



CONTENTS

Corporate Information	2
Chairman's Note	3
Management Discussion and Analysis	5
Directors' Report with Annexures	12
Corporate Governance and Shareholder's Information	17
Independent Auditors' Report of Next Mediaworks Limited with Annexures	31
Audited Financial Statements of the Company	37
Independent Auditors' Report on Consolidated Financial Statements	56
Consolidated Financial Statements of the Company	58
Details of Subsidiary Companies	
Directors' Report of Next Radio Limited	78
Independent Auditors' Report of Next Radio Limited	81
Audited Financial Statements of Next Radio Limited	86
Summary of Financial Statements of Subsidiary Companies	106
Notice with Annexures	107

CORPORATE INFORMATION

Board of Directors

Tarique Ansari
Narayan Varma
Adille Sumariwalla
I. Venkat
Dilip Cherian
Monisha Shah
Rajbir Singh Bhandal

Chief Financial Officer

Ismail Dabhoya

Company Secretary & Compliance officer

Manoj Gujran

Auditors

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

Bankers

Bank of Baroda
Tardeo Branch,
Mumbai - 400 034.

Registrar & Transfer Agent

LinkIntime India Private Limited
C-13, Pannalal Silk Mill Compound,
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 Mahatma Gandhi Hospital,
Parel, Mumbai - 400 012.
Tel: 6701 5700 / 67527038, Fax: 6701 5701
E-mail: cs@nextmediaworks.com
CIN : L22100MH1981PLC024052

**33rd Annual General Meeting
on Friday, 08th day of
August, 2014 at 4.00 p.m.
at Hall of Culture, Nehru Centre,
Dr. Annie Besant Road, Worli,
Mumbai - 400 018.**

CHAIRMAN'S NOTE



Dear Shareholders,

It gives me great pleasure to welcome you all to the 33rd Annual General Meeting of our Company.

Before I proceed to read out the performance highlights of the Company during the year 2013-14, let me share with you, very briefly, the economic & financial environment, which had a strong bearing on the overall performance of the Company.

MACRO-ECONOMIC ENVIRONMENT:

In the recent past, the Indian economy had to overcome varied challenges in its resolve to sustain its economic success. The major challenges included an unsupportive external environment, domestic structural constraints, growth slowdown and inflationary pressures. The slowdown manifested in the decline in the growth of GDP from 8.9 % in 2010-11 to 4.7 % in 2013-14.

With the change in the centre and the new government's promise of development and progress, private FM operators are hopeful that many long-standing roadblocks, including the Phase III migration, will be sorted quickly. The Ministry of Information & Broadcasting (MIB) has put out an official request for bids from e-auctioneers to conduct the Phase III auctions of FM radio, which gives us hope that the long-delayed Phase III migration process shall start by year-end.

2013-14 – AN OVERVIEW:

FICCI - KPMG India Media & Entertainment Industry Report 2014:

Radio had a good year with better long term prospects and FM radio is now becoming an integral part of many media plans. The radio industry in India is expected to witness a significant growth during the forecast period. With Phase III, the industry, which currently brings in INR14 billion revenue, will see 839 new radio stations, across 227 plus towns coming up. With this expansion, FM radio will likely touch 90 % of the Indian population, making it truly a common man's medium. The doors to expansion will be opened and the industry expects to see around 21 % year-on-year growth from 2016 onwards, assuming Phase III is fully implemented.

Financial Performance of the Company and its subsidiaries:

Consolidated Financial Performance of the Company:

Despite the difficult economic situation, the Company's consolidated performance has improved in terms of EBITDA and revenue. Consolidated revenue grew by 13% from ₹ 5217 lacs to ₹ 5896 lacs, consolidated EBIDTA grew 11% from ₹ 1637 lacs to ₹ 1819 lacs and Consolidated PBT jumped by 127% from loss of ₹ 485 lacs to profit of ₹ 133 lacs. Consolidated performance has increased mainly due to the growth in the financials of our material subsidiary, Next Radio Limited (Radio One), which has reported a tremendous growth in the financial year 2013-14.

Financial Performance of the Subsidiary:

Despite a slowdown in the economy, Next Radio Limited continued to outgrow the market on revenue and profit margins mainly due to its consistent differentiation strategy across all our seven markets. Revenue increased by 15% from ₹ 5126 lacs to ₹ 5896 lacs, EBIDTA grew by 13 % from ₹ 1842 lacs to Rs.2081 lacs. There is a profit for the year ended 31st March, 2014 of ₹ 254 lacs against the loss of ₹ 627 lacs in the previous year.

We have doubled the cash generated by the business, and with our debt retirement being on track this enables us to continue investing into our largest assets, i.e., our people, our product and future digital engagement strategies.

GOING FORWARD:

FM Radio Broadcasting:

The biggest factor in the FM radio play will be quick implementation of the much awaited Phase III licensing and migration of Phase II operators to Phase III.

With the positive assurance of the new Minister of Information & Broadcasting in respect of time bound rollout of Phase III licensing with stable policy regime and transparent mechanism, the Indian Radio industry is optimistic about its exponential growth. We look forward to a time bound implementation road map for the same, which begins with acceptance of TRAI formula for extension and a GOPA signing date that is not pushed further and further.

As per the guidelines for Phase-III of FM Radio Broadcasting issued on July 25, 2011, all cities with a population of more than one lakh can now have an FM radio station. In this phase, an additional 839 channels across 294 cities have been made available for auction.

Telecom Regulatory Authority of India (TRAI) in its recommendations dated Feb 20, 2014 on migration of FM Radio Broadcasters from Phase-II to Phase-III has laid down the cut-off date for migration to be not later than 31st March 2015, a license for 15 years and the formula for calculation of the migration fee.

This is a time of significant challenges and great excitement for us. We are committed to defining a clear and implementable future strategic path as the radio industry grows in this next phase. Our challenges will come from the need for financial and human resources and increased competition in the expanded space. We are preparing for these challenges and look forward to continuing the successful implementation of our radio strategy in the years to come.

Acknowledgement

I would like to end my address by thanking 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. With your support we will continue to contribute towards addressing the increasing needs of all Indians for entertainment.

Thank you,

Tarique Ansari

Chairman & Managing Director

Date : 29th April, 2014

Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

A. MEDIA INDUSTRY STRUCTURE AND DEVELOPMENTS:

1. Global Economy:

According to the IMF – World Economic Outlook (WEO), April 2014, global activity has broadly strengthened and is expected to improve further in 2014–15, with much of the impetus for growth coming from advanced economies. Although downside risks have diminished overall, lower-than-expected inflation poses risks for advanced economies, there is increased financial volatility in emerging market economies, and increases in the cost of capital will likely dampen investment and weigh on growth. As per the monetary policy statement of 03rd June 2014 (2014-15) of the Reserve Bank of India, global activity is evolving at different speeds and a broad-based strengthening of growth is gaining traction in the US and the UK, after a moderation in the first quarter of 2014 due to adverse weather conditions. However, in the euro area, recovery is struggling to gather momentum. Structural constraints continue to impede growth prospects in emerging market economies (EMEs), with concerns about the slowdown in China as its economy rebalances. Financial markets across the world still remain vulnerable to news about the impending normalization of interest rates in some developed economies, even as some valuations appear frothy.

2. Indian Economy:

The Indian Economy grew by 4.7% in 2013-14, following an expansion of 4.5 % in 2012-13. In the fourth quarter of 2013-14, growth remained subdued at 4.5 %, mainly due to a decline in manufacturing and mining output and the services sector grew by 5.8 percent in 2013-14, marginally higher than last year's 5.6 % growth but sharply lower than the 10-year average of 9%. After two consecutive years of sub-5 % growth, the Indian economy is likely to grow by 5.6% in 2014-15, a report by India Ratings and Research.

In seven of the last eight quarters, India's GDP has grown at less than 5% - hit by a toxic mix of high inflation, costly loan rates and poor services and industrial sector growth. A good monsoon pushed agriculture growth to 4.7% during the year. "However, current climate forecasts indicate increased likelihood of a deficient monsoon in 2014-15 that could affect farm production," Crisil, a credit rating and research firm said in a report.

High inflation and weak income prospects have dented consumer sentiments. Investment growth fell 0.4% during October to March and remained flat for the full year. There is a wave in the economy after the 10-point plan charted out by the PM, which focuses most visibly on investments in infrastructure, time-bound action and improved coordination between the Centre and states to ensure smooth implementation of new government's policies," Care, a credit rating and research firm said.

3. General Business Environment:

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

As per FICCI-KPMG – Indian Media and Entertainment Industry Report 2014, during the calendar year 2013, the Indian Media & Entertainment (M&E) industry registered a growth of 11.8 per cent over 2012 and touched INR 918 billion. The overall growth rate remained muted, with a slow GDP growth and a weak rupee. Lower GDP meant lower demand from the consumer and this impacted advertising. At the same time, the industry began to see some benefits from the digitisation of media products and services, and growth in regional media. Gaming and digital advertising were the two prominent industry sub-sectors which recorded a strong growth in 2013 compared to the previous year, albeit on a smaller base. For projections till 2018, digital advertising is expected to have the highest CAGR of 27.7 % while all other sub-sectors are expected to grow at a CAGR in the range of 9 to 18 %. Overall, the industry is expected to register a CAGR of 14.2 % to touch INR 1785.8 billion by 2018. The Indian M&E sector showed some resilience and began to grapple seriously with some structural issues it has long talked about but not engaged with. These include TV and Print industry measurement, advertising volumes, inventory and rates, actions to see digitisation through and reap its benefits, working out the MSO-LCO relationship, copyright laws and operational efficiency. Many of these remain alive and will take a few years to sort through. Others, like Phase III of radio – are still pending regulatory action.

The radio industry outperformed all other traditional media segments by clocking a growth of 15 %. Currently, clients are being forced to re-evaluate their media mix as their advertising budgets are constantly under pressure. There has been a tendency to shift focus from nationwide pure brand-building to more tactical, local, focused promotional targeting. This has played in radio's favor as it enables local reach to advertisers increasingly looking to target specific audiences and at affordable pricing. Although phase III of radio frequencies auctioning remained elusive in 2013, implementation of the same in 2014, industry players could establish their presence in over 290 tier II and tier III cities.

INDUSTRY SIZE AND PROJECTIONS

Overall industry size (INR billion)	2008	2009	2010	2011	2012	2013	Growth in 2013 over 2012	2014 P	2015 P	2016 P	2017 P	2018 P	CAGR (2013 - 2018)
TV	241	257	297	329	370.1	417.2	12.70%	479	567.4	672.4	771.9	885	16.20%
Print	172	175.2	192.9	208.8	224.1	243.1	8.50%	264	287	313	343	374	9.00%
Films	104.4	89.3	83.3	92.9	112.4	125.3	11.50%	138	158.3	181.3	200	219.8	11.90%
Radio	8.4	8.3	10	11.5	12.7	14.6	15.00%	16.6	19	23	27.8	33.6	18.10%
Musics	7.4	7.8	8.6	9	10.6	9.6	-9.90%	10.1	11.3	13.2	15.1	17.8	13.50%
ODH	16.1	13.7	16.5	17.8	18.2	19.3	5.90%	21.2	23.1	25.2	27.5	30	9.20%
Animation & VFX	17.5	20.1	23.7	31	35.3	39.7	12.50%	45	51.7	60	70.2	82.9	15.90%
Gaming	7.0	8	10	13	15.3	19.2	25.50%	23.5	28	32.3	36.1	40.6	16.20%
Digital Advertising	6	8	10	15.4	21.7	30.1	38.70%	41.2	55.1	69.7	88.1	102.2	27.70%
Total	580	587	652	728	821	918	11.80%	1039	1201	1390	1580	1786	14.20%

Source: KPMG in India analysis and industry discussions

Media and Entertainment Industry past revenues and projected growth as per FICCI KPMG 2014 Report

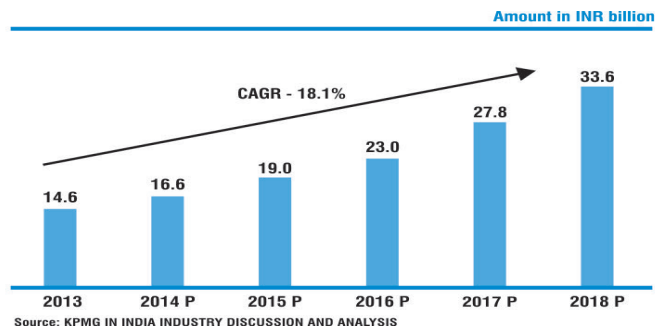
(Source: Indian Media and Entertainment Industry to touch FICCI – KPMG report)

B. RADIO INDUSTRY – FUTURE OUTLOOK, OPPORTUNITIES AND THREATS:

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

1. Future Outlook - Projected size of the industry

The Radio industry in India is expected to witness a significant growth during the forecast period. In the short term, 2014 may not see any massive change, specially, in the first half. However, it is expected that Phase III, as and when it is a reality, will definitely add to the industry volume. The industry, which currently brings in INR14 billion revenue, will see 839 new radio stations, across 227 plus towns coming up. With this expansion, FM radio will likely touch 90 percent of the Indian population, making it truly a common man's medium. The doors to expansion will be opened and the industry expects to see around 21 per cent year-on-year growth from 2016 onwards, assuming Phase III is in full steam.



2. Phase III policy of Radio Business:

In India's commercial radio industry, Phase III of offering frequencies to private players is expected to take place in CY 2014. As per the guidelines for Phase-III of FM Radio Broadcasting issued on July 25, 2011, an additional 839 channels across 294 cities have been made available for auction. The rollout of Phase III would provide a boost to broadcasting regional media content. Advertisers would also have additional avenues to take their brands to consumers through Phase III of radio. In addition to more licenses, the industry is hopeful that regulations pertaining to the networking of content and multiple station ownership in one market are also revised. Currently, 242 FM channels operate in 85 cities. These are run by 37 firms and include 21 channels which migrated from Phase-I to Phase-II.

Salient features of Phase III policy are:

- 839 additional channels in 294 cities across the country are being offered for auction.
- Permission for the channels shall be granted on the basis of Non-Refundable One Time Entry Fee (NOTEF) which shall be arrived at through an ascending e-auction process, on lines followed by DOT in 3G and BWA spectrum auction.
- Validity of license is 15 years from date of operationalisation of the channel.
- Annual License Fee will be charged @ 4% of Gross Revenue (GR) or 2.5% of NOTEF, which is higher. GR will be calculated without deduction of taxes and agency commission on basis of billing rates, net of discounts to advertisers.
- Allowed to own more than one channel but not more than 40% of total channels in a city subject to min of 3 diff operators in a city.
- No entity will be permitted to hold more than 15% of all channels allotted in a country.
- FDI limit of 26% permitted.
- Networking of channels will be permissible within a broadcaster own network across the country subject to 20% of the total broadcast in a day is in the local language of the city and promotes local content.
- Permitted to carry the news bulletin of AIR in exactly SAME FORMAT.

Telecom Regulatory Authority of India (TRAI) in its recommendations dated Feb 20, 2014 on migration of FM Radio Broadcasters from Phase-II to Phase-III laid down the following important points:

- Cut-off date, for the existing FM radio operators, for migration from Phase-II to Phase-III of FM Radio broadcasting should be fixed by Ministry of Information and Broadcasting (MIB) after the completion of auction process for Phase-III of FM Radio. Such a cut-off date for migration should not be later than 31st March 2015.
- Period of permission for the existing operators, who migrate from Phase-II to Phase-III, should be fifteen (15) years from the date of migration.
- Formula for calculation of migration fees.
- The methodology for determining the reserve price for fresh cities in Phase-III should be reconsidered as the current methodology might jeopardise the auction.

3. Penetration into Digital Media:

The feeling that “digital” would be the future of radio was near unanimous. A few radio stations have already started online channels, while others have created apps and are looking to exploit the potential of social media in reaching out to new audiences.

During the year the Company has penetrated into digital business. The Media Companies are already seeing their consumers move online, adding to their regular media consumption. Worldwide experience shows that savvy media brands are able to grow their audience size by making themselves available online. The Company has started web/ online streaming the Mumbai and Delhi international stations. It means that it can be heard anywhere in India at www.radioone.in by visiting at this site one can listen to the online stream on their computers or phones from whichever city they are in.

4. Radio One’s Online presence:

We have one of the India’s most popular radio websites with a strong presence on social networking sites like Facebook and You Tube. We offer a variety of content like

- a) two specially created streaming stations;
- b) interaction with RJs;
- c) autographs and photos of film stars visiting our studios; and
- d) Contests for listeners, etc.

C. RISKS AND CONCERNS:

1. Macro-Economic Risk:

The performance of the advertising industry is directly proportionate to the fortune of the economy. As an economy slows down, advertisers cut spends as a means of managing their profits. While the overall outlook of the Indian economy is turning positive, growth is expected to be slower in the recent past. The combined impact of moderating growth, high inflation and monetary tightening can adversely impact budgets of the Companies, which forms the largest component of the revenue for the radio companies.

2. Operational and Financial Risks:

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

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

1. Financial Performance of the Company in FY 2013-14:

During the year Next Mediaworks Ltd registered a loss before exceptional items of ₹ 352.07 lakhs, as compared to a loss of ₹ 289.44 lakhs for the financial year 2012-13. The loss in the current financial year is due to absence of any operating revenue to the Company. The operating cost of the Company has come down from ₹ 296.01 in the financial year 2012-13 to ₹ 261.03 in the current financial year a sharp decline of 11.82% in the cost.

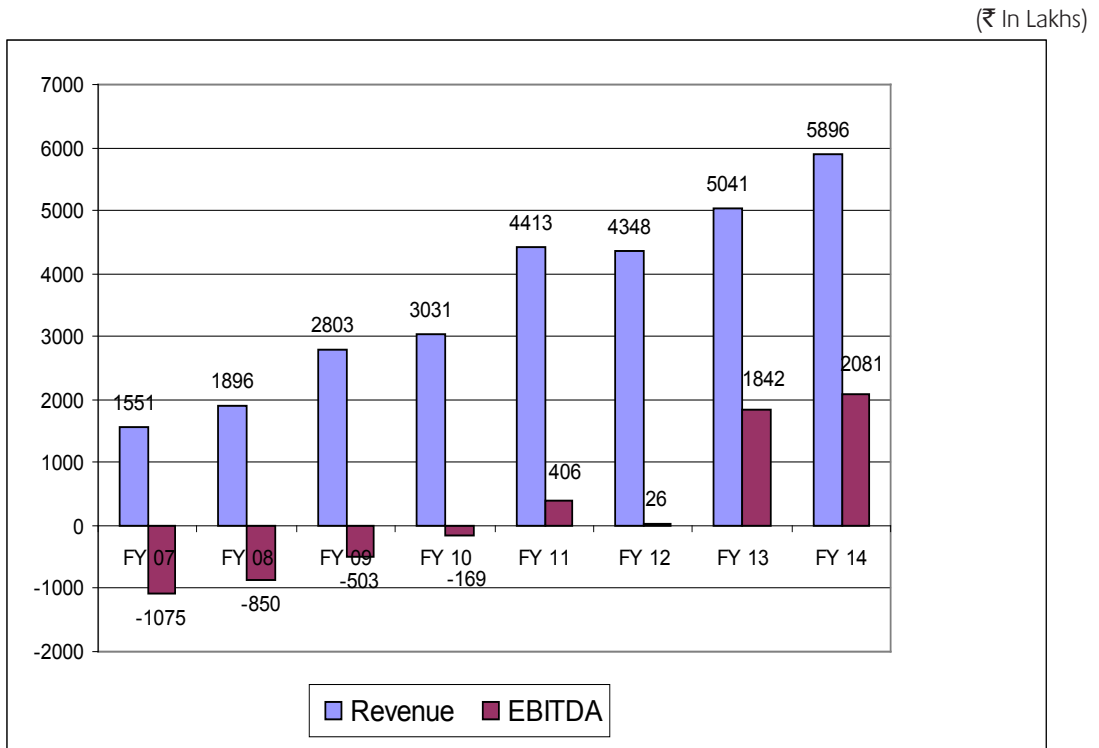
2. Financial Performance of the Subsidiary Company’s (FM Radio operations) in FY 2013-14:

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.

- Building locally differentiated stations with high ‘associative value’ in each city ; and
- 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.

During the FY 2013-14, Next Radio Limited (Radio One) revenues are up 16.97 % in FY 2013-14, rising to ₹ 5896.56 lakhs and EBIDTA of ₹ 2081.40 lakhs in FY 2013-14. Radio One has attained transformational turnaround in EBIDTA, PBIT and PBT in the FY 2013-14.



3. Group Financial Performance for the FY 2013-14:

This Group performance is in context of the performance of Next Mediaworks Limited (consolidated with Next Radio Ltd and other subsidiaries). Next Radio Limited is the substantive part of the group financial performance. Through this note, we are providing shareholders the details on the performance of the financial year ended March 31, 2014.

(₹ in Lakhs)

Particulars	Next Mediaworks Ltd	Next Mediaworks Ltd	Next Radio Ltd	Next Radio Ltd	Group Consolidated
	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13	FY2013-14
Operating Revenue	-	0.08	5896.56	5041.14	5896.56
Other Income	-	151.11	-	84.77	-
Operating Costs	261.03	296.01	3815.16	3283.89	4077.12
EBITDA	-261.03	-144.82	2081.4	1842.02	1819.44
Finance Charges (Net)	90.47	117.32	366.74	570.69	457.22
Depreciation	0.57	27.3	1228.81	1211.99	1229.38
Profit / (Loss) before exceptional items	-352.07	-289.44	485.85	59.34	132.84
Exceptional Items	-	-161.71	-	385.43	-
Prior Period Items	-	-	-	30.31	-
Profit / (Loss) Before Tax	-352.07	-127.73	485.85	-356.4	132.84
Deferred Tax	-	-30.47	231.97	270.52	231.97
Profit After Tax	-352.07	-97.26	253.88	-626.92	-99.13

4. Group Consolidated Financial Cost Analysis:

Particulars	FY 2013-14 (₹ in lakhs)	(% to Net Sales)	FY 2012-13 (₹ in lakhs)	(% to Net Sales)
Radio License Fees	419	7	388	8
Employee Costs	1361	23	1191	24
Operating Expenses	1390	23	1244	25
General & Administration Expenses	907	15	758	15
Interest & Finance Charges	457	8	629	12
Depreciation	1229	21	1239	25

The Interest & Finance Charges have reduced in the FY 2013-14.

E. Internal Control Systems And Their Adequacy:

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

F. Material Developments In Human Resources/ Industrial Relations Front, including Number Of People Employed:

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

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

Maintaining Global Standards on the employment front and keeping pace with the ever developing technology in the field, the company has taken several initiatives to make its workforce more efficient, well organized, professional and skilled. These steps include building high performing teams, encouraging innovations, inducting leadership at all levels, readying its people for higher roles, increasing the scope for the search of young talent and improving the hiring process to raise the talent bar. As on March 31, 2014, the employee strength (on permanent role) of Next Radio Limited (material subsidiary of your Company) was 101.

Cautionary Statement

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

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

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors are pleased to present the 33rd Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31st March 2014.

Financial Performance of the Company:

(₹ in lakhs)

Particulars	2013-14	2012-13
Profit before Interest, Depreciation, Taxes & Exceptional Items	(261.03)	(144.82)
Less : Interest	90.47	117.32
Depreciation	0.57	27.30
Less: Exceptional Item	-	(161.71)
Profit / Loss before taxes	(352.07)	(127.73)
Less: Provision for Taxation	-	(30.47)
Net Profit / Loss after Tax	(352.07)	(97.26)

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. Also the financial performance is discussed in detail in the Management Discussion and Analysis Report which forms the part of the Annual Report.

Company Performance:

During the year under review, the Company has incurred a loss of ₹ 352.07 lakhs from Loss of ₹ 127.73 lakhs in last year. The Company made a net loss after tax of ₹ 352.07 in FY 2013-14 as compared to ₹ 97.26 lakhs in FY 2012-13. Your Directors are continuously looking for avenues for future growth of the Company.

Consolidated Financial Statements:

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard. The Auditors Report to the shareholders thereupon does not contain any qualification.

- Total Income grew by 13% from ₹ 5217.88 lakhs in FY 2012-13 To ₹ 5896.56 lakhs in FY 2013-14.
- Profit Before Tax (PBT) stands at ₹ 132.84 lakhs in the FY 2013-14 from the loss of ₹ 484.94 lakhs in FY 2012-13
- During the Current Year, the Loss has been reduced from ₹ 724.97 lakhs in FY 2012-13 to ₹ 99.14 lakhs in FY 2013-14.
- During the year the Long Term Borrowing has been reduced from ₹ 1933.23 lakhs to ₹ 1471.27 lakhs.

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 2013 - 2014.

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 terms of the Articles of Association, Mr. I. Venkat, and Mr. Dilip Cherian, Directors retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Audit Committee:

The Audit Committee of the Company presently comprises of Mr. Narayan Varma (Chairman), Mr. I.Venkat, Mr. Tarique Ansari and Mr. Adille Sumariwalla. The Internal Auditors of the Company M/S T.R.Chaddha & Co. report directly to the Audit Committee. Brief description of the terms of reference of the Audit Committee has been furnished in the Report on Corporate Governance.

Buy-Back of Shares:

During the financial year under review, the Company has not offered to buy-back any of its outstanding shares.

Share Capital & Listing of Securities:

The equity shares of the Company are listed and admitted to dealings on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the Annual Listing has been paid to each exchange before 30th April, 2014.

Corporate Governance:

A separate report on Corporate Governance is enclosed as a part of the Annual Report alongwith the Certificate of the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Management Discussion and Analysis Report:

Management Discussion and Analysis Report for the financial year required as per the Clause 49 of the Listing Agreement is hereby annexed as a separate section forming part of the Annual 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.
5. Proper systems are in place to ensure compliance of all laws applicable to the Company.

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.

The Company has received letter from the Auditor that their re-appointment, if made, would be within the prescribed limits under section 141(3)(g) of the Companies Act, 2013 and they are not disqualified for re-appointment.

Auditors' Observation in their Report:

The Company's exposure in its subsidiary Next Radio Limited through investments aggregating ₹ 15,602.86 lakhs as on March 31, 2014. Though net worth of the subsidiary is substantially eroded, no provision for impairment on this account as well as on goodwill on consolidation is considered necessary by the management taking into consideration the nature of Radio business and improvement in performance of the subsidiary.

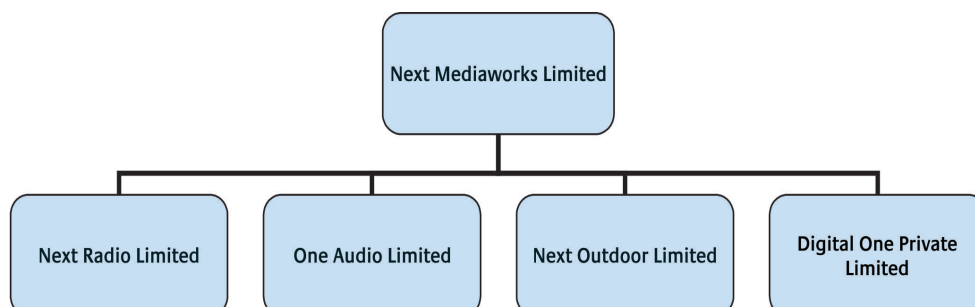
As on 31st March 2014, the Company has recognized Deferred Tax Assets of ₹ 110.02 Lacs on unabsorbed Business Losses/ unabsorbed Depreciation on the basis of expected profits in future. This is not in accordance with Accounting Standard 22 on "Accounting for Taxes on Income" which requires that such assets should be recognized to the extent that there is virtual certainty supported by convincing evidence that the future taxable income will be available against which such assets can be realized. In our opinion such expectation cannot be considered as virtual certainty to recognize such assets. Consequently the relevant asset and the reserves and surplus are overstated by ₹ 110.02 lacs.

Subsidiary Companies:

As required under section 212 (1) (e) of the Companies Act, 1956, the audited statements of accounts, along with the Directors Report and the Auditors Report relating to the Company's operating subsidiary Next Radio Limited and a summary of the financial statements relating to the Company's subsidiaries Digital One Private Limited, One Audio Limited, Next Outdoor Limited thereon for the year ended March 31, 2014 are annexed.

Next Radio Limited is the Company's wholly owned subsidiary. Next Radio Limited recorded total revenue of ₹ 5897 lakhs, EBITDA stood up at ₹ 2081 lakhs and this year Next Radio Limited has made a turnaround profit of ₹ 254 lakhs as against the loss of ₹ 627 lakhs in the previous financial year.

The Ministry of Corporate Affairs, vide its Circular No.2/2011 dated February 08, 2011, has granted general exemption under Section 212(8) of the Companies Act, 1956, for not attaching annual reports of subsidiary companies subject to certain conditions being fulfilled by the Company. As required under the said circular, the Board of Directors, at its meeting held on April 29, 2014, passed a resolution giving consent for not attaching the Balance Sheet of the subsidiary companies. The shareholders who wish to have a copy of the full report and accounts of the subsidiaries will be provided the same on the receipt of a written request from them. These documents will be placed on the Company's website viz. www.nextmediaworks.com and will be available for inspection by any shareholder at the registered office 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.

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

Narayan Varma
Director

Place: Mumbai

Date: April 29, 2014

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE – 'A'

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

Sr. No.	Name of the Subsidiary	Digital One Pvt. Ltd.	Next Outdoor Limited	One Audio Limited	Next Radio 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 49,994 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 9,64,30,770 Equity Shares of Rs. 10 each out of the total issued and subscribed 13,34,93,757 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, 2014	(0.32)	(0.33)	(0.28)	183.40
	For the previous Financial years since it became subsidiary	(0.18)	(0.28)	(0.34)	(452.89)

2. 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.

CORPORATE GOVERNANCE

The Directors present the Company's report on Corporate Governance for the year ended March 31, 2014.

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

The Company has a broad based Board of Directors, constituted in compliance with the relevant guidelines issued by Companies Act, Listing Agreement and in accordance with best practices in Corporate Governance.

Currently, the Board comprise of Mr. Tarique Ansari, Executive Chairman & Managing Director and six Non-Executive Independent Directors. Mr. Narayan Varma, Mr. Dilip Cherian, Mr. Adille Sumariwalla, Mr. I. Venkat, Ms. Monisha Shah and Mr. Raj Singh Bhandal are Independent Directors as defined in Clause 49 of the Listing Agreement.

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.

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, 2014.

Meetings of the Board

The meetings of the Board are generally held at its Registered Office at Peninsula Centre, 2nd Floor, Dr. S. S. Rao Road, Parel, and Mumbai - 400012. The Board met four times during the year on April 25, 2013, July 31, 2013, October 31, 2013 and February 4, 2014.

The Company Secretary prepares a detailed agenda and the explanatory notes, in consultation with the Chairman & Managing Director and circulates the same in advance to the Directors. Every Director is free to suggest inclusion of items on the agenda. The Board meets atleast once every quarter, inter alia, to review the quarterly results.

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

With a view to conserve natural resources, provide better operational convenience to the Board members and to ensure security of sensitive information, the Company has, during the year, moved to an electronic system of circulating the Board agenda and minutes.

The attendance of the members of the Board at the meetings held during the year and at the last Annual General Meeting (AGM) and also the number of other Directorships & Memberships/ Chairmanships of Committees as on March 31, 2014 is as follows:

Director	Nature of Directorship	Meetings held during the year	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships in other Public companies#	No. of Committee Memberships (including in Company) ##	
						Member	Chairman
Mr. Tarique Ansari	CMD	4	4	Present	4	2	-
Mr. Narayan Varma	ID	4	4	Present	1	2	1
Mr. Dilip Cherian	ID	4	1	-	3	1	1
Mr. Adille Sumariwalla	ID	4	4	Present	1	3	1
Mr. I. Venkat	ID	4	3	Present	3	1	-
Ms. Monisha Shah	ID	4	4	-	-	-	-
Mr. Raj Singh Bhandal	ID	4	3	-	-	-	-

Excluding Directorships in Foreign companies, Private Limited companies, companies under Section 25 of the Companies Act, 1956.

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

CMD – Chairman & Managing Director ID – Independent Director

- None of the above Directors is related inter-se.
- The Committee Chairmanships/ Memberships are within the limits laid down in Clause 49 of the Listing Agreement.

3. Information to the Board:

The Board of Directors has complete access to the information within the Company, which inter alia includes –

- Annual revenue budgets and capital expenditure plans of the Company and its subsidiaries.
- Quarterly results and results of operations of subsidiaries.
- Financing plans of the Company.
- Minutes of meetings of the Board of Directors, Audit Committee, Shareholders'/ Investors' Grievance Committee and Remuneration Committee.
- Minutes of the Board Meetings of material subsidiaries.
- Details of potential acquisitions or collaboration agreement.
- Material default, if any, in financial obligation to and by the Company or substantial non-payment for services rendered, if any.
- Any, issue, which involves possible public liability claims of substantial nature, including any judgement or Order, if any, which may have strictures on the conduct of the Company.
- Developments in respect of human resources.
- Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as delay in share transfer, etc., if any.

4. Post-meeting internal communication system:

The important decisions taken at the Board/ Committee Meetings are communicated to the concerned departments/ subsidiary companies promptly.

Board Committees

The Board has constituted the following committees:

- Audit Committee;
- Shareholders'/ Investors' Grievance Committee; and
- Remuneration Committee.

1. Audit Committee

(i) Terms of reference:

The role of the Committee includes the following:

- a) Oversight 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;
- h) To review the functioning of the Whistle Blower Policy.
- i) Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

(ii) Composition:

The Audit Committee was formed in February 22, 2001 and as on March 31, 2014, the Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Narayan Varma	Chairman	Independent
Mr. Tarique Ansari	Member	Executive
Mr. Adille Sumariwalla	Member	Independent
Mr. I. Venkat	Member	Independent

(iii) Meetings:

The Committee met four times during the year on April 25, 2013, July 31, 2013, October 31, 2013 and February 4, 2014. The attendance of members at the meetings was as follows

Name of the Director	No. of Meetings held during the year	No. of Meetings attended
Mr. Narayan Varma	4	4
Mr. Tarique Ansari	4	4
Mr. Adille Sumariwalla	4	4
Mr. I. Venkat	4	3

All the members of the Audit Committee are financially literate and having accounting or related financial management expertise. The Chief Financial Officer and the representatives of Internal Auditors and the Statutory Auditors are the permanent invitees to the Audit Committee Meetings. The Company Secretary is the secretary to the Committee.

(iv) Internal Audit:

M/s. T R Chadda & Co., the Internal Auditors of the Company, provide internal audit services to the Company.

2. Shareholders/Investors' Grievance Committee:

(i) Terms of reference:

The role of the Shareholders'/ Investors' Grievance Committee includes the following:

- Review of cases for refusal of transfer/ transmission of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of declared dividends, non-receipt of Balance Sheet, etc.;
- Reference to statutory and regulatory authorities regarding investor grievances' and
- Otherwise ensuring proper and timely attendance and redressal of investor queries and grievances.

(ii) Composition:

The Shareholders'/ Investors' Grievance Committee of the Board was formed in March 22, 2001 and as on March 31, 2014 the Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Adille Sumariwalla	Chairman	Independent
Mr. Tarique Ansari	Member	Executive

(iii) Meetings:

The Committee met one time during the year on 14th January 2014. The attendance of the members at the meetings was as follows:

Name of the Director	No. of Meetings held during the year	No. of Meetings attended
Mr. Adille Sumariwalla	1	1
Mr. Tarique Ansari	1	1

(iv) Details of Shareholders' Requests/ Complaints:

During the year under review, the Company has resolved investor grievances expeditiously. During the year under review, the Company/ its Registrar received the following complaints from SEBI/ Stock Exchanges and queries from the Shareholders, which were resolved within the timeframe laid down by SEBI.

Particulars	Opening Balance	Received	Resolved	Pending
Complaints:				
SEBI/ Stock Exchanges	Nil	1	1	Nil
Queries:				
Transmission/ Transfer	-	-	-	-
Demat/ Remat	Nil	2	2	Nil

3. Remuneration Committee

(i) Terms of reference

The role of the Remuneration Committee includes the following:

- To review the overall compensation policy, service agreements and other employment conditions of Executive Directors

- To review the overall compensation policy for Non-Executive Directors and Independent Directors and make appropriate recommendations to the Board of Directors.
- To make recommendations to the Board of Directors on the increments in the remuneration of the Directors

(ii) Composition:

The Remuneration Committee of the Board was formed in March 22, 2001 and as on March 31, 2014 the Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Dilip Cherian	Chairman	Independent
Mr. Adille Sumariwalla	Member	Independent
Mr. Narayan Varma	Member	Independent

(iii) Meeting:

The Committee met one time during the year on 25th April 2013. The attendance of the members at the meetings was as follows:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Dilip Cherian	Chairman	Independent
Mr. Adille Sumariwalla	Member	Independent
Mr. Narayan Varma	Member	Independent

(iv) Remuneration Policy:

The remuneration of the Board members is based on the Company's size, its economic and financial position, industrial trends and compensation paid by peer companies. The Company pays remuneration to the Managing Director by way of salary, perquisites, retirement benefits, based on recommendations of the Remuneration Committee, approval of the Board and the Shareholders.

The Non-executive Directors are paid remuneration by way of sitting fees. The Company pays sitting fees of ₹10,000 per meeting to the Non-Executive Directors for attending the meetings of the Board and Committees.

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.

As required by the provisions of Clause 49 of the Listing Agreement, the criteria for payment to Non-Executive Directors is made available on the investors desk page of the corporate website, i.e., www.nextmediaworks.com.

(v) Details of remuneration paid to Directors for the year ended March 31, 2014:

(a) Executive Director(s):

The details of remuneration paid to the Executive Director are as follows:

Name of the Director	Salary	Perquisites	Total
Mr. Tarique Ansari	₹ 41.40 Lakhs	₹ 15.20 Lakhs	₹ 56.60 Lakhs

During the year the Company has paid remuneration of ₹ 56.60 Lakhs 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 has been taken at the 32nd Annual General Meeting of the Company held on July 31, 2013.

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

(b) Non-Executive Directors:

The details of remuneration paid/ payable to the Non-Executive Directors are as follows:

Name of the Director	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Total
Mr. Narayan Varma	40,000	40,000	80,000
Mr. Adille Sumariwalla	40,000	40,000	80,000
Mr. I. Venkat	30,000	30,000	60,000
Mr. Dilip Cherian	10,000	-	10,000
Ms. Monisha Shah	40,000	-	40,000
Mr. Raj Singh Bhandal	30,000	-	30,000

Details of shares held by the Non-Executive Directors as on March 31, 2014 are as follows:

Name of the Director	No. of shares
Mr. Tarique Ansari	4337298
Mr. Adille J. Sumariwalla	5875

D. Directors on Boards of Material Subsidiaries

The Company has ensured that at least one Independent Director of the Company is a Director on the Board of its material non-listed Indian subsidiary, Next Radio Limited. As at March 31, 2014, Mr. Dilip Cherian, Mr. Adille Sumariwalla and Ms. Preet Dhupar are Non-Executive/ Independent Directors and Mr. Vineet Singh Hukmani is the Executive Director on the Board of Next Radio Limited.

Next Radio Limited is a material non-listed Indian subsidiary of the Company. Its turnover or net worth exceeds 70% 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 Next Radio Limited are individually given to all the Directors and tabled at the subsequent Board Meetings.

E. Other Information

Information to Directors:

The Board of Directors has complete access to the information within the Company, which inter alia, includes items as mentioned in point no. B3 of the Corporate Governance Report. Presentations are made regularly to the Board and its Committees, where Directors get an opportunity to interact with the management. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board/ Committee Meetings, when Senior Management Personnel are asked to make presentations about the performance of the Company of the Board.

Risk Management Framework:

The Company has in place methods to inform Board members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly defined framework. A detailed note on risk management is given in the Management Discussion and Analysis Report forming part of the Annual Report.

Statutory Auditors:

The Board has recommended to the Shareholders, the re-appointment of Haribhakti & Co. as Statutory Auditors. Haribhakti & Co has furnished a declaration confirming their independence as well as their arm's length relationship with the Company, also declaring that they have not taken up any prohibited non-audit assignments for the Company. The Company has robust internal control systems and risk management framework, review of Auditors' performance by the Audit Committee. Mr. Atul Gala has signed the Auditor's Report for FY 2013-14 on behalf of Haribhakti & Co.

Code of Conduct:

The Company has laid down a Code of Conduct for all Board members and Senior Management Personnel. The Code of Conduct is available on the website of the Company i.e. www.nextmediaworks.com. The declaration of Chairman and Managing Director is given below:

To the shareholders of Next Mediaworks Limited

Sub: Compliance with Code of Conduct

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company as adopted by the Board of Directors.

Tarique Ansari

Chairman & Managing Director

Date: 29th April, 2014

Place: Mumbai

General Body Meetings:

The Annual General Meetings for the financial years 2010-11, 2011-12 and 2012-13 were held as under and the following Special Resolutions were passed by the Shareholders during the past three Annual General Meetings:

Financial Year	Date of AGM/ EGM	Venue & Time of AGM	Purpose of Special Resolutions passed at AGM/EGM
2010-11	08.09.2011 (AGM)	Kamalnayan Bajaj Hall Auditorium, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021 at 4.00 p.m.	No Special Resolution was passed
2011-12	29.08.2012 (AGM)	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 at 4.00 p.m.	(i)Special Resolution was passed to approve the remuneration to Mr.Tarique Ansari as a Managing Director (ii)Special Resolution was passed to approve implementation of ESOP Scheme (iii)Special Resolution was passed to approve implementation of ESOP Scheme to Radio One Limited
2012-13	31.07.2013 (AGM)	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 at 4.00 p.m.	(i) Special Resolution was passed for the Re-appointment of Mr.Tarique Ansari as the Managing Director of the Company. (ii)Special Resolution was passed for Payment of Remuneration to Mr.Tarique Ansari as the Managing Director of the Company

Disclosures

- During the year, there were no transactions of material nature with the Directors, Management, their relatives or the subsidiaries, that had potential conflict with the interests of the Company.
- Details of all related party transactions form a part of the accounts as required under AS 18 and the same forms part of the Annual Report.
- The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2011 while preparing the Financial Statements.
- The Company has complied with all the regulatory requirements and there were no instances of non-compliance on any matter related to the capital markets, during the last three financial years

Means of Communication

- Quarterly Results are communicated through a press release and newspaper advertisements in prominent national and regional dailies like Free Press Journal and Navshakti.
- The financial results and official news releases are also displayed on the website of the Company i.e. www.nextmediaworks.com
- The Annual Report is circulated to all the shareholders, auditors, etc
- Management Discussion and Analysis forms a part of the Annual Report which is mailed to the shareholders of the Company.

General Shareholders' Information:

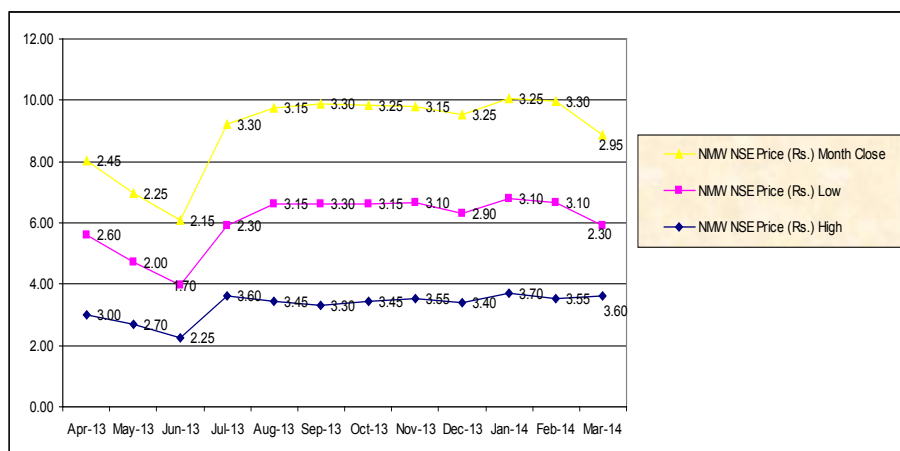
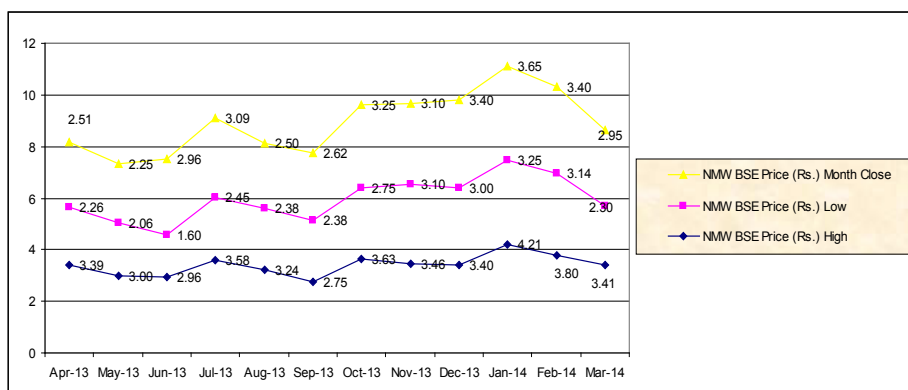
Annual General Meeting	August 08, 2014
Financial Year	April 01, 2013 to March 31, 2014
Date of Book Closure	August 01, 2014 To August 08, 2014 (both days inclusive).
Dividend Payment	No Dividend
Listing on Stock Exchanges	1)Bombay Stock Exchange Limited 2)National Stock Exchange of India Limited The Company has paid the listing fees to the Stock Exchanges.
Stock Code	BSE: 532416 NSE: NEXT MEDIA EQ NSDL/CDSL - ISIN - INE747B01016
Registered office of Company	Peninsula Centre, Dr. S. S. Rao Road, Parel, Mumbai – 400 012 Tel: 6701 5700/10 Fax: 67015701 Email: cs@nextmediaworks.com Web site: www.nextmediaworks.com

Financial Calendar (tentative and subject to change)

Particulars	Date
Annual General Meeting	August 08, 2014
Financial reporting for 1st Qtr ended June 30, 2014	August 08, 2014
Financial reporting for 2nd Qtr ended September 30, 2014	October 2014
Financial reporting for 3rd Qtr ended December 31, 2014	February 2015
Financial reporting for 4th Qtr ended March 31, 2015	Apr/ May 2015
Annual General Meeting for the year ended March 31, 2015	July/ Aug 2015

Market Price Data and Performance in comparison to broad based indices:

Month	NMW BSE Price (Rs.)			NMW NSE Price (Rs.)		
	High	Low	Month Close	High	Low	Month Close
Apr-2013	3.39	2.26	2.51	3.00	2.60	2.45
May-2013	3.00	2.06	2.25	2.70	2.00	2.25
Jun-2013	2.96	1.60	2.96	2.25	1.70	2.15
Jul-2013	3.58	2.45	3.09	3.60	2.30	3.30
Aug-2013	3.24	2.38	2.50	3.45	3.15	3.15
Sept-2013	2.75	2.38	2.62	3.30	3.30	3.30
Oct-2013	3.63	2.75	3.25	3.45	3.15	3.25
Nov-2013	3.46	3.10	3.10	3.55	3.10	3.15
Dec-2013	3.40	3.00	3.40	3.40	2.90	3.25
Jan-2014	4.21	3.25	3.65	3.70	3.10	3.25
Feb-2014	3.80	3.14	3.40	3.55	3.10	3.30
Mar-2014	3.41	2.30	2.95	3.60	2.30	2.95



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

Distribution of Shareholdings as on March 31, 2014:

Category (Shares)	Shareholders		Shareholding	
	Number	%	Number	%
1-500	16834	82.94	2756782	4.69
501-1000	1755	8.65	1489629	2.53
1001-2000	799	3.94	1264392	2.15
2001-3000	255	1.26	669441	1.14
3001-4000	113	0.55	405856	0.69
4001-5000	149	0.73	721030	1.22
5001-10000	190	0.94	1416265	2.41
10001 and above	201	0.99	50111881	85.17
TOTAL	20296	100.00	58835276	100.00

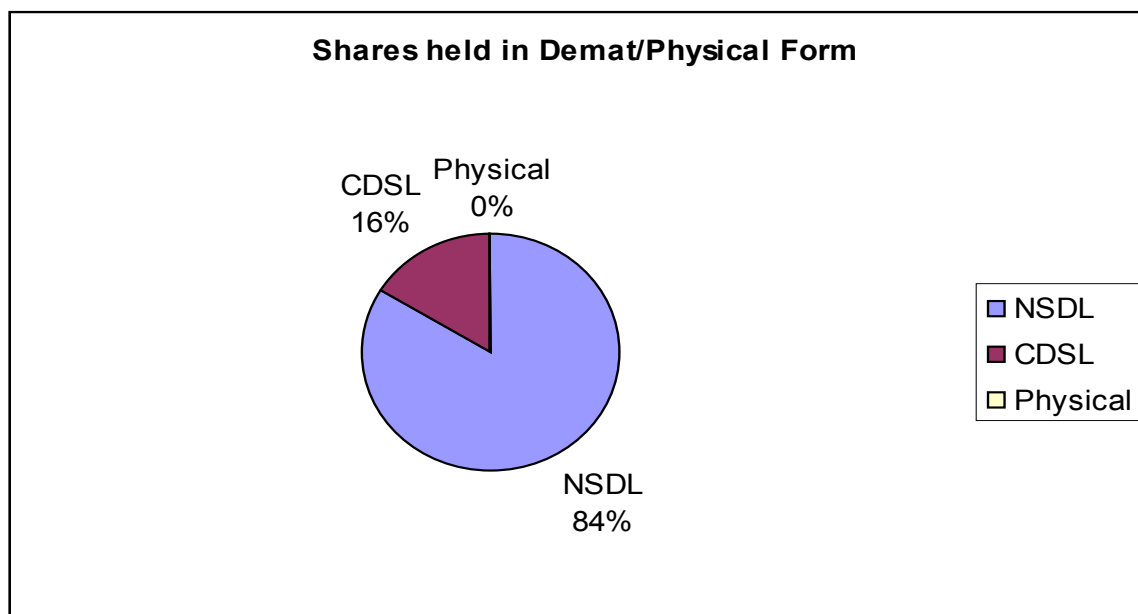
Categories of the Shareholders as on March 31, 2014:

Category	No. of Shareholders	Total Shares	% to Equity
Individuals	19770	15937655	27.09
Bodies Corporates	383	7276911	12.37
Clearing Members and Trust	78	142373	0.24
FIs	4	1822664	3.10
Promoters Group	8	32996675	56.08
Mutual Funds, Banks, Financial Institutions	1	35000	0.06
Non Resident Indians	52	623998	1.06
TOTAL	20296	58835276	100.00

Dematerialization of Shares:

The Company's shares are required to be compulsorily traded on the Stock Exchanges in dematerialized form. The number of shares held in dematerialized and physical mode as on March 31, 2014 are as under:

Particulars	No. of Shares	% of Total Capital Issued
NSDL	49135419	83.51
CDSL	9697892	16.49
Physical	1965	0.00
Total	58835276	100.00



Secretarial Audit

As stipulated by SEBI, a Qualified Practising Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total listed and paid up capital is in agreement with the aggregate of the total number of the shares in dematerialized form and in physical form.

Non-mandatory requirements on Corporate Governance recommended under Clause 49 of the Listing Agreement:

The Company has adhered to most of the non-mandatory requirements of Corporate Governance norms as prescribed under Clause 49 of the Listing Agreement, which are described as follows:

- Remuneration Committee – Remuneration Committee has been formed. The Committee comprises of 3 Independent Directors.
- Whistle Blower Policy – Whistle Blower Policy has been framed and displayed on the website of the Company, i.e., www.nextmediaworks.com

**CHIEF EXECUTIVE OFFICER (CEO) and
CHIEF FINANCIAL OFFICER (CFO) Certification**

(Issued in accordance with the provisions of Clause 49 of the Listing Agreement)

To the Board of Directors of Next Mediaworks Limited

Dear Sirs,

We have reviewed the financial statements read with the Cash Flow Statement of Next Mediaworks Limited for the year ended March 31, 2014 and that to the best of our knowledge and belief, we state that;

- a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
(ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls; if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - (iii) There have been no instances of significant fraud of which we have become aware.

Yours sincerely,

Tarique Ansari
Chairman & Managing Director

Ismail Dabhoya
Chief Financial Officer

Place: Mumbai

Date: April 29, 2014

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF NEXT MEDIAWORKS LIMITED

We have examined the compliance of the conditions of Corporate Governance by NEXT MEDIAWORKS LIMITED ('the Company') for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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, and the representations made by the Directors and the management, 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 of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For J U Poojari & Associates
Practising Company Secretaries

J. U. POOJARI
ACS: 22867 CP: 8187
Mumbai, April 29, 2014

INDEPENDENT AUDITORS' REPORT

To the Members of Next Mediaworks Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Next Mediaworks Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion:

1. The Company has recognized Deferred Tax Assets of ₹ 110.02 Lacs as on the Balance Sheet date, on unabsorbed Business Losses/unabsorbed Depreciation on the basis of expected profits in future. This is not in accordance with Accounting Standard 22 on “Accounting for Taxes on Income” which requires that such assets should be recognized to the extent that there is virtual certainty supported by convincing evidence that the future taxable income will be available against which such assets can be realized. In our opinion this expectation cannot be considered as virtual certainty to recognize such assets. Consequently the relevant asset and the reserves and surplus are overstated by ₹ 110.02 lacs.
2. The Company’s investment in its subsidiary Next Radio Limited (formerly known as Radio One Limited) by way of equity shares and preference shares is ₹ 15,602.86 Lacs. The networth of the subsidiary is substantially eroded. The Company has not made any provision for diminution in the value of such investments which is not in accordance with Accounting Standard 13 “Accounting for Investments”. The consequential effect on the profit and asset for the above adjustment is not quantifiable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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, 2014;
- (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.

Emphasis of Matter

We draw attention to Note No. 27 of the audited financial statements w.r.t. the Managerial remuneration paid to Managing Director by the Company during the period from July 01, 2013 to March 31, 2014 which is subject to approval of Central Government.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors’ Report) Order, 2003 (“the Order”) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit, except for the matter described in the Basis for Qualified Opinion paragraph;

- b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- e. on the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Atul Gala
Partner
Membership No. 48650

Place : Mumbai
Mumbai: April 29, 2014

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Next Mediaworks Limited on the financial statements for the year ended March 31, 2014]

- (i) (a) The Company has 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 verification 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. Accordingly, the provisions stated in paragraph 4 (iii)(b),(c) and (d) of the order are not applicable.
- (b) As informed, the Company has taken unsecured loans from two parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year is ₹ 1,234 lakhs and year end balance of loan taken from such parties is ₹ 1,209 lakhs.
- (c) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (d) 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 with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses 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 referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 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 ₹ 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) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the 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) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service 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, investor education and protection fund, employees' state insurance, 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, sales-tax, wealth-tax, service tax, customs duty, and cess 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	155.65	AY 2009-2010	ITAT
Income Tax Act, 1961	Income Tax	1232.09	AY 2010-2011	CIT- Appeal

- (x) The Company does not have any accumulated losses as on the Balance Sheet date. 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 and based on the documents and records produced to us, the company has not granted loans & 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 (xiii) of paragraph 4 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 (xiv) of paragraph 4 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 ₹ 1,771 lacs (₹ 1,890 lacs) as on balance sheet date, where the terms and conditions in our opinion are, prima facie, not prejudicial to the interest of the Company.
- (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 debentures outstanding during the year.
- (xx) The Company has not raised 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 Registration No.103523W

Atul Gala

Partner
Membership No.48650

Place : Mumbai

Date : April 29, 2014

BALANCE SHEET

as at 31st Mar, 2014

Particulars	Refer Note No.	As at	As at
		31st Mar, 2014	31st Mar, 2013
		₹ in lakhs	₹ in lakhs
Equity and Liabilities			
Shareholders' funds			
Share capital	4	5,829.88	5,829.88
Reserves and surplus	5	8,707.20	9,059.28
		14,537.08	14,889.16
Non-current liabilities			
Long-term borrowings	6	1,208.54	685.00
Long-term provisions	7	12.98	13.97
		1,221.52	698.97
Current liabilities			
Short-term borrowings	8	-	300.00
Other current liabilities	9	107.46	121.01
Short-term provisions	7	5.75	5.86
		113.21	426.87
	Total	15,871.81	16,015.00
Assets			
Non-current assets			
Fixed assets	10		
Tangible assets		24.61	25.19
Non Current Investment	11	15,602.87	15,602.86
Deferred tax assets (net)	12	111.30	111.30
Current assets			
Cash and Bank Balances	13	3.57	4.54
Short-term loans and advances	14	129.46	62.29
Other current assets	15	-	208.82
		133.03	275.65
	Total	15,871.81	16,015.00
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
Firm Reg No. 103523W

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

Atul Gala
(Partner)
Membership No.: 48650
Place: Mumbai
Date: April 29, 2014

Adille Sumariwalla
Director

Narayan Varma
Director

Manoj Gujran
Company Secretary

PROFIT AND LOSS STATEMENT

for the year ended 31st Mar, 2014

Particulars	Refer Note No.	Year Ended	Year Ended
		31st Mar, 2014	31st Mar, 2013
		₹ in lakhs	₹ in lakhs
Revenue From Operations			
Income from sale of smartphone applications		-	0.08
Other income	16	-	151.11
Total Revenue		-	151.19
Expenses			
Employee Benefit Expenses	17	117.13	108.16
Operating expenses	18	-	34.71
General & Administration Expenses	19	143.90	153.14
		261.03	296.01
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)		(261.03)	(144.82)
Depreciation & Amortization	10	0.57	27.30
Finance charges	20	90.47	117.32
Profit / (Loss) before exceptional and extraordinary items and tax		(352.07)	(289.44)
Exceptional items (Net)	21	-	(161.71)
Profit / (Loss) before tax		(352.07)	(127.73)
Tax expense:			
Less : Current tax		-	
Deferred tax		-	(30.47)
Profit (Loss) for the year		(352.07)	(97.26)
Earnings per equity share:			
Basic & Diluted	22	(0.60)	(0.19)
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

Firm Reg No. 103523W

For and on behalf of the Board of Directors

Next Mediaworks Limited

Atul Gala
(Partner)

Membership No.: 48650

Place: Mumbai

Date: April 29, 2014

Adille Sumariwalla
Director

Narayan Varma
Director

Manoj Gujran
Company Secretary

CASH FLOW STATEMENT

Particulars	Year ended 31st Mar, 2014	Year ended 31st Mar, 2013
	₹ in lakhs	₹ in lakhs
A. Net Cashflow from operating Activities		
Net Profit / (Loss) before tax	(352.07)	(127.74)
Depreciation	0.57	27.30
Interest & finance cost	90.47	(44.39)
Rent Equilisation Reserve	0.51	-
Loss/(profit) on sale of fixed assets (net)	-	(91.89)
Interest Income	-	(59.22)
Operational Profit before Working Capital	(260.52)	(295.94)
Adjustments for changes in Working Capital		
Sundry Debtors	-	0.13
Loans & Advances	-	(1.78)
Other Current assets	(11.70)	-
Current Liabilities & provisions	17.09	16.58
Sub-Total	5.39	14.92
Cash generated from operations	(255.13)	(281.01)
Tax	(55.70)	(30.03)
Sub-Total	(55.70)	(30.03)
Net Cash Flow from Operating Activities (A)	(310.83)	(311.04)
B. Cash Flow from Investing Activities		
Purchase of fixed Assets	-	0.89
Sale of Fixed Assets	-	100.00
Investments (net)	(0.01)	(1777.94)
Repayment of Loans given	-	1490.33
Interest received	208.82	521.55
Net Cash Flow from Investing Activities (B)	208.81	334.83
C. Cash Flow from financing Activities		
Long Term & Other borrowings	548.54	25.00
Repayment of Long Term & Other borrowings	(325.00)	(5.00)
Interest Paid	(122.49)	(51.17)
Net Cash Flow from Financing Activities (C)	101.05	(31.17)
Net Increase/decrease in Cash & Cash Equivalents (A+B+C)	(0.97)	(7.38)
Cash & Cash Equivalents at the beginning of the year	4.54	11.92
Cash & Cash Equivalents at the end of the year	3.57	4.54

As per our report of even date attached
For Haribhakti & Co.
Chartered Accountants
Firm Reg No. 103523W

Atul Gala
(Partner)
Membership No.: 48650
Place: Mumbai
Date: April 29, 2014

Adille Sumariwalla
Director

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

Narayan Varma
Director

Manoj Gujran
Company Secretary

NOTES TO FINANCIAL STATEMENTS

for the year ended on 31st March, 2014

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) Use of estimates

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

b) Tangible fixed assets

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

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

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

c) Intangible assets

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

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

d) Depreciation

Depreciation on fixed assets is provided on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule 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.

e) Impairment

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

f) Leases

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

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

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.

g) Investments

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

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

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

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

h) Revenue recognition

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

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, 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, 2014		As at 31st Mar, 2013	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
Authorized Capital				
Equity Shares of ₹ 10/- each	70,000,000	7,000.00	70,000,000	7,000.00
	70,000,000	7,000.00	70,000,000	7,000.00
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹ 10/- each fully paid	58,298,776	5,829.88	58,298,776	5,829.88
	58,298,776	5,829.88	58,298,776	5,829.88

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

	As at 31st Mar, 2014		As at 31st Mar, 2013	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
Shares outstanding at the beginning of the year	58,298,776	5,829.88	52,298,776	5,229.88
Add: Shares issued during the year	-	-	6,000,000	600.00
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of year	58,298,776	5,829.88	58,298,776	5,829.88

c. Terms / rights attached to equity shares

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

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

Equity Shares	As at 31st Mar, 2014		As at 31st Mar, 2013	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Mr. Khalid Ansari	4,338,055	7.37%	4,338,055	7.37%
Mr. Tarique Ansari	4,337,298	7.37%	4,337,298	7.37%
Mrs. Rukya Ansari	4,337,298	7.37%	4,337,298	7.37%
Mr. Sharique Ansari	4,337,298	7.37%	4,337,298	7.37%
Ms. Tehzeb Ansari	4,337,298	7.37%	4,337,298	7.37%
Bennett, Coleman and Company Ltd.	3,649,391	6.20%	3,649,391	6.20%
Ferari Investments & Trading Company Pvt. Ltd.	5,839,226	9.92%	5,839,226	9.92%
Meridian Holding and Leasing Co. P. Ltd.	4,447,679	7.56%	4,447,679	7.56%
Total	35,623,543	61%	35,623,543	61%

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

5. Reserves & Surplus

Particulars	As at 31st Mar, 2014 Amount (₹) in lakhs	As at 31st Mar, 2013 Amount (₹) in lakhs
Securities Premium		
Opening Balance	8,393.09	8,393.09
	8,393.09	8,393.09
Surplus		
Opening Balance	666.18	763.45
Add: Net Profit (Loss) for the year	(352.07)	(97.26)
Closing Balance	314.11	666.19
Total Reserves & Surplus	8,707.20	9,059.28

6. Long Term Borrowings

Particulars	Non – Current Portion		Current Maturities	
	As at 31st Mar, 2014	As at 31st Mar, 2013	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
Unsecured Borrowings				
Inter Corporate Loans				
- From Related parties	1,208.54	685.00	-	-
	1,208.54	685.00	-	-

- a Unsecured loans from related parties are payable at end of tenure of loan i.e. 36 months and 8 years.
b Current maturities of long term borrowings have been reported as other current liabilities.

7. Provisions

Particulars	Long Term		Short Term	
	As at 31st Mar, 2014	As at 31st Mar, 2013	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
Provision for Employee Benefits				
Gratuity (Funded)	3.24	5.13	4.87	5.07
Leave Encashment (Unfunded)	9.23	8.84	0.88	0.79
Rent Equalisation Reserve	0.51	-	-	-
	12.98	13.97	5.75	5.86

8. Short Term Borrowings

	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Secured Borrowings		
Short Term Loan from Others	-	300.00
	-	300.00

- 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, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Other Current Liabilities		
Statutory Dues Payable	6.67	5.67
Other Current Liabilities	59.12	41.65
Interest Accrued but not due to related parties	41.67	73.69
	107.46	121.01

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

10. Fixed Assets

Amount (₹) in lakhs

Particulars	Gross Block			Depreciation				Net Block		
	As at 1st Apr, 2013	Additions	Deductions	As at 31st Mar, 2014	As at 1st Apr, 2013	For the period	Deductions	As at 31st Mar, 2014	As at 31st Mar, 2014	As at 31st Mar, 2013
Tangible Assets:										
Office Premises	35.25	-	-	35.25	10.06	0.57	-	10.63	24.61	25.19
Office Equipments	0.61	-	-	0.61	0.61	-	-	0.61	-	-
Total Tangible Assets	35.86	-	-	35.86	10.67	0.57	-	11.24	24.61	25.19
Intangible Assets:										
Softwares	28.30	-	-	28.30	28.30	-	-	28.30	-	-
Total Intangible Assets	28.30	-	-	28.30	28.30	-	-	28.30	-	-
Total	64.16	-	-	64.16	38.97	0.57	-	39.55	24.61	-
Intangible Assets under development									-	-
Total	64.16	-	-	64.16	38.97	0.57	-	39.55	24.61	25.19
Previous Year (as on 31st March, 2013)	65.38	9.00	10.22	64.16	13.78	27.30	2.11	38.97	25.19	

11. Non Current Investment

Particulars	As at 31st Mar, 2014		As at 31st Mar, 2013	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
Trade Investments (Unquoted)				
Investments in Subsidiaries				
Next Outdoor Limited (Equity Shares of ₹ 10/- Each)	3,494,200	349.42	3,494,200	349.42
Digital One Pvt Limited (Equity Shares of ₹ 10/- Each)	10,000	1.00	10,000	1.00
One Audio Limited (Equity Shares of ₹ 10/- Each)	50,000	5.00	50,000	5.00
Next Radio Limited (Equity Shares of ₹ 10/- Each)	96,430,770	13,025.86	96,430,770	13,025.86
Next Radio Limited (Preference Shares of ₹ 10/- Each)	25,770,000	2,577.00	25,770,000	2,577.00
Dombivli Nagari Sahakari Bank (Equity Shares of ₹ 50/- Each)	20	0.01		
Other Investments		-		
Awami Co-op Bank Limited (Equity Shares of ₹ 10 each)	250	0.03	250	0.03
Less: Provision for diminution in value of Investment		355.45		355.45
		15,602.87		15,602.86

12. Deferred Tax Assets (net)

As per standard on accounting for taxes on income, the company has not provided for deferred tax asset for the current year

Particulars	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Deferred Tax Assets/ Liabilities		
On Carried Forward Losses	110.02	110.02
On Depreciation on Fixed Assets	(4.85)	(4.85)
On Leave Encashment	2.98	2.98
On Gratuity	3.15	3.15
	111.30	111.30

13. Cash & Bank Balances

Particulars	Non-current		Current	
	As at 31st Mar, 2014	As at 31st Mar, 2013	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
Cash & Cash Equivalents				
Balances with banks - In Current Account	-	-	3.57	4.54
Cash in Hand	-	-	0.00	0.00
	-	-	3.57	4.54

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

14. Loans & Advances

Particulars	Long Term		Short Term	
	As at 31st Mar, 2014	As at 31st Mar, 2013	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
Unsecured Considered Good				
Sundry Deposit	-	-	3.80	-
Other Loans and Advances	-	-	1.46	1.65
Loans to Others	-	-	1.37	1.38
Tax Deducted at Source / Advance Income Tax	-	-	100.91	45.44
Other Taxes Receivable	-	-	14.07	12.84
Prepaid Expenses	-	-	7.85	0.98
	-	-	129.46	62.29

15. Other Current Assets

Particulars	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Unsecured considered good		
Interest Accrued but not due (from Related parties)	-	208.82
	-	208.82

16. Other Income

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Interest Income	-	59.22
Gain / Loss on Sale of Fixed Asset	-	91.89
	-	151.11

17. Employee Benefit Expenses

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Salary, Wages & Bonus	109.43	100.24
Contribution to PF and other funds	7.51	7.87
Staff Welfare expenses & other Employees expenses	0.19	0.05
	117.13	108.16

18. Operating Expenses

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Operational Expenses		
Royalty	-	34.68
Commission	-	0.03
	-	34.71

19. General & Administration Expenses

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Telephone charges	2.68	1.51
Travelling & Conveyance	7.50	7.17
Directors' sitting fees	3.40	3.70
Business Promotion	1.97	3.93
Auditors' remuneration :-		
- Statutory Audit	1.00	1.00
- Tax Audit	-	0.25
- Others	0.45	0.85

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Repairs & Maintenance - Others	7.27	17.02
Gain/Loss On Foreign Currency	-	0.02
Miscellaneous Expenses	1.95	0.01
Advertisement Expenses	-	1.80
Electricity charges	0.05	0.02
Hire Charges	2.54	4.18
Membership & Subscription fees	0.62	0.56
Legal & Professional Charges	91.29	89.58
Printing and stationery	5.23	10.33
Insurance	1.25	1.42
Rates and Taxes	1.00	9.79
Rent	15.70	-
	143.90	153.14

20. Finance Charges

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Interest Charges		
- On loans from Others	90.44	117.24
Other Borrowing Costs		-
- Bank Charges & Commission	0.03	0.08
	90.47	117.32

21. Exceptional Items

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Exceptional Items		
Interest Reversal (Represents reversal of interest on reduction of rate of interest on certain loans)	-	(161.71)
	-	(161.71)

22. Earnings per Share (EPS)

	March 31, 2014	March 31, 2013
Net loss for the year attributable to equity shareholders (₹ in lakhs)	(352.07)	(97.26)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	58,298,776	52,298,776
Weighted average number of Shares issued during the year	-	213,699
Weighted average number of equity shares at the end of the year	58,298,776	52,512,475
Basic and diluted earnings (in ₹) per share	(0.60)	(0.19)

23. Contingent Liabilities

- In respect of guarantees issued by Company's bankers to MSRDC and other authorities for ₹ 3.00 lakhs (Previous Year ₹ 3.00 lakhs)
- In respect of guarantees issued by the Company's bankers for company's subsidiary to government and other parties ₹ 348.37 lakhs (Previous Year ₹ 332.70 lakhs).
- Corporate guarantee issued to banks for Company's Subsidiary for term loan of ₹ 1031.00 lakhs (Previous Year ₹ 1150.00 lakhs) and Cash Credit limit of ₹ 740.00 lakhs.(Previous Year ₹ 740.00 lakhs)
- In respect of Income Tax demand under dispute (net of advances) ₹ 1454.20 lakhs (Previous Year ₹ 1793.58 lakhs)

24. The company's exposure in its subsidiary Next Radio Ltd.(Formerly known as Radio One Ltd) limited through investments is ₹ 15,602.86 lakhs . Though net worth of the subsidiary is substantially eroded, no provision for impairment on this account is considered necessary by the management taking in to consideration the nature of Radio business and gradual improvement in performance of the subsidiary.

25. 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.

26. 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.

27. Managerial Remuneration

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 is 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 was taken at the previous Annual General Meeting. Managerial Remuneration debited to Statement of Profit and Loss is subject to approval of the Central Government.

28. Related party disclosures

Names of related parties and related party relationship

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

Related party transactions

(₹ in Lakhs)

Nature of Transactions	Subsidiary Company	Under control of Management	Key Managerial Personnel
Interest Expenses	24.24 -	19.86 (93.18)	
Managerial Remuneration			63.76 (46.68)
Interest Earned			
Next Radio Limited	- (59.01)		
Receipt of Unsecured Loan during the year			
Next Radio Limited	548.54 -		
Repayment of Unsecured Loan During the year			
Ferari Investments and Trading Co Pvt Ltd		25.00 (5.00)	
Inquilab Offset Printers Ltd.		1.50 -	
Unsecured loan converted during the year			
Ferari Investments and Trading Co Pvt Ltd		- (300.00)	
Meridian Holding & Leasing Co Pvt Ltd		- (300.00)	
Unsecured Loan payable at end of year			
Next Radio Limited	548.54 -		
Ferari Investments and Trading Co Pvt Ltd		600.00 (625.00)	

(₹ in Lakhs)

Nature of Transactions	Subsidiary Company	Under control of Management	Key Managerial Personnel
Meridian Holding & Leasing Co Pvt Ltd		60.00 (60.00)	
Unsecured Loan given During the year			
Next Radio Limited	- (95.00)		
Repayment of Unsecured Loan given During the year			
Next Radio Limited	(1584.09)		
Unsecured Loan receivable at end of year			
Next Radio Limited		- (3.02)	
Investment in Equity Shares			
Next Radio Limited	- (1777.94)		
Interest Receivable			
Next Radio Limited	- (208.82)		
Interest Payable			
Next Radio Limited	24.24 -		
Ferari Investments and Trading Co Pvt Ltd		5.08 (51.73)	
Meridian Holding & Leasing Co Pvt Ltd		18.59 (21.97)	

29. Employee Benefits

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

a. Defined Contribution Plans

Provident Fund

The Company has recognized ₹ 7.51 lakhs in Profit & Loss Statement towards employer's contribution to provident fund.

b. Defined Benefit Plans

i. Contribution to Gratuity Fund (Funded Scheme)

ii. Leave Encashment (Non-funded Scheme)

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

Discount Rate	- 9.07% p.a.
Rate of Increase in compensation levels (p.a.)	- 6.00% p.a.

a. Change in the Present Value obligation

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

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

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

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

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

d. Amount Recognized in the Balance Sheet

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

e. Expenses Recognized in the Profit & Loss Statement

Current Service Cost	2.46
Past Service Cost	-
Interest Cost	4.35
Expected Return on Plan Assets	(3.54)
Curtailment Cost / (Credit)	(5.36)
Settlement Cost / (Credit)	-
Net Actuarial (gain) / Loss recognised in the Year	-
Total Expenses recognised in the Statement of Profit and Loss	(2.09)

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

The company has based on actuarial Valuations charged an amount of ₹ 0.53 lakhs as expenses on account of leave encashment payable to the employees.

30. Expenditure in Foreign Currency

Particulars	Current Year (₹) in lakhs	Previous Year (₹) in lakhs
Space on Server	-	3.48
Others	0.83	-

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

31. 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)	58,835,276	5,883.53
Shares Held by Trust under ESOP Scheme*	(536500)	(53.65)
Share Capital reflected in Balance Sheet	58,298,776	5,829.88

* 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.

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

For and on behalf of Board of Directors

Next Mediaworks Limited

Adille Sumariwalla
Director

Narayan Varma
Director

Manoj Gujran
Company Secretary

INDEPENDENT AUDITORS' REPORT

On the Consolidated Financial Statements of Next Mediaworks Limited

To The Board of Directors of

Next Mediaworks Limited

We have audited the accompanying consolidated financial statements of Next Mediaworks Limited ("the Company") and its subsidiaries (the Company, its subsidiaries constitute "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

- 1) The management of the Company and one of its component have recognized Deferred Tax Assets of ₹ 110.02 and ₹ 4057.50 lacs as on the Balance Sheet Date respectively, on unabsorbed Business Losses/unabsorbed Depreciation on the basis of expected profits in future. This is not in accordance with Accounting Standard 22 on "Accounting for Taxes on Income" which requires that such assets should be recognized to the extent that there is virtual certainty supported by convincing evidence that the future taxable income will be available against which such assets can be realized. In our opinion, this expectation cannot be considered as virtual certainty to recognize such assets. Consequently the relevant asset and the reserves and surplus for the year are overstated by ₹ 4167.52 lacs.

2. Further the management of the Company has not considered that provision is required against fall in the value of investments aggregating ₹ 15,602.86 Lacs in Next Radio Limited (formerly known as Radio One limited) even though the networth of the subsidiary has been substantially eroded. Consequently no impairment has been considered necessary by the management on Goodwill on Consolidation amounting to ₹ 5,489.67 Lacs in the Consolidated financial statements.

Qualified Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (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 and its subsidiaries.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as mentioned in the 'Other Matter' paragraph below, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements 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 the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 30 of the audited financial statements w.r.t. the managerial remuneration paid to managing director by the Company during the period from July 01, 2013 to March 31, 2014, which is subject to approval of Central Government.

Other Matter

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets (net) of ₹ 14.68 lacs as at March 31, 2014, total revenues of ₹ Nil and net cash inflows amounting to ₹ 620 for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion in so far as it relates to the amounts and disclosures in respect of these subsidiaries, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

Atul Gala
Partner
Membership No. 48650

Place : Mumbai
Mumbai: April 29, 2014

CONSOLIDATED BALANCE SHEET

as at 31st Mar, 2014

Particulars	Refer Note No.	As at	As at
		31st Mar, 2014	31st Mar, 2013
		₹ in lakhs	₹ in lakhs
Equity And Liabilities			
Shareholders' funds			
Share capital	4	5,829.88	5,829.88
Reserves and surplus	5	5,778.95	5,948.56
		11,608.83	11,778.44
Minority Interest	6	1,125.30	1,054.82
Non-current liabilities			
Long-term borrowings	7	1,471.27	1,933.23
Long-term provisions	8	33.07	36.27
		1,504.34	1,969.50
Current liabilities			
Short-term borrowings	9	591.90	895.61
Trade payables	10	249.67	637.60
Other current liabilities	7 & 11	1,272.98	1,263.93
Short-term provisions	8	165.33	81.56
		2,279.88	2,878.70
		16,518.35	17,681.46
Assets			
Non-current assets			
Fixed assets	12		
Tangible assets		1,271.78	1,516.68
Intangible assets		7,795.75	8,740.54
		9,067.53	10,257.22
Non-Current Investment	13	0.51	-
Deferred tax assets (net)	14	4,122.71	4,354.69
Long-term loans and advances	15	519.32	612.39
Other non-current assets	17	218.02	200.64
Current assets			
Trade receivables	16	1,684.96	1,730.50
Cash and Bank Balances	17	245.05	67.06
Short-term loans and advances	15	592.58	433.86
Other current assets	18	67.67	25.11
		2,590.25	2,256.53
		16,518.35	17,681.46
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
Firm Reg No. 103523W

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

Atul Gala
(Partner)
Membership No.: 48650

Adille Sumariwalla
Director

Narayan Varma
Director

Manoj Gujran
Company Secretary

Place: Mumbai
Date: April 29, 2014

CONSOLIDATED PROFIT AND LOSS STATEMENT

for the year ended 31st Mar, 2014

Particulars	Refer Note No.	Year Ended	Year Ended
		31st Mar, 2014	31st Mar, 2013
		₹ in lakhs	₹ in lakhs
Revenue from Operations			
Advertisement Income		5,896.56	5,041.14
Income from Sale of Smartphone applications		-	0.08
Other income	19	-	176.66
Total Revenue		5,896.56	5,217.88
Expenses			
Radio license fees		419.32	387.63
Employee Benefit Expenses	20	1,361.02	1,190.86
Operating expenses	21	1,390.14	1,244.09
General & Administration Expenses	22	906.64	758.11
		4,077.12	3,580.69
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)		1,819.44	1,637.19
Depreciation & Amortization		1,229.38	1,239.29
Finance charges (Net)	23	457.22	628.79
Profit / (Loss) before exceptional and extraordinary items and tax		132.84	(230.89)
Exceptional items (Net)	24	-	223.72
Prior Period Items		-	30.31
Profit / (Loss) before tax		132.84	(484.92)
Tax expense:			
Deferred tax for the current period	14	231.97	(106.14)
Deferred Tax on Carried forward loss reversed		-	346.19
Profit (Loss) for the period		(99.14)	(724.97)
Less: Share of Profit / (Loss) of Minority Shareholders		70.47	(188.29)
Profit (Loss) for the period after Minority Interest		(169.61)	(536.68)
Earnings per equity share:		(0.29)	(1.02)
Basic & Diluted	25		
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
 Firm Reg No. 103523W

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

Atul Gala
 (Partner)
 Membership No.: 48650

Adille Sumariwalla
 Director

Narayan Varma
 Director

Manoj Gujran
 Company Secretary

Place: Mumbai
 Date: April 29, 2014

CONSOLIDATED CASH FLOW STATEMENT

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	₹ in lakhs	₹ in lakhs
A. Net Cashflow from operating Activities		
Net Profit / (Loss) before tax	132.84	(484.92)
Depreciation	1,229.38	1,239.29
Interest	484.25	499.19
Loss/(profit) on sale of fixed assets (net)	-	(150.14)
Interest Income	(27.04)	(32.11)
Rent Equalisation Reserve	0.51	-
Creditors Written Back	-	(21.96)
Provision for Doubtful Debt	114.66	50.41
Operational Profit before Working Capital	1,934.60	1,099.76
Adjustments for changes in Working Capital		
Sundry Debtors	(69.11)	(579.28)
Loans & Advances	51.79	7.23
Other Current assets	(29.08)	-
Current Liabilities	(275.17)	356.98
Sub-Total	(321.57)	(215.07)
Cash generated from operations	1,613.03	884.69
Direct Taxes Paid	(106.23)	(45.38)
Sub-Total	(106.23)	(45.38)
Net Cash Flow from Operating Activities	1,506.80	839.31
B. Cash Flow from Investing Activities		
Purchase Fixed Assets	(39.69)	(14.78)
Sale of Fixed Assets	-	198.99
Interest Received	8.72	85.93
Purchase of Noncurrent Investments	(0.51)	-
Net Cash Flow from Investing Activities	(31.48)	270.14
C. Cash Flow from financing Activities		
Long term and Other Borrowings	260.37	1,170.35
Repayment of Long term and Other Borrowings	(1,011.33)	(1,696.60)
Interest Paid	(546.36)	(597.97)
Net Cash Flow from Financing Activities	(1,297.32)	(1,124.22)
Net Increase/decrease in Cash & Cash Equivalents	178.00	(14.77)
Cash & Cash Equivalents at the beginning of the year	67.06	81.82
Cash & Cash Equivalents at the end of the year	245.06	67.06

As per our report of even date attached
For Haribhakti & Co.
Chartered Accountants
Firm Reg No. 103523W

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

Atul Gala
(Partner)
Membership No.: 48650

Adille Sumariwalla
Director

Narayan Varma
Director

Manoj Gujran
Company Secretary

Place: Mumbai
Date: April 29, 2014

NOTES TO FINANCIAL STATEMENTS

for the year ended on 31st March, 2014

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
Next Radio Limited (formerly known as Radio One Limited)	India	72.24%	31-Mar-14
One Audio Limited	India	100%	31-Mar-14
Digital One Limited	India	100%	31-Mar-14
Next Outdoor Limited	India	99.97%	31-Mar-14

- 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.

- The difference between the cost to the company of its investments in the subsidiary and its portion of equity of subsidiary at the date it became subsidiary is recognized in the financial statement as Goodwill or Capital Reserve, as the case may be. This is based upon determination of pre-acquisition profits/losses and of net worth as on the date of acquisition determined by the management on the basis of certain estimates which have been relied upon by the auditors.

- Minority Interest in the consolidated financial statement is identified and recognized after taking into consideration :

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.

3. Summary of significant accounting policies

a) Use of estimates

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

b) Tangible fixed assets

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

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

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

c) Intangible assets

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

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

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

d) Depreciation

Depreciation on fixed assets is provided on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule 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.

e) Impairment

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

f) Leases

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

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

g) Investments

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

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

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

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

h) Revenue recognition

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

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, 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

Particulars	As at 31st Mar, 2014		As at 31st Mar, 2013	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
Authorized Capital				
Equity Shares of ₹ 10/- each	70,000,000	7,000.00	70,000,000	7,000.00
	70,000,000	7,000.00	70,000,000	7,000.00
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹ 10/- each fully paid	58,298,776	5,829.88	58,298,776	5,829.88
	58,298,776	5,829.88	58,298,776	5,829.88

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

Particulars	As at 31st Mar, 2014		As at 31st Mar, 2013	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
Shares outstanding at the beginning of the year	58,298,776	5,829.88	52,298,776	5,229.88
Add: Shares issued during the year	-	-	6,000,000	600.00
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of year	58,298,776	5,829.88	58,298,776	5,829.88

c. Terms / rights attached to equity shares

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

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

	As at 31st Mar, 2014		As at 31st Mar, 2013	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Mr. Khalid Ansari	4,338,055	7.37%	4,338,055	7.37%
Mr. Tarique Ansari	4,337,298	7.37%	4,337,298	7.37%
Mrs. Rukya Ansari	4,337,298	7.37%	4,337,298	7.37%
Mr. Sharique Ansari	4,337,298	7.37%	4,337,298	7.37%
Ms. Tehzeb Ansari	4,337,298	7.37%	4,337,298	7.37%
Bennett, Coleman and Company Ltd.	3,649,391	6.20%	3,649,391	6.20%
Ferari Investments & Trading Company Pvt. Ltd.	5,839,226	9.92%	5,839,226	9.92%
Meridian Holding and Leasing Co. P. Ltd.	4,447,679	7.56%	4,447,679	7.56%
Total	35,623,543	61%	35,623,543	61%

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

5. Reserves & Surplus

Particulars	As at 31st Mar, 2014 Amount (₹) in lakhs	As at 31st Mar, 2013 Amount (₹) in lakhs
Share Premium		
Opening Balance	9,300.68	9,300.68
	9,300.68	9,300.68
Surplus		
Opening Balance	(3,352.12)	(3,860.11)

Add: Net Loss for the year	(169.61)	(536.70)
Less: Amount taken to Goodwill on further acquisition	-	1,044.69
	(3,521.73)	(3,352.12)
Total Reserves & Surplus	5,778.95	5,948.56

6. Minority Interest

Particulars	As on 1st April 2013	Additions during the year	Deductions during the year	As on 31st March 2014
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
Contribution to Share Capital	7,845.04	-	-	7,845.04
Share of Retained Profits	(6,790.21)	70.48	-	(6,719.73)
	1,054.83	70.48	-	1,125.30

7. Long Term Borrowings

Particulars	Non – Current Portion		Current Maturities	
	As at 31st Mar, 2014	As at 31st Mar, 2013	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
Secured Borrowings				
Term Loans (From Banks/FI's)	559.75	862.39	301.77	287.61
Unsecured Borrowings				
Inter Corporate Loans				
- From Promoters	-	685.00	-	-
- From Others	911.52	385.84	3.98	3.68
	1,471.27	1,933.23	305.75	291.29

- 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.
- Term Loan – II from bank is repayable in 15 quarterly installments of ₹ 50.00 lakhs each and Other term loan is repayable in 5 years
- Unsecured inter corporate loan from related parties are payable at end of tenure of loan i.e. 36 months & 8 Years
- Unsecured inter corporate loan from others - ₹ 187.30 Lakhs is payable over a period of 43 months & ₹ 30 lakhs are payable at end of tenure of loan i.e. 18 months respectively.
- Current maturities of long term borrowings have been reported as other current liabilities

8. Provisions

Particulars	Long Term		Short Term	
	As at 31st Mar, 2014	As at 31st Mar, 2013	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
Provision for Employee Benefits				
Gratuity (Funded)	3.24	5.13	13.43	7.46
Leave Encashment (Unfunded)	29.32	31.14	3.28	3.13
Other Provisions				
Other Provisions	0.51	-	-	0.97
Provision for other expenses	-	-	148.62	70.00
	33.07	36.27	165.33	81.56

9. Short Term Borrowings

Particulars	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Secured Borrowings		
Cash Credit Facility (From Banks)	331.90	395.61
Loans from Financial Institution	260.00	300.00
Unsecured Borrowings		
Inter Corporate Loans	-	200.00
	591.90	895.61

- 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.
- Short term Loan is secured by personal guarantee and pledge of shares in another company of a Promoter Shareholder and is payable at the end of 1 year
- Intercorporate Loans are repayable on demand

10. Trade Payables

Particulars	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Trade payables		
To Others (Refer Note 26)	249.67	637.60
	249.67	637.60

11. Other Current Liabilities

Particulars	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Other Liabilities		
Advance Received from customers	8.39	11.63
Statutory Dues Payable	150.09	427.49
Other Liabilities	746.46	433.37
Interest Accrued and due	15.38	22.42
Interest Accrued but not due to Related party	45.72	73.69
Interest accrued but not due to others	1.19	4.05
	967.23	972.64

Other current liabilities also include current maturities of Long term loans (Refer note no. 7).

12. Fixed Assets

Amount (₹) in lakhs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1st Apr, 2013	Additions	Deductions	As at 31st Mar, 2014	As at 1st Apr, 2013	For the Year	Deductions	As at 31st Mar, 2014	As at 31st Mar, 2014	As at 31st Mar, 2013
Tangible Assets:										
Building	73.32	-	-	73.32	26.58	4.99	-	31.57	41.75	46.74
Studio equipment	450.73	0.90	-	451.63	312.64	43.64	-	356.28	95.35	138.09
Transmitter	687.97	0.00	-	687.97	237.56	14.29	-	251.85	436.12	450.41
Furniture and fixtures	640.45	(0.00)	-	640.45	241.55	52.39	-	293.93	346.52	398.91
Office Equipments	52.80	3.40	-	56.20	17.84	2.60	-	20.44	35.76	34.96
Computers	334.99	1.19	-	336.18	302.68	18.49	-	321.17	15.01	32.31
Air-conditioners	95.75	1.61	-	97.36	26.48	4.61	-	31.08	66.27	69.27
Audio-visual equipments	2.63	-	-	2.63	0.93	0.12	-	1.05	1.57	1.70
Common Transmission Infrastructure	429.29	-	-	429.29	85.01	110.86	-	195.87	233.43	344.28
Total Tangible Assets	2,767.93	7.09	-	2,775.02	1,251.25	251.98	-	1,503.24	1,271.78	1,516.68
Intangible Assets:										
One Time Entry Fees	9,732.54	-	-	9,732.54	6,481.67	973.25	-	7,454.92	2,277.61	3,250.87
Computer software	88.33	32.60	-	120.94	88.33	4.14	-	92.47	28.46	-
Goodwill on Consolidation	5,489.67	-	-	5,489.67	-	-	-	-	5,489.67	5,489.67
Total Intangible Assets	15,310.54	32.60	-	15,343.14	6,570.00	977.40	-	7,547.40	7,795.75	8,740.54
Total	18,078.47	39.69	-	18,118.16	7,821.26	1,229.38	-	9,050.63	9,067.53	10,257.22
Intangible Assets under development	-	-	-	-	-	-	-	-	-	-
Total	18,078.47	39.69	-	18,118.16	7,821.26	1,229.38	-	9,050.63	9,067.53	10,257.22
Previous Year (as on 31st March, 2013)	16,968.32	1,189.54	77.04	18,080.82	6,602.60	1,239.29	18.28	7,823.61	10,257.22	

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. Depreciation on CTI is charged on straight line method over balance period of License at each location. The company had shifted to CTI site in Mumbai in the previous year and hence the amount pertaining to this station was capitalized in the previous year

13. Non Current Investments

Particulars	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Non-Trade Investments		
DNS Bank Shares (Equity Shares of Rs. 50/- each)	0.51	-
	0.51	-

14. Deferred Tax Assets (net)

As per standard on accounting for taxes on income, the company has reversed ₹ 231.97 lakhs net deferred tax asset for the year

Particulars	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Deferred Tax Assets		
On Carried Forward Losses	4,167.52	4,428.03
On Depreciation on Fixed Assets	(57.35)	(83.83)
On Leave Encashment	8.53	8.48
On Gratuity	4.01	2.01
	4,122.71	4,354.69

15. Loans & Advances

Particulars	Long Term		Short Term	
	As at 31st Mar, 2014	As at 31st Mar, 2013	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
Unsecured considered good				
Trade Deposits	300.91	396.39	-	-
Capital Advances	216.00	216.00	-	-
Loans to Others	-	-	0.82	0.01
Receivable from BECIL	-	-	77.71	77.71
Staff Loans & Advances	-	-	1.74	1.85
Other Taxes Receivable	-	-	14.07	12.84
Tax Deducted at Source	-	-	346.31	240.32
Prepaid Expenses	-	-	146.42	99.46
Loans to Related Parties	-	-	1.71	1.67
Sundry Deposit	-	-	3.80	-
Long term loans to Related Parties	2.41	-	-	-
	519.32	612.39	592.58	433.86

16. Trade Receivables

Particulars	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Trade receivables		
Debts Outstanding for Period exceeding six months		
Unsecured Considered good	230.25	286.57
Unsecured Considered doubtful	242.77	128.11
	473.02	414.68
Debts Outstanding for Period less than six months		
Unsecured Considered good	1,454.71	1,443.93
	1,927.73	1,858.61
Less: Provision for doubtful debts	242.77	128.11
Total	1,684.96	1,730.50

17. Cash and Cash Equivalents

Particulars	Non-current		Current	
	As at 31st Mar, 2014	As at 31st Mar, 2013	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
Balances with Scheduled Bank				
In Current Accounts	-	-	143.66	64.64
In Fixed Deposit Accounts	4.80	4.50	-	-
Cash in hand	-	-	1.39	2.41
Other bank balances				
Deposit Account - (under lien with bank)	25.16	8.09	100.00	
Margin Money - (under lien with bank)	188.05	188.05		
	218.02	200.64	245.05	67.06

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

18. Other Current Assets

Particulars	As at 31st Mar, 2014	As at 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Other Current Assets		
Interest Accrued but not due	43.43	25.11
Interest Accrued and due	24.24	-
	67.67	25.11

19. Other Income

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Other Income		
Profit on Sale of Fixed Assets	-	150.13
Creditors / Liabilities Written Back	-	21.96
Interest on Income tax refund	-	4.57
	-	176.66

20. Employee Benefit Expenses

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Employee Cost		
Salary, Wages & Bonus	1,221.91	1,072.74
Contribution to PF and other funds	40.88	37.37
Staff Welfare expenses & Other Employee cost	98.23	80.75
	1,361.02	1,190.86

21. Operating Expenses

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Operating Expenses		
Royalty	155.81	165.25
Radio programme creation and studio hire	374.27	287.24
Repairs & Maintainance - Equipment	173.37	104.78
Repairs & Maintainance - Others	87.37	94.79
Commission	-	0.04
Electricity charges	181.93	167.36
Rent	417.39	424.63
	1,390.14	1,244.09

22. General & Administration Expenses

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
General & Administrative Expenses		
Telephone charges	45.69	47.14
Travelling	59.10	48.37
Conveyance	29.59	48.18
Directors sitting fees	3.68	4.13

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Business Promotion	33.12	22.57
Auditors remuneration :-		
- Statutory Audit	4.42	3.89
- Tax Audit	0.75	0.81
- Others	1.05	0.75
Miscellaneous Expenses	22.09	23.59
Gain/Loss On Foreign Currency	-	0.02
Repairs & Maintainance - Others	7.27	-
Discounts & Credits	206.96	77.76
Advertisement Expenses	89.57	187.65
Provision for bad and doubtful debts	114.66	50.41
Hire Charges	2.54	4.18
Membership & Subscription	0.62	0.56
Legal & Professional Charges	230.36	197.54
Printing and stationery	15.74	20.95
Insurance	11.52	19.61
Rent	15.70	-
Rates & Taxes	12.21	-
	906.64	758.11

23. Finance Charges

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Interest Charges		
- On Loans from Banks*	215.43	284.34
- On loans from Others	221.17	313.79
Bank Charges & Commission	20.61	30.66
* (Net of Interest Income of ₹ 51.28 lakhs (PY₹ 32.11 lakhs))		
	457.21	628.79

24. Exceptional Items

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	Amount (₹) in lakhs	Amount (₹) in lakhs
Exceptional Items		
Royalty Payable	-	385.43
Interest written back (Represents reversal of interest on reduction of rate of interest on certain loans)	-	(161.71)
	-	223.72

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 had reworked the royalty provided in earlier years and written back the amount in the previous year. However, on the basis of out of court settlement done with PPL, the company had provided for exceptional item of ₹ 385.43 lakhs in the previous financial year.

25. Earnings per Share (EPS)

	March 31, 2014	March 31, 2013
Net loss for the year attributable to equity shareholders	(169.61)	(536.68)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	58,298,776	52,298,776
Weighted average number of Shares issued during the year	-	213,699
Weighted average number of equity shares at the end of the year	58,298,776	52,512,475
Basic and diluted earnings (in ₹) per share	(0.29)	(1.02)

26. Contingent Liabilities and Commitments

- In respect of guarantees issued by Company's bankers to MSRDC and other authorities for ₹ 3.00 lakhs (Previous Year ₹ 3.00 lakhs)
- In respect of guarantees issued by the Company's bankers for company's subsidiary to government and other parties ₹ 348.37 lakhs (Previous Year ₹ 332.70 lakhs).
- Corporate guarantee issued to banks for Company's Subsidiary for term loan of ₹ 1031.00 lakhs (Previous Year ₹ 1150.00 lakhs) and Cash Credit limit of ₹ 740.00 lakhs.(Previous Year ₹ 740.00 lakhs)
- In respect of Income Tax demand under dispute (net of advances) ₹ 1454.20 lakhs (Previous Year ₹ 1793.58 lakhs)
- Estimated amount of contracts remaining to be executed on capital account is Rs. NIL (Previous Year Rs. NIL)

27. Disclosure pertaining to Micro, Small and Medium Enterprises

Sr. No	Particulars	2013-14	2012-13
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	-	-

The above information to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

28. Segment Reporting

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

29. Prior period item represents Professional fees amounting to ₹ 30.31 lakhs in the Previous year.

30. Managerial Remuneration

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 is 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 was taken at the previous Annual General Meeting. Managerial Remuneration debited to Statement of Profit and Loss is subject to approval of the Central Government.

31. 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 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

(₹ in Lakhs)

Nature of Transactions	Under control of Management	Key Managerial Personnel
Interest Expenses	69.04 (39.57)	
Managerial Remuneration		63.76 (46.68)
Receipt of Unsecured Loan during the year		
Inquilab Offset Printers Ltd	-	
	(274.00)	
Meridian Holding & Leasing Co Pvt Ltd	-	
	(270.00)	
Repayment of Unsecured Loan During the year		
Ferari Investments and Trading Co Pvt Ltd	25.00 (5.00)	
Inquilab Offset Printers Ltd	201.50 (74.00)	
Meridian Holding & Leasing Co Pvt Ltd	3.68 (1.37)	
Unsecured loan converted during the year		
Ferari Investments and Trading Co Pvt Ltd	-	
	(300.00)	
Meridian Holding & Leasing Co Pvt Ltd	-	
	(300.00)	

Nature of Transactions	Under control of Management	Key Managerial Personnel
Unsecured Loan payable at end of year		
Inquilab Offset Printers Ltd	- (200.00)	
MC Media Limited	30.00 (30.00)	
Ferari Investments and Trading Co Pvt Ltd	600.00 (625.00)	
Meridian Holding & Leasing Co Pvt Ltd	247.17 (378.63)	
Unsecured Loan given During the year	0.47 (3.02)	
Interest Payable		
Ferari Investments and Trading Co Pvt Ltd	5.08 (51.72)	
Meridian Holding & Leasing Co Pvt Ltd	15.59 (21.97)	

32. In respect of one of the subsidiaries Next Radio Limited, trade receivables include debts outstanding for over 3 years aggregating ₹ 200.34 lakhs, against which company has provided ₹ 242.77 lakhs as provision for doubtful debts. As per the management based on internal assessment done, the provision amount of ₹ 242.77 lakhs is sufficient.

33. Expenditure in Foreign Currency

Particulars	Current Year (₹) in lakhs	Previous Year (₹) in lakhs
Space on Server	-	3.47
Capital Expenditure	2.55	7.15
Others	21.42	9.91

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

34. 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)	58,835,276	5,883.53
Shares Held by Trust under ESOP Scheme*	(536500)	(53.65)
Share Capital reflected in Balance Sheet	58,298,776	5,829.88

* 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

Next Mediaworks Limited

Adille Sumariwalla

Director

Narayan Varma

Director

Manoj Gujran

Company Secretary

DIRECTOR'S REPORT

TO THE MEMBERS OF NEXT RADIO LIMITED

The Directors have pleasure in presenting the Fourteenth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2014.

Financial Performance

(₹ in lakhs)

Particulars	2013-14	2012-13
Profit / (Loss) before Depreciation, Interest and Tax	2081.40	1,842.02
Less: Depreciation	1228.81	1211.99
Interest	366.74	570.69
Profit/ (Loss) Before Exceptional Item	485.85	59.34
Exceptional Item	-	385.43
Prior Period Item	-	30.31
Profit/ (Loss) Before Tax	485.85	(356.40)
Deferred Tax Adjustments	231.97	270.52
Profit/ (Loss) After Tax	253.88	(626.92)

• In the FY 2013-14, the revenue of the Company is ₹ 5896.56 lakhs up by 16.97% as compared to ₹ 5,041.14 lakhs in FY 2012-13.

- EBIDTA of the Company in FY 2013-14 is ₹ 2081.40 lakhs versus ₹ 1842.02 lakhs in FY 2012-13.
- PAT for the FY 2013-14 stood at ₹ 253.88 lakhs against the loss of ₹ 626.92 in the previous year.
- The Company has attained transformational turnaround in EBIDTA, PBIT and PBT in the FY 2013-14.

Business Operations and Future Prospects: -

All the 7 (seven) stations of the Company viz Delhi, Mumbai, Bangalore, Pune, Ahmedabad, Chennai and Kolkata were operational during the year under review as per the Licence granted by the Ministry of Information & Broadcasting.

In India's commercial radio industry, Phase III of offering frequencies to private players is expected to take place in CY 2014. As per the guidelines for Phase-III of FM Radio Broadcasting issued on July 25, 2011, an additional 839 channels across 294 cities have been made available for auction. The rollout of Phase III would provide a boost to broadcasting regional media content. Advertisers would also have additional avenues to take their brands to consumers through Phase III of radio. In addition to more licenses, the industry is hopeful that regulations pertaining to the networking of content, broadcast of news and multiple station ownership in one market are also revised. Currently, 242 FM channels operate in 85 cities. These are run by 37 firms and include 21 channels which migrated from Phase-I to Phase-II.

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 2014.

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, Mr. Dilip Cherian retires by rotation and is eligible for reappointment.

Audit Committee

The Audit Committee of the Company presently comprises of Mr. Adille Sumariwalla (Chairman), Mr. Vineet Singh Hukmani and Mr. Dilip Cherian. The Internal Auditors of the Company, M/s. T. R. Chaddha & Co. report directly to the Audit Committee. Brief description of the terms of reference of the Audit Committee has been furnished in the Report on Corporate Governance.

Buy-Back of Shares:

During the financial year under review, the Company has not offered to buy-back any of its outstanding shares.

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.

The Company has received letter from the Auditor that their re-appointment, if made, would be within the prescribed limit under section 141(3)(g) of the Companies Act, 2013 and they are not disqualified for re-appointment.

Auditors' Observation in their Report

As on 31st March 2014, the Company has recognized Deferred Tax Assets of ₹ 4057.50 lakhs, on unabsorbed business losses/ unabsorbed depreciation on the basis of expected profits in future. In the opinion of the Auditor, such expectation cannot be considered as virtual certainty to recognize such assets. Consequently, in their view, the profit for the year and relevant asset and the reserves and surplus are overstated by ₹ 4057.50 lakhs.

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, 2014;
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.

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	: ₹ 23.14 lakhs

Acknowledgement: -

The Board of Directors places on record their appreciation for the co-operation by 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 Ministry of Information & Broadcasting and other Government & Statutory Authorities, Company's Bankers, Business Associates, Auditors and all the stakeholders of the Company.

For and on behalf of the Board of Directors

Next Radio Limited

Vineet Singh Hukmani
Managing Director

Dilip Cherian
Director

Satyender Singh Chauhan
Company Secretary

Place : Mumbai

Date: April 29, 2014

INDEPENDENT AUDITORS' REPORT

To the Members of Next Radio Limited (formerly known as Radio One Limited) Report on the Financial Statements

We have audited the accompanying financial statements of **Next Radio Limited (formerly known as Radio One Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion:

- i. The Company has recognized Deferred Tax Assets of ₹ 4057.50 lacs as on the Balance Sheet Date, on unabsorbed Business Losses/unabsorbed Depreciation on the basis of expected profits in future. This is not in accordance with Accounting Standard 22 on "Accounting for Taxes on Income" which requires that such assets should be recognized to the extent that there is virtual certainty supported by convincing evidence that the future taxable income will be available against which such assets can be realized. In our opinion this expectation cannot be considered as virtual certainty to recognize such assets. Consequently the profit for the year, relevant asset and the reserves and surplus are overstated by ₹ 4057.50 lacs.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - e. on the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Atul Gala
Partner
Membership No.48650

Place : Mumbai
Date : April 29, 2014

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Next Radio Limited (formerly known as Radio One Limited) on the financial statements for the year ended March 31, 2014]

- (i) (a) The Company has 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 verification 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, except loan amounting to ₹ 584.84 lacs to its Holding company, Next Mediaworks Limited. The maximum amount maximum amount involved during the year was ₹ 584.84 lacs and the year-end balance of loan granted to such party was ₹ 584.84.
- (b) In our opinion and according to the information and explanations 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.
- (c) As informed to us in respect of the above loan there have been no overdue amounts on account of principal or interest which are outstanding as on the balance sheet date.
- (d) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(f) and (g) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- (v) According to the information and explanations given to us, there are no transaction that need to be entered into the register maintained under section 301.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the 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) The Company is, generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, service 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, investor education and protection fund, employees' state insurance, income-tax, service 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 except the following:

Name of the statute	Nature of the dues	Amount (₹ in Lacs)	Period to which the amount relates	Due Date	Date of Payment
Finance Act, 1994	Service Tax	144.61	September 2012 to December 2012	October 06, 2012 to January 06, 2013	-

- (c) According to the records of the Company, the dues outstanding of income-tax, service tax, customs duty and cess 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	TDS	181.44	AY 2011-12	CIT (Appeals)
Income Tax Act, 1961	TDS	65.91	AY 2012-13	CIT (Appeals)

- (x) In our opinion, the accumulated losses of the Company exceed fifty percent of its net worth. Further, the company has not incurred cash losses during the financial year covered by our audit and 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 and based on the documents and records produced 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 (xiii) of paragraph 4 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 (xiv) of paragraph 4 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 no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation 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 Companies Act, 1956.
- (xix) The Company did not have any debentures outstanding during the year.
- (xx) The Company has not raised 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 Registration No. 103523W

Atul Gala
Partner
Membership No. 48650

Place : Mumbai
Date : April 29, 2014

BALANCE SHEET

as at 31st Mar, 2014

Particulars	Refer Note No.	As at 31st March, 2014	As at 31st March, 2013
		₹ in lakhs	₹ in lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	15,926.38	15,926.38
Reserves and surplus	5	(7,588.17)	(7,842.05)
		8,338.21	8,084.33
Non-current liabilities			
Long-term borrowings	6	772.62	1,209.69
Long-term provisions	7	20.09	22.30
		792.71	1,231.99
Current liabilities			
Short-term borrowings	8	591.90	595.61
Trade payables	9	249.41	637.34
Other current liabilities	6 & 10	1,164.08	1,351.74
Short-term provisions	7	159.59	74.73
		2,164.98	2,659.42
	Total	11,295.90	11,975.74
ASSETS			
Non-current assets			
Fixed assets	11		
Tangible assets		1,247.17	1,491.49
Intangible assets		2,306.08	3,250.87
		3,553.25	4,742.36
Non-current investments	12	0.50	-
Deferred tax assets (net)	13	4,011.42	4,243.39
Long-term loans and advances	16	1,067.86	612.39
Other non-current assets	15	218.02	200.64
Current assets			
Trade receivables	14	1,684.96	1,730.50
Cash and Bank Balances	15	240.51	61.55
Short-term loans and advances	16	451.71	359.80
Other current assets	17	67.67	25.11
		2,444.85	2,176.96
	Total	11,295.90	11,975.74
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
Firm Regn No. 103523W

For and on behalf of Board of Directors
Next Radio Limited

Atul Gala
(Partner)
Membership No.: 48650

Vineet Singh Hukmani
Managing Director

Dilip Cherian
Director

Satyender Singh Chauhan
Company Secretary

Place : Mumbai
Date : April 29, 2014

PROFIT AND LOSS STATEMENT

for the year ended 31st Mar, 2014

Particulars	Refer Note No.	Year Ended	Year Ended
		31st Mar, 2014	31st Mar, 2013
		₹ in lakhs	₹ in lakhs
REVENUE FROM OPERATIONS			
Advertisement Revenue		5,896.56	5,041.14
Other income	18	-	84.77
Total Revenue		5,896.56	5,125.91
EXPENSES			
Radio license fees		419.32	387.63
Employee Benefit Expenses	19	1,243.89	1,082.70
Operating expenses	20	1,390.09	1,150.42
General & Administration Expenses	21	761.86	663.14
		3,815.16	3,283.89
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)		2,081.40	1,842.02
Depreciation & Amortization	11	1,228.81	1,211.99
Finance charges (Net)	22	366.74	570.69
Profit / (Loss) before exceptional and extraordinary items and tax		485.85	59.34
Exceptional items (Net)	23	-	385.43
Prior Period Items	24	-	30.31
Profit / (Loss) before tax		485.85	(356.40)
Tax expense:			
Deferred tax for the current period	13	231.97	(75.67)
Deferred Tax on Carried forward loss reversed		-	346.19
Profit (Loss) for the Year		253.88	(626.92)
Earnings per equity share:	25		
Basic & Diluted		(0.03)	(0.71)
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
 Firm Regn No. 103523W

For and on behalf of Board of Directors
Next Radio Limited

Atul Gala
 (Partner)
 Membership No.: 48650

Vineet Singh Hukmani
 Managing Director

Dilip Cherian
 Director

Satyender Singh Chauhan
 Company Secretary

Place : Mumbai
 Date : April 29, 2014

CASH FLOW STATEMENT

Particulars	Year Ended 31st Mar, 2014	Year Ended 31st Mar, 2013
	₹ in lakhs	₹ in lakhs
A. Net Cashflow from operating Activities		
Net Profit / (Loss) before tax	485.85	(356.40)
Depreciation	1,228.81	1,211.99
Interest & finance cost	418.02	602.81
Loss/(profit) on sale of fixed assets (net)	-	(58.24)
Interest Income	(51.28)	(32.11)
Creditors written back	-	(21.96)
Provision for Doubtful Debt	114.66	50.41
Operational Profit before Working Capital	2,196.06	1,396.50
Adjustments for changes in Working Capital		
Sundry Debtors	(69.12)	(579.41)
Loans & Advances	(496.84)	9.01
Other Current assets	(17.38)	-
Liabilities & provisions	(292.73)	339.97
Sub-Total	(876.07)	(230.43)
Cash generated from operations	1,319.99	1,166.07
Income Tax	(50.53)	(15.35)
Sub-Total	(50.53)	(15.35)
Net Cash Flow from Operating Activities (A)	1,269.46	1,150.72
B. Cash Flow from Investing Activities		
Purchase of fixed Assets	(39.69)	(15.68)
Sale of Fixed Assets	-	98.99
Interest Received	8.72	85.93
Intevestment	(0.50)	-
Net Cash Flow from Investing Activities (B)	(31.47)	169.24
C. Cash Flow from financing Activities		
Issue of Securities	-	1,777.94
Long Term & Other borrowings	260.00	1,144.98
Repayment of Long Term & Other borrowings	(686.33)	(3,181.92)
Interest & finance cost	(632.69)	(1,068.35)
Net Cash Flow from Financing Activities (C)	(1,059.02)	(1,327.33)
Net Increase/decrease in Cash & Cash Equivalents (A+B+C)	178.97	(7.37)
Cash & Cash Equivalents at the beginning of the year	61.54	68.93
Cash & Cash Equivalents at the end of the year	240.52	61.54

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

Atul Gala
(Partner)
Membership No.: 48650

Vineet Singh Hukmani
Managing Director

For and on behalf of Board of Directors
Next Radio Limited

Dilip Cherian
Director

Satyender Singh Chauhan
Company Secretary

NOTES TO FINANCIAL STATEMENTS

for the year ended on 31st March, 2014

1. Corporate Information

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

2. Basis of preparation

The Financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply 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, read with general circular 15/2013 dated 13th September, 2013, issued by the ministry of the corporate affairs, in respect of sec 133 of Companies Act 2013. The financial statements have been prepared on an accrual basis and under historical cost convention. The accounting policies have been consistently applied by the company and are consistent with those used in previous year.

3. Summary of significant accounting policies

a) Use of estimates

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

b) Tangible fixed assets

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

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

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

c) Intangible assets

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

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.

d) Depreciation

Depreciation on fixed assets is provided on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule 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..

e) Impairment

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

f) Leases

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

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

g) Revenue recognition

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

Interest

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

Others

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

h) Foreign currency translation**Initial recognition**

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

Conversion

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

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

i) Retirement and other employee benefits

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

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

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

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

j) Income Taxes

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

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

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

k) Earnings Per Share

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

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

l) Provisions

A provision is recognized when the company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

m) Contingent liabilities, contingent assets

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

Contingent assets are neither recognized nor disclosed.

n) Cash and cash equivalents

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

o) Measurement of EBITDA

The company has elected to present earning before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

4. Share Capital

a. Authorized and issued and paid-up capital

Particulars	As at 31st Mar, 2014		As at 31st Mar, 2013	
	Number of Shares	Amount (₹ in lakhs)	Number of Shares	Amount (₹ in lakhs)
Authorized Capital				
Equity Shares of ₹ 10/- each	138,930,000	13,893.00	138,930,000	13,893.00
11.50% Optionally Convertible Cumulative Preference Shares of ₹ 10/- Each	25,770,000	2,577.00	25,770,000	2,577.00
	164,700,000	16,470.00	164,700,000	16,470.00
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹ 10/- each fully paid	133,493,757	13,349.38	133,493,757	13,349.38
11.50% Optionally Convertible Cumulative Preference Shares of ₹ 10/- Each fully paid	25,770,000	2,577.00	25,770,000	2,577.00
	159,263,757	15,926.38	159,263,757	15,926.38

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

Particulars	As at 31st Mar, 2014		As at 31st Mar, 2013	
	Number of Shares	Amount (₹ in lakhs)	Number of Shares	Amount (₹ in lakhs)
Equity Shares				
Shares outstanding at the beginning of the year	133,493,757	13,349.38	121,439,910	12,143.99
Add: Shares issued during the year	-	-	12,053,847	1,205.39
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of year	133,493,757	13,349.38	133,493,757	13,349.38
Preference Shares				
Shares outstanding at the beginning of the year	25,770,000	2,577.00	25,770,000	2,577.00
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of year	25,770,000	2,577.00	25,770,000	2,577.00

c. Terms / rights attached to equity shares

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

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

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

Cumulative outstanding preference dividend as on 31st March, 2014 is ₹ 1380.28 (as on 31st March, 2013 - ₹1083.92 lakhs)

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

Name of the Shareholders	As at 31st Mar, 2014		As at 31st Mar, 2013	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited (the holding Company)	96,430,770	72.24%	96,430,770	72.24%
Preference Shares				
Next Mediaworks Limited (the holding Company)	25,770,000	100.00%	25,770,000	100.00%

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

Name of the Shareholders	As at 31st Mar, 2014		As at 31st Mar, 2013	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited	96,430,770	72.24%	96,430,770	72.24%
BBC Worldwide Holdings B. V.	24,287,982	18.19%	24,287,982	18.19%
Ferari Investments and Trading Co. Pvt Ltd	3,330,000	2.49%	10,000,000	7.49%
Vineet Singh Hukmani	6,670,000	5.00%	-	-
Total	130,718,752	97.92%	130,718,752	97.92%
Preference Shares				
Next Mediaworks Limited	25,770,000	100.00%	25,770,000	100.00%
Total	25,770,000	100.00%	25,770,000	100.00%

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

Particulars	Year (Aggregate No. of Shares)				
	2013-14	2012-13	2011-12	2010-11	2009-10
Equity Shares					
- Fully Paid by way of bonus shares	-	-	-	6,773,482	-
Preference Shares	-	-	-	-	-

5. Reserves & Surplus

Particulars	As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)
Securities Premium		
Opening Balance	3,837.81	3,265.25
Add: Share Premium credited on share issue	-	572.56
Closing Balance	3,837.81	3,837.81
Surplus		
Opening Balance	(11,679.86)	(11,052.94)
Add: Net Profit / (Loss) for the year	253.88	(626.92)
Closing Balance	(11,425.98)	(11,679.86)
Total Reserves & Surplus	(7,588.17)	(7,842.05)

6. Long Term Borrowings

Particulars	Non – Current Portion		Current Maturities	
	As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)
Secured Borrowings				
Term Loans (From Banks)	559.75	862.39	301.44	287.61

Unsecured Borrowings				
Inter Corporate Loans				
- From Others	212.87	347.30	4.30	3.68
	772.62	1,209.69	305.74	291.29

- 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.
- Term Loan – II from bank is repayable in 15 quarterly installments of ₹ 50.00 lakhs each and Other term loan is repayable in 5 years
- Unsecured inter corporate loan from Others are payable at end of tenure of loan i.e. 36 months.
- Unsecured inter corporate loan from Others - ₹187.30 lakhs is payable over a period of 43 months & ₹30 lakhs are payable at the of tenure of loan i.e. 18 months respectively.
- Current maturities of long term borrowings have been reported as other current liabilities.

7. Provisions

Particulars	Long Term		Short Term	
	As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)
Provision for Employee Benefits				
Leave Encashment (Unfunded)	20.09	22.30	2.40	2.33
Gratuity Payable(Funded)			8.57	2.40
Provision for other expenses	-	-	148.62	70.00
	20.09	22.30	159.59	74.73

8. Short Term Borrowings

Particulars	As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)
Secured Borrowings		
Cash Credit Facility (From Banks)	331.90	395.61
Overdraft from Bank	90.00	-
Term Loan from Financial Institution	170.00	-
Unsecured Borrowings		
Inter Corporate Loans		
- From Others	-	200.00
	591.90	595.61

- 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.
- Borrowing from Karvy Financial Services Limited is secured against 4,20,000 Equity shares of Jagaran Prakashan Limited owned by promoter of the company. Repayment term - Bullet repayment at the end of the tenure.
- DNS Bank OD facility is secured against FD of ₹ 1 Crore for 121 days

9. Trade Payables

Particulars	As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)
Trade Payables		
To Others	249.41	637.34
(Refer Note no. 27)		
	249.41	637.34

10. Other Current Liabilities

Particulars	As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)
Other Current Liabilities		
Advance Received from customers	8.39	11.63
Taxes Payable	143.42	421.81
Other Current Liabilities	685.90	391.73
Interest Accrued and due	15.38	22.42
Interest accrued but not due to Related Party (Holding Company)	-	208.82
Interest accrued but not due to others	5.24	4.05
	858.33	1,060.46

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

11. Fixed Assets

Amount (₹) in lakhs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1st Apr, 2013	Additions during the year	Deductions during the year	As at 31st Mar, 2014	As at 1st Apr, 2013	For the year	Deductions during the year	As at 31st Mar, 2014	As at 31st Mar, 2014	As at 31st Mar, 2013
Tangible Assets:										
Building	38.07	-	-	38.07	16.50	4.42	-	20.92	17.16	21.57
Studio equipment	450.73	0.90	-	451.63	312.64	43.64	-	356.28	95.35	138.09
Transmitter	687.97	-	-	687.97	237.55	14.28	-	251.83	436.13	450.42
Furniture and fixtures	640.44	-	-	640.44	241.55	52.39	-	293.94	346.50	398.89
Office Equipments	52.19	3.39	-	55.58	17.23	2.60	-	19.83	35.76	34.96
Computers	334.99	1.19	-	336.18	302.69	18.49	-	321.18	15.00	32.30
Air-conditioners	95.75	1.61	-	97.36	26.48	4.61	-	31.09	66.27	69.27
Audio-visual equipments	2.63	-	-	2.63	0.92	0.12	-	1.04	1.58	1.71
Common Transmission Infrastructure	429.29	-	-	429.29	85.01	110.86	-	195.87	233.43	344.28
Total Tangible Assets	2,732.06	7.09	-	2,739.15	1,240.57	251.41	-	1,491.98	1,247.18	1,491.49
Intangible Assets:										
One Time Entry Fees	9,732.53	-	-	9,732.53	6,481.66	973.25	-	7,454.91	2,277.61	3,250.87
Computer software	60.03	32.60	-	92.63	60.03	4.14	-	64.17	28.46	-
Total Intangible Assets	9,792.56	32.60	-	9,825.16	6,541.69	977.40	-	7,519.08	2,306.07	3,250.87
Capital Work in Progress										
Total	12,524.62	39.69	-	12,564.31	7,782.26	1,228.81	-	9,011.06	3,553.25	4,742.36
Previous Year	12,445.71	135.84	56.93	12,524.62	6,586.46	1,211.99	16.19	7,782.26	4,742.36	

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 had capitalized the Common Transmission Infrastructure during the previous year. Depreciation on CTI is charged on straight line method over balance period of License at each location. Moreover the company has shifted to CTI site in Mumbai in previous year and hence the amount pertaining to this station is capitalized in previous year.

12. Non Current Investment

Particulars	As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)
Trade Investments		
DNS Bank Shares (Equity Shares of Rs. 50/- each)	0.50	-
	0.50	-

13. Deferred Tax Assets (net)

As per standard on accounting for taxes on income, the company has reversed ₹ 231.97 lakhs net deferred tax asset for the year

Particulars	As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)
Deferred Tax Assets/(Liabilities)		
On Carried Forward Losses	4,057.50	4,318.01
On Depreciation on Fixed Assets	(52.49)	(78.98)
On Leave Encashment	5.55	5.50
On Gratuity	0.86	(1.14)
	4,011.42	4,243.39

14. Trade Receivables

Particulars		As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)
Trade receivables outstanding for period exceeding six months from the date they are due for payment			
Unsecured, considered good		230.25	288.46
Unsecured, considered doubtful		242.77	128.11
		473.02	416.57
Less: Provision for doubtful debts		242.77	128.11
	(A)	230.25	288.46
Trade receivables outstanding for a period less than six months from the date they are due for payment			

Particulars		As at	As at
		31st Mar, 2014 Amount (₹ in lakhs)	31st Mar, 2013 Amount (₹ in lakhs)
Unsecured, considered good		1,454.71	1,442.04
	(B)	1,454.71	1,442.04
Total	(A+B)	1,684.96	1,730.50

15. Cash & Bank Balances

Particulars	Non-current		Current	
	As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)
Cash & Cash Equivalents				
Balances with banks				
- In Current Account	-	-	139.13	59.14
- In Deposit Accounts	4.81	4.50	-	-
Cash in Hand	-	-	1.38	2.40
Other bank balances				
Deposit Account (Under lien with bank)	25.16	8.09	100.00	-
Margin Money (Under lien with bank)	188.05	188.05	-	-
	218.02	200.64	240.51	61.54

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

16. Loans & Advances

Particulars	Long Term		Short Term	
	As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)
Unsecured considered good				
Trade Deposits	300.91	396.39	-	-
Capital Advances	216.00	216.00	-	-
Receivable from BECIL	-	-	77.71	77.71
Staff Loans & Advances	-	-	1.74	1.85
Tax Deducted at Source	-	-	231.70	181.17
Prepaid Expenses	-	-	138.57	97.95
Loans to Others	-	-	0.79	0.26
Loans to Related Parties	550.95	-	1.20	0.86
	1,067.86	612.39	451.71	359.80

17. Other Current Assets

Particulars	As at 31st Mar, 2014 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)
Other Current Assets		
Interest Accrued but not due	43.43	25.11
Interest Accrued and Due from Related parties	24.24	-
	67.67	25.11

18. Other Income

Particulars	Year Ended 31st Mar, 2014 Amount (₹ in lakhs)	Year Ended 31st Mar, 2013 Amount (₹ in lakhs)
Other Income		
Interest on Income tax refund	-	4.57
Profit on Sale of Fixed Assets	-	58.24
Creditors / Liabilities Written Back	-	21.96
	-	84.77

19. Employee Benefit Expenses

Particulars	Year Ended 31st Mar, 2014 Amount (₹ in lakhs)	Year Ended 31st Mar, 2013 Amount (₹ in lakhs)
Employee Costs		
Salary & Wages	1,112.48	972.50
Contribution to PF and other funds	33.38	29.50
Staff Welfare expenses & other Employee expenses	98.04	80.70
	1,243.90	1,082.70

20. Operating Expenses

Particulars	Year Ended 31st Mar, 2014 Amount (₹ in lakhs)	Year Ended 31st Mar, 2013 Amount (₹ in lakhs)
Operational Expenses		
Royalty	155.81	130.58
Radio programme creation and studio hire	374.27	287.24
Repairs & Maintenance - Equipment	173.37	104.78
Repairs & Maintenance - Others	87.37	77.77
Electricity charges	181.38	167.35
Rent	417.39	382.70
	1,390.09	1,150.42

21. General & Administration Expenses

Particulars	Year Ended 31st Mar, 2014 Amount (₹ in lakhs)	Year Ended 31st Mar, 2013 Amount (₹ in lakhs)
General & Administrative Expenses		
Telephone charges	43.01	45.63
Travelling	51.60	41.20
Conveyance	29.59	48.18
Directors sitting fees	0.28	0.43
Business Promotion	31.15	18.64
Auditors remuneration :-		
- Statutory Audit	3.00	2.00
- Tax Audit	0.75	0.75
- Others	0.60	0.60
Miscellaneous Expenses	20.14	23.59
Discounts & Other Incentives	206.96	109.77
Advertisement Expenses	89.57	153.83
Legal & Professional Charges	138.56	107.16
Printing and stationery	10.51	10.62
Insurance	10.27	18.19
Rates and Taxes	11.21	32.13
Provision made during the year for doubtful debts	114.66	50.41
	761.86	663.13

22. Finance Charges

Particulars	Year Ended 31st Mar, 2014 Amount (₹ in lakhs)	Year Ended 31st Mar, 2013 Amount (₹ in lakhs)
Interest Charges		
- On loans from Banks*	215.43	284.34
- On loans from Others*	130.74	255.77
Bank Charges & Commission	20.58	30.58
* (Net of Interest Income of ₹ 51.28 lakhs (PY₹ 32.11 lakhs))		
	366.75	570.69

23. Exceptional Items

Particulars	Year Ended 31st Mar, 2014 Amount (₹ in lakhs)	Year Ended 31st Mar, 2013 Amount (₹ in lakhs)
Exceptional Items		
Royalty payable	-	385.43
	-	385.43

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 had reworked the royalty provided in earlier years and written back the amount in the previous year. However, on the basis of out of court settlement done with PPL, the company has provided exceptional item of ₹ 385.43 lakhs in the current financial year.

24. Prior period item represents Professional fees amounting to ₹ 30.31 lakhs in the Previous year .

25. Earnings per Share (EPS)

	March 31, 2014	March 31, 2013
Net Profit / (Loss) as per Profit & Loss Statement (₹ in lakhs)	253.88	(626.92)
Less: Dividend on Preference Shares (₹ in lakhs)	296.36	296.36
Net loss for the year attributable to equity shareholders (₹ in lakhs)	(42.48)	(923.28)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	133,493,757	121,439,910
Weighted average number of Shares issued during the year	-	8,388,157
Weighted average number of equity shares at the end of the year	133,493,757	129,828,067
Basic and diluted earnings (in ₹) per share	(0.03)	(0.71)

26. Contingent Liabilities and Commitments

- In respect of guarantees issued by the Company's bankers ₹ 348.37 lakhs (Previous Year ₹ 332.70 lakhs).
- In respect of cumulative outstanding preference dividend as on 31st March, 2014 is ₹ 1380.28 lakhs (Previous year ₹ 1083.93 lakhs)
- Liability if any, amount not quantifiable, towards royalty to Indian Performing Rights Society (IPRS), pending final outcome of arbitration
- In respect of Income Tax demand under dispute (net of advances) ₹ 247.35 lakhs (Previous Year NIL)
- Estimated amount of contracts remaining to be executed on capital account is Rs. NIL (Previous Year Rs. NIL)

27. Disclosure pertaining to Micro, Small and Medium Enterprises

Sr. No	Particulars	2013-14	2012-13
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	-	-

The above information to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors

28. Segment Reporting

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

29. Provision for Doubtful debts

Sundry debtors include debts outstanding for over 3 years aggregating ₹ 231.07 lakhs, against which company has provided ₹ 242.77 lakhs as provision for doubtful debts. As per the management based on internal assessment done, the provision amount of ₹ 242.77 lakhs is sufficient.

30. 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.

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 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

(₹ in lakhs)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Under control of Management	Key Managerial Personnel
Interest Expenses:	- (59.01)	-		-
MC Media Limited			- (4.05)	
Inquilab Offset Printers Ltd			13.06 (25.75)	
Meridian Holding & Leasing Co Pvt Ltd			36.12 (23.81)	- -
Interest Earned	24.24 -	-	-	
Managerial Remuneration	- -	- -	- -	58.80 (39.48)
Receipt of Unsecured Loan during the year	- (95.00)	-	-	-
Inquilab Offset Printers Ltd			- (274.00)	
Meridian Holding & Leasing Co Pvt Ltd			- (270.00)	

(₹ in lakhs)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Under control of Management	Key Managerial Personnel
Repayment of Unsecured Loan During the year	210.70	-		-
Inquilab Offset Printers Ltd			200.00 (74.00)	
Meridian Holding & Leasing Co Pvt Ltd			3.68 (1.37)	
Unsecured Loan payable at end of year	-	-		-
MC Media Limited			30.00 (30.00)	
Inquilab Offset Printers Ltd			- (200.00)	
Meridian Holding & Leasing Co Pvt Ltd			187.17 (320.98)	
Unsecured Loan given During the year	548.54	1.11	0.46	-
	-	(0.79)	(0.01)	-
Unsecured Loan receivable at end of year	548.54	2.23	0.47	-
	-	(0.85)	(0.01)	-
Issue of Equity Shares(including Securities Premium)	-	-	-	-
	(1,777.95)	-	-	-
Interest Payable	-	-	-	-
	(208.82)	-	-	-
Interest Receivable	24.24	-	-	-
	-	-	-	-

32. 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 ₹ 30.54 lakhs in Profit & Loss Statement towards employer's contribution to provident fund.

b. Defined Benefit Plans

- **Contribution to Gratuity Fund (Funded Scheme)**
- **Leave Encashment (Non-funded Scheme)**

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

Discount Rate	- 9.31% p.a.
Rate of Increase in compensation levels (p.a.)	- 6.00% p.a.

a. Change in the Present Value obligation

	Year Ended 31st Mar, 2014 Amount (₹ in lakhs)
Present Value of Defined Benefit Obligation as at beginning of the year	33.68
Interest Cost	2.78
Current Service Cost	7.73
Benefits Paid from the fund	(2.11)
Actuarial (gain) / Loss on Obligation	(3.04)
Present Value of Defined Benefit Obligation as at end of the year	39.03

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

Present Value of Plan Assets as at beginning of the year	31.28
Expected Return on Plan Assets	2.58
Actuarial gain/(loss) on Plan Assets	(1.29)
Contributions	-
Benefits Paid	(2.11)
Fair Value of Plan Assets as at end of the year *	30.46

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

Present Value of Funded Obligation as at end of the year	39.03
Fair Value of Plan Assets as at end of the year	30.46
Funded Asset recognised in the Balance Sheet	(8.57)
Included in provision (Schedule)	-
Present Value of Unfunded Obligation as at end of the year	-
Unrecognised Actuarial gains / (losses)	-
Unfunded Liability recognised in the Balance Sheet	-
Included in provision (Schedule)	-

d. Amount Recognized in the Balance Sheet

Present Value of Defined Benefit Obligation as at the end of the year	39.03
Fair Value of Plan Assets As at the end of the year	30.46
Liability / (Net Asset) recognized in the Balance Sheet	8.57

e. Expenses Recognized in the Profit & Loss Statement

Current Service Cost	7.73
Past Service Cost	-
Interest Cost	2.78
Expected Return on Plan Assets	(2.58)
Curtailment Cost / (Credit)	-
Settlement Cost / (Credit)	-
Net Actuarial (gain) / Loss recognised in the year	(1.75)
Total Expenses recognised in the Statement of Profit and Loss	6.17

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

The company has based on Actuarial Valuations charged an amount of ₹ 0.21 lakhs as expenses on account of leave encashment payable to the employees.

33. Expenditure in Foreign Currency

Expenditure in Foreign Currency

Particulars	Current year (₹ in lakhs)	Previous year (₹ in lakhs)
Capital Expenditure	2.55	7.15
Others	20.59	9.91

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

34. Figures for Previous year have been regrouped/rearranged wherever required to make them comparable.

For and on behalf of Board of Directors
Next Radio Limited

Vineet Singh Hukmani
Managing Director

Dilip Cherian
Director

Satyender Singh Chauhan
Company Secretary

Place: Mumbai
Date: April 29, 2014

Summary of Financial information of subsidiary companies
Under Section 212(8) of Companies Act, 1956

(₹ in lakhs)

Sr.	Name of the Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments except in case of investment in the subsidiaries	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
1	Next Radio Limited	15926.38	(7588.17)	11295.90	11295.90	0.50	5896.56	485.85	231.97	253.88	NIL
	Previous Year	15926.38	(7842.05)	11975.74	11975.74	NIL	5125.91	(356.40)	270.52	(626.92)	NIL
2	Next Outdoor Limited	349.50	(357.87)	0.17	0.17	NIL	NIL	(0.33)	NIL	(0.33)	NIL
	Previous Year	349.50	(357.54)	0.18	0.18	NIL	NIL	(0.28)	NIL	(0.28)	NIL
3	One Audio Limited	5.00	(232.77)	12.68	12.68	NIL	NIL	(0.28)	NIL	(0.28)	NIL
	Previous Year	5.00	(232.49)	12.68	12.68	NIL	NIL	(0.25)	0.09	(0.34)	NIL
4	Digital One Private Limited	1.00	(0.92)	1.83	1.83	NIL	NIL	(0.32)	NIL	(0.32)	NIL
	Previous Year	1.00	(0.59)	1.83	1.83	NIL	NIL	(0.18)	NIL	(0.18)	NIL

NOTICE

NOTICE is hereby given that the **33rd ANNUAL GENERAL MEETING** of the Company will be held on Friday, August 8, 2014 at 4:00 p.m. at Hall of Culture, 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 2014 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, the following Resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the earlier resolution(s) passed in this behalf, pursuant to the provisions of Section 196 & 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (erstwhile Schedule XIII of the Companies Act, 1956) (including any statutory modification or re-enactment thereof), and subject to approval of the Central Government, if any, the Company hereby approves the re-appointment of Mr. Tarique Ansari as Managing Director of the Company with effect from July 01, 2013 to June 30, 2016 on a remuneration of ₹42,00,000/- lacs per annum as approved by the Remuneration Committee on the following terms and conditions:-

In addition to the above, the Managing Director shall be also entitled for the following perquisite(s) and retirement benefits:

- a) Rent Free Accommodation;
- b) 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; and
- c) Gratuity payable at a rate not exceeding half a month salary for each completed year of service;
- d) 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, 2013 as may be agreed to between the Board and Mr. Tarique Ansari."

"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, 2013."

- 6) To consider, and if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 42 & 62 (1) (3) and all other applicable provisions of the Companies Act, 2013 (“the Act”) read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), any applicable provision of the Companies Act, 1956 for the time being in force, provision of the Chapter VII of the Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI (ICDR) Regulations”) as in force and subject to any other Rules / Regulations/ Guidelines issued by the Securities and Exchange Board of India (“SEBI”) as amended from time to time and the enabling provision of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with Stock Exchanges, where the shares of the Company are listed and subject to all necessary approvals, consents, permission and / or sanctions, if any, of SEBI, Stock Exchanges and other appropriate statutory authorities as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and / or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which expression shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), the Board be and is hereby authorized to create, offer, issue and allot, on a preferential basis, upto 6,500,000 (Sixty Five Lacs) Equity Shares of ₹ 10/- (Rupees Ten only) each at par, to the following Promoter Companies, in one or more tranches:

Sr. No.	Name of the Proposed Allottee	Category	PAN	Maximum no. of Equity Shares proposed to be allotted
1.	Ferari Investments & Trading Company Pvt Ltd	Promoter Group	AAACF2986P	38,00,000
2.	Meridian Holding & Leasing Company Pvt Ltd	Promoter Group	AAACM9744N	27,00,000
	Total			65,00,000

RESOLVED FURTHER THAT the purpose of this preferential issue is to convert part of the unsecured loan already extended by the Promoter Companies to the Company.

RESOLVED FURTHER THAT the Relevant Date as per the SEBI (ICDR) Regulations for the determination of the Issue Price of Equity Shares shall be July 9, 2014, being 30 (Thirty) days prior to the date of this Meeting.

RESOLVED FURTHER THAT the Equity Shares to be created, offered, issued and allotted in terms of this Resolution shall rank pari-passu in all respects, including as to dividend, with the existing fully paid-up Equity Shares of the Company and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the equity shares to be created, offered, issued and allotted in terms of this Resolution shall be locked-in from the date of their trading approval for such period as prescribed under the provisions of the SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable and appropriate in all respects and in particular to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds, crediting the Equity Shares in the demat account of the Allottee, listing of the Equity Shares with the Stock Exchanges, without being required to seek any further consent or approval of the shareholders of the Company or otherwise to the end and intent that this shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

NOTES:

- 1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a Member of the Company.**
2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act), in respect of the business under Item Nos.5 and 6 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item No. 2, 3 and Item No. 5 of the Notice, are also annexed.
3. The Register of Members and Share Transfer Books of the Company will be closed from Friday, August 01, 2014 to Friday, August 08, 2014 (both days inclusive).
4. Members seeking any information with regard to the Accounts are requested to write to the Company at least seven days in advance, so as to enable the management to keep the information ready at the meeting.
5. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to the Members whose e-mail addresses are registered with the Depositories/ Company's Registrars and Share Transfer Agents (R&TA), unless any Member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by permitted mode.
6. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Depositories/ Company's R&TA.
7. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days, except Saturdays and holidays, upto the date of the AGM.
8. As a measure of economy, copies of Annual Report 2013-14 will not be distributed at the AGM. Members are requested to bring their copies of the Annual Report 2013-14 to the AGM.
9. Members are requested to notify immediately any change in their address, email ids and/ or the Bank Mandate details to the Company's R&TA for shares held in physical form and to their respective Depository Participants for shares held in electronic form.

Registered Office:

Peninsula Centre,
Dr. S.S. Rao Road,
Parel, Mumbai – 400 012.

Mumbai,
April 29, 2014

By Order of the Board of Directors
For Next Mediaworks Limited

Manoj Gujran
Company Secretary & Compliance Officer

EXPLANATORY STATEMENT AS REQUIRED U/S. 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 5

Mr. Tarique Ansari was re-appointed as Managing Director of the Company for a period of 3 years with effect from 1st July, 2013 at a remuneration of ₹ 42,00,000/- (Rupees Forty Two Lakhs only) per annum, which was within the limit of Schedule V of the Companies Act, 2013 (erstwhile Schedule XIII of the Companies Act, 1956), which is based on the effective capital of the Company.

However, pursuant to the demerger of the printing Division of the company, the Net worth of the Company decreased and consequently the maximum remuneration to Mr. Tarique Ansari permissible under Schedule XIII of the Companies Act, 1956 also got decreased considerably due to diminution in effective capital of the company. The remuneration committee of Directors and the Board of Directors proposed to pay the same remuneration to Mr. Tarique Ansari as received by him for the financial year 2010-11, 2011-12 and 2012-13, i.e., ₹ 3,50,000 per month or in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 1956, whichever is higher; at 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 with same remuneration for a further period of three years in the best interest of the Company. The remuneration committee and the Board have approved the aforesaid remuneration.

Additional information required to be given along with a Notice calling General Meeting as per of Section II of Part II of Schedule V of the Companies Act, 2013 is given hereunder:

Financial performance based on given indicators (₹ in lacs)	2009-10	2010-11	2011-12	2012-13	2013-14
Turnover	-	-	-	-	-
Net profit/ (loss) (as computed under Sec 198)	303.86	176.19	(240.17)	(77.36)	(284.91)
Net profit/(Loss) as per profit and loss account	195.67	(1644.49)	(205.46)	(97.26)	(352.07)
Amount of Dividend paid	-	-	-	-	-
Rate of Dividend declared	-	-	-	-	-
Earnings before interest, depreciation & taxes (EBIDTA)	371.68	(1571.24)	(102.30)	(144.82)	(261.03)
% of EBIDT to turnover	-	-	-	-	-
Export performance and net foreign exchange collaborations	-	-	2.65	-	-
Foreign investments or collaborators, if any.	-	-	-	-	-

NOTE: * EBIDTA of FY 2010-11 includes the exceptional item of ₹ (1753.34) Lacs .

The Company was incorporated in the year 1981 with the main object of printing and publishing of newspapers, magazines, books and journals, etc.

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 and continued in this post till 1985 when he became a Director.

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 V of the Companies Act, 2013. Mr. Tarique Ansari was one of the promoters of Next Mediaworks Limited (Formerly "Midday Multimedia Limited") and has been associated with the company since 1983. He was first appointed as Managing Director in 1988 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.

Having regard to the qualifications and experience of Mr. Tarique Ansari, performance of the Company, trend in the industry, 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 7.37 percent equity stake in the Company as of date.

The total remuneration drawn by Mr. Tarique Ansari for the financial year 2010-11, 2011-12 and 2012-13 was ₹42,00,000/- per annum. Besides his remuneration, Mr. Tarique Ansari does not have any other pecuniary relationship with the Company.

Other Information:

S/N	Particulars	Remarks
1.	Reason of Loss or Inadequate Profits	The Company did not have any revenues during the years except the income from sale of smart phone of applications which was not sufficient to absorb the cost incurred.
2.	Steps taken or proposed to be taken for Improvement.	The Company has operationalised strategy to get into new lines of business going forward.
3.	Expected increase in productivity and profits is measurable terms	Expected increase in productivity by 10%. The Company expects to increase the profit by about 10% barring unforeseen.

Disclosures:

- The remuneration package of Mr. Tarique Ansari and other details have been disclosed above.
- The details of remuneration etc. of other Directors are included in the Corporate Governance Report forming part of the Annual Report of the Company.
- The term 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.
- None of the Directors except Mr. Tarique Ansari is concerned or interested in the resolution.
- The Board commends the resolution for the re-appointment and payment of remuneration to Mr. Tarique Ansari as the Managing Director of the Company for approval by the members.

ITEM NO. 6

The Board of Directors on July 7, 2014, subject to necessary approval(s), has approved the proposal for issue of upto 38,00,000 Equity Shares of the Company to Ferari Investments & Trading Company Private Limited against conversion of Unsecured Loan of ₹ 3,80,00,000/- already given to the Company and 27,00,000 Equity Shares of the Company to Meridian Holding & Leasing Company Private Limited against the conversion of Unsecured Loan of ₹60,00,000/- already given to the Company and the infusion of fresh funds towards balance of ₹ 2,10,00,000/-. The Company proposes to convert the Unsecured Loan into Equity Shares because the financials of the Company do not permit repayment of the loan amount and the payment of the interest on an going concern basis. The issue on Preferential basis allows the Company to carry out its operations smoothly as the company would not be required to discharge the liability by making the cash payments to these unsecured loan and interest payment thereof to these promoter group entities to the extent of their conversion of loans into equity shares, which in turn will improve performance/ profitability in long run and also improve the current ratio of the Company. The said unsecured loans were already utilized by the company for its existing operations in Radio business and also to avoid adverse effect on the fund flow of the Company and the fresh funds will be utilized for the FM radio operations.

Section 62 of the Companies Act, 2013 provides inter alia, that when it is proposed to increase the issued Capital of a Company by allotment of further shares, etc., such further shares shall be offered to the existing shareholders of the Company in the manner laid down in the Section unless the shareholders in general meeting decide otherwise by passing a special resolution. Therefore, consent of the shareholders by way of Special Resolution is being sought pursuant to the provisions of Sections 42 & 62 and all other applicable provisions of the Companies Act, 2013 and in terms of the provisions of the SEBI (ICDR) Regulations and the listing agreements executed by the Company with the Stock Exchanges where the Company's shares are listed.

As the date of the General Meeting of the shareholders is August 8, 2014, the Relevant Date (for determining the minimum price) is July 9, 2014. The minimum price of Equity Shares as computed in accordance with the SEBI (ICDR) Regulations is ₹ 7.84 per share. As against this, the Equity Shares are proposed to be issued at par. The Equity Shares to be allotted shall be subject to the Memorandum and Articles of Association of the Company and the terms of issue as decided by the Board and shall rank paripassu in all respects with the existing Equity Shares of the Company.

The Information as required under Regulation 73 of the SEBI (ICDR) Regulations, 2009 for Preferential Issues is as under:

- 1. Object of the Preferential Issue:** Conversion of the part of the Unsecured loan extended by the Promoter Group Companies i.e. Ferari Investments & Trading Company Private Limited & Meridian Holding & Leasing Company Private Limited and raising of fresh funds for the FM radio operations.
- 2. Proposal of the Promoters / Directors / Key Management Personnel to subscribe to the offer:** Ferari Investments & Trading Company Pvt Ltd and Meridian Holding & Leasing Company Pvt Ltd, entities belonging to the Promoter Group, intends to convert the Unsecured Loan already given by them to the Company to the Equity Shares of the Company and infuse fresh funds to meet the object of the Issue mentioned hereinabove.

3. Shareholding Pattern before and after the Preferential Issue of Equity Shares:

CATEGORY		Pre-issue		Post-issue		
		Shares Held	% of Shareholding	Shares Held	% of shareholding	
A	Shareholding of Promoter and Promoter Group					
	1	Indian Promoters				
	i)	Acquirers(s)	3,33,38,852	56.66%	3,98,38,852	60.98%
	ii)	Others				
	2	Foreign Promoters				
			-	-	-	-
		Sub Total	3,33,38,852	56.66%	3,98,38,852	60.98%
B	Public Shareholding					
	1	Institutions				
	a)	Mutual Funds / UTI/Trust	1,000	0.00%	1,000	0.00%
	b)	FIs / Banks	35,000	0.06%	35,000	0.05%
	c)	FIs	18,22,664	3.10%	18,22,664	2.79%
	d)	Foreign Companies	-	-	-	-
		Sub Total	18,58,664	3.16%	18,58,664	2.84%
	2	Others				
	a)	Corporate Bodies	73,61,564	12.51%	73,61,564	11.27%
	b)	Individuals	1,55,71,086	26.47%	1,55,71,086	23.83%
	c)	NRI	5,33,528	0.91%	5,33,528	0.82%
	d)	Clearing Members	1,71,582	0.29%	1,71,582	0.26%
		Sub Total	2,36,37,760	40.18%	2,36,37,760	36.18%
		GRAND TOTAL	5,88,35,276	100%	6,53,35,276	100%

- Assuming allotment of entire 65,00,000 Equity Shares.

4. The Company will complete the issue & allotment of Equity Shares within a period of 15 days from the date of passing of the resolutions by the shareholders or when the allotment on preferential basis requires any approval by any regulatory authority like Stock Exchanges or Central Government or any statutory body, the allotment of shares will be completed within 15 days from the date of such approvals.

5. Identity of proposed Allottee(s), percentage of expanded capital to be held by them:

Sr. No.	Identity of the Proposed Allottee (s)	Pre-Allotment		Post-Allotment	
		Share held	% Shareholding	Share held	% Shareholding
1.	Ferari Investments & Trading Company Pvt Ltd (Private Limited Company belonging to the Promoter Group)	58,59,226	9.96%	96,59,226	14.78%
2.	Meridian Holding & Leasing Company Pvt Ltd (Private Limited Company belonging to the Promoter Group)	47,69,856	8.11%	74,69,856	11.43%

There will not be any change in the management control of the Company on account of this proposed preferential allotment

6. Lock In Requirements: The Equity Shares to be allotted on a preferential basis to the proposed Allottee as above shall be subject to a lock-in period of three years as specified under the provisions of the SEBI (ICDR) Regulations pertaining to the Preferential Issue. The entire Pre-Preferential Shareholding of the Allottees shall also be locked-in for a period of Six Months from the date of Trading Approval.

7. Auditors' Certificate: M/s. Haribhakti & Co, Chartered Accountants, the Statutory Auditors of the Company, have certified that the Preferential Issue is being made in accordance with the requirements contained in SEBI (ICDR) Regulations. A copy of the certificate is kept for inspection at the Registered Office of the Company during the business hours and shall also be placed before the AGM of the shareholders.

8. Pricing & Undertaking to re-compute the price: Price is determined in terms of Regulation 76 SEBI (ICDR) Regulations. Further, the Company undertakes to re-compute the price of the equity shares, if at all required, in terms of the provisions of these regulations where it is required to do so.

9. Undertaking to put under lock-in till the re-computed price is paid: The Company undertakes that if the amount payable on account of the re-computation of price if not paid within the time stipulated in these regulations, the specified equity shares shall continue to be lock-in till the time such amount is paid by the Allottees.

The members are, therefore, requested to accord their approval authorizing the Board to go for the proposed private placement and / or preferential issue as set out in the resolution.

None of the Director or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the above resolution except Mr. Tarique Ansari being the Chairman & Managing Director of the Company and Director of the Promoter Entity subscribing to the Equity Shares to be allotted on a Preferential basis.

Registered Office:

Peninsula Centre,
Dr. S.S. Rao Road,
Parel, Mumbai – 400 012.

Mumbai,
April 29, 2014

By Order of the Board of Directors
For Next Mediaworks Limited

Manoj Gujran
Company Secretary & Compliance Officer

ANNEXURES TO ITEM NO 2, 3 AND 5 OF THE NOTICE

Details of Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting (pursuant to the Clause 49 of the Listing Agreement)

Name of the Director	Mr. I. Venkat	Mr. Dilip Cherian	Mr. Tarique Ansari
Date of Birth	October 14, 1947	April 10 , 1956	June 11, 1961
Nationality	Indian	Indian	Indian
Date of Appointment on the Board	October 29 , 2010	January 28, 2010	July 01, 2004
Qualifications	He holds a Bachelor's degree in Science. He has been in Communication profession from 1970.	He holds a Master's degree in Economics. He has vast experience of over 15 years in the journalistic and media sector.	He has completed his Bachelors of Business Administration from Notre Dame, USA.
Shareholding in the Company	Nil	Nil	4337298 shares
List of Directorships in other Companies	Media Research Users Council The Advertising Standards Council of India Ushodaya Enterprises Private Limited Indian Broadcasting Foundation Audit Bureau of Circulation Limited	Perfect Relations Private Limited Image Public Relations Private Limited. Imprimis Life PR Private Limited. Accord Public Relations Private Limited Perfect PR Communication Services Private Limited Bajaj Corp Limited The Advertising Standards Council of India. BIZSOL Advisors Private Limited. Jagran Prakashan Limited. Next Radio Limited. Cell Centre for Ethical Life & Leadership. Mydream Product com Private Limited. Hoipolloi Jobs Solutions Private Limited	Inquilab Offset Printers Limited Next Outdoor Limited Meridian Holding And Leasing Company Private Limited Mid-Day Exports Private Limited Ferari Investments And Trading Company Private Limited. Bombay Marathon Private Limited. Media Research Users Council. Outdoor Network Private Limited Next Publishing Services Private Limited One Audio Limited Digital One Private Limited Asset Vantage Systems Private Limited The Indian Newspaper Society
Committee Membership	Audit Committee of Next Mediaworks Limited	Audit Committee of Next Radio Limited Remuneration Committee of Next Mediaworks Limited. Shareholders' Grievance Committee of Bajaj Corp Limited. Audit Committee of Bajaj Corp Limited.	Audit Committee of Next Mediaworks Limited Shareholder/ Grievance Committee of Next Mediaworks Limited.

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Company: **Next Mediaworks Limited**

CIN: **L22100MH1981PLC024052**

Registered Office: **Peninsula Centre, 2nd Floor, Dr. S. S. Rao Road, Parel, Mumbai – 400012**

Website: **www.nextmediaworks.com**

Name of the member(s)	
Registered Address	
Email ID	
Folio No./ Client ID	
DP ID	

I / We, being the member(s) of shares of the above named company, hereby appoint

● **Name :**
Address:
Email ID:
Signature **or failing him / her:**

● **Name :**
Address:
Email ID:
Signature **or failing him / her:**

● **Name :**
Address:
Email ID:
Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Friday, 08th August 2014 at 4.00 pm at Hall of Culture, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai - 400018 and at any adjournment thereof in respect of such resolutions as are indicated below:

1	Adoption of the Audited Financial Statements for the year ended 31st March, 2014, together with the Directors' Report and Auditors' Report thereon.
2	Appointment of Mr. I. Venkat, who retires by rotation.
3	Appointment of Mr. Dilip Cherian, who retires by rotation.
4	Appointment of M/s Haribhakti & Co.as Statutory Auditors & fixing their Remuneration.
5	Payment of Remuneration to Mr. Tarique Ansari as Managing Director.
6	Preferential Issue of Shares.

Signed thisday of.....2014.

Signature of the Shareholder:

Signature of Proxy holder(s):

**Affix
Revenue
Stamp**

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

NEXT MEDIAWORKS LIMITED

CIN: L22100MH1981PLC024052

Registered Office: Peninsula Centre, 2nd Floor, Dr. S. S. Rao Road, Parel, Mumbai- 400012.

ATTENDANCE SLIP

Regd. Folio / DP ID & Client ID	
Name and Address of the Shareholder	

1. I hereby record my presence at the **33rd Annual General Meeting** of the Company being held on Friday, 08th day of August, 2014, at 4.00 pm at Hall of Culture, Nehru Centre Dr. Annie Besant Road Worli, Mumbai.
2. Signature of the Shareholder/ proxy present
3. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
4. Shareholder / Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

Note: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

.....

ELECTRONIC VOTING PARTICULARS

EVEN (E Voting Event Number)	User ID	Password

NOTE: Please refer the page overleaf for the E-VOTING INSTRUCTIONS.

NEXT MEDIAWORKS LIMITED

CIN: L22100MH1981PLC024052

Registered Office: **Peninsula Centre, 2nd Floor, Dr. S. S. Rao Road, Parel, Mumbai - 400012.**

Website : **www.nextmediaworks.com**

INSTRUCTIONS FOR E-VOTING

Dear Member,

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all resolutions set forth in the Notice of the AGM.

The instructions for e-voting are as under:

A. In case a Member receives an e-mail from NSDL [for Members whose e-mail addresses are registered with the Company's Registrars and Share Transfer Agents (R&TA)].

- i. Open the e-mail and also open PDF file namely "NMW e-voting.pdf" with your Client ID, Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com/>
 - iii. Click on Shareholder – Login.
 - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a number of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
 - viii. Select "EVEN" (E-Voting Event Number) of Next Mediaworks Limited. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - xii. Institutional shareholders (i.e. members other than Individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail jupoojari@rediffmail.com with a copy marked to evoting@nsdl.co.in
 - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) – Shareholders and e-voting user manual – Shareholders, available at the downloads section of www.evoting.nsdl.com.
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company's R & TA):
- i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above to cast vote.

General Instructions:

- i. The e-voting period commences on July 29, 2014 (11.55 p.m. IST) and ends on July 31, 2014 (12:00 a.m. IST). During this period, shareholders of the Company holding shares in physical form or in dematerialized form, as on the cut-off date (record date) of July 4, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for e-voting thereafter.
- ii. Since the Company is required to provide members the facility to cast their votes by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 4, 2014 and not casting their vote electronically, may only cast their vote at the AGM.
- iii. Jayaram Umesh Poojari, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall submit a Scrutinizer's Report of the votes cast in favour of or against, if any, on 05th August 2014 (Tuesday) to the Chairman of the Company.
- iv. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.nextmediaworks.com and on the website of NSDL within two working days of the passing of the resolutions at the 33rd Annual General Meeting of the Company on August 08, 2014, and communicated to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Registered Office:

Peninsula Centre,
Dr. S. S. Rao Road,
Parel, Mumbai – 400012

Mumbai
April 29, 2014

By Order of the Board of Directors
For Next Mediaworks Limited



Manoj Gujran
Company Secretary and Compliance Officer

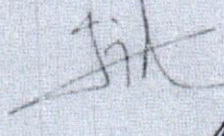

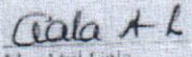

Book Post



Peninsula Centre Dr. S.S. Rao Road
Parel Mumbai 400012
www.nextmediaworks.com

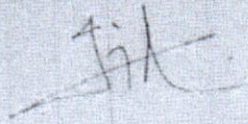
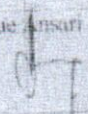
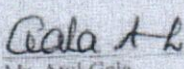
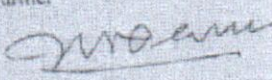
FORM A

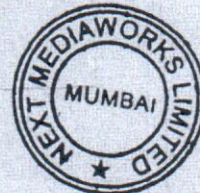
Annual Audit Report

Sr. No.	Particulars	
1.	Name of the Company	NEXT MEDIAWORKS LIMITED (Standalone accounts)
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of audit observation	Matter of emphasis Regarding managerial remuneration paid to managing director by the Company during the period from July 03, 2013 to March 31, 2014, which is subject to approval of Central Government.
4.	Frequency of observation	First Time in the F.Y. 2013-14
5.	To be Signed by	
	• CEO Managing Director	 Mr. Tarique Ansari
	• CFO	 Mr. Ismail Duthhoya
	• Auditor of the Company	For Haribhakti & Co. LLP Chartered Accountants  Mr. Atul Gata Partner
	• Audit Committee Chairman	 Mr. Narayan Varma



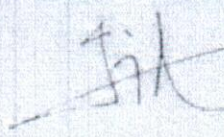

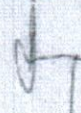

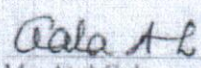

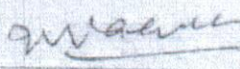

FORM B
Annual Audit Report

Sr No.	Particulars	
1	Name of the Company	Next Mediaworks Limited (Standalone accounts)
2	Annual financial statements for the year ended	31 st March 2014
3	Type of Audit qualification	Qualified
4	Frequency of qualification	Repetitive: a) For recognition of Deferred Tax Assets - appearing since FY 2011-12. b) For Investments in subsidiary appearing since FY 2010-11.
5	Draw attention to relevant notes in the annual financial statements and the management response to the qualification in the directors report	a) Refer Page No. 17 of the relevant notes in the standalone annual financial statements of the Company and Page No. 32 in the Independent Auditors' Report. b) Refer Page No. 14 for the management response to the qualification under the heading "Auditor's Observation in their Report" in the directors report.
5	Additional comments from the Board/Audit committee chair	Refer Page No. 14 for the management response to the qualification under the heading "Auditor's Observation in their Report" in the directors report.
6	To be signed by	
	• CEO / Managing Director	 Mr. Tarique Ansari
	• CFO	 Mr. Ismail Dabheyra
	• Auditor of the Company	For Haribhakti & Co. LLP Chartered Accountants  Mr. Atul Gala Partner
	• Audit Committee Chairman	 Mr. Narayan Varma



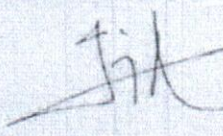

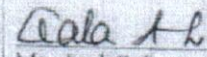

FORM A

Annual Audit Report

Sr. No.	Particulars	
1.	Name of the Company	NEXT MEDIAWORKS LIMITED (Consolidated accounts)
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of audit observation	Matter of emphasis Regarding managerial remuneration paid to managing director by the Company during the period from July 01, 2013 to March 31, 2014, which is subject to approval of Central Government.
4.	Frequency of observation	First Time in the F.Y. 2013-14
5.	To be Signed by -	
	• CEO/Managing Director	 Mr. Tarique Ansari 
	• CFO	 Mr. Ismail Dabhoya 
	• Auditor of the Company	For Haribhakti & Co. LLP Chartered Accountants  Mr. Atul Gala Partner 
	• Audit Committee Chairman	 Mr. Narayan Varma 

FORM B

Annual Audit Report

Sr. No.	Particulars	
1.	Name of the Company	NEXT MEDIAWORKS LIMITED (Consolidated accounts)
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of audit qualification	Qualified
4.	Frequency of qualification	Repetitive: a) For recognition of Deferred Tax Assets - Appearing since F. Y. 2006 - 2007. b) For not considering impairment on Goodwill - Appearing since E. Y. 2010 - 2011.
5.	Draw attention to relevant notes in the annual financial statements and the management response to the qualification in the directors report:	a) Refer Page No. 70 of the relevant notes in the consolidated annual financial statements of the Company and Page No. 56 & 57 in the Independent Auditors' Report. b) Refer Page No. 14 and 79 for the management response to the qualification under the heading "Auditor's Observation in their Report" in the directors report.
6.	Additional comments from the Board/Audit committee chair:	Refer Page No. 14 and 79 for the management response to the qualification under the heading "Auditor's Observation in their Report" in the directors report.
7.	To be Signed by -	
	• CEO/Managing Director	 Mr. Tariq Ansari
	• CFO	 Mr. Ismail Dabhoya
	• Auditor of the Company	For Haribhakti & Co. LLP Chartered Accountants  Mr. Atul Gala Partner
	• Audit Committee Chairman	 Mr. Narayan Varma

