

Date: 8<sup>th</sup> August, 2018

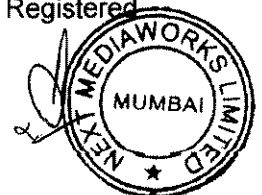
**To**  
**The Board of Directors**  
**Next Mediaworks Limited**  
 Offices No. 1-17, 1-18 & 1-19, 10th Floor,  
 Everest Premises Co-operative Society Limited,  
 156, D J Dadajee Road,  
 Tardeo, Mumbai - 400034

**1. Background**

- 1.1. The Audit Committee of the Board of Directors of the Company in its meeting held on 18<sup>th</sup> July, 2018, accorded 'in principal' approval to the proposal to consolidate the radio businesses of HT Media Limited ("HTML") (except the FM Radio Stations in Hyderabad and Uttar Pradesh), and HT Music and Entertainment Company Limited ("HTMEL") and Next Radio Limited ("NRL") (except the Radio Station in Ahmedabad) in the Company to be implemented by way of a composite scheme of arrangement and amalgamation pursuant to Sections 230-232 and other applicable provisions of the Companies Act 2013 ("Scheme").
- 1.2. Subsequently, a meeting of the Audit Committee of the Company was held on 8<sup>th</sup> August, 2018, to consider and recommend the proposed Scheme.

This report of the Audit Committee is in continuation to the recommendation made by the Audit Committee in its meeting on 18 July 2018 and is made in order to comply with the requirements of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular number CFD/DIL3/CIR/2017/21 dated March 10, 2017 and as amended from time to time.

- 1.3. The Audit Committee in its previous meeting on 18 July 2018 have noted the following –
- 1.4.1 Report dated July 18, 2018 ("Valuation Report") prepared by SSPA & Co, Chartered Accountants, independent Chartered Accountant, describing the methodology adopted by them in arriving at the share exchange ratio and share entitlement ratio;
- 1.4.2 Fairness opinion dated July 18, 2018 ("Fairness Opinion") issued by Fortress Capital Management Services Pvt Ltd., a SEBI Registered



(Category-I) Merchant Banker, providing the Fairness Opinion on the share exchange ratio as recommended by the Valuation Report.

- 1.4.3 The salient features of the proposed transaction as well as the rationale and the benefits of the proposed transaction.
- 1.4. The draft Scheme, duly initialed by the Company Secretary for the purpose of identification, was placed before the Audit Committee.

**2. Recommendation of the Audit Committee**

Taking into consideration the draft Scheme, and taking into consideration, the Valuation Report, Fairness Report and other documents, as placed before the Audit Committee in its meeting held on 18 July 2018, the Audit Committee recommends the draft Scheme to the Board of Directors of the Company for its consideration and approval.

By Order of the Audit Committee  
For and on Behalf of Next Mediaworks Limited

  
**Ismail Dabhoya**  
**Chief Financial Officer**  
**Date: 8<sup>th</sup> August 2018**

