NEXT MEDIAWORKS LIMITED

ANNUAL REPORT 2012-13

Corporate Information

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

Chief Financial Officer
Mr. Ismail Dabhoya

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 Compund,
L.B.S. Marg, Bhandup-West,
Mumbai - 400 078.
tel No. 2596 3838 Fax No. 2594 6969

Registered Office
Peninsula Centre, Dr. S.S. Rao Road,
Near M.G. hospital,
Parel, Mumbai - 400 012.
Tel: 6701 5700/10, Fax: 6701 5701
E-mail: cs@nextmediaworks.com

Solicitors & Legal Advisors
Economic Laws Practice

32nd Annual General Meeting on Wednesday, 31st day of July, 2013 at 4.00 p.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

Corporate Information

CHAIRMAN'S NOTE

Dear Shareholders,

Welcome to the 32nd Annual General Meeting of our Company.

The financial year 2012-13 has been a challenging year not just for the Indian Media and Entertainment (M&E) industry but for the Indian economy as a whole.

Domestically, growth slowed much more than anticipated, with both manufacturing and services activity hamstrung by supply bottlenecks and sluggish external demand. Inflation eased significantly in Q4 of 2012-13 although upside pressures remain. A weaker rupee, sudden reversal of capital flows and inhibited investment sentiment have caused a significantly adverse impact on India's growth. The country's GDP grew by 4.8% in Q4 of financial year 2012-13. The Indian economic growth slowed down to 5% in 2012-13 from 6.2% in 2011-12.

2012-13 – An Overview

AS PER THE PITCH MADISON MEDIA ADVERTISING OUTLOOK 2013 REPORT

The year 2012-13 was largely tepid for the media advertising industry. Due to high interest rates, global turmoil and weak rupee, the media advertising market grew by 5.2% against a projected growth of 7.5%. In 2012, Television remained flat, Print surprised with a 4% growth against negative projection, Cinema disappointed with 8% growth against projected 15%, Digital grew at 50% in line with projections and Radio grew at a rate of 3% as against projected 5%.

Pitch Madison Media Advertising Outlook 2013 expects the advertising industry to register a cautious growth of 7.4%, slightly better than the growth achieved in 2012. The report predicts that TV is expected to grow well because of digitization, a modest 4% increase in radio and digital will continue to grow strongly and even on a substantial increased base as advertisers are looking for green pastures on digital. The dry spell is expected to continue in 2013 too, with advertisers betting more on measurable media like digital.

Inspite of weak domestic economy and an extremely challenging environment, our Radio subsidiary, Next Radio Limited (formerly Radio One Limited) has achieved a turnaround in the business. Financial year 2012-13 has been transformational with excellent growth in its revenue and EBITDA. During the financial year 2012-13, the advertising volume and value of the Company grew by 18% and 16% respectively with the annual rate of growth more than double that of the market average. Next Radio's revenues were at ₹ 5041.14 lakhs, a rise of 15% as compared to last year's revenue and the EBIDTA has shown a transformational turnaround of ₹ 1842.02 lakhs in FY 2012-13 as compared to ₹ 25.85 lakhs in the last financial year generating an annual cash of ₹ 1270.00 lakhs by operations for the first time. Substantial improvement was achieved in Delhi and Mumbai after the change to an international music format.

We have been able to show excellent results for all our radio stations by following differentiated Radio formats coupled with high associated value at all stations.

Going Forward

FM Radio Broadcasting -

Phase III FM Radio licensing policy which was announced in July 2011 has still not been implemented by the Ministry of Information and Broadcasting. The Union Cabinet gave its nod to policy guidelines for FM radio Phase III that will open up 294 cities to private radio services. The Government will adopt ascending e-auction for the 839 licenses that are up for grabs in cities with one lakh population including those in northeast, border towns and Union Territories. At present 86 cities are covered by FM radio services.

While the Company believes that the Phase III policy will help expand the market for FM Radio, the auctions have been repeatedly postponed by the Ministry of Information and Broadcasting. As we stand today, the deadline for signing of migration by Phase II operators to Phase III has been extended upto 31st December 2013.

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.

On 14th March 2013, the Copyright Rules 2013 has been notified by the Copyright Division, HRD Ministry covering author-friendly provisions on mode of assignment and licenses, enabling statutory licensing, facilitating access to Works and reform of Copyright Board and would have a far reaching impact in curbing exploitative practices by the owners of sound recordings for decades against both artistes and broadcasters.

Acknowledgement

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

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

Thank you,

Tarique Ansari
Chairman & Managing Director

Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

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

This management discussion concerns the performance of Next Mediaworks 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.

GENERAL BUSINESS ENVIRONMENT

The Indian economic growth slowed down to 5% in 2012-13 from 6.2% in 2011-12. The economic growth in January-March quarter of 2012-13 was significantly lower than 5.1% achieved in January-March quarter of 2011-12. While this sharp slowdown in growth attracted calls from various business and industry leaders for urgent attention to revive growth and boost investor sentiment, the outlook for 2013-14 remains cautious and grim.

The Reserve Bank's baseline projection of GDP growth for 2013-14 is 5.7%. The bank's current assessment is that activity will remain subdued during the first half of 2013-14 with a modest pick-up in the second half, subject to appropriate conditions ensuing. RBI’s GDP growth projection is lower than the World Bank's growth projection, which predicted Indian economy to grow by 6.1% in 2013-14 on account of robust domestic demand, strong savings and investment rate. Ratings agency CRISIL has projected GDP growth for India to 6% citing weak consumption demand, stubborn lending rates and the impact of policy delays on growth with recovery being fragile.

The current macro economic situation will have a direct impact on the growth of the advertising industry. According to the economic survey 2011-12, India’s GDP during 2012-13 was expected to be around 7.6% which was later revised downwards by the Reserve Bank of India to 5.7% in view of global economic concerns and muted domestic demand. Accordingly, it was estimated that the Indian advertising industry shall see a slower growth of 7.5%. However, due to global turmoil, high inflation and high interest rates resulted in huge contraction in demand and thus a slowing growth rate. This also impacted the growth of the advertising industry. Indian advertising industry grew by just 5.2% against an expected growth of 7.5%. The radio industry witnessed a modest growth of 4% in 2012.

RADIO BUSINESS

The FM radio business, over the years, has become only about addressing mass audiences. Those with deep pockets and large networks are currently dominating by making airtime sales on radio just another commodity. Inspite of the weak domestic economy throughout 2012-13, we have been able to reap excellent results by generating higher advertising revenues at lower costs for most of our stations by following a locally differentiated strategy and attracting exclusive advertisers at premium rates. We implemented strategic changes in our programming such as turning Delhi and Mumbai stations to international music stations, which resulted in positive results in the financial year 2012-13. Our following initiatives allowed us to ensure operations generate cash:

- Differentiated Radio product at local level.
- Significant drive to improve ON AIR value with improved rates in Prime time and ON AIR revenue spike properties.
- Aggressive cost control.

The strategy for getting to profitability with our current stations and our approach of ‘locally differentiated stations with high associative value’, allows us to concentrate on staying with our original strategy of a ‘metro network’, and not try to compete with larger players in building a nationwide network.

GROUP PERFORMANCE

This Group performance is in context of the performance of Next Mediaworks Limited, consolidated with Next Radio Limited and other subsidiaries. Next Radio Limited is the substantive part of the business. Through this note, we are providing shareholders the details on the performance of the financial year ended March 31, 2013.

(₹ In Lakhs)

Particulars	Next Mediaworks Ltd	Next Mediaworks Ltd	Next Radio Ltd	Next Radio Ltd	Group	Group
	FY 2012-13	FY 2011-12	FY 2012-13	FY 2011-12	FY2012-13	FY 2011-12
Operating Revenue	0.08	1.38	5041.14	4348.31	5041.14	4349.68
Other Income	151.11	181.37	84.77	4.70	176.66	5.68
Operating Costs	**296.01**	**285.05**	**3283.89**	**4327.16**	**3580.69**	**4613.11**
EBITDA	(144.82)	(102.30)	1842.02	25.85	1637.19	(257.74)
Finance Charges (Net)	117.32	177.92	570.69	633.60	628.79	630.17
Depreciation	27.30	2.97	1211.99	1169.52	1239.29	1172.48
Profit / (Loss) before exceptional items	**(289.44)**	**(283.19)**	**59.34**	**(1777.27)**	**(230.89)**	**(2060.39)**
Exceptional Items	(161.71)	-	385.43	(385.43)	223.72	(385.43)
Prior Period Items	-	-	30.31	42.69	30.31	42.69
Profit / (Loss) Before Tax	**(127.73)**	**(283.19)**	**(356.40)**	**(1434.53)**	**(484.92)**	**(1717.65)**
Deferred Tax	(30.47)	(77.72)	270.52	(132.83)	240.05	(210.56)
Profit After Tax	**(97.26)**	**(205.47)**	**(626.92)**	**(1301.70)**	**(724.97)**	**(1507.09)**

COMPANY PERFORMANCE

During the financial year 2012-13, Next Mediaworks Limited registered a loss before exceptional items of ₹ (289.44) lakhs, as per table above as compared to a loss of ₹ (283.19) lakhs for financial year 2011-12. The loss in the current financial year was primarily due to royalty and other operational costs associated with the digital business. There has also been increase in salary costs due to addition of employees. During the financial year 2012-13, the Company has closed its "India One" application on all the platforms.

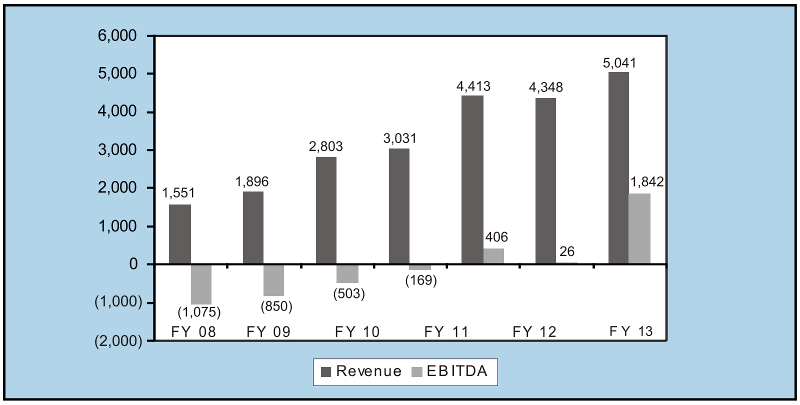
SUBSIDIARY PERFORMANCE

During the financial year 2012-13, Next Radio Limited (formerly Radio One Limited) has registered much higher growth than industry expectations with a rise in its revenues when compared with last financial year. Next Radio's revenues for the financial year 2012-13 were at ₹ 5041.14 lakhs, a rise of 15% as compared to the revenue of ₹ 4348.31 lakhs in the last financial year. Further the EBITDA has shown a transformational turnaround with an increase from ₹ 25.85 lakhs in the last financial year, to ₹1842.02 lakhs in FY 2012-13.

The detailed analysis of specific costs is reflected in the 'Cost Analysis' section below.

(₹ In lakhs)

COST ANALYSIS



Particulars	FY 2012-13 (₹ in lakhs)	FY 2012-13 (% to Net Sales)	FY 2011-12 (₹ in lakhs)	FY 2011-12 (% to Net Sales)
Radio License Fees	387.63	8	358.07	8
Employee Costs	1172.91	23	1217.47	28
Operating Expenses	1244.09	24	1392.95	32
General & Administration Expenses	776.06	15	1644.62	38
Interest & Finance Charges	628.79	12	630.17	14
Depreciation	1239.29	25	1172.48	27

Contribution of Employee costs came down from 28% to 23% of sales. The Operating Expenses have come down from 32% to 24%.

General and Administration expenses have reduced considerably as a percentage of sales to 15% from 38% as during the current year various cost effective measures has been undertaken.

HUMAN RESOURCE MANAGEMENT

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

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

ADEQUACY OF INTERNAL CONTROLS

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

THE FUTURE

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

Cautionary Statement

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

CORPORATE GOVERNANCE

The Directors present the Company's report on Corporate Governance for the year ended March 31, 2013.

Company's Philosophy on Corporate Governance

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

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

Board of Directors

Composition of the Board

As on 31.03.2013 the Company has Executive Chairman. There were seven board members, six of whom are independent directors. All Board members are professionals from diverse fields. The day-to-day management of the company is conducted by the Chairman and Managing Director subject to supervision and control of the Board of Directors.

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

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, 2013.

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

* Excluding directorships in Next Media works Limited.

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

Information about Directors re-appointed

Name of the Director	Mr. Rajbir Singh Bhandal	Ms. Monisha Shah
Date of Birth	19.12.1970	11.09.1969
Date of Initial appointment	28.07.2011	05.05.2011
Expertise in specific functional areas	Mr. Rajbir Singh Bhandal heads 2ergo India	An independent consultant in the media and entertainment business
Qualifications	Masters in Engineering, Economics and Management from The University of Oxford and is a qualified Management Accountant	MBA from London Business School and Master's degree in Science from University of London
Directorships held in other Public Companies	NIL	NIL
Membership of Committees in other Public Limited Companies	NIL	NIL

Details of Directors Shareholding as on 31.03.2013

Sr. No.	Name of the Director	No. of shares held	Relationship between Directors
1	Mr. Tarique Ansari	4337298	-
2	Mr. Adille J. Sumariwalla	5875	-

Board Meetings

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

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

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

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

Details of Board meetings held during the financial year 2012-13 and the number of Directors present

Sr. No.	Date of the Board meeting	Total strength of the board	No. of Directors present
1	May 8, 2012	7	6
2	July 25, 2012	7	6
3	October 31, 2012	7	7
4	February 6, 2013	7	6
5	February 15, 2013	7	5
6	March 19, 2013	7	5

Attendance of Directors

Directors	Relationship With Other Directors	Sitting Fees Paid for the year 2012-2013 (in ₹)	No. of Board Meetings Attended during the year	No. of Committee Meetings Attended	Attended Last AGM held on August 29, 2012
Mr.Tarique Ansari	-	-	6	4	Yes
Mr.Narayan Varma	-	1,00,000	6	4	Yes
Mr.Dilip Cherian	-	60,000	5	1	No
Mr.Adille J.Sumariwalla	-	90,000	5	4	Yes
Mr.I. Venkat	-	60,000	4	2	No
Ms.Monisha Shah	-	40,000	4	-	No
Mr. Raj Singh Bhandal	-	50,000	5	-	No
	TOTAL	**4,00,000**			

Committees of the Board

1. Audit Committee

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

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

Mr. Narayan Varma, Chairman of the Audit Committee was present at the Annual General Meeting held on August 29, 2012.

Role

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

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

The role of the Committee includes the following:

a) 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;

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

During the year Audit Committee meeting were held on May 8, 2012, July 25, 2012, October 31, 2012 and February 6, 2013.

Members	Category	Meetings held	Meetings attended
Mr. Narayan Varma- Chairman	Independent	4	4
Mr. Tarique Ansari	Executive	4	4
Mr. Adille Sumariwalla	Independent	4	4
Mr. I. Venkat	Independent	4	2

2. Shareholders/Investors' Grievance Committee

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

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

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

Investor Services - Complaints Received during the Year ended 31st March 2013

There were no investor complaints pending at the beginning or end of the financial year 2012-2013.

3. Remuneration Committee

The Remuneration Committee comprises the following:

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

Remuneration Policy

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

Remuneration of employees largely consists of base remuneration and perquisites.

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

Remuneration to Directors

During the year the Company has paid remuneration of ₹ 42,00,000/- to the Managing Director Mr. Tarique Ansari, which is in excess of the limits specified in Section 198 of the Companies Act, 1956. Such remuneration has been approved by the Remuneration Committee, the Board of Directors, the Shareholders and the Central Government.

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

Subsidiary Companies

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

General Body Meetings

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

Financial Year	Date of AGM/ EGM	Venue & Time of AGM	Purpose of Special Resolutions passed at AGM/EGM
2009-10	20.07.2010 (AGM)	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	No Special Resolution was passed
2010-11	08.09.2011 (AGM)	Kamalnayan Bajaj HallAuditorium, 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	(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	04.12.2012 (EGM)	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	(i) Special Resolution was passed for Alteration of Articles of Association (ii)Special Resolution was passed for issue of equity shares on preferential basis
2012-13	15.03.2013 (EGM)	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	(i) Special Resolution was passed for cancellation of earlier resolution passed (ii)Special Resolution was passed for Alteration of Articles of Association Special resolution was passed to issue 60,00,000 equity shares of ₹10/- each on preferential basis

Disclosures

a) **Basis of related party transactions:**

The particulars of transactions between the Company and its related parties as per the Accounting Standards are set out under Note 28 of Main company accounts and Note 29 of Consolidated accounts. There are no materially significant related party transactions, which have potential conflict with the interest of the company at large.

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

b) **Proceeds from preferential issues:**

During the financial year 2012-13, the Company has issued and allotted on preferential basis 30 lakh equity shares of face value of ₹10/- each at a price of ₹10/- each to the promoter companies viz., Ferari Investments & Trading Company Pvt Ltd and Meridian Holding & Leasing Company Pvt Ltd, aggregating to 60 lakh equity shares, for the purpose to convert part of the unsecured loan extended by the said promoter companies to the Company.

c) **Risk Management**

The Company has laid down a process of assessing risk management, which focuses on improving sensitivity to assessment of risks. The scope of audit committee includes review of Company's financials and risk management policy. The risk management policy is periodically reviewed by the Board.

Code of Conduct

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

Means of Communication

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

Compliances

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

Compliance of Accounting Standards:

The Company's exposure in its subsidiary Next Radio Limited (Formerly known as Radio One Limited) through investments ₹ 15602.85 lakhs. Though net worth of the subsidiary is substantially eroded and the Company has been incurring constant losses, however no provision for impairment on this account is considered necessary by the management taking in to consideration the nature of Radio business and gradual improvement in performance of the subsidiary.

As on March 31, 2013, the Company has accounted for ₹ 110.02 lakhs as Deferred Tax Asset. The Company has started the digital business in the last financial year. However, as the Company has incurred losses in the said business activity, the Company has concluded the said digital business in the financial year 2012-13. The Company has operationalised strategy to get into new lines of business going forward. The Board reviews the carrying amount of Deferred Tax Assets at each Balance Sheet date and reviews the performance of the Company vis-à-vis the plan to arrive at a conclusion for carrying forward and creating a further Deferred Tax Asset.

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

SHAREHOLDER'S INFORMATION

General Information for Shareholders

Members	Category
Date of Book Closure	Wednesday, July 24th 2013 to Wednesday, July 31st 2013
Date, Time & Venue of the AGM	Wednesday, July 31, 2013 at 4.00 p.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
Dividend Payment	No Dividend
Listing on Stock Exchanges	1) Bombay Stock Exchange Limited, Phiroze Jeejebhoy Towers, Dalal Street, Mumbai 400 001. Tel: 2272 1233, 2272 1234
	2) The National Stock Exchange of India Ltd., Exchange of India Ltd., Exchange Plaza", Bandra–Kurla Complex, Bandra- East, Mumbai – 400 051 Tel: 2659 8100
Listing fees	Annual Listing fees paid for the year 2012-2013 to Bombay Stock Exchange Limited and National Stock Exchange of India Limited
Listing on Stock Exchange outside India	Not Applicable
Registered office of Company	Peninsula Centre, Dr. S. S. Rao Road, Parel, Mumbai – 400 012. Tel: 6701 5700/10 Fax: 67015701 E-mail – cs@nextmediaworks.com Web site: www.nextmediaworks.com
Correspondence related to dividends may be addressed to	M/s Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup-West, Mumbai – 400 078. Tel: 2596 3838, Fax: 2594 6969
Share Transfer System	The shares of the Company are traded in dematerialized form only.
Stock Code	Bombay Stock Exchange Limited, Scrip Code – 532416 National Stock Exchange – NEXT MEDIA EQ NSDL/CDSL - ISIN - INE747B01016

Market Price Data

MONTH	BSE (High)	BSE (Low)	NSE (High)	NSE (Low)
April, 2012	4.98	3.50	4.90	3.30
May, 2012	4.25	2.76	4.15	2.80
June, 2012	3.10	2.55	3.35	2.25
July, 2012	3.50	2.65	3.35	2.55
August, 2012	3.20	2.40	3.20	2.50
September, 2012	3.45	2.37	3.45	2.35
October, 2012	3.50	2.80	3.65	2.80
November, 2012	4.07	3.00	4.35	2.55
December, 2012	6.04	3.11	5.95	3.00
January, 2013	4.39	3.50	4.40	3.35
February, 2013	3.87	2.90	3.60	2.95
March, 2013	3.55	2.63	3.45	2.65

Shareholder's Information

Share Price Performance

Company's Share Price	BSE	NSE
01.04.2012	3.95	3.95
31.03.2013	3.19	2.85
Increase/Decrease		
in %	-19.24%	-27.85%

The Distribution of Shareholding as on 31st March 2013

No. of Equity Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares	% to total Shares
1-500	17484	82.98	2873246	4.88
501-1000	1826	8.66	1552568	2.64
1001-2000	827	3.92	1312223	2.23
2001-3000	264	1.25	693349	1.18
3001-4000	115	0.54	414278	0.70
4001-5000	162	0.77	782063	1.33
5001-10000	194	0.92	1459199	2.48
10001 and above	199	0.94	49748350	84.55
TOTAL	**21071**	**100.00**	**58835276**	**100.00**

Category of Shareholders as on 31st March, 2013

Category	No. of Shareholders	No of Shares Held	Voting Strength (%)
Individuals	20535	15515287	26.37
Bodies Corporates	404	7656381	13.01
Clearing Members and Trust	66	155636	0.26
FIIs	4	1822664	3.10
Promoters Group	8	32996675	56.08
Mutual Funds, Banks, Financial Institutions	1	35000	0.07
Non Resident Indians	53	653633	1.11
TOTAL	**21071**	**58835276**	**100.00**

Financial Calendar (tentative and subject to change)

Particulars	Date
Annual General Meeting	July 31, 2013
Financial reporting for 1st Qtr ended June 30, 2013	July, 2013
Financial reporting for 2nd Qtr ended September 30, 2013	November, 2013
Financial reporting for 3rd Qtr ended December 31, 2013	February, 2014
Financial reporting for 4th Qtr ended March 31, 2014	April, 2014
Annual General Meeting for the year ended March 31, 2014	July, 2014

Shareholder's Information

Investors Correspondence:

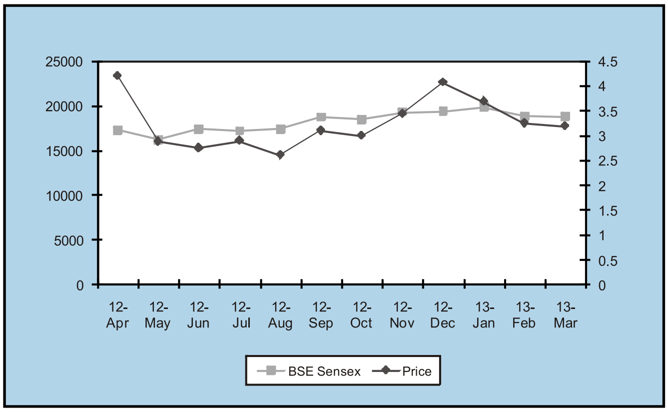
Investors' correspondence may be addressed to:
M/s Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup-West,
Mumbai – 400 078.
Tel: +91-22-2596 3838
Fax: +91-22-2594 6969

Nomination Facility:

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

- CLOSING PRICE
- BSE SENSEX

MONTH	BSE SENSEX	Closing Price (₹)
Apr-12	17318.81	4.20
May-12	16218.53	2.88
Jun-12	17429.98	2.75
Jul-12	17236.18	2.90
Aug-12	17429.56	2.61
Sep-12	18762.74	3.10
Oct-12	18505.38	3.00
Nov-12	19339.90	3.44
Dec-12	19426.71	4.07
Jan-13	19894.98	3.69
Feb-13	18861.54	3.25
Mar-13	18835.77	3.19



DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2013.

For **Next Mediaworks Limited**

Tarique Ansari
Chairman and Managing Director

Mumbai: April 25, 2013

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors hereby present their 32nd Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31st March 2013.

Financial Performance

(₹ In Lakhs)

Particulars	2012-13	2011-12
Profit before Interest, Depreciation, Taxes & Amortization	(144.82)	(102.30)
Less: Interest	117.32	177.92
Depreciation	27.30	2.97
Less: Exceptional Item	(161.71)	-
Profit/ (Loss) before taxes	**(127.73)**	**(283.19)**
Less: Provision for Taxation	(30.47)	(77.72)
Net Profit/ (Net Loss) after Tax	**(97.26)**	**(205.47)**

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

Company Performance

The Loss Before Taxes for the FY 2012-13 has reduced to ₹ 127.73 lakhs as compared to ₹ 283.19 lakhs in the FY 2011-12. The Company made a net loss after tax of ₹ 97.26 lakhs in FY 2012-13 as compared to ₹ 205.47 lakhs in FY 2011-12.

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 2012-2013.

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.

Share Capital

During the year paid up capital of the company has increased by ₹ 6 crores on account of conversion of unsecured loan of ₹ 6 crores extended to the company by the promoter group companies by allotment of 60,00,000 equity shares of ₹ 10 each having face value of ₹ 10 each to the promoter group companies.

Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association, Mr. Rajbir Singh Bhandal, and Ms. Monisha Shah, Director retire by rotation and are eligible for re-appointment.

Director's Report

Corporate Governance

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

Directors' Responsibility Statement

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

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

Auditors

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

Auditors' Observation in their Report

The Company's exposure in its subsidiary Next Radio Limited (Formerly known as Radio One Limited) through investments ₹ 15602.85 lakhs. Though net worth of the subsidiary is substantially eroded and the Company has been incurring constant losses, however no provision for impairment on this account is considered necessary by the management taking in to consideration the nature of Radio business and gradual improvement in performance of the subsidiary.

As on March 31, 2013, the Company has accounted for ₹ 110.02 lakhs as Deferred Tax Asset. The Company has started the digital business in the last financial year. However, as the Company has incurred losses in the said business activity, the Company has concluded the said digital business in the financial year 2012-13. The Company has operationalised strategy to get into new lines of business going forward. The Board reviews the carrying amount of Deferred Tax Assets at each Balance Sheet date and reviews the performance of the Company vis-à-vis the plan to arrive at a conclusion for carrying forward and creating a further Deferred Tax Asset.

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

Subsidiary Companies

As required under section 212 (1) (e) of the Companies Act, 1956, the audited statements of accounts, along with the report of the Board of Directors relating to the Company's subsidiaries, Next Radio Limited (Formerly Radio One Limited), Digital One Private Ltd (Formerly Mid Day Broadcasting South (India) Private Limited), One Audio Limited (Formerly Mid Day Radio North (India) Limited), Next Outdoor Ltd (Formerly Mid Day Outdoor Limited) and respective Auditors' Reports thereon for the year ended March 31, 2013 are annexed.

Director's Report

Particulars of Employees

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

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

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

Acknowledgement

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

For and on behalf of the Board of Directors

Tarique Ansari
Chairman & Managing Director

Place : Mumbai
Date: April 25, 2013

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE – 'A'

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

₹ in lakhs

Sr. No.	Name of the Subsidiary	Digital One Pvt. Ltd.	Next Outdoor Limited	One Audio Limited	Radio One Limited
1	Holding Company's Interest	Holder of 10,000 Equity Shares of ₹ 10 each out of the total issued and subscribed 10,000 Equity Shares of ₹ 10 each of the aforesaid Subsidiary Company	Holder of 34,94,200 Equity Shares of ₹ 10 each out of the total issued and subscribed 34,95,000 Equity Shares of ₹ 10 each of the aforesaid Subsidiary Company	Holder of 50,000 Equity Shares of ₹ 10 each out of the total issued and subscribed 50,000 Equity Shares of ₹ 10 each of the aforesaid Subsidiary Company	Holder of 9,64,30,770 Equity Shares of ₹ 10 each out of the total issued and subscribed 13,34,93,757 Equity Shares of ₹ 10 each of the aforesaid Company
a)	Net aggregate amount of Subsidiaries profits less losses and not dealt within the Company's Accounts	-	-	-	-
	For the Subsidiaries Financial Year ended 31st March, 2013	(0.18)	(0.28)	(0.34)	(452.89)
	For the previous Financial years since it became subsidiary	(0.04)	(0.33)	0.45	(904.42)
b)	Net aggregate amount of Subsidiaries profits less losses and dealt within the Company's Accounts	-	-	-	-
	For the Subsidiaries Financial Year ended 31st March, 2013	-	-	-	-
	For the previous Financial years since it became subsidiary	-	-	-	-

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.

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, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair 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. 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 ₹ 24.62 Lacs for the year, and ₹ 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

Independent Auditors' Report

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 loss for the year is understated by ₹ 24.62 Lacs- and 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 eroded substantially and it has been constantly incurring cash losses. 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, 2013;

(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

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;

AUDITORS' REPORT

e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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

Chetan Desai
Partner
Membership No. 17000

Place : Mumbai
Mumbai: April 25, 2013

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, 2013]

(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 inventory have been noticed. In our opinion, the frequency of verification is reasonable.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of 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 ₹ 95.00 lacs to its subsidiary Next Radio Limited (formerly known as Radio One Limited). The maximum amount involved during the year was ₹ 1,584.09 lacs and the year- end balance of loan granted to such party was Nil.

(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 given 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 taken unsecured loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involve during the year is ₹ 1,290 lakhs and year end balance of loan taken from such parties is ₹ 685 lakhs.

(e) 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.

(f) 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 weakness in internal control system of the company.

ANNEXURE TO AUDITORS' REPORT

(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) Except for delay in payment of income tax, 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, excise 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, excise 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, excise 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	339.38	AY 2005-2006	CIT- Appeal
Income Tax Act, 1961	Income Tax	183.11	AY 2009-2010	ITAT- Appeal
Income Tax Act, 1961	Income Tax	1261.09	AY 2010-2011	CIT- Appeal

(x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. Further, the company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

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

(xii) According to the information and explanations given to us 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 ₹ 1890 lacs (2250 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 funds raised on short-term basis to the tune of ₹ 151.22 lacs have been used for long-term investment.

(xviii) According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the prices at which shares have been issued is not prejudicial to the interest of the company.

(xix) The Company did not have any outstanding debentures 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 Reg No. 103523W

Chetan Desai
Partner
Membership No. 17000

Mumbai: April 25, 2013

BALANCE SHEET

as at 31st Mar, 2013

Particulars	Refer Note No.	As at 31st Mar, 2013 ₹ in lakhs	As at 31st Mar, 2012 ₹ in lakhs
Equity and Liabilities			
Shareholders' funds			
Share capital	4	**5,829.88**	5,229.88
Reserves and surplus	5	**9,059.28**	9,156.53
		14,889.16	**14,386.41**
Non-current liabilities			
Long-term borrowings	6	**685.00**	1,290.00
Long-term provisions	7	**13.97**	8.40
		698.97	**1,298.40**
Current liabilities			
Short-term borrowings	8	**300.00**	275.00
Other current liabilities	9	**115.34**	223.02
Short-term provisions	7	**5.86**	6.84
		421.20	**504.86**
Total		**16,009.33**	**16,189.67**
Assets			
Non-current assets			
Fixed assets	10		
Tangible assets		**25.19**	33.91
Intangible assets		**-**	17.69
Intangible Assets under development		**-**	9.89
		25.19	**61.49**
Non-current investments	11	**15,602.86**	13,824.91
Deferred tax assets (net)	12	**111.30**	80.83
Long-term loans and advances	15	**-**	1,325.33
Current assets			
Trade receivables	13	**-**	0.13
Cash and Bank Balances	14	**4.54**	11.92
Short-term loans and advances	15	**56.62**	213.91
Other current assets	16	**208.82**	**671.15**
		269.98	**897.11**
Total		**16,009.33**	**16,189.67**
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

Chetan Desai
(Partner)
Membership No.: 17000

Tarique Ansari
Chairman & Managing Director

Narayan Varma
Director

Place: Mumbai
Date: April 25, 2013

PROFIT AND LOSS STATEMENT

for the year ended 31st Mar, 2013

Particulars	Refer Note No.	Year Ended 31st Mar, 2013	Year Ended 31st Mar, 2012
		₹ in lakhs	₹ in lakhs
Revenue From Operations			
Income from sale of smartphone applications		**0.08**	1.38
Other income	17	**151.11**	181.37
Total Revenue		**151.19**	**182.75**
Expenses			
Employee Benefit Expenses	18	**108.16**	104.46
Operating expenses	19	**34.71**	49.25
General & Administration Expenses	20	**153.14**	131.34
		296.01	**285.05**
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)		**(144.82)**	(102.30)
Depreciation & Amortization	10	**27.30**	2.97
Finance charges	21	**117.32**	177.92
Profit / (Loss) before exceptional and extraordinary items and tax		**(289.44)**	(283.19)
Exceptional items (Net)		**(161.71)**	-
Profit / (Loss) before tax		**(127.73)**	(283.19)
Tax expense:			
Deferred tax		**(30.47)**	(77.72)
Profit (Loss) for the year		**(97.26)**	**(205.47)**
Earnings per equity share:			
Basic & Diluted	22	**(0.19)**	(0.39)
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

Chetan Desai
(Partner)
Membership No.: 17000

Place: Mumbai
Date: April 25, 2013

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

Tarique Ansari
Chairman & Managing Director

Narayan Varma
Director

CASH FLOW STATEMENT

Particulars		Year ended 31st Mar, 2013 ₹ in lakhs	Year ended 31st Mar, 2012 ₹ in lakhs
A. Net Cashflow from operating Activities			
Net Profit / (Loss) before tax		**(127.74)**	(283.19)
Depreciation		**27.30**	2.97
Interest & finance cost		**(44.39)**	177.92
Fixed Deposit written off			0.75
Loss/(profit) on sale of fixed assets (net)		**(91.89)**	-
Interest Income		**(59.22)**	(181.34)
Operational Profit before Working Capital		**(295.93)**	**(282.90)**
Adjustments for changes in Working Capital			
Sundry Debtors		**0.13**	(0.13)
Loans & Advances		**(1.78)**	(117.78)
Current Liabilities & provisions		**16.58**	182.81
Sub-Total		**14.92**	**64.91**
Cash generated from operations		**(281.01)**	(217.99)
Tax		**(30.03)**	6.84
Sub-Total		**(30.03)**	6.84
Net Cash Flow from Operating Activities	(A)	**(311.04)**	**(211.16)**
B. Cash Flow from Investing Activities			
Purchase of fixed Assets		**0.89**	(29.80)
Sale of Fixed Assets		**100.00**	-
Investments (net)		**(1777.94)**	-
Repayment of Loans given		**1,490.33**	-
Interest received		**521.55**	-
Net Cash Flow from Investing Activities	(B)	**334.83**	**(29.80)**
C. Cash Flow from financing Activities			
Borrowings		**25.00**	245.00
Repayment of Long Term & Other borrowings		**(5.00)**	-
Interest		**(51.17)**	3.43
Net Cash Flow from Financing Activities	(C)	**(31.17)**	**248.43**
Net Increase/decrease in Cash & Cash Equivalents	(A+B+C)	**(7.38)**	**7.47**
Cash & Cash Equivalents at the beginning of the year		**11.92**	**4.45**
Cash & Cash Equivalents at the end of the year		**4.54**	**11.92**

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

Chetan Desai
(Partner)
Membership No.: 17000

Place: Mumbai
Date: April 25, 2013

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

Tarique Ansari
Chairman & Managing Director

Narayan Varma
Director

NOTES TO FINANCIAL STATEMENTS

for the year ended on 31st March, 2013

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.

Notes to financial statements

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.

Notes to financial statements

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

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

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

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.

Notes to financial statements

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.

Notes to financial statements

4. Share Capital

a. Authorized and issued and paid-up capital

	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
Authorized Capital				
Equity Shares of ₹ 10/- each	60,000,000	6,000.00	55,000,000	5,500.00
0.01% Optionally Convertible Preference Shares of ₹ 10/- Each	-	-	5,000,000	500.00
	60,000,000	**6,000.00**	**60,000,000**	**6,000.00**
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹ 10/- each fully paid	58,298,776	5,829.88	52,298,776	5,229.88
	58,298,776	**5,829.88**	**52,298,776**	**5,229.88**

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

	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
Shares outstanding at the beginning of the year	52,298,776	5,229.88	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**	**52,298,776**	**5,229.88**

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, 2013		As at 31st Mar, 2012	
Equity Shares	Number of Shares	% of Holding	Number of Shares	% of Holding
Mr. Khalid Ansari	4,338,055	7.37%	4,338,055	8.21%
Mr. Tarique Ansari	4,337,298	7.37%	4,337,298	8.21%
Mrs. Rukya Ansari	4,337,298	7.37%	4,337,298	8.21%
Mr. Sharique Ansari	4,337,298	7.37%	4,337,298	8.21%
Ms. Tehzeb Ansari	4,337,298	7.37%	4,337,298	8.21%
Bennett, Coleman and Company Ltd.	3,649,391	6.20%	3,649,391	6.91%
Ferari Investments & Trading Company Pvt. Ltd.	5,839,226	9.92%	2,839,226	5.37%
Meridian Holding and Leasing Co. P. Ltd.	4,447,679	7.56%		
Total	**35,623,543**	**61%**	**28,175,864**	**53%**

Notes to financial statements

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, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Securities Premium		
Opening Balance	**8,393.09**	8,393.09
	8,393.09	**8,393.09**
Surplus		
Opening Balance	**763.45**	968.91
Add: Net Profit (Loss) for the year	**(97.26)**	(205.47)
Closing Balance	**666.19**	763.44
Total Reserves & Surplus	**9,059.28**	**9,156.53**

6. Long Term Borrowings

Particulars	Non – Current Portion		Current Maturities	
	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Unsecured Borrowings				
Inter Corporate Loans				
- From Related parties	**685.00**	**1,290.00**	-	-
	685.00	**1,290.00**	**-**	**-**

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

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

7. Provisions

Particulars	Long Term		Short Term	
	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Provision for Employee Benefits				
Gratuity (Funded)	**5.13**	-	**5.07**	6.06
Leave Encashment (Unfunded)	**8.84**	8.40	**0.79**	0.78
	13.97	**8.40**	**5.86**	**6.84**

Notes to financial statements

8. Short Term Borrowings

	As at 31st Mar, 2013	As at 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs
Secured Borrowings		
Short Term Loan from Others	**300.00**	275.00
	300.00	**275.00**

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, 2013	As at 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs
Other Current Liabilities		
Taxes Payable(Net of Advance Tax)	**-**	16.95
Other Current Liabilities	**41.65**	36.82
Interest Accrued but not due to related parties	**73.69**	169.25
	115.34	**223.02**

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, 2012	Additions	Deductions	As at 31st Mar, 2013	As at 1st Apr, 2012	For the period	Deductions	As at 31st Mar, 2013	As at 31st Mar, 2013	As at 31st Mar, 2012
Tangible Assets:										
Office Premises	45.47	-	10.22	35.25	11.56	0.61	2.11	10.06	25.19	33.91
Office Equipments	0.61	-	-	0.61	0.61	-	-	0.61	-	-
Total Tangible Assets	46.08	-	10.22	35.86	12.17	0.61	2.11	10.67	25.19	33.91
Intangible Assets:										
Softwares	19.30	9.00	-	28.30	1.61	26.69	-	28.30	-	17.69
Total Intangible Assets	19.30	9.00	-	28.30	1.61	26.69	-	28.30	-	17.69
Total	**65.38**	**9.00**	**10.22**	**64.16**	**13.78**	**27.30**	**2.11**	**38.97**	**25.19**	**51.60**
Intangible Assets under development									-	9.89
Total	**65.38**	**9.00**	**10.22**	**64.16**	**13.78**	**27.30**	**2.11**	**38.97**	**25.19**	**61.49**
Previous Year (as on 31st March, 2012)	45.47	19.91	-	65.38	10.81	2.97	-	13.78	51.60	

Notes to financial statements

11. Non Current Investment

Particulars	As at 31st Mar, 2013		As at 31st Mar, 2012	
	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	84,376,928	11,247.91
Next Radio Limited (Preference Shares of ₹ 10/- Each)	25,770,000	2,577.00	25,770,000	2,577.00
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
		15,602.86		**13,824.91**

12. Deferred Tax Assets (net)

As per standard on accounting for taxes on income, the company has provided ₹ 30.47 lakhs as deferred tax asset for the year

Particulars	As at 31st Mar, 2013	As at 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs
Deferred Tax Assets/ Liabilities		
On Carried Forward Losses	110.02	85.41
On Depreciation on Fixed Assets	(4.85)	(5.56)
On Leave Encashment	2.98	0.05
On Gratuity	3.15	0.93
	111.30	**80.83**

13. Trade Receivables

Particulars		As at 31st Mar, 2013	As at 31st Mar, 2012
		Amount (₹) in lakhs	Amount (₹) in lakhs
Trade receivables outstanding for period exceeding six months from the date they are due for payment			
Unsecured, considered good		-	-
Unsecured, considered doubtful		-	-

Notes to financial statements

		-	-
Less: Provision for doubtful debts		-	-
	(A)	-	-
Trade receivables outstanding for period less than six months from the date they are due for payment			
Unsecured, considered good		-	0.13
		-	**0.13**
Less: Provision for doubtful debts		-	-
	(B)	-	**0.13**
Total (A+B)		-	**0.13**

14. Cash & Bank Balances

Particulars	Non-current		Current	
	As at 31st Mar, 2013	As at 31st Mar, 2012	As at 31st Mar, 2013	As at 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
Cash & Cash Equivalents				
Balances with banks - In Current Account	-	-	4.54	11.41
Cash in Hand	-	-	0.00	0.51
	-	**-**	**4.54**	**11.92**

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

15. Loans & Advances

Particulars	Long Term		Short Term	
	As at 31st Mar, 2013	As at 31st Mar, 2012	As at 31st Mar, 2013	As at 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
Unsecured Considered Good				
Loans to Subsidiaries	-	1,325.33	-	165.00
Other Loans and Advances	-	-	**1.65**	-
Loans to Others	-	-	**1.38**	-
Tax Deducted at Source / Advance Income Tax	-	-	**45.45**	39.52
Other Taxes Receivable	-	-	**7.16**	-
Prepaid Expenses	-	-	**0.98**	9.39
	-	**1,325.33**	**56.62**	**213.91**

Notes to financial statements

16. Other Current Assets

Particulars	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Unsecured considered good		
Interest Accrued but not due (from Related parties)	**208.82**	671.15
	208.82	**671.15**

17. Other Income

Particulars	Year Ended 31st Mar, 2013 Amount (₹) in lakhs	Year Ended 31st Mar, 2012 Amount (₹) in lakhs
Interest Income	**59.22**	181.35
Gain / Loss on Sale of Fixed Asset	**91.89**	-
Misc Income	**-**	0.02
	151.11	**181.37**

18. Employee Benefit Expenses

Particulars	Year Ended 31st Mar, 2013 Amount (₹) in lakhs	Year Ended 31st Mar, 2012 Amount (₹) in lakhs
Salary, Wages & Bonus	**88.88**	76.49
Contribution to PF and other funds	**7.87**	7.27
Staff Welfare expenses & other Employees expenses	**11.41**	20.70
	108.16	**104.46**

19. Operating Expenses

Particulars	Year Ended 31st Mar, 2013 Amount (₹) in lakhs	Year Ended 31st Mar, 2012 Amount (₹) in lakhs
Royalty	**34.68**	48.67
Commission	**0.03**	0.58
	34.71	**49.25**

Notes to financial statements

20. General & Administration Expenses

Particulars	Year Ended 31st Mar, 2013	Year Ended 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs
Telephone charges	**1.51**	1.84
Travelling & Conveyance	**7.17**	5.17
Directors' sitting fees	**3.70**	3.20
Business Promotion	**3.93**	2.15
Auditors' remuneration :-		
- Statutory Audit	**1.00**	1.10
- Tax Audit	**0.25**	0.28
- Others	**0.85**	0.94
Repairs & Maintainance - Others	**17.02**	5.40
Gain/Loss On Foreign Currency	**0.02**	0.03
Miscellaneous Expenses	**0.01**	4.09
Advertisement Expenses	**1.80**	11.14
Electricity charges	**0.02**	0.10
Sundry Balances W/Off	**-**	1.49
Hire Charges	**4.18**	1.71
Membership & Subscription fees	**0.56**	1.37
Legal & Professional Charges	**89.58**	78.23
Printing and stationery	**10.33**	10.93
Insurance	**1.42**	1.31
Rates and Taxes	**9.79**	0.86
	153.14	**131.34**

21. Finance Charges

Particulars	Year Ended 31st Mar, 2013	Year Ended 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs
Interest Charges		
- On loans from Others	**117.24**	173.70
Other Borrowing Costs		
- Bank Charges & Commission	**0.08**	4.22
	117.32	**177.92**

Notes to financial statements

22. Exceptional Items

Particulars	Year Ended 31st Mar, 2013	Year Ended 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs
Exceptional Items		
Interest Reversal	**(161.71)**	-
(Represents reversal of interest on reduction of rate of interest on certain loans)		
	(161.71)	**-**

23. Earnings per Share (EPS)

	March 31, 2013	March 31, 2012
Net loss for the year attributable to equity shareholders (₹ in lakhs)	**(97.26)**	(205.46)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	**52,298,776**	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	**52,512,475**	52,298,776
Basic and diluted earnings (in ₹) per share	**(0.19)**	**(0.39)**

24. Contingent Liabilities

a. In respect of guarantees issued by Company's bankers to MSRDC and other authorities for ₹ 3.00 lakhs (Previous Year ₹ 3.00 lakhs)

b In respect of guarantees issued by the Company's bankers for company's subsidiary to government and other parties ₹ 332.70 lakhs (Previous Year ₹ 332.70 lakhs).

c Corporate guarantee issued to banks for Company's Subsidiary for term loan of ₹ 1150.00 lakhs and Cash Credit limit of ₹ 740.00 lakhs.

d In respect of Income Tax demand under dispute (net of advances) ₹ 1793.58 lakhs (Previous Year ₹ 183.11 lakhs)

25. 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 and the company has been incurring constant losses, however no provision for impairment on this account is considered necessary by the management taking in to consideration the nature of Radio business and gradual improvement in performance of the subsidiary.

26. 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.

27. 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.

Notes to financial statements

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

Nature of Transactions	Subsidiary Company	Under control of Management	Key Managerial Personnel
Interest Expenses	-	(93.18)	-
	-	(170.54)	-
Managerial Remuneration	-	-	46.68
	-	-	(39.82)
Interest Earned			
Next Radio Limited	59.01		
	(181.35)		
Receipt of Unsecured Loan during the year			-
Ferari Investments and Trading Co Pvt Ltd		-	
		(10.00)	
Meridian Holding & Leasing Co Pvt Ltd		-	
		(40.00)	
Repayment of Unsecured Loan During the year	-		-
Ferari Investments and Trading Co Pvt Ltd		5.00	
		-	
Meridian Holding & Leasing Co Pvt Ltd		-	
		(80.00)	
Unsecued 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			
Ferari Investments and Trading Co Pvt Ltd		625.00	
		(930.00)	

Notes to financial statements

Meridian Holding & Leasing Co Pvt Ltd		60.00	
		(360.00)	
Unsecured Loan given During the year		-	-
Next Radio Limited	95.00		
	(165.00)	-	
Repayment of Unsecured Loan given During the year		-	-
Next Radio Limited	1,584.09		
	-	-	
Unsecured Loan receivable at end of year		3.02	-
Next Radio Limited	-		
	(1489.09)	-	
Investment in Equity Shares		-	-
Next Radio Limited	1,777.94		
	-	-	
Interest Receivable			
Next Radio Limited	208.82		
	(671.15)		
Interest Payable			
Ferari Investments and Trading Co Pvt Ltd		51.72	
		(120.25)	
Meridian Holding & Leasing Co Pvt Ltd		21.97	
		(49.00)	

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 ₹ 7.87 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 – 8.00% pa

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

Notes to financial statements

a. Change in the Present Value obligation

	Year Ended 31st Mar, 2013 (₹) in lakhs
Present Value of Defined Benefit Obligation as at beginning of the Year	**50.01**
Interest Cost	**4.25**
Current Service Cost	**2.19**
Benefits Paid	**(3.93)**
Actuarial (gain) / Loss on Obligation	**1.88**
Present Value of Defined Benefit Obligation as at end of the Year	**54.41**

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

Present Value of Plan Assets as at beginning of the Year	**43.95**
Expected Return on Plan Assets	**3.74**
Actuarial gain/(loss)on Plan Assets	**0.45**
Contributions	**-**
Benefits Paid	**(3.93)**
Fair Value of Plan Assets as at end of the Year *	**44.21**

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	**54.41**
Fair Value of Plan Assets as at end of the Year	**44.21**
Funded Asset recognised in the Balance Sheet	**(10.20)**
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	**54.41**
Fair Value of Plan Assets As at the end of the Year	**44.21**
Liability / (Net Asset) recognized in the Balance Sheet	**10.20**

e. Expenses Recognized in the Profit & Loss Statement

Current Service Cost	**2.19**
Past Service Cost	**-**
Interest Cost	**4.25**
Expected Return on Plan Assets	**(3.74)**
Curtailment Cost / (Credit)	**-**
Settlement Cost / (Credit)	**-**
Net Actuarial (gain) / Loss recognised in the Year	**1.43**
Total Expenses recognised in the Statement of Profit and Loss	**4.14**

Notes to financial statements

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 ₹ 0.88 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	**3.47**	3.44
Commission on Sales	-	0.58

Earning in Foreign Currency – ₹ Nil (Previous Year – ₹ 1.38 lakhs)

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)	52,835,276	5,283.53
Shares Held by Trust under ESOP Scheme*	(536500)	(53.65)
Share Capital reflected in Balance Sheet	52,298,776	5,229.88

* 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

Tarique Ansari
Chairman & Managing Director

Narayan Varma
Director

INDEPENDENT AUDITORS' REPORT

On 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 and its subsidiaries "the Group") which comprise the consolidated balance sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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. 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 Next Mediaworks Limited and Next Radio Limited (formerly known as Radio One limited) has recognized Deferred Tax Assets of ₹ 24.62 Lacs and ₹ 60.37 Lacs for the year and ₹ 110.02 Lacs and ₹ 4318.01 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 such expectation cannot be considered as virtual certainty to recognize such assets. Consequently the consolidated loss for the year is understated by ₹ 84.99 Lacs and relevant consolidated asset and the reserves and surplus are overstated by ₹ 4,428.03 Lacs.

INDEPENDENT AUDITORS' REPORT On Consolidated Financial Statements

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

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, as mentioned in the 'Other Matter' paragraph below, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the 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, 2013;

(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 provision against certain debts due for over three years or more in Next Radio Limited (formerly known as Radio One limited), specifically described in Note no. 30 of the financial statements. Our opinion is not qualified in respect of the above matter.

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, 2013, total revenues of ₹ NIL and net cash inflows amounting to ₹ 224 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 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

Chetan Desai
Partner
Membership No. 17000

Place : Mumbai
Mumbai: April 25, 2013

CONSOLIDATED BALANCE SHEET

as at 31st Mar, 2013

Particulars	Refer Note No.	As at 31st Mar, 2013	As at 31st Mar, 2012
		₹ in lakhs	₹ in lakhs
Equity And Liabilities			
Shareholders' funds			
Share capital	4	**5,829.88**	5,229.88
Reserves and surplus	5	**5,948.56**	5,440.56
		11,778.44	**10,670.44**
Minority Interest	6	**1,054.83**	1,243.12
Non-current liabilities			
Long-term borrowings	7	**1,933.23**	1,958.54
Long-term provisions	8	**36.27**	30.11
		1,969.50	**1,988.65**
Current liabilities			
Short-term borrowings	9	**895.61**	1,089.45
Trade payables	10	**637.59**	438.02
Other current liabilities	7 & 11	**1,328.26**	2,232.83
Short-term provisions	8	**11.56**	9.31
		2,873.02	**3,769.61**
		17,675.79	**17,671.82**
Assets			
Non-current assets			
Fixed assets	12		
Tangible assets		**1,516.68**	1,667.71
Intangible assets		**8,740.54**	8,688.12
Intangible assets under development		**-**	9.89
		10,257.22	**10,365.72**
Deferred tax assets (net)	13	**4,354.69**	4,594.74
Long-term loans and advances	14	**612.39**	700.61
Other non-current assets	16	**200.64**	275.21
Current assets			
Trade receivables	15	**1,730.50**	1,201.64
Cash and Bank Balances	16	**67.06**	81.82
Short-term loans and advances	14	**428.18**	373.14
Other current assets	17	**25.11**	78.94
		2,250.85	**1,735.54**
		17,675.79	**17,671.82**

Summary of significant accounting policies

The Notes are an integral part of financial statements

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

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

Chetan Desai
(Partner)
Membership No.: 17000

Tarique Ansari
Chairman & Managing Director

Narayan Verma
Director

Place: Mumbai
Date: April 25, 2013

CONSOLIDATED PROFIT AND LOSS STATEMENT

for the year ended 31st Mar, 2013

Particulars	Refer Note No.	Year Ended 31st Mar, 2013	Year Ended 31st Mar, 2012
		₹ in lakhs	₹ in lakhs
Revenue from Operations			
Advertisement Income		**5,041.14**	4,348.31
Income from Sale of Smartphone applications		**0.08**	1.38
Other income	18	**176.66**	5.68
Total Revenue		**5,217.88**	4,355.37
Expenses			
Radio license fees		**387.63**	358.07
Employee Benefit Expenses	19	**1,172.91**	1,217.47
Operating expenses	20	**1,244.09**	1,392.95
General & Administration Expenses	21	**776.06**	1,644.62
		3,580.69	4,613.11
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)		**1,637.19**	(257.74)
Depreciation & Amortization		**1,239.29**	1,172.48
Finance charges	22	**628.79**	630.17
Profit / (Loss) before exceptional and extraordinary items and tax		**(230.89)**	(2,060.39)
Exceptional items (Net)	23	**223.72**	(385.43)
Prior Period Items		**30.31**	42.69
Profit / (Loss) before tax		**(484.92)**	(1,717.65)
Tax expense:			
Deferred tax for the current period	13	**(106.14)**	(591.18)
Deferred Tax on Carried forward loss reversed		**346.19**	380.62
Profit (Loss) for the period		**(724.97)**	(1,507.09)
Less: Share of Profit / (Loss) of Minority Shareholders		**(188.29)**	(397.28)
Profit (Loss) for the period after Minority Interest		**(536.68)**	(1,109.81)
Earnings per equity share:	24	**(1.02)**	(2.12)
Basic & Diluted			
Summary of significant accounting policies	3		
The Notes are an integral part of financial statements			

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

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

Chetan Desai
(Partner)
Membership No.: 17000

Tarique Ansari
Chairman & Managing Director

Narayan Verma
Director

Place: Mumbai
Date: April 25, 2013

CONSOLIDATED CASH FLOW STATEMENT

	Particulars	Year Ended 31st Mar, 2013 ₹ in lakhs	Year Ended 31st Mar, 2012 ₹ in lakhs
A.	**Net Cashflow from operating Activities**		
	Net Profit / (Loss) before tax	**(484.92)**	(1,717.65)
	Depreciation	**1,239.29**	1,172.48
	Interest	**499.19**	811.53
	Loss/(profit) on sale of fixed assets (net)	**(150.14)**	-
	Interest Income	**(32.11)**	(186.05)
	Creditors Written Back	**(21.96)**	-
	Provision for Doubtful Debt	**50.41**	-
	Operational Profit before Working Capital	**1,099.76**	**80.32**
	Adjustments for changes in Working Capital		
	Sundry Debtors	**(579.28)**	343.19
	Loans & Advances	**7.23**	418.54
	Current Liabilities	**356.98**	(54.08)
	Sub-Total	**(215.07)**	**707.65**
	Cash generated from operations	**884.69**	787.97
	Direct Taxes Paid	**(45.38)**	(13.06)
	Sub-Total	**(45.38)**	**(13.06)**
	Net Cash Flow from Operating Activities	**839.31**	**774.91**
B.	**Cash Flow from Investing Activities**		
	Purchase fixed Assets	**(14.79)**	(366.98)
	Sale of Fixed Assets	**198.99**	-
	Interest Received	**85.93**	-
	Net Cash Flow from Investing Activities	**270.14**	**(366.98)**
C.	**Cash Flow from financing Activities**		
	Long term and Other Borrowings	**1,170.35**	80.95
	Repayment of Long term and Other Borrowings	**(1,696.60)**	-
	Interest Paid	**(597.97)**	(625.47)
	Net Cash Flow from Financing Activities	**(1,124.22)**	**(544.52)**
	Net Increase/decrease in Cash & Cash Equivalents	**(14.77)**	(136.59)
	Cash & Cash Equivalents at the beginning of the year	**81.82**	218.41
	Cash & Cash Equivalents at the end of the year	**67.06**	**81.82**

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

Chetan Desai
(Partner)
Membership No.: 17000

Tarique Ansari
Chairman & Managing Director

Narayan Verma
Director

Place: Mumbai
Date: April 25, 2013

NOTES TO FINANCIAL STATEMENTS

for the year ended on 31st March, 2013

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-13
One Audio Limited	India	100%	31-Mar-13
Digital One Limited	India	100%	31-Mar-13
Next Outdoor Limited	India	99.97%	31-Mar-13

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,

Notes to financial statements

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.

Notes to financial statements

d) Depreciation

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

Notes to financial statements

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

Notes to financial statements

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, 2013		As at 31st Mar, 2012	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
Authorized Capital				
Equity Shares of ₹ 10/- each	60,000,000	**6,000.00**	55,000,000	5,500.00
0.01% Optionally Convertible Preference Shares of ₹ 10/- Each	-	-	5,000,000	500.00
	60,000,000	**6,000.00**	**60,000,000**	**6,000.00**
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹ 10/- each fully paid	58,298,776	**5,829.88**	52,298,776	5,229.88
	58,298,776	**5,829.88**	**52,298,776**	**5,229.88**

Notes to financial statements

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

Particulars	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
Shares outstanding at the beginning of the year	52,298,776	**5,229.88**	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**	**52,298,776**	**5,229.88**

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, 2013		As at 31st Mar, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Mr. Khalid Ansari	4,338,055	7.37%	4,338,055	8.21%
Mr. Tarique Ansari	4,337,298	7.37%	4,337,298	8.21%
Mrs. Rukya Ansari	4,337,298	7.37%	4,337,298	8.21%
Mr. Sharique Ansari	4,337,298	7.37%	4,337,298	8.21%
Ms. Tehzeb Ansari	4,337,298	7.37%	4,337,298	8.21%
Bennett, Coleman and Company Ltd.	3,649,391	6.20%	3,649,391	6.91%
Ferari Investments & Trading Company Pvt. Ltd.	5,839,226	9.92%	2,839,226	5.37%
Meridian Holding and Leasing Co. P. Ltd.	4,447,679	7.56%		
Total	**35,623,543**	**61%**	**28,175,864**	**53%**

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, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Securities Premium		
Opening Balance	**9,300.68**	9,300.68
	9,300.68	**9,300.68**

Notes to financial statements

Surplus		
Opening Balance	**(3,860.11)**	(2,750.31)
Add: Net Loss for the year	**(536.70)**	(1,109.81)
Less: Amount taken to Goodwill on further acquisition	**1,044.69**	-
	(3,352.12)	(3,860.12)
Total Reserves & Surplus	**5,948.56**	**5,440.56**

6. Minority Interest

Particulars	As on 1st April 2012	Additions during the year	Deductions during the year	As on 31st March 2013
	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	(6,601.92)	(188.29)	-	**(6,790.21)**
	1,243.12	**(188.29)**	**-**	**1,054.83**

7. Long Term Borrowings

Particulars	Non – Current Portion		Current Maturities	
	As at 31st Mar, 2013	As at 31st Mar, 2012	As at 31st Mar, 2013	As at 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
Secured Borrowings				
Term Loans (From Banks/FI's)	**862.39**	550.00	**287.61**	1,200.00
Unsecured Borrowings				
Inter Corporate Loans				
- From Promoters	**685.00**	1,290.00	**-**	-
- From Others	**385.84**	118.54	**3.68**	-
	1,933.23	**1,958.54**	**291.29**	**1,200.00**

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

b Term Loan – II from bank is repayable in 15 quarterly installments of ₹ 50.00 lakhs each and Other term loan is repayable in 5 years

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

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

Notes to financial statements

8. Provisions

Particulars	Long Term		Short Term	
	As at 31st Mar, 2013	As at 31st Mar, 2012	As at 31st Mar, 2013	As at 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
Provision for Employee Benefits				
Gratuity (Funded)	**5.13**	-	**7.46**	6.05
Leave Encashment (Unfunded)	**31.14**	30.11	**3.13**	3.26
Other Provisions				
Other Provisions	**-**	-	**0.97**	-
	36.27	**30.11**	**11.56**	**9.31**

9. Short Term Borrowings

Particulars	As at 31st Mar, 2013	As at 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs
Secured Borrowings		
Cash Credit Facility (From Banks)	**395.61**	614.45
Loans from Financial Institution	**300.00**	275.00
Unsecured Borrowings		
Inter Corporate Loans	**200.00**	200.00
	895.61	**1,089.45**

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

b Short term Loan 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

c Intercorporate Loans are repayable on demand

10. Trade Payables

Particulars	As at 31st Mar, 2013	As at 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs
Trade payables		
To Others (Refer Note 26)	**637.59**	438.02
	637.59	**438.02**

Notes to financial statements

11. Other Current Liabilities

Particulars	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Other Liabilities		
Advance Received from customers	**11.63**	3.34
Taxes Payable	**421.81**	344.70
Other Liabilities	**529.84**	512.31
Interest Accrued but not due	**73.69**	172.48
	1,036.97	**1,032.83**

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

12. Fixed Assets

Amount (₹) in lakhs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1st Apr, 2012	Additions	Deductions	As at 31st Mar, 2013	As at 1st Apr, 2012	For the period	Deductions	As at 31st Mar, 2013	As at 31st Mar, 2013	As at 31st Mar, 2012
Tangible Assets:										
Building	110.15	11.49	48.30	73.34	27.91	5.27	6.61	26.57	46.77	82.24
Studio equipment	458.35	-	7.62	450.73	273.01	43.97	4.34	312.64	138.09	185.34
Transmitter	676.98	10.99	-	687.97	199.87	37.69	-	237.56	450.41	477.11
Furniture and fixtures	652.03	-	9.24	642.79	221.17	28.83	6.11	243.89	398.90	430.86
Office Equipments	52.55	0.24	-	52.79	15.33	2.51	-	17.84	34.95	37.22
Computers	334.05	1.58	0.64	334.99	263.00	40.25	0.56	302.68	32.30	71.05
Air-conditioners	93.54	3.54	1.33	95.75	22.71	4.43	0.66	26.48	69.27	70.83
Audio-visual equipments	2.63	-	-	2.63	0.80	0.12	-	0.92	1.71	1.82
Common Transmission Infrastructure	321.29	108.00	-	429.29	10.06	74.95	-	85.01	344.28	311.23
Total Tangible Assets	2,701.57	135.84	67.13	2,770.28	1,033.86	238.02	18.28	1,253.60	1,516.68	1,667.71
Intangible Assets:										
One Time Entry Fees	9,732.53	-	-	9,732.53	5,508.41	973.25	-	6,481.66	3,250.87	4,224.12
Computer software	79.33	9.00	-	88.33	60.31	28.02	-	88.33	-	19.02
Goodwill on Consolidation	4,444.98	1,044.69	-	5,489.67				-	5,489.67	4,444.98
Total Intangible Assets	14,256.84	1,053.69	-	15,310.53	5,568.72	1,001.27	-	6,569.99	8,740.54	8,688.12
Total	**16,958.41**	**1,189.53**	**67.13**	**18,080.81**	**6,602.58**	**1,239.29**	**18.28**	**7,823.59**	**10,257.22**	**10,355.83**
Intangible Assets under development	9.89		9.89	-	-	-	-	-	-	9.89
Total	**16,968.30**	**1,189.53**	**77.02**	**18,080.81**	**6,602.58**	**1,239.29**	**18.28**	**7,823.59**	**10,257.22**	**10,365.72**
Previous Year (as on 31st March, 2012)	16,599.14	359.44	0.17	16,958.41	5,430.10	1,172.48	0.00	6,602.58	10,355.83	

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 has shifted to CTI site in Mumbai in this year and hence the amount pertaining to this station is capitalized in this year

Notes to financial statements

13. Deferred Tax Assets (net)

As per standard on accounting for taxes on income, the company has reversed ₹ 240.05 lakhs net deferred tax asset for the year

Particulars	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Deferred Tax Assets		
On Carried Forward Losses	4,428.03	4,689.24
On Depreciation on Fixed Assets	(83.83)	(93.02)
On Leave Encashment	8.48	5.37
On Gratuity	2.01	(6.85)
	4,354.69	**4,594.74**

14. Loans & Advances

Particulars	Long Term		Short Term	
	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Unsecured considered good				
Trade Deposits	**396.39**	364.44	**-**	-
Capital Advances	**216.00**	336.17	**-**	-
Loans to Others	**-**	-	**0.01**	-
Receivable from BECIL	**-**	-	**77.71**	77.71
Gratuity (Funded)	**-**	-	**-**	5.46
Staff Loans & Advances	**-**	-	**1.85**	2.14
Other Taxes Receivable			**7.16**	-
Tax Deducted at Source	**-**	-	**240.32**	219.05
Prepaid Expenses	**-**	-	**99.46**	68.78
Loans to Related Parties	**-**	-	**1.67**	-
	612.39	**700.61**	**428.18**	**373.14**

15. Trade Receivables

Particulars	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Trade receivables		
Debts Outstading for Period exceeding six months		
Unsecured Considered good	**286.57**	294.73
Unsecured Considered doubtful	**128.11**	77.70
	414.68	**372.43**
Debts Outstading for Period less than six months		

Notes to financial statements

Unsecured Considered good	**1,443.93**	906.91
	1,858.61	**1,279.34**
Less: Provision for doubful debts	**128.11**	77.70
Total	**1,730.50**	**1,201.64**

16. Cash and Bank Balances

	Non-current		Current	
	As at 31st Mar, 2013	As at 31st Mar, 2012	As at 31st Mar, 2013	As at 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs	Amount (₹) in lakhs
Balances with Scheduled Bank				
In Current Accounts	**-**	-	**64.64**	77.78
In Fixed Deposit Accounts	**4.50**	-	**-**	-
Cash in hand	**-**	-	**2.42**	4.04
Other bank balances				
Deposit Account - (under lien with bank)	**8.09**	141.51		
Margin Money	**188.05**	133.70		
	200.64	**275.21**	**67.06**	**81.82**

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

17. Other Current Assets

Particulars	As at 31st Mar, 2013	As at 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs
Other Current Assets		
Interest Accrued but not due	**25.11**	78.94
	25.11	**78.94**

18. Other Income

Particulars	Year Ended 31st Mar, 2013	Year Ended 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs
Other Income		
Interest Income	**-**	4.70
Profit on Sale of Fixed Assets	**150.13**	-
Creditors / Liabilities Written Back	**21.96**	0.96
Interest on Income tax refund	**4.57**	-
Other Misc Income	**-**	0.02
	176.66	**5.68**

Notes to financial statements

19. Employee Benefit Expenses

Particulars	Year Ended 31st Mar, 2013	Year Ended 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs
Employee Cost		
Salary, Wages & Bonus	**1,043.43**	1,066.10
Contribution to PF and other funds	**37.37**	39.87
Staff Welfare expenses & Other Employee cost	**92.11**	111.50
	1,172.91	**1,217.47**

20. Operating Expenses

Particulars	Year Ended 31st Mar, 2013	Year Ended 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs
Operating Expenses		
Royalty	**165.25**	323.25
Radio programme creation and studio hire	**287.24**	331.90
Repairs & Maintainance - Equipment	**104.78**	108.71
Repairs & Maintainance - Others	**94.78**	77.14
Commission	**0.04**	0.58
Electricity charges	**167.37**	146.03
Rent	**424.63**	405.34
	1,244.09	**1,392.95**

21. General & Administration Expenses

Particulars	Year Ended 31st Mar, 2013	Year Ended 31st Mar, 2012
	Amount (₹) in lakhs	Amount (₹) in lakhs
General & Administrative Expenses		
Telephone charges	**65.09**	69.37
Travelling	**48.37**	58.98
Conveyance	**48.18**	53.24
Directors sitting fees	**4.13**	3.45
Business Promotion	**22.57**	33.62
Auditors remuneration :-		
- Statutory Audit	**3.89**	3.50
- Tax Audit	**0.81**	1.03
- Others	**0.75**	1.54
Miscellaneous Expenses	**23.59**	21.03
Gain/Loss On Foreign Currency	**0.02**	0.03
Discounts & Credits	**77.76**	52.13

Notes to financial statements

Advertisement Expenses	**187.65**	976.33
Provision for bad and doubtful debts	**50.41**	-
Balances Written Off	**-**	4.12
Hire Charges	**4.18**	1.71
Membership & Subscription	**0.56**	1.37
Legal & Professional Charges	**197.54**	169.58
Printing and stationery	**20.95**	24.58
Insurance	**19.61**	18.71
Bad Debts Written Off	**-**	344.63
Less: Provision made in earlier years for bad debts	**-**	194.33
	-	**150.30**
	776.06	**1,644.62**

22. Finance Charges

Particulars	Year Ended 31st Mar, 2013 Amount (₹) in lakhs	Year Ended 31st Mar, 2012 Amount (₹) in lakhs
Interest Charges		
- On Loans from Banks*	**284.34**	378.56
- On loans from Others	**313.79**	244.91
Bank Charges & Commission	**30.66**	2.57
Loan Processing Fees	**-**	4.13
* (Net of Interest Income of ₹ 32.11 lakhs (PY ₹ 28.07 lakhs))		
	628.79	**630.17**

23. Exceptional Items

Particulars	Year Ended 31st Mar, 2013 Amount (₹) in lakhs	Year Ended 31st Mar, 2012 Amount (₹) in lakhs
Exceptional Items		
Royalty Payable / (Reversed)	**385.43**	(385.43)
Interest written back	**(161.71)**	-
(Represents reversal of interest on reduction of rate of interest on certain loans)		
	223.72	**(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 baisis of out of court settlement done with PPL ,the company has provided exceptional item of ₹ 385.43 lakhs in the current financial year.

Notes to financial statements

24. Earnings per Share (EPS)

	March 31, 2013	March 31, 2012
Net loss for the year attributable to equity shareholders	**(536.68)**	(1109.81)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	**52,298,776**	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	**52,512,475**	52,298,776
Basic and diluted earnings (in ₹) per share	**(1.02)**	**(2.12)**

25. Contingent Liabilities

a. In respect of guarantees issued by Company's bankers to MSRDC and other authorities for ₹ 3.00 lakhs (Previous Year ₹ 3.00 lakhs)

b In respect of guarantees issued by the Company's bankers for company's subsidiary to government and other parties ₹ 332.70 lakhs (Previous Year ₹ 332.70 lakhs).

c Corporate guarantee issued to banks for Company's Subsidiary for term loan of ₹ 1150.00 lakhs and Cash Credit limit of ₹ 740.00 lakhs.

d In respect of Income Tax demand under dispute (net of advances) ₹ 1793.58 lakhs (Previous Year ₹ 183.11 lakhs)

26. Disclosure pertaining to Micro, Small and Medium Enterprises

Sr. No	Particulars	2012-13	2011-12
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.

27. Segment Reporting

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

28. Prior period item represents Professional fees amounting to ₹ 30.31 lakhs in the current year and the amount of ₹ 42.69 lakhs payable to Broadcast Engineering Consultants India Limited (BECIL) towards tower rent payable for earlier periods in the Previous year.

Notes to financial statements

29. 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

Nature of Transactions	Under control of Management	Key Managerial Personnel
Interest Expenses	**(39.57)** (178.40)	
Managerial Remuneration		**46.68** (39.82)
Receipt of Unsecured Loan during the year		
Inquilab Offset Printers Ltd	**274.00** -	
MC Media Limited	**-** (30.00)	
Ferari Investments and Trading Co Pvt Ltd	**-** (10.00)	
Meridian Holding & Leasing Co Pvt Ltd	**270.00** (90.00)	
Repayment of Unsecured Loan During the year		
Ferari Investments and Trading Co Pvt Ltd	**5.00** -	
Inquilab Offset Printers Ltd	**74.00** -	
Meridian Holding & Leasing Co Pvt Ltd	**1.37** (80.00)	
Unsecued 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		
Inquilab Offset Printers Ltd	**200.00** -	
MC Media Limited	**30.00** (30.00)	
Ferari Investments and Trading Co Pvt Ltd	**625.00** (630.00)	
Meridian Holding & Leasing Co Pvt Ltd	**378.63** (410.00)	

Notes to financial statements

Unsecured Loan given During the year	**3.02** -	
Interest Payable		
Ferari Investments and Trading Co Pvt Ltd	**51.72** (120.25)	
Meridian Holding & Leasing Co Pvt Ltd	**21.97** (49.00)	

30. In respect of one of the subsidiaries Next Radio Limited, trade receivables include debts outstanding for over 3 years aggregating ₹ 147.86 lakhs, against which company has provided ₹ 128.11 lakhs as provision for doubtful debts. As per the management based on internal assessment done, the provision amount of ₹ 128.11 lakhs is sufficient.

31. Expenditure in Foreign Currency

Particulars	Current Year (₹) in lakhs	Previous Year (₹) in lakhs
Space on Server	**3.47**	3.44
Commission on Sales	**0**	0.58
Capital Expenditure	**7.15**	0
Royalty	**0**	5.18
Others	**9.91**	0

Earning in Foreign Currency – ₹ Nil (Previous Year – ₹ 1.38 lakhs)

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

	No. of Shares	Nominal Value
Total No. Shares issued (including for ESOP)	52,835,276	5,283.53
Shares Held by Trust under ESOP Scheme*	(536500)	(53.65)
Share Capital reflected in Balance Sheet	52,298,776	5,229.88

* 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

Tarique Ansari
Chairman & Managing Director

Narayan Varma
Director

DIRECTOR'S REPORT

To the members of Digital One Private Limited

The Directors have pleasure in presenting the 13th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2013.

Business Operations: -

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

Directors: -

Your Directors confirm that none of them is disqualified as on 31st March 2013 from being appointed as director of the Company within the meaning of section 274(1)(g) of the Act, as amended to date.

Auditors: -

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

Particulars of Employees: -

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

Directors' Responsibility Statement

The Directors confirm that: -

- In the preparation of the annual accounts, the applicable Accounting Standards have been followed.
- The selected and applied accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2013.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts are prepared on a going concern basis.

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

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

Acknowledgement: -

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: April 25, 2013

Tarique Ansari
Director

Aziz Khatri
Director

INDEPENDENT AUDITOR'S REPORT

To the Members of,

Digital One Private Limited (Formerly Known as Mid-Day Broadcasting South (India) Private Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Digital One Private Limited ("the Company"),(formerly known as Mid-Day Broadcasting South (India) Private Limited) which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair 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 auditor's 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to 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 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, 2013;

b) in the case of the Profit and Loss Account, 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.

Notes to financial statements

Report on Other Legal and Regulatory Requirements

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

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. in our opinion, the Balance Sheet , Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

R.D.Shenvi
Proprietor
Membership No.: 035818
Place: Mumbai
Date: April 25, 2013

BALANCE SHEET

as at 31st Mar, 2013

Particulars	Refer Note No.	As at 31st Mar, 2013	As at 31st Mar, 2012
		(₹) in lakhs	(₹) in lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	**1.00**	1.00
Reserves and surplus	5	**(0.59)**	(0.41)
		0.41	**0.59**
Non-current liabilities			
Long-term borrowings	6	**1.20**	1.10
		1.20	1.10
Current liabilities			
Short-term provisions	7	**0.22**	0.14
		0.22	**0.14**
		1.83	**1.83**
ASSETS			
Current assets			
Cash and Bank Balances	8	**0.61**	0.61
Short-term loans and advances	9	**1.22**	1.22
		1.83	**1.83**
		1.83	**1.83**

Summary of significant accounting policies 3

As per our report of even date attached
For R.D. Shenvi & Co.
Chartered Accountants
Firm Reg No. 110030W

R.D. Shenvi
(Proprietor)
Membership No.: 035818

Place : Mumbai
Date: April 25, 2013

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

Tarique Ansari
Director

Aziz Khatri
Director

PROFIT AND LOSS STATEMENT

for the year ended 31st Mar, 2013

Particulars	Refer Note No.	Year Ended 31st Mar, 2013 (₹) in lakhs	Year Ended 31st Mar, 2012 (₹) in lakhs
INCOME			
Other income	10	-	0.18
Total Revenue		**-**	**0.18**
EXPENSES			
General & Administration Expenses	11	**0.18**	0.22
Finance charges (Net)		-	0.00
Total expenses		**0.18**	**0.22**
Profit before tax		**(0.18)**	(0.04)
Tax expense:			
Deferred tax		-	-
Profit (Loss) for the period		**(0.18)**	**(0.04)**
Earnings per equity share:	12		
Basic & Diluted		**(1.82)**	**(0.47)**
Summary of significant accounting policies	3		

As per our report of even date attached
For R.D. Shenvi & Co.
Chartered Accountants
Firm Reg No. 110030W

R.D. Shenvi
(Proprietor)
Membership No.: 035818

Place : Mumbai
Date: April 25, 2013

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

Tarique Ansari
Director

Aziz Khatri
Director

CASH FLOW STATEMENT

	Particulars		Year ended 31st Mar, 2013 (₹) in lakhs	Year ended 31st Mar, 2012 (₹) in lakhs
A.	**Net Cashflow from operating Activities**			
	Net Profit / (Loss) before tax		**(0.18)**	(0.04)
	Operational Profit before Working Capital		**(0.18)**	**(0.04)**
	Adjustments for changes in Working Capital			
	Current Liabilities		**0.08**	(0.10)
	Sub-Total		**0.08**	**(0.10)**
	Cash generated from operations		**(0.10)**	**(0.14)**
	Net Cash Flow from Operating Activities	**(A)**	**(0.10)**	**(0.14)**
B.	**Cash Flow from Investing Activities**			
	Net Cash Flow from Investing Activities	**(B)**	**-**	**-**
C.	**Cash Flow from financing Activities**			
	Borrowings		**0.10**	-
	Net Cash Flow from Financing Activities	**(C)**	**0.10**	**-**
	Net Increase/decrease in Cash & Cash Equivalents	**(A+B+C)**	**-**	**(0.14)**
	Cash & Cash Equivalents at the beginning of the year		**0.61**	**0.75**
	Cash & Cash Equivalents at the end of the year		**0.61**	**0.61**

As per our report of even date attached
For R.D. Shenvi & Co.
Chartered Accountants
Firm Reg No. 110030W

R.D. Shenvi
(Proprietor)
Membership No.: 035818

Place : Mumbai
Date: April 25, 2013

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

Tarique Ansari Director

Aziz Khatri Director

NOTES TO FINANCIAL STATEMENTS

for the year ended on 31st March, 2013

1. Corporate Information

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

2. Basis of preparation

The Financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under historical cost convention.

3. Summary of significant accounting policies

a) 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 at 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 derecognizing of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the fixed asset and are recognized in the statement of profit and loss when the asset is derecognized.

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.

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

d) Depreciation

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV of the Companies Act, 1956, whichever is higher. Depreciation on additions during the year is provided on a pro-rata basis from the date of addition.

Notes to financial statements

e) Impairment

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

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

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.

i) 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 incomes that originate in one period and are capable of reversal in one or more subsequent periods.

Notes to financial statements

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.

j) Earnings Per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders (after deducting preference dividends and attributable expenses) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity share outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (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.

k) 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.

l) Contingent liabilities

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

m) Cash and Bank Balances

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

n) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earning before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit or loss. The company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to financial statements

4. Share Capital

a. Authorized and issued and paid-up capital

	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
Authorized Capital				
Equity Shares of ₹ 10/- each	60,000	6.00	60,000	6.00
	60,000	**6.00**	**60,000**	**6.00**
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹ 10/- each fully paid	10,000	1.00	10,000	1.00
	10,000	**1.00**	**10,000**	**1.00**

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

	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
Shares outstanding at the beginning of the year	10,000	1.00	10,000	1.00
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of year	**10,000**	**1.00**	**10,000**	**1.00**

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.

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

	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited	10,000	100%	10,000	100%

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

	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited	10,000	100%	10,000	100%
Total	**10,000**	**100%**	**10,000**	**100%**

Notes to financial statements

5. Reserves & Surplus

	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Surplus		
Opening Balance	**(0.41)**	(0.37)
Add: Net Loss for the year	**(0.18)**	(0.04)
Total Reserves & Surplus	**(0.59)**	**(0.41)**

6. Long Term Borrowings

	Non – Current Portion		Current Maturities	
	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Unsecured Borrowings				
Inter Corporate Loans				
- From Related parties	**1.20**	1.10	-	-
	1.20	**1.10**	**-**	**-**

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

7. Provisions

	Long Term		Short Term	
	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Provisions				
Audit Fees Payable	-	-	**0.12**	0.06
Other Provisions	**-**	-	**0.10**	0.08
	-	**-**	**0.22**	**0.14**

8. Cash & Bank Balances

	Non-current		Current	
	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Balances with banks				
- In Current Account	**-**	**-**	**0.61**	**0.61**
Cash in Hand	**-**	-	**0.00**	**0.00**
	-	**-**	**0.61**	**0.61**

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

Notes to financial statements

9. Loans & Advances

	Long Term		Short Term	
	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Unsecured considered good				
Tax Deducted at Source / Income Tax Paid	-	-	**1.22**	1.22
	-	-	**1.22**	**1.22**

10. Other Income

	Year Ended 31st Mar, 2013 Amount (₹) in lakhs	Year Ended 31st Mar, 2012 Amount (₹) in lakhs
Other Income		
Creditors / Liabilities written back	-	0.18
	-	**0.18**

11. General & Administration Expenses

	Year Ended 31st Mar, 2013 Amount (₹) in lakhs	Year Ended 31st Mar, 2012 Amount (₹) in lakhs
General & Administrative Expenses		
Legal & Professional Charges	**0.12**	0.16
Auditors remuneration		
- Statutory Audit	**0.06**	0.06
	0.18	**0.22**

12. Earnings per Share (EPS)

	March 31, 2013	March 31, 2012
Net loss for the year attributable to equity shareholders (₹ in lakhs)	**(0.18)**	(0.05)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	**10,000**	10,000
Weighted average number of Shares issued during the year	-	-
Weighted average number of equity shares at the end of the year	**10,000**	10,000
Basic and diluted earnings / (loss) (in ₹) per share	**(1.82)**	**(0.47)**

13. Contingent Liabilities

There are no contingent liabilities.

Notes to financial statements

14. Taxes

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

15. Employee Benefits

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

16. Segment Reporting

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

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

18. Expenditure in Foreign Currency – Nil (Previous Year – Nil)

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

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

21. Related party disclosures

Names of related parties and related party relationship

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

Related party transactions

Name of Related Party	Relation	Nature of Transaction	Amount (₹) in lakhs
Inquilab Offset Printers Ltd.	Associate	Unsecured loan Outstanding at year end	1.10 (1.10)
Next Radio Limited	Fellow Subsidiary	Unsecured loan Outstanding at year end	0.10 (Nil)

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

Tarique Ansari
Director

Aziz Khatri
Director

Place : Mumbai
Date: April 25, 2013

DIRECTOR'S REPORT

To The Members of One Audio Limited

The Directors have pleasure in presenting the Twelfth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2013.

Business Operations: -

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

Directors: -

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

Auditors: -

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

Particulars of Employees: -

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

Directors' Responsibility Statement

The Directors confirm that: -

* In the preparation of the annual accounts, the applicable Accounting Standards have been followed;
- The selected and applied accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2013;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts are prepared on a going concern basis.

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

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

Acknowledgement: -

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

For and on behalf of the Board of Directors

Tarique Ansari
Director

Aziz Khatri
Director

Place : Mumbai
Date: April 25, 2013

INDEPENDENT AUDITOR'S REPORT

To The Members of One Audio Limited (FORMERLY MID-DAY RADIO NORTH (INDIA) LIMITED)

Report on the Financial Statements

We have audited the accompanying financial statements of One Audio Limited (Formerly Mid-day Radio North (India) Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair 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 mis-statement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to 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 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, 2013;

(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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'Order'), issued by the Central Government of India in terms

INDEPENDENT AUDITOR'S REPORT

of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.

2. As required by section 227(3) of the Companies 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. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Vikas Kumar
(Partner)
Membership Number: 75363

Place: Mumbai
Date: 25th April 2013

ANNEXURE TO AUDITOR'S REPORT

Annexure to the independent Auditors' Report for the year ended March 2013
(Referred to in Paragraph 1 of our Report of even date)

I. Fixed Assets

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

II. Inventories

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

III. Loans Given / Taken

a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. However, the company has taken interest free unsecured loan from Holding company and fellow subsidiary. The maximum amount involved during the year was ₹ 202.22 Lacs and closing balance was ₹ 202.22 Lacs.

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

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

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

IV. Internal Control

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

V. Transactions under Section 301

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

VI. Public Deposits

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

VII. Internal Audit System

Internal audit is not applicable to the company considering its size.

VIII. Cost Records

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

ANNEXURE TO AUDITOR'S REPORT

IX. Statutory Dues

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

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

X. Miscellaneous

a) The net worth of the company is fully eroded as on 31.03.2013. The company has incurred cash losses in current financial year as well as in immediately preceding financial year.

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

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

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

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

f) The Company has not given any guarantee for loans taken by others from bank or financial institutions during the year and no such guarantees are outstanding as on 31.03.2013.

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

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

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

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

Vikas Kumar
(Partner)
Membership No. 75363

Place : Mumbai
Date : 25th April, 2013

BALANCE SHEET

as at 31st Mar, 2013

Particulars	Refer Note No.	As at 31st Mar, 2013 (₹) in lakhs	As at 31st Mar, 2012 (₹) in lakhs
Equity And Liabilities			
Shareholders' funds			
Share capital	4	**5.00**	5.00
Reserves and surplus/(deficit)	5	**(232.49)**	(232.15)
		(227.49)	**(227.15)**
Non-current liabilities			
Long-term borrowings	6	**239.67**	239.50
		239.67	**239.50**
Current liabilities			
Other current liabilities	7	**0.50**	0.33
		0.50	0.33
Total		**12.68**	**12.68**
Assets			
Current assets			
Cash and Bank Balances	8	**0.19**	0.19
Short-term loans and advances	9	**12.49**	12.49
		12.68	12.68
Total		**12.68**	**12.68**
Summary of significant accounting policies	3		

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

For and on behalf of Board of Directors
One Audio Limited

Vikas Kumar
(Partner)
Membership No.: 75363

Tarique Ansari
Director

Aziz Khatri
Director

Place : Mumbai
Date : April 25, 2013

PROFIT AND LOSS STATEMENT

for the year ended 31st Mar, 2013

Particulars	Refer Note No.	Year Ended 31st Mar, 2013 (₹) in lakhs	Year Ended 31st Mar, 2012 (₹) in lakhs
REVENUE FROM OPERATIONS			
Other income	10	-	0.78
Total Revenue		**-**	**0.78**
EXPENSES			
General & Administration Expenses	11	**0.25**	0.33
Finance charges (Net)		**0.00**	0.00
Total expenses		**0.25**	**0.33**
Profit before tax		**(0.25)**	0.45
Tax expense:			
Income tax		**0.09**	-
Profit (Loss) for the period		**(0.34)**	**0.45**
Earnings per equity share:			
Basic & Diluted	12	**(0.68)**	0.90
Summary of significant accounting policies	3		

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

Vikas Kumar
(Partner)
Membership No.: 75363

Place : Mumbai
Date : April 25, 2013

For and on behalf of Board of Directors
One Audio Limited

Tarique Ansari
Director

Aziz Khatri
Director

CASH FLOW STATEMENT

	Particulars		Year Ended 31st Mar, 2013 (₹) in lakhs	Year Ended 31st Mar, 2012 (₹) in lakhs
A.	**Net Cashflow from operating Activities**			
	Net Cashflow from operating Activities		(0.34)	0.45
	Operational Profit before Working Capital		**(0.34)**	**0.45**
	Adjustments for changes in Working Capital			
	Current Liabilities		0.17	(0.62)
	Sub-Total		**0.17**	**(0.62)**
	Cash generated from operations		**(0.17)**	**(0.17)**
	Net Cash Flow from Operating Activities	(A)	**(0.17)**	**(0.17)**
B.	**Cash Flow from Investing Activities**			
	Net Cash Flow from Investing Activities	(B)	-	-
C.	**Cash Flow from financing Activities**			
	Borrowings		0.17	0.17
	Net Cash Flow from Financing Activities	(C)	**0.17**	**0.17**
	Net Increase/decrease in Cash & Cash Equivalents	(A+B+C)	**(0.00)**	**(0.00)**
	Cash & Cash Equivalents at the beginning of the year		**0.19**	**0.19**
	Cash & Cash Equivalents at the end of the year		**0.19**	**0.19**

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

Vikas Kumar
(Partner)
Membership No.: 75363

Place : Mumbai
Date : April 25, 2013

For and on behalf of Board of Directors
One Audio Limited

Tarique Ansari
Director

Aziz Khatri
Director

NOTES TO FINANCIAL STATEMENTS

for the year ended on 31st March, 2013

1. Corporate Information

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

2. Basis of preparation

The Financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standard notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under historical cost convention.

3. Summary of significant accounting policies

a) 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-today repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

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.

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

'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 calculated on a straight-line basis using the rates arrived at based on the useful

Notes to financial statements

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.

e) Impairment

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

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

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.

i) 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

Notes to financial statements

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

j) Earnings Per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders (after deducting preference dividends and attributable expenses) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

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

k) 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.

l) Contingent liabilities

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

m) Cash and Bank Balances

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

4. Share Capital

a. Authorized and issued and paid-up capital

	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
Authorized Capital				
Equity Shares of ₹ 10/- each	50,000	5.00	50,000	5.00
	50,000	**5.00**	**50,000**	**5.00**
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹ 10/- each fully paid	50,000	5.00	50,000	5.00
	50,000	**5.00**	**50,000**	**5.00**

Notes to financial statements

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

	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
Shares outstanding at the beginning of the year	50,000	**5.00**	50,000	5.00
Add: Shares issued during the year	-	**-**	-	-
Less: Shares bought back during the year	-	**-**	-	-
Shares outstanding at the end of year	**50,000**	**5.00**	**50,000**	**5.00**

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.

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

	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited (Holding Company)	50,000	100.00%	50,000	100.00%

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

	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited	50,000	100.00%	50,000	100.00%
Total	**50,000**	**100.00%**	**50,000**	**100.00%**

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

5. Reserves & Surplus

	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Surplus		
Opening Balance	**(232.15)**	(232.60)
Add: Net Loss for the year	**(0.34)**	(0.45)
Total Reserves & Surplus	**(232.49)**	**(232.15)**

Notes to financial statements

6. Long Term Borrowings

	Non – Current Portion		Current Maturities	
	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Unsecured Borrowings				
Inter Corporate Loans				
- From Holding Company	**201.73**	201.73	-	-
- From Other Related parties	**37.94**	37.77	-	-
	239.67	**239.50**	**-**	**-**

7. Other Current Liabilities

	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Outstanding Expenditure	**0.50**	0.33
	0.50	**0.33**

8. Cash & Bank Balances

	Non-current		Current	
	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Balances with banks				
- In Current Account	-	-	**0.19**	0.19
Cash in Hand	-	-	**0.00**	0.00
	-	-	**0.19**	**0.19**

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

9. Loans & Advances

	Long Term		Short Term	
	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Unsecured considered good				
Tax Deducted at Source / Income Tax Paid	-	-	**12.49***	12.49
	-	**-**	**12.49**	**12.49**

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

Notes to financial statements

10. Other Income

	Year Ended 31st Mar, 2013 Amount (₹) in lakhs	Year Ended 31st Mar, 2012 Amount (₹) in lakhs
Other Income		
Creditors / Liabilities written Back	-	0.78
	-	**0.78**

11. General & Administration Expenses

	Year Ended 31st Mar, 2013 Amount (₹) in lakhs	Year Ended 31st Mar, 2012 Amount (₹) in lakhs
General & Administrative Expenses		
Legal & Professional Charges	**0.08**	0.16
Auditors remuneration		
- Statutory Audit Fee	**0.17**	0.17
	0.25	**0.33**

12. Earnings per Share (EPS)

	March 31, 2013	March 31, 2012
Net Profit / (Loss) for the year attributable to equity shareholders (₹ in lakhs)	**(0.34)**	0.45
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	**50,000**	50,000
Weighted average number of Shares issued during the year	-	-
Weighted average number of equity shares at the end of the year	**50,000**	50,000
Basic and diluted earnings / (loss) (in ₹) per share	**(0.68)**	**0.90**

13. Contingent Liabilities

There are no contingent liabilities.

14. Taxes

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

15. Employee Benefits

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

16. Segment Reporting

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

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

Notes to financial statements

18. Expenditure in Foreign Currency – Nil (Previous Year – Nil)

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

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

21. Related party disclosures

Names of related parties and related party relationship

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

Related party transactions

Name of Related Party	Relation	Nature of Transaction	Amount (₹) in lakhs
Next Mediaworks Limited	Holding Company	Unsecured loan Outstanding at year end	**201.73** (201.73)
Next Radio Limited	Fellow Subsidiary	Unsecured loan received during the year	**0.17** (0.17)
		Unsecured loan Outstanding at year end	**0.50** (0.33)
Inquilab Offset Printers Ltd.	Associate	Unsecured loan Outstanding at year end	**37.44** (37.44)

For and on behalf of Board of Directors
One Audio Limited

Tarique Ansari
Director

Aziz Khatri
Director

Place: Mumbai
Date: April 25, 2013

DIRECTOR'S REPORT

To The Members,

Your Directors' are pleased to submit their Annual Report together with the audited Statement of accounts for the year ended 31st March 2013.

Business Operations:

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

Board of Directors

Mr. Tarique Ansari, Director would retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Auditors

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:

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

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

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

ACKNOWLEDGEMENT:

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: April 25, 2013

Tarique Ansari
Director

Rukya Ansari
Director

AUDITOR'S REPORT

The Members of NEXT OUTDOOR LIMITED (Formerly Midday Outdoor Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Next Outdoor Limited (Midday Outdoor Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair 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 mis-statement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to 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 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, 2013;

(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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'Order'), issued by the Central Government of India in terms

Auditor's Report

of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.

2. As required by section 227(3) of the Companies 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. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Vikas Kumar
(Partner)
Membership Number: 75363

Place: Mumbai
Date: April 25, 2013

ANNEXURE TO AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE)

I. Fixed Assets

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

II Inventories

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

III Loans Given / Taken

a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has taken interest free unsecured loan from Holding company M/s Next Mediaworks Limited (Formerly Mid-day Multimedia Limited). The maximum amount involved during the year was ₹ 7.71 Lacs and closing balance was ₹ 7.71 Lacs.

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

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

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

IV Internal Control

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

V. Transactions under Section 301

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

VI. Public Deposits

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

VII. Internal Audit System

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

VII. Cost Records

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

Annexure to Auditor's Report

VIII. Statutory Dues

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

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

IX. Miscellaneous

a) The net worth of the company has been fully eroded as on 31.03.2013. The company has incurred cash losses in current financial year and in preceding financial year.

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

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

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

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

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

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

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

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

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

Vikas Kumar
(Partner)
Membership Number: 75363

Place: Mumbai
Date: April 25, 2013

BALANCE SHEET

as at 31st Mar, 2013

Particulars	Refer Note No.	As at 31st Mar, 2013 (₹) in lakhs	As at 31st Mar, 2012 (₹) in lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	**349.50**	349.50
Reserves and surplus	5	**(357.54)**	(357.26)
		(8.04)	**(7.76)**
Non-current liabilities			
Long-term borrowings	6	**7.71**	7.61
		7.71	7.61
Current liabilities			
Trade payables	7	**0.26**	-
Other current liabilities	8	**0.25**	0.33
		0.51	0.33
		0.18	0.18
Current assets			
Cash and Bank Balances	9	**0.18**	0.18
		0.18	0.18
		0.18	**0.18**
Summary of significant accounting policies	3		

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

For and on behalf of Board of Directors
Next Outdoor Limited

Vikas Kumar
(Partner)
Membership No. 75363

Tarique Ansari
Director

Rukya Ansari
Director

Place : Mumbai
Date : April 25, 2013

PROFIT AND LOSS STATEMENT

for the year ended 31st Mar, 2013

Particulars	Refer Note No.	Year Ended 31st Mar, 2013	Year Ended 31st Mar, 2012
		(₹) in lakhs	(₹) in lakhs
INCOME			
Other income		-	-
Total Revenue		-	-
EXPENSES			
General & Administration Expenses	10	**0.28**	0.33
Finance charges (Net)		**0.00**	0.00
Total expenses		**0.28**	0.33
Profit before tax		**(0.28)**	(0.33)
Tax expense:			
Deferred tax		-	-
Profit (Loss) for the period		**(0.28)**	(0.33)
Earnings per equity share:			
Basic & Diluted	11	**(0.01)**	(0.01)
Summary of significant accounting policies	3		

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

For and on behalf of Board of Directors
Next Outdoor Limited

Vikas Kumar
(Partner)
Membership No. 75363

Tarique Ansari
Director

Rukya Ansari
Director

Place : Mumbai
Date : April 25, 2013

CASH FLOW STATEMENT

Particulars		As at 31st Mar, 2013 (₹) in lakhs	As at 31st Mar, 2012 (₹) in lakhs
A. Net Cashflow from operating Activities			
Net Profit / (Loss) before tax		**(0.28)**	(0.33)
Operational Profit before Working Capital		**(0.28)**	**(0.33)**
Adjustments for changes in Working Capital			
Current Liabilities		**0.18**	0.16
Sub-Total		**0.18**	0.16
Cash generated from operations		**(0.10)**	(0.17)
Net Cash Flow from Operating Activities	**(A)**	**(0.10)**	**(0.17)**
B. Cash Flow from Investing Activities			
Net Cash Flow from Investing Activities	**(B)**	**-**	**-**
C. Cash Flow from financing Activities			
Borrowings		**0.10**	0.17
Net Cash Flow from Financing Activities	**(C)**	**0.10**	**0.17**
Net Increase/decrease in Cash & Cash Equivalents	**(A+B+C)**	**(0.00)**	**(0.00)**
Cash & Cash Equivalents at the beginning of the year		**0.18**	**0.18**
Cash & Cash Equivalents at the end of the year		**0.18**	**0.18**

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

For and on behalf of Board of Directors
Next Outdoor Limited

Vikas Kumar
(Partner)
Membership No. 75363

Tarique Ansari
Director

Rukya Ansari
Director

Place : Mumbai
Date : April 25, 2013

NOTES TO FINANCIAL STATEMENTS

for the year ended on 31st March, 2013

1. Corporate Information

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

2. Basis of preparation

The Financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standard notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under historical cost convention.

3. Summary of significant accounting policies

a) 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-today repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

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.

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

d) Depreciation

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV of the Companies Act, 1956, whichever is higher. Depreciation on additions during the year is provided on a pro-rata basis from the date of addition.

Notes to Financial Statements

e) Impairment

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

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

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.

i) 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.

Notes to Financial Statements

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

j) Earnings Per Share

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

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

k) 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.

l) Contingent liabilities

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

m) Cash and Bank Balances

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

4. Share Capital

a. Authorized and issued and paid-up capital

	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	**Amount (₹) in lakhs**	**Number of Shares**	**Amount (₹) in lakhs**
Authorized Capital				
Equity Shares of ₹ 10/- each	4,000,000	400.00	4,000,000	400.00
	4,000,000	**400.00**	**4,000,000**	**400.00**
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹ 10/- each fully paid	3,495,000	349.50	3,495,000	349.50
	3,495,000	**349.50**	**3,495,000**	**349.50**

Notes to Financial Statements

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

	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	Amount (₹) in lakhs	Number of Shares	Amount (₹) in lakhs
Shares outstanding at the beginning of the year	3,495,000	349.50	3,495,000	349.50
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of year	**3,495,000**	**349.50**	**3,495,000**	**349.50**

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.

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

	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited	3,494,200	99.98%	3,494,200	99.98%

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

	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited	3,494,200	99.98%	3,494,200	99.98%
Total	**3,494,200**	**99.98%**	**3,494,200**	**99.98%**

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

5. Reserves & Surplus

	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Surplus		
Opening Balance	**(357.26)**	(356.93)
Add: Net Loss for the year	**(0.28)**	(0.33)
Total Reserves & Surplus	**(357.54)**	**(357.26)**

Notes to Financial Statements

6. Long Term Borrowings

	Non – Current Portion		Current Maturities	
	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Unsecured Borrowings				
Inter Corporate Loans				
- From Holding Company	**7.71**	7.61	-	-
	7.71	**7.61**	**-**	**-**

7. Trade Payables

	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Due to related parties	**0.26**	-
Total	**0.26**	**-**

8. Other Current Liabilities

	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Outstanding Expenditure	**0.25**	0.33
Total	**0.25**	**0.33**

9. Cash & Bank Balances

	Non-current		Current	
	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs	As at 31st Mar, 2013 Amount (₹) in lakhs	As at 31st Mar, 2012 Amount (₹) in lakhs
Balances with banks				
- In Current Account	-	-	**0.18**	0.18
	-	**-**	**0.18**	**0.18**

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

10. General & Administration Expenses

	Year Ended 31st Mar, 2013 Amount (₹) in lakhs	Year Ended 31st Mar, 2012 Amount (₹) in lakhs
General & Administrative Expenses		
Legal & Professional Charges	**0.11**	0.16
Auditors remuneration		
- Statutory Audit Fee	**0.17**	0.17
	0.28	**0.33**

Notes to Financial Statements

11. Earnings per Share (EPS)

	March 31, 2013	March 31, 2012
Net loss for the year attributable to equity shareholders (₹ in lakhs)	**(0.28)**	(0.33)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	**3,495,000**	3,495,000
Weighted average number of Shares issued during the year	**-**	-
Weighted average number of equity shares at the end of the year	**3,495,000**	3,495,000
Basic and diluted earnings / (loss) (in ₹) per share	**(0.01)**	**(0.01)**

12. Contingent Liabilities

There are no contingent liabilities.

13. Taxes

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

14. Employee Benefits

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

15. Segment Reporting

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

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

17. Expenditure in Foreign Currency – Nil (Previous Year – Nil)

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

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

20. Related party disclosures

Names of related parties and related party relationship

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

Notes to Financial Statements

Related party transactions

Name of Related Party	Relation	Nature of Transaction	Amount (₹) in lakhs
Next Mediaworks Limited	Holding Company	Unsecured loan received during the year	**0.10** (0.20)
		Unsecured loan Outstanding at year end	**7.71** (7.61)
Next Radio Limited	Fellow Subsidiary	Amount Outstanding at the year end	**0.23** (Nil)

For and on behalf of Board of Directors
Next Outdoor Limited

Tarique Ansari
Director

Rukya Ansari
Director

Place : Mumbai
Date : April 25, 2013

DIRECTOR'S REPORT

TO THE MEMBERS OF NEXT RADIO LIMITED (Formerly Radio One Limited)

The Directors have pleasure in presenting the 13th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2013.

Financial Performance

(₹ in lakhs)

Particulars	2012-13	2011-12
Profit / (Loss) before Depreciation, Interest and Tax	**1,842.02**	25.85
Less: Depreciation	**1211.99**	1169.52
Interest	**570.69**	633.60
Profit/ (Loss) Before Exceptional Item	**59.34**	**(1777.27)**
Exceptional Item	**385.43**	(385.43)
Prior Period Item	**30.31**	42.69
Profit/ (Loss) Before Tax	**(356.40)**	**(1434.53)**
Deferred Tax Adjustments	**270.52**	(132.83)
Profit/ (Loss) After Tax	**(626.92)**	**(1301.70)**

Business Operations and Future Prospects: -

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

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

In the FY 2012-13, the revenue of the Company is ₹ 5,041.14 lakhs up by 15.93% as compared to 4348.31 in FY 2011-12. The EBIDTA of the Company in FY 2012-13 is ₹ 1842.02 lakhs versus ₹25.85 lakhs in FY 2011-12. The Company has attained transformational turnaround in EBIDTA, PBIT and PBT in the FY 2012-13.

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 2013.

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. Adille Sumariwalla retires by rotation and is eligible for reappointment.

Auditors

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

Director's Report

Auditors' Observation in their Report

As on March 31, 2013, the Company has accounted ₹ 4318.01 lakhs as Deferred Tax Assets on unabsorbed business losses and depreciation. The Board reviews the carrying amount of Deferred Tax Assets at each Balance Sheet date and reviews the performance of the Company vis-à-vis the plan to arrive at a conclusion for carrying forward and creating a further Deferred Tax Asset.

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

Particulars of Employees

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

Directors' Responsibility Statement

The Directors confirm that -

1. In the preparation of the annual accounts, the applicable Accounting Standards have been followed;
2. The selected and applied accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2013;
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	:	₹ 17.06 lakhs

Acknowledgement: -

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

For and on behalf of the Board of Directors

Vineet Singh Hukmani
Managing Director

Dilip Cherian
Director

Place : Mumbai
Date: April 25, 2013

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, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair 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. 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 ₹ 60.37 Lacs for the year and ₹ 4318.01 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 such expectation cannot be considered as virtual certainty to recognize such assets. Consequently the loss for the year is understated by ₹ 60.37 Lacs and relevant asset and the reserves and surplus are overstated by ₹ 4318.01 Lacs.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial

Auditors' Report

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, 2013;

(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 the provision against certain debts due for over three years or more specifically described in Note no. 28 of the financial statements. Our opinion is not qualified in respect of the above matter.

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 as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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

Chetan Desai
Partner
Membership No.17000

Place : Mumbai
Date : April 25, 2013

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, 2013]

(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 inventory have been noticed. In our opinion, the frequency of verification is reasonable.

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

(e) 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 except loan from the holding company. The maximum amount involved during the year was ₹ 1,584.09 lacs and the year-end balance of loans taken from such party was Nil.

(f) 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.

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

(iv) In our opinion and according to the information and explanations given to us, there exists 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 weakness 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) *Except for delays in payment of Income tax and service tax during the year,* the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

Annexure to Auditors' Report

(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, excise 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 dues	Amount (₹ in Lakhs)	Period to which the amount relates	Due Date	Date of Payment
Finance Act, 1994	Service Tax	148.34	May 2012 to August 2012	June 06, 2012 to September 06, 2012	-

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

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	4.01	2006-2007 and 2007-2008	CESTAT

(x) In our opinion, the accumulated losses of the company exceed fifty percent of its net worth. Further, the company has not incurred cash losses during the financial year covered by our audit, however company had incurred cash losses during 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) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

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

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis to the tune of ₹ 482.45 lacs 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.

Annexure to Auditors' Report

(xix) The Company did not have any outstanding debentures 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 Regn No. 103523W

Chetan Desai
Partner
Membership No. 17000

Place: Mumbai
Date: April 25, 2013

BALANCE SHEET

as at 31st Mar, 2013

Particulars	Refer Note No.	As at 31st March, 2013 ₹ in lakhs	As at 31st March, 2012 ₹ in lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	**15,926.38**	14,720.99
Reserves and surplus	5	**(7,842.05)**	(7,787.69)
		8,084.33	**6,933.30**
Non-current liabilities			
Long-term borrowings	6	**1,209.69**	1,954.09
Long-term provisions	7	**22.30**	21.70
		1,231.99	**1,975.79**
Current liabilities			
Short-term borrowings	8	**595.61**	979.45
Trade payables	9	**637.34**	438.02
Other current liabilities	6 & 10	**1,421.74**	2,680.17
Short-term provisions	7	**4.73**	2.47
		2,659.42	4,100.11
Total		**11,975.74**	**13,009.20**
ASSETS			
Non-current assets			
Fixed assets	11		
Tangible assets		**1,491.49**	1,633.80
Intangible assets		**3,250.87**	4,225.45
		4,742.36	**5,859.25**
Deferred tax assets (net)	12	**4,243.39**	4,513.91
Long-term loans and advances	15	**612.39**	700.61
Other non-current assets	14	**200.64**	275.21
Current assets			
Trade receivables	13	**1,730.50**	1,201.50
Cash and Bank Balances	14	**61.54**	68.93
Short-term loans and advances	15	**359.81**	310.85
Other current assets	16	**25.11**	78.94
		2,176.96	**1,660.22**
Total		**11,975.74**	**13,009.20**
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

Chetan Desai
(Partner)
Membership No.: 17000

Vineet Singh Hukmani
Managing Director

Dilip Cherian
Director

Manoj Gujaran
Company Secretary

Place : Mumbai
Date : April 25, 2013

PROFIT AND LOSS STATEMENT

for the year ended 31st Mar, 2013

Particulars	Refer Note No.	Year Ended 31st Mar, 2013	Year Ended 31st Mar, 2012
		₹ in lakhs	₹ in lakhs
REVENUE FROM OPERATIONS			
Advertisement Revenue		**5,041.14**	4,348.31
Other income	17	**84.77**	4.70
Total Revenue		**5,125.91**	**4,353.01**
EXPENSES			
Radio license fees		**387.63**	358.07
Employee Benefit Expenses	18	**1,064.75**	1,113.01
Operating expenses	19	**1,150.42**	1,315.16
General & Administration Expenses	20	**681.09**	1,540.92
		3,283.89	**4,327.16**
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)		**1,842.02**	25.85
Depreciation & Amortization	11	**1,211.99**	1,169.52
Finance charges (Net)	21	**570.69**	633.60
Profit before exceptional and extraordinary items and tax		**59.34**	**(1,777.27)**
Exceptional items (Net)	22	**385.43**	(385.43)
Prior Period Items	23	**30.31**	42.69
Profit before tax		**(356.40)**	**(1,434.53)**
Tax expense:			
Deferred tax for the current period		**(75.67)**	(132.83)
Deferred Tax on Carried forward loss reversed	12	**346.19**	-
Profit (Loss) for the period		**(626.92)**	**(1,301.70)**
Earnings per equity share:	24		
Basic & Diluted		**(0.71)**	(1.32)
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

Chetan Desai
(Partner)
Membership No.: 17000

Vineet Singh Hukmani
Managing Director

Dilip Cherian
Director

Manoj Gujaran
Company Secretary

Place : Mumbai
Date : April 25, 2013

CASH FLOW STATEMENT

Particulars		Year Ended 31st Mar, 2013 ₹ in lakhs	Year Ended 31st Mar, 2012 ₹ in lakhs
A. Net Cashflow from operating Activities			
Net Profit / (Loss) before tax		**(356.40)**	(1,434.53)
Depreciation		**1,211.99**	1,169.52
Interest & finance cost		**602.81**	633.60
Loss/(profit) on sale of fixed assets (net)		**(58.24)**	-
Interest Income		**(32.11)**	(4.70)
Creditors written back		**(21.96)**	-
Provision for Doubtful Debt		**50.41**	-
Operational Profit before Working Capital		**1,396.50**	**363.89**
Adjustments for changes in Working Capital			
Sundry Debtors		**(579.41)**	343.31
Loans & Advances		**9.01**	370.24
Current Liabilities & provisions		**339.97**	(236.34)
Sub-Total		**(230.43)**	**477.21**
Cash generated from operations		**1,166.07**	**841.10**
Income Tax		**(15.34)**	(19.90)
Sub-Total		**(15.34)**	**(19.90)**
Net Cash Flow from Operating Activities	**(A)**	**1,150.73**	**821.20**
B. Cash Flow from Investing Activities			
Purchase of fixed Assets		**(15.68)**	(337.17)
Sale of Fixed Assets		**98.99**	-
Interest Received		**85.94**	-
Net Cash Flow from Investing Activities	**(B)**	**169.25**	**(337.17)**
C. Cash Flow from financing Activities			
Issue of Securities		**1,777.94**	-
Long Term & Other borrowings		**1,144.98**	-
Repayment of Long Term & Other borrowings		**(3,181.93)**	0.95
Interest & finance cost		**(1,068.36)**	(628.89)
Net Cash Flow from Financing Activities	**(C)**	**(1,327.37)**	**(627.94)**
Net Increase/decrease in Cash & Cash Equivalents	**(A+B+C)**	**(7.39)**	(143.91)
Cash & Cash Equivalents at the beginning of the year		**68.93**	212.84
Cash & Cash Equivalents at the end of the year		**61.54**	**68.93**

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

Chetan Desai
(Partner)
Membership No.: 17000

Vineet Singh Hukmani
Managing Director

Dilip Cherian
Director

Manoj Gujaran
Company Secretary

Place : Mumbai
Date : April 25, 2013

NOTES TO FINANCIAL STATEMENTS

for the year ended on 31st March, 2013

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. 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.

Notes to financial statements

'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.

Notes to financial statements

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

Notes to financial statements

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, 2013		As at 31st Mar, 2012	
	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	132,930,000	13,293.00
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**	**158,700,000**	**15,870.00**
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹ 10/- each fully paid	133,493,757	13,349.38	121,439,910	12,143.99
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**	**147,209,910**	**14,720.99**

Notes to financial statements

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

Particulars	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	Amount (₹ in lakhs)	Number of Shares	Amount (₹ in lakhs)
Equity Shares				
Shares outstanding at the beginning of the year	121,439,910	**12,143.99**	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**	**121,439,910**	**12,143.99**
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 Mar, 2013 is ₹ 1083.92 lakhs (as on 31st Mar, 2012 - ₹787.57 lakhs)

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

Particulars	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited (the holding Company)	96,430,770	72.24%	84,376,928	69.48%
Preference Shares				
Next Mediaworks Limited (the holding Company)	25,770,000	100.00%	25,770,000	100.00%

Notes to financial statements

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

Particulars	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares				
Next Mediaworks Limited	96,430,770	72.24%	84,376,928	69.48%
BBC Worldwide Holdings B. V.	24,287,982	18.19%	24,287,982	20.00%
Ferari Investments and Trading Co. Pvt Ltd	10,000,000	7.49%		
Total	**130,718,752**	**97.92%**	**108,664,910**	**89.48%**
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)				
	2012-13	2011-12	2010-11	2009-10	2008-09
Equity Shares					
- Fully Paid by way of bonus shares	-	-	6,773,482	-	-
Preference Shares	-	-	-	-	-

5. Reserves & Surplus

Particulars	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2012 Amount (₹ in lakhs)
Securities Premium		
Opening Balance	**3,265.25**	3,265.25
Add: Share Premium credited on share issue	**572.56**	-
Closing Balance	**3,837.81**	**3,265.25**
Surplus		
Opening Balance	**(11,052.94)**	(9,751.24)
Add: Net Loss for the year	**(626.92)**	(1,301.70)
Closing Balance	**(11,679.86)**	**(11,052.94)**
Total Reserves & Surplus	**(7,842.05)**	**(7,787.69)**

6. Long Term Borrowings

Particulars	Non – Current Portion		Current Maturities	
	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2012 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2012 Amount (₹ in lakhs)
Secured Borrowings				
Term Loans (From Banks)	**862.39**	550.00	**287.61**	1,200.00

Notes to financial statements

Unsecured Borrowings				
Inter Corporate Loans				
- From Holding Company	**-**	1,324.09	**-**	-
- From Others	**347.30**	80.00	**3.68**	-
	1,209.69	**1,954.09**	**291.29**	**1,200.00**

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

b Term Loan – II from bank is repayable in 15 quarterly installments of ₹ 50.00 lakhs each and Other term loan is repayable in 5 years

c Unsecured inter corporate loan from Others are payable at end of tenure of loan i.e. 36 months.

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

7. Provisions

Particulars	Long Term		Short Term	
	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2012 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2012 Amount (₹ in lakhs)
Provision for Employee Benefits				
Leave Encashment (Unfunded)	**22.30**	21.70	**2.34**	2.47
Gratuity Payable(Funded)			**2.40**	
	22.30	**21.70**	**4.73**	**2.47**

8. Short Term Borrowings

Particulars	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2012 Amount (₹ in lakhs)
Secured Borrowings		
Cash Credit Facility (From Banks)	**395.61**	614.45
Unsecured Borrowings		
Inter Corporate Loans		
- From Related Parties (Holding Company)	**-**	165.00
- From Others	**200.00**	200.00
	595.61	**979.45**

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

b Unsecured loan from others is repayable on demand

Notes to financial statements

9. Trade Payables

Particulars	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2012 Amount (₹ in lakhs)
Trade Payables		
To Others (Refer Note no. 26)	**637.34**	**438.02**
	637.34	**438.02**

10. Other Current Liabilities

Particulars	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2012 Amount (₹ in lakhs)
Other Current Liabilities		
Advance Received from customers	**11.63**	3.34
Taxes Payable	**421.81**	327.76
Other Current Liabilities	**488.19**	474.70
Interest accured but not due to Related Party (Holding Company)	**208.82**	674.38
	1,130.45	**1,480.17**

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, 2012	Additions during the year	Deductions during the year	As at 31st Mar, 2013	As at 1st Apr, 2012	For the year	Deductions during the year	As at 31st Mar, 2013	As at 31st Mar, 2013	As at 31st Mar, 2012
Tangible Assets:										
Building	64.68	11.49	38.10	38.07	16.35	4.67	4.52	16.50	21.57	48.33
Studio equipment	458.35	-	7.62	450.73	273.01	43.97	4.34	312.64	138.09	185.34
Transmitter	676.98	10.99	-	687.97	199.87	37.68	-	237.55	450.42	477.11
Furniture and fixtures	649.68	-	9.24	640.44	218.83	28.83	6.11	241.55	398.89	430.85
Office Equipments	51.95	0.24	-	52.19	14.72	2.51	-	17.23	34.96	37.23
Computers	334.05	1.58	0.64	334.99	263.00	40.25	0.56	302.69	32.30	71.05
Air-conditioners	93.54	3.54	1.33	95.75	22.71	4.43	0.66	26.48	69.27	70.83
Audio-visual equipments	2.63	-	-	2.63	0.80	0.12	-	0.92	1.71	1.83
Common Transmission Infrastructure	321.29	108.00	-	429.29	10.06	74.95	-	85.01	344.28	311.23
Total Tangible Assets	2,653.15	135.84	56.93	2,732.06	1,019.35	237.41	16.19	1,240.57	1,491.49	1,633.80
Intangible Assets:										
One Time Entry Fees	9,732.53	-	-	9,732.53	5,508.41	973.25	-	6,481.66	3,250.87	4,224.12
Computer software	60.03	-	-	60.03	58.70	1.33	-	60.03	-	1.33
Total Intangible Assets	9,792.56	-	-	9,792.56	5,567.11	974.58	-	6,541.69	3,250.87	4,225.45
Capital Work in Progress									-	
Total	**12,445.71**	**135.84**	**56.93**	**12,524.62**	**6,586.46**	**1,211.99**	**16.19**	**7,782.26**	**4,742.36**	**5,859.25**
Previous Year	12,108.71	337.17	0.17	12,445.71	5,416.95	1,169.52	0.01	6,586.46	5,859.25	

Notes to financial statements

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

12. Deferred Tax Assets (net)

As per standard on accounting for taxes on income, the company has reversed ₹ 270.52 lakhs net deferred tax asset for the year

Particulars	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2012 Amount (₹ in lakhs)
Deferred Tax Assets/(Liabilities)		
On Carried Forward Losses	**4,318.01**	4,603.83
On Depreciation on Fixed Assets	**(78.98)**	(93.95)
On Leave Encashment	**5.50**	5.32
On Gratuity	**(1.14)**	(1.29)
	4,243.39	**4,513.91**

13. Trade Receivables

Particulars		As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2012 Amount (₹ in lakhs)
Trade receivables outstanding for period exceeding six months from the date they are due for payment			
Unsecured, considered good		**288.46**	294.73
Unsecured, considered doubtful		**128.11**	77.70
		416.57	**372.43**
Less: Provision for doubtful debts		**128.11**	77.70
	(A)	**288.46**	**294.73**
Trade receivables outstanding for a period less than six months from the date they are due for payment			
Unsecured, considered good		**1,442.04**	906.77
	(B)	**1,442.04**	**906.77**
Total	(A+B)	**1,730.50**	**1,201.50**

Notes to financial statements

14. Cash & Bank Balances

Particulars	Non-current		Current	
	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2012 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2012 Amount (₹ in lakhs)
Cash & Cash Equivalents				
Balances with banks				
- In Current Account	**-**	-	**59.14**	65.41
- In Deposit Accounts	**4.50**	-	**-**	-
Cash in Hand	**-**	-	**2.40**	3.52
Other bank balances				
Deposit Account (Under lien with bank)	**8.09**	141.51	**-**	-
Margin Money	**188.05**	133.70	**-**	-
	200.64	**275.21**	**61.54**	**68.93**

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

15. Loans & Advances

Particulars	Long Term		Short Term	
	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2012 Amount (₹ in lakhs)	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2012 Amount (₹ in lakhs)
Unsecured considered good				
Trade Deposits	**396.39**	364.44	**-**	-
Capital Advances	**216.00**	336.17	**-**	-
Receivable from BECIL	**-**	-	**77.71**	77.71
Gratuity (Funded)	**-**	-	**-**	5.46
Staff Loans & Advances	**-**	-	**1.85**	2.14
Tax Deducted at Source	**-**	-	**181.17**	165.82
Prepaid Expenses	**-**	-	**97.95**	59.39
Loans to Others	**-**	-	**0.53**	-
Loans to Related Parties	**-**	-	**0.60**	0.33
	612.39	**700.61**	**359.81**	**310.85**

16. Other Current Assets

Particulars	As at 31st Mar, 2013 Amount (₹ in lakhs)	As at 31st Mar, 2012 Amount (₹ in lakhs)
Other Current Assets		
Interest Accrued but not due	**25.11**	78.94
	25.11	**78.94**

Notes to financial statements

17. Other Income

Particulars	Year Ended 31st Mar, 2013 Amount (₹ in lakhs)	Year Ended 31st Mar, 2012 Amount (₹ in lakhs)
Other Income		
Interest Income	-	4.70
Interest on Income tax refund	**4.57**	-
Profit on Sale of Fixed Assets	**58.24**	-
Creditors / Liabilities Written Back	**21.96**	-
	84.77	**4.70**

18. Employee Benefit Expenses

Particulars	Year Ended 31st Mar, 2013 Amount (₹ in lakhs)	Year Ended 31st Mar, 2012 Amount (₹ in lakhs)
Employee Costs		
Salary, Wages & bonus	**954.55**	989.60
Contribution to PF and other funds	**29.50**	32.60
Staff Welfare expenses & other Employee expenses	**80.70**	90.81
	1,064.75	**1,113.01**

19. Operating Expenses

Particulars	Year Ended 31st Mar, 2013 Amount (₹ in lakhs)	Year Ended 31st Mar, 2012 Amount (₹ in lakhs)
Operational Expenses		
Royalty	**130.58**	274.58
Radio programme creation and studio hire	**287.24**	331.90
Repairs & Maintainance - Equipment	**104.78**	108.71
Repairs & Maintainance - Others	**77.77**	71.74
Electricity charges	**167.35**	145.93
Rent	**382.70**	382.30
	1,150.42	**1,315.16**

20. General & Administration Expenses

Particulars	Year Ended 31st Mar, 2013 Amount (₹ in lakhs)	Year Ended 31st Mar, 2012 Amount (₹ in lakhs)
General & Administrative Expenses		
Telephone charges	**63.58**	67.53
Travelling	**41.20**	53.99

Notes to financial statements

Conveyance	**48.18**	53.07
Directors sitting fees	**0.43**	0.25
Business Promotion	**18.64**	31.47
Auditors remuneration :-		
- Statutory Audit	**2.00**	2.00
- Tax Audit	**0.75**	0.75
- Others	**0.60**	0.60
Miscellaneous Expenses	**23.59**	16.94
Discounts & Credits	**77.76**	52.13
Advertisement Expenses	**185.85**	965.18
Balances Written Off	**-**	2.63
Legal & Professional Charges	**107.16**	90.85
Printing and stationery	**10.62**	13.65
Insurance	**18.19**	17.41
Rates and Taxes	**32.13**	22.17
Bad Debts Written Off	**-**	344.63
Add: Provision made during the year for doubtful debts	**50.41**	-
Less: Provision made in earlier years for bad debts	**-**	194.33
	50.41	150.30
	681.09	**1,540.92**

21. Finance Charges

Particulars	**Year Ended 31st Mar, 2013 Amount (₹ in lakhs)**	**Year Ended 31st Mar, 2012 Amount (₹ in lakhs)**
Interest Charges		
- On loans from Banks*	**284.34**	375.41
- On loans from Others	**255.77**	255.72
Bank Charges & Commission	**30.58**	2.47
* (Net of Interest Income of ₹ 32.11 lakhs (PY₹ 28.07 lakhs))		
	570.69	**633.60**

22. Exceptional Items

Particulars	**Year Ended 31st Mar, 2013 Amount (₹ in lakhs)**	**Year Ended 31st Mar, 2012 Amount (₹ in lakhs)**
Exceptional Items		
Royalty payable / (Reversed)	**385.43**	(385.43)
	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

Notes to financial statements

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.

23. Prior period item represents Professional fees amounting to ₹ 30.31 lakhs in the current year and the amount of ₹ 42.69 lakhs payable to Broadcast Engineering Consultants India Limited (BECIL) towards tower rent payable for earlier periods in the Previous year.

24. Earnings per Share (EPS)

	March 31, 2013	March 31, 2012
Net Loss as per Profit & Loss Statement (₹ in lakhs)	**(626.92)**	(1301.70)
Less: Dividend on Preference Shares (₹ in lakhs)	**296.37**	297.17
Net loss for the year attributable to equity shareholders (₹ in lakhs)	**(923.30)**	(1598.86)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	**121,439,910**	121,439,910
Weighted average number of Shares issued during the year	**8,388,157**	0
Weighted average number of equity shares at the end of the year	**129,828,067**	121,439,910
Basic and diluted earnings (in ₹) per share	**(0.71)**	**(1.32)**

25. Contingent Liabilities

a. In respect of guarantees issued by the Company's bankers ₹ 332.70 lakhs (Previous Year ₹ 332.70 lakhs).

b In respect of Service tax under litigation ₹ 5.97 lakhs (Previous year ₹ 5.97 lakhs)

c In respect of cumulative outstanding preference dividend as on 31st March,2013 is ₹ 1083.93 lakhs (Previous year ₹ 787.57 lakhs)

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

26. Disclosure pertaining to Micro, Small and Medium Enterprises

Sr. No	Particulars	2012-13	2011-12
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

Notes to financial statements

27. Segment Reporting

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

28. Provision for Doubtful debts

Sundry debtors include debts outstanding for over 3 years aggregating ₹ 147.86 lakhs, against which company has provided ₹ 128.11 lakhs as provision for doubtful debts. As per the management based on internal assessment done, the provision amount of ₹ 128.11 lakhs is sufficient.

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

30. 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

Nature of Transactions	Holding Company	Fellow Subsidiaries	Under control of Management	Key Managerial Personnel
Interest Expenses:	59.01			
	(181.35)			
MC Media Limited			4.05	
			(4.05)	
Inquilab Offset Printers Ltd			25.75	
			-	
Meridian Holding & Leasing Co Pvt Ltd			23.81	-
			(3.81)	-
Managerial Remuneration	-	-	-	39.48
	-	-	-	(38.05)
Receipt of Unsecured Loan during the year	95.00	-		-
	(165.00)			
MC Media Limited			-	
			(30.00)	

Notes to financial statements

Inquilab Offset Printers Ltd			274.00	
			-	
Meridian Holding & Leasing Co Pvt Ltd			270.00	
			(50.00)	
Repayment of Unsecured Loan During the year	1,584.09	-		-
Inquilab Offset Printers Ltd			74.00	
			-	
Meridian Holding & Leasing Co Pvt Ltd			1.37	
			-	
Unsecured Loan payable at end of year	-	-		-
	(1,489.09)			
MC Media Limited			30.00	
			(30.00)	
Inquilab Offset Printers Ltd			200.00	
			-	
Meridian Holding & Leasing Co Pvt Ltd			320.98	
			(50.00)	
Unsecured Loan given During the year	-	0.79	0.01	-
	-	(0.17)	-	-
Unsecured Loan receivable at end of year	-	0.85	0.01	-
	-	(0.33)	-	-
Issue of Equity Shares(including Securities Premium)	1,777.95	-	-	-
	-	-	-	-
Interest Payable	208.82	-	-	-
	(674.38)	-	-	-

31. 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 ₹ 26.75 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 – 8.25% pa

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

Notes to financial statements

a. **Change in the Present Value obligation**

	Year Ended 31st Mar, 2013 Amount (₹ in lakhs)
Present Value of Defined Benefit Obligation as at beginning of the year	30.20
Interest Cost	2.64
Current Service Cost	7.21
Benefits Paid from the fund	(7.45)
Actuarial (gain) / Loss on Obligation	1.08
Present Value of Defined Benefit Obligation as at end of the year	33.68

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

Present Value of Plan Assets as at beginning of the year	35.66
Expected Return on Plan Assets	3.12
Actuarial gain/(loss)on Plan Assets	(0.05)
Contributions	-
Benefits Paid	(7.45)
Fair Value of Plan Assets as at end of the year *	31.28

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	33.68
Fair Value of Plan Assets as at end of the year	31.28
Funded Asset recognised in the Balance Sheet	(2.40)
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	33.68
Fair Value of Plan Assets As at the end of the year	31.28
Liability / (Net Asset) recognized in the Balance Sheet	2.40

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

Current Service Cost	7.21
Past Service Cost	-
Interest Cost	2.64
Expected Return on Plan Assets	(3.12)
Curtailment Cost / (Credit)	-
Settlement Cost / (Credit)	-
Net Actuarial (gain) / Loss recognised in the year	1.13
Total Expenses recognised in the Statement of Profit and Loss	7.86

Notes to financial statements

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 ₹ 9.71 lakhs as expenses on account of leave encashment payable to the employees.

32. Expenditure in Foreign Currency

Expenditure in Foreign Currency

Particulars	Current year (₹ in lakhs)	Previous year (₹ in lakhs)
Capital Expenditure	**7.15**	-
Royalty	**-**	5.18
Others	**9.91**	-

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

For and on behalf of Board of Directors
Next Radio Limited

Vineet Singh Hukmani	**Dilip Cherian**	**Manoj Gujaran**
Managing Director	Director	Company Secretary

Place: Mumbai
Date: April 25, 2013

NOTICE

NOTICE is hereby given that the **32nd ANNUAL GENERAL MEETING** of the Company will be held on Wednesday, July 31, 2013 at 4:00 p.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

ORDINARY BUSINESS

1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 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. Rajbir Singh Bhandal, who retires by rotation at this meeting and being eligible, offers himself, for re-appointment.

3) To appoint a Director in place of Ms. Monisha Shah, who retires by rotation at this meeting and being eligible, offers herself, for re-appointment.

4) To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5) To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310, 314 and other applicable provisions, if any and Schedule XIII of the Companies Act, 1956 and subject to such approvals, if any, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Tarique Ansari, as Managing Director, for a further period of 3 years w.e.f. 1st July, 2013 to 30th June, 2016 on such remuneration and other terms and conditions as set out in the agreement to be executed with him, the broad terms whereof are set out in the explanatory statement attached hereto."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter and vary any of the terms and conditions relating to the remuneration payable to Mr. Tarique Ansari within the limits specified under the provisions of the Companies Act, 1956."

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

"**RESOLVED THAT** pursuant to the provisions of Section 269, 198, 309 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof), and subject to approval of the Central Government, the consent of the Company be and is hereby accorded for the payment of remuneration to Mr. Tarique Ansari, Managing Director of the Company at ₹ 42,00,000/- lacs per annum with effect from July 01, 2013 to June 30, 2016 on the following terms and conditions:-

In addition to the above, the Managing Director shall be also entitled for the following perquisites which shall not be included in the computation of the ceiling on remuneration:

a) Contribution to Provident Fund, Superannuation Fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act.

b) Gratuity payable at a rate not exceeding half a months salary for each completed year of service; and

Notice

c) Encashment of Leave at the end of the tenure of the appointment.

d) Rent Free Accomodation.

RESOLVED FURTHER THAT the remuneration, consisting of salary and perquisites; including the monetary value thereof as specified above may be varied, increased, expanded, enhanced, enlarged, widened or altered in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 1956 as may be agreed to between the Board and Mr. Tarique Ansari.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to alter and vary any of the terms and conditions relating to the remuneration payable to Mr. Tarique Ansari within the limits specified under the provisions of the Companies Act, 1956."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**
2. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, July 24, 2013 to Wednesday, July 31, 2013 (both days inclusive) for annual closure as per the Listing Agreements.
3. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready at the meeting.
4. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays and holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
5. As a measure of economy, copies of annual report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the annual report to the meeting.
6. Members are requested to notify immediately any change in their address and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents for shares held in physical form and to their respective Depository Participants for shares held in electronic form.

By Order of the Board of Directors
For Next Mediaworks Limited

Tarique Ansari
Chairman and Managing Director

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

Mumbai, April 25, 2013

Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO. 5

The term of office of Mr. Tarique Ansari as a Managing Director of the Company will be expiring on 30th June, 2013. Subject to shareholders' approval, the Board of Directors, at their meeting held on 25th April, 2013 have approved re-appointment of Mr. Tarique Ansari for a further period of 3 years from 1st July, 2013.

ITEM NO. 6

Mr. Tarique Ansari was re-appointed as Managing Director of the Company for a period of 3 years w.e.f 1st July 2010 at a remuneration of ₹ 42,00,000/- per annum which was within the limit of Schedule XIII of the Companies Act, 1956, which is based on the effective capital of the Company.

However, pursuant to the demerger of the print business, the Networth of the Company has reduced and hence the maximum remuneration payable to Mr. Tarique Ansari has also decreased considerably. The remuneration committee and the Board members have proposed to atleast pay the same remuneration to Mr. Tarique Ansari as received by him for the financial year 2010-11, 2011-12 and 2012-13 i.e. ₹ 3.5 lacs per month or in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 1956, whichever is higher; as per the discretion of the Company.

Keeping in view his contribution and dedication to the company and also the status in the media industry, the Board of Directors have considered continuation of his appointment with same remuneration for a further period of three years in the best interest of the Company. The approvals from the remuneration committee and the Board were taken on April 25, 2013.

II) Other Terms and Conditions:

1) The tenure of the Managing Director shall be for a period of 3 years commencing from July 1, 2013.

2) The Managing Director shall be vested with substantial powers of the Management of the day-to-day affairs of the Company subject to the supervision and direction of the Board of Directors of the Company.

3) The Managing Director will devote his time and efforts for the business of the Company and its subsidiaries.

4) The following disclosures are being made in this Explanatory Statement in compliance with Paragraph 1(C) of Section II in Part II of Schedule XIII to the Companies Act, 1956.

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

Information about appointee:

Mr. Tarique Ansari has completed his Bachelor of Business Administration from University of Notre Dame, USA. In 1983 he joined the Company as an Executive Assistant to the Managing Director. He continued in this post till 1985 when he became a Director.

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

Notice

XIII of the Companies Act, 1956 except Section II of Part II thereof. Mr. Tarique Ansari was one of the promoters of Next Mediaworks Ltd (Formerly “Midday Multimedia Ltd”) and has been associated with the company since 1983. He was first appointed as Managing Director in 1985 and has been guiding the Company since then. He is neither disqualified under any Act for any reason, nor in whole-time employment in any other company.

Taking into account financial position of the Company, trend in the industry, his qualifications and experience the terms of his re-appointment and remuneration as set out in the resolution are considered to be just, fair and reasonable.

He is a key promoter of the Company and owns 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.

Disclosures

(a) The shareholders are being informed of the remuneration package by way of explanatory statement as given above.

(b) The details of remuneration etc. of other Directors are included in the Corporate Governance Report forming part of the Annual Report of the Company.

(c) The Board of Directors and the Managing Director have reached agreement on the terms of employment. After obtaining approval from shareholders the Board will formally execute an agreement with the Managing Director reflecting these terms.

(d) None of the Directors except Mr. Tarique Ansari is concerned or interested in passing of the resolution.

(e) The terms and conditions of Mr. Tarique Ansari‘s appointment and remuneration as set out above may also be treated as an abstract of the Agreement between the Company and Mr. Tarique Ansari pursuant to section 302 of the Companies Act, 1956.

(f) The Resolution regarding the remuneration and re-appointment of Mr. Tarique Ansari as the Managing Director of the Company is commended for acceptance by the Members.

The Board of Directors recommends these resolutions for the approval of the shareholders. None of the Directors are in any way concerned or interested in passing of these resolutions.

By Order of the Board of Directors
For Next Mediaworks Limited

Tarique Ansari
Chairman and Managing Director

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

Place: Mumbai
Date : April 25, 2013

Next Mediaworks Limited

(formerly Mid-Day Multimedia Limited)

ATTENDANCE SLIP

Registered Office: Peninsula Centre, Dr. S. S. Rao Road, Parel, Mumbai - 400 012.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

Joint Shareholders may obtain additional Attendance Slip on request.

DP. Id*	
Client Id*	

Regd. Folio No.	

NAME AND ADDRESS OF THE SHAREHOLDER

No. of Share(s) held:

I hereby record my presence at the **32nd ANNUAL GENERAL MEETING** of the Company held on Wednesday,31st day of July, 2013 at 4.00 p.m. at Hall of Harmony,Nehru Centre, Dr.Annie Besant Road, Worli,Mumbai – 400 018.

Signature of the Shareholder or proxy

*Applicable for investors holding shares in electronic form.

--- TEAR HERE ---

Next Mediaworks Limited

(formerly Mid-Day Multimedia Limited)

PROXY FORM

Registered Office: Peninsula Centre, Dr. S. S. Rao Road, Parel, Mumbai - 400 012.

DP. Id*	
Client Id*	

Regd. Folio No.	

I/We. . . . . of . . . . being a member/members of Next Mediaworks Limited (formerly Mid-Day Multimedia Limited) hereby appoint . . . . .of . . . . .or failing him/her . . . . of . . . . .as my/our proxy to vote for me/us and my/our behalf at the **32nd ANNUAL GENERAL MEETING** of the Company to be held on Wednesday, 31st day of July, 2013 at 4.00 p.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 or at any adjournment thereof.

Signed this .... day of .... 2013.

Affix Re. 1 Revenue Stamp

*Applicable for investors holding shares in electronic form.

Note: The Proxy in order to be effective should be duly stamped,completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not not be a member of the Company.

Book Post

NEXT MEDIAWORKS LIMITED

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