ansari.

Notice

"RESOLVED FURTHER THAT the Board be and is hereby authorized to alter and vary any of the terms and conditions relating to the remuneration payable to Mr. Tarique Ansari within the limits specified under the provisions of the Companies Act, 1956."

7) To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to Section 81(1A) and all other applicable provisions, of the Companies Act, 1956 ("the Act") ,the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines,1999 ("the Guidelines") (including any statutory amendment, modification or re-enactment to the Act of the Guidelines for the time being in force) and the Article of Association of the Company and subject to the such approvals, permissions, sanctions and subject to such conditions and modifications, as may be prescribed or imposed while granting such approvals, consent, permission and/or sanctions, approval consent of the company be and is hereby accorded to the Board of Directors (herein after referred to as the "Board" which term shall be deemed to include any Committee including ESOP Compensation Committee of the Board), to introduce and implement an 'Employee Stock Option Scheme' for the employees of the Company and to grant, offer, issue and allot at any time or from time to time, such number of Options, exercisable into equity shares to or to the benefit of such person(s) who are in the permanent employment of the Company or Directors of the Company, whether Whole-time or not , except the Promoter or any member of the Promoter Group as may from time to time be allowed under the prevailing laws ,rules and regulations, and /or amendments thereto from time to time on such terms and conditions as may be decided by the Board .

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, Mr. Tarique Ansari, Managing Director be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard at any stage without requiring any further consent or approval of the board in this regard, except for any clearances required by the Compensation Committee of the Board regarding compensation to key Managers as per law"

8) To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to Section 81(1A) and all other applicable provisions, of the Companies Act, 1956 ("the Act") ,the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines,1999 ("the Guidelines") (including any statutory amendment, modification or re-enactment to the Act of the Guidelines for the time being in force) and the Article of Association of the Company and subject to the such approvals, permissions, sanctions and subject to such conditions and modifications, as may be prescribed or imposed while granting such approvals, consent, permission and/or sanctions, approval consent of the company be and is hereby accorded to the Board of Directors (herein after referred to as the "Board" which term shall be deemed to include any Committee including ESOP Compensation Committee of the Board), to introduce and implement an 'Employee Stock Option Scheme' for the employees of the Subsidiary Company, Radio One Limited and to grant, offer, issue and allot at any time or from time to time, such number of Options, exercisable into equity shares to or to the benefit of such person(s) who are in the permanent employment of the Subsidiary Company or Directors of the Subsidiary Company, whether Whole-time or not , except the Promoter or any member of the Promoter Group as may from time to time be allowed under the prevailing laws ,rules and regulations, and /or amendments thereto from time to time on such terms and conditions as may be decided by the Board .

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, Mr. Tarique Ansari, Managing Director be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring any further consent or approval of the board in this regard, except for any clearances required by the Compensation Committee of the Board regarding compensation to key Managers as per law"

Notice

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**
2. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, August 22, 2012 to Wednesday, August 29, 2012 (both days inclusive) for annual closure as per the Listing Agreements.
3. Members desiring any information on the accounts at the annual general meeting are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready at the meeting.
4. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays and holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
5. As a measure of economy, copies of annual report will not be distributed at the annual general meeting. Members are requested to bring their copies of the annual report to the meeting.
6. Members are requested to notify immediately any change in their address and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents for shares held in physical form and to their respective Depository Participants for shares held in electronic form.

By Order of the Board of Directors
For Next Mediaworks Limited

Tarique Ansari
Chairman and Managing Director

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

Mumbai, May 8, 2012

Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO. 5

The Board of Directors of the company at its meeting held on July 28, 2011 appointed Mr. Rajbir Singh Bhandal as an Additional Director of the company

In terms of provisions of Section 260 of the Companies Act, 1956, read with Article 129 of the Articles of Association of the Company. Mr. Rajbir Singh Bhandal holds office of Director up to the date of the Annual General Meeting. The Company has received notice from member proposing the candidature of Mr. Rajbir Singh Bhandal for appointment as Independent Director of the Company under Section 257 of the Companies Act, 1956 with requisite deposit.

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

None of the Directors of the company other than Mr. Rajbir Singh Bhandal are interested in the above resolution.

ITEM NO. 6

Mr. Tarique Ansari was re-appointed as Managing Director of the Company for a period of 3 years w.e.f 1st July 2010 at a remuneration of Rs. 42,00,000/- per annum which was within the limit of Schedule XIII of the Companies Act, 1956, which is based on the effective capital of the Company.

However, pursuant to the demerger of the print business, the Networth of the Company has reduced and hence the maximum remuneration payable to Mr. Tarique Ansari has also decreased considerably. The remuneration committee and the Board members have proposed to atleast pay the same remuneration to Mr. Tarique Ansari as received by him for the financial year 2010-11 i.e. @ 3.5 lacs per month or in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 1956, whichever is higher; as per the discretion of the Company.

Keeping in view his contribution and dedication to the company and also the status in the media industry, the Board of Directors have considered continuation of his appointment by increase in his remuneration for a further period of three years in the best interest of the Company. The approvals from the remuneration committee and the Board were taken on October 21, 2011.

II) Other Terms and Conditions:

1) The tenure of the Managing Director shall be for a period of 3 years commencing from July 1, 2010.

2) The Managing Director shall be vested with substantial powers of the Management of the day-to-day affairs of the Company subject to the supervision and direction of the Board of Directors of the Company.

3) The Managing Director will devote his time and efforts for the business of the Company and its subsidiaries.

4) The following disclosures are being made in this Explanatory Statement in compliance with Paragraph 1(C) of Section II in Part II of Schedule XIII to the Companies Act, 1956.

5) The Company was incorporated in the year 1981 with the main object of printing and publishing of newspapers, magazines, books and journals etc.

Information about appointee:

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

Notice

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

The terms and conditions for the appointment of Mr. Tarique Ansari are in conformity with the provisions of Schedule XIII of the Companies Act, 1956 except Section II of Part II thereof. Mr. Tarique Ansari was one of the promoters of Next Mediaworks Ltd (Formerly "Midday Multimedia Ltd") and has been associated with the company since 1983. He was first appointed as Managing Director in 1985 and has been guiding the Company since then. He is neither disqualified under any Act for any reason, nor in whole-time employment in any other company.

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

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

The total remuneration drawn by Mr. Tarique Ansari for the financial year 2009-10 and 2010-11 was Rs. 42,00,000/- per annum.

Besides his remuneration, Mr. Tarique Ansari does not have any other pecuniary relationship with the Company.

Disclosures

(a) The shareholders are being informed of the remuneration package by way of explanatory statement as given above.

(b) The details of remuneration etc. of other Directors are included in the Corporate Governance Report forming part of the Annual Report of the Company.

(c) The Board of Directors and the Managing Director have reached agreement on the terms of employment. After obtaining approval from shareholders the Board will formally execute an agreement with the Managing director reflecting these terms.

(d) None of the Directors except Mr. Tarique Ansari is concerned or interested in passing of the resolution.

(E) The terms and conditions of Mr. Tarique Ansari's appointment and remuneration as set out above may also be treated as an abstract of the Agreement between the Company and Mr. Tarique Ansari pursuant to section 302 of the Companies Act, 1956.

(f) The Resolution regarding the remuneration and re-appointment of Mr. Tarique Ansari as the Managing Director of the Company is commended for acceptance by the Members.

ITEM NO. 7 & 8

The Company recognizes that in an increasingly competitive environment, people are key resources. The company therefore understands that rewarding its key and high-performing employees is critically imperative to its continued success. Consequently, the management is keen to offer stock Options to its key employees and to key employees/ Directors of its subsidiaries. It understands that a stock option plan would be ideal to ensure retention of qualified, talented and competent key personnel and to keep them continuously motivated to create value for them.

The Compensation Committee of the Board of Directors has formulated the ESOS and the Committee shall administer and monitor the ESOS through ESOP Trust

Notice

The salient features of the Scheme are set out below:

(1) Total number of Options to be granted under the Scheme

The Total number of Options to be issued by the NMW ESOP TRUST to the Employees under the ESOP is 5,77,416 Options entitling the Option Holders to subscribe to 5,77,416 Equity shares of the Company.

(2) Identification of classes of employees entitled to participate in the ESOS

The Options shall be granted to the Eligible Employees of the Company and its Subsidiary as decided by the REMUNERATION COMMITTEE.

(3) Requirement of vesting and period of vesting

The options granted shall vest so long as the employee continues to be in the employment of the Company. Vesting of the options shall take place over a maximum period of 3 years with a minimum vesting period of 1 year from the date of grant.

The following category(s) of employee shall not be eligible to participate in the ESOS:

(a) An employee who is a promoter or belong to the promoter group of the Company

(b) A person not competent to contract under Law.

The VESTING of OPTIONS is performance and time contingent. The performance criteria are indicated below.

Performance: The criteria for vesting of Option would be achievement of Business Plan. Upto 95% of the achievement of Business Plan, 100% Esops will get vested. For every percentage drop below 95%, 3 percent penalty will be imposed on the Esops to be vested.

For Example: If the achievement is 85%of the Business Plan, then, only 70% of the Esops will get vested.

The performance condition would be revised every year for each vesting period and performance test would be done during the each vesting time "Testing Period".

The vesting will be in the following graduated time scale and subject to the terms and conditions of vesting:

VESTING SCHEDULE % OF TOTAL OPTIONS

The percentage of OPTIONS that shall vest in an employee will be in the following graduated scale:

1st Vesting	End of 1year from the date of grant of Options or any extended period as may be determined by the REMUNERATION COMMITTEE	33.33%
2nd Vesting	End of 1 year from the date of 1st Vesting	33.33%
3rd Vesting	End of 1 year from the date of 2nd Vesting	33.34%

i) "Exercise Price" means, the price at which an Option Holder is entitled to subscribe to the Shares pursuant to the Exercise of the Options granted to him/her under this Scheme.

Exercise price shall be NIL for the Option Holder.

h) "Exercise Period" means a period of 12 months from the date of vesting of the option. The option would lapse if it is not exercised by the employee within such period.

Notice

EXERCISE OF OPTIONS

The Option Holder will be permitted to exercise the Options held by them during the Exercise Period only after the vesting of Options.

f) "Eligible Employee" shall means a permanent employee of the Company and it's subsidiary being Radio One Limited working in India or out of India including a Director of the Company and of Radio One Limited, whether a whole time director or not, as may be decided by the Board and who qualify for the grant of Options pursuant to this Scheme.

(a) The maximum number of OPTIONS allocable to any one EMPLOYEE shall be 2,10,000 OPTIONS entitling the Option holder to subscribe to a maximum of 2,10,000 EQUITY SHARES.

(4) Accounting Policies

The Company shall conform to the Accounting Policies specified in Schedule I to the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

(5) Valuation Method

The Company shall value its Options by using Intrinsic Value Method.

(6) Disclosure in Director's Report

The Company undertakes that in case the Company calculates the employee compensation using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of options, shall be disclosed in the Director's report and also the impact of this difference on profit and on EPS of the Company shall also be disclosed in the Director's Report."

The Board of Directors recommends these resolutions for the approval of the shareholders. None of the Directors are in any way concerned or interested in passing of these resolutions.

By Order of the Board of Directors
For Next Mediaworks Limited

Tarique Ansari
Chairman and Managing Director

Registered Office:
Peninsula Centre,
Dr.S.S. Rao Road,
Parel, Mumbai – 400 012.
Mumbai, May 8, 2012

Next Mediaworks Limited

(formerly Mid-Day Multimedia Limited)

ATTENDANCE SLIP

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

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

Joint Shareholders may obtain additional Attendance Slip on request.

DP. Id*	
Client Id*	

Regd. Folio No.	

NAME AND ADDRESS OF THE SHAREHOLDER

No. of Share(s) held:

I hereby record my presence at the **31st ANNUAL GENERAL MEETING** of the Company held on Wednesday, 29th day of August, 2012 at 4.00 p.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

Signature of the Shareholder or proxy

*Applicable for investors holding shares in electronic form.

--- TEAR HERE ---

Next Mediaworks Limited

(formerly Mid-Day Multimedia Limited)

PROXY FORM

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

DP. Id*	
Client Id*	

Regd. Folio No.	

I/We.. of .... being a member/members of Next Mediaworks Limited (formerly Mid-Day Multimedia Limited) hereby appoint .... of ....or failing him .... of .... as my/our proxy to vote for me/us and on my/our behalf at the **31st ANNUAL GENERAL MEETING** of the Company to be held on Wednesday, 29th day of August, 2012 at 4.00 p.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 or at any adjournment thereof.

Affix Re. 1 Revenue Stamp

Signed this .... day of .... 2012.

*Applicable for investors holding shares in electronic form.

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

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