


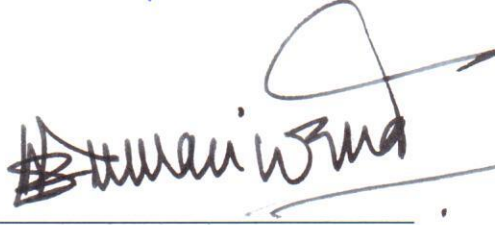



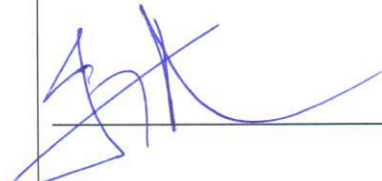


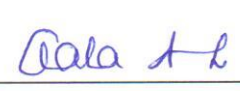

Compliance under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

FORM A (For Audit Report with unmodified opinion)

1	Name of the Company	Next Mediaworks Limited
2	Annual financial statements for the year ended	31st March 2016 (Standalone)
3	Type of Audit observation	Un-modified
4	Frequency of observation	Not Applicable
5	<p>To be signed by -</p> <p>(1) Mr. Tarique Ansari Managing Director</p> <p>(2) Mr. Ismail Dabhoya Chief Financial Officer</p> <p>(3) Mr. Adille Sumariwalla Audit Committee Chairman</p> <p>(4) Mr. Atul Gala Partner Membership No. 48650 M/s Haribhakti & Co. LLP Chartered Accountants Firm Registration No. 103523W</p> 	   

Compliance under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

FORM A (For Audit Report with unmodified opinion)

1	Name of the Company	Next Mediaworks Limited
2	Annual financial statements for the year ended	31st March 2016 (Consolidated)
3	Type of Audit observation	Un-modified (Emphasis of Matter)
4	Frequency of observation	Appearing for the first time
5	To be signed by – (1) Mr. Tarique Ansari Managing Director (2) Mr. Ismail Dabhoya Chief Financial Officer (3) Mr. Adille Sumariwalla Audit Committee Chairman (4) Mr. Atul Gala Partner Membership No. 48650 M/s Haribhakti & Co. LLP Chartered Accountants Firm Registration No. 103523W	    



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electronic version of this report

Corporate Information

Board of Directors

TARIQUE ANSARI
Chairman & Managing Director

NARAYAN VARMA
Independent Director
(Upto 24th December 2015)

ADILLE SUMARIWALLA
Independent Director

I. VENKAT
Independent Director

DILIP CHERIAN
Independent Director

RAJBIR SINGH BHANDAL
Independent Director

MONISHA SHAH
Independent Director

Chief Financial Officer

ISMAIL DABHOYA

Company Secretary & Compliance Officer

MANOJ GUJRAN
(Upto 29th April 2015)

MANDAR GODBOLE
(Since 1st June 2015)

Registered Office

156, D. J. Dadajee Road,
Behind Everest Building,
Tardeo, Mumbai – 400 034.

Bankers

Bank of Baroda

Registrar & Transfer Agent

Link Intime India Private Limited
C-13, Pannalal Silk Mill Compound
L.B.S. Marg, Bhandup (West),
Mumbai – 400 078.

Auditors

M/s Haribhakti & Co. LLP

35th Annual General Meeting
on Friday, 5th August 2016 at 4:00 p.m.
at Sunville Banquet,
9 Dr. Annie Besant Road,
Middle of Worli Flyover,
Near Poonam Chambers,
Worli, Mumbai – 400 018

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Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Next Mediaworks Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management’s discussion and analysis of the Next Mediaworks Limited Annual Report, 2015-16.



'Engagement'

This is the magic word that makes all the difference at Radio One.

Reflected in our ability to enter into a two-way conversation with the new opinion-makers of modern India - thousands of 'upscale and educated' listeners across seven of the largest Indian cities.

This attribute makes Next Mediaworks Limited one of the most exciting stories in India's radio media industry today.

Just one word. But a world of a difference.

Next Mediaworks Limited is listed on the National Stock Exchange of India and the Bombay Stock Exchange and functions through its subsidiary, namely Next Radio Limited which is engaged in the business of FM radio broadcasting with presence in seven cities across India under the 'Radio One' brand.

The QR Code on the cover, which engages the reader of this report in a more personal way, is an indicator of our strategy of 'Engagement'.

Radio One is one of the fastest-growing premium radio brands in India.

Growing twice the industry growth rate.

Generating almost 40% of revenues from innovative content.

Most liked radio station on Facebook in Delhi, Mumbai & Bangalore.

Achieved a compounded revenue growth of 12.28% in the five years ending FY 2015-16.



BACKGROUND

Next Mediaworks Limited was incorporated as 'Mid-Day Publications Private Limited' in 1981. The name of the Company was altered to Mid-Day Multimedia Limited on 7 July 2000. Following a Scheme of Arrangement, the print and publishing business was sold and the Company's name changed to Next Mediaworks Ltd.



THE RADIO BROADCASTING BUSINESS

The radio business was promoted as a wholly-owned subsidiary of the Company Next Radio Limited, which later became a joint venture between Next Mediaworks Ltd and BBC Worldwide Holdings B.V. (BBC).



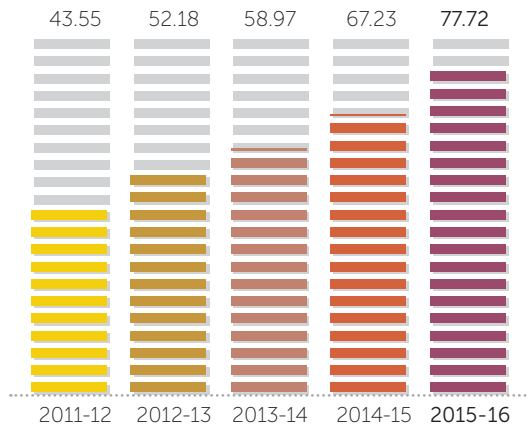
OPERATIONAL FREQUENCY

The Company operates under the 94.3 MHz frequency in all its cities (in Ahmedabad under the 95 MHz frequency).

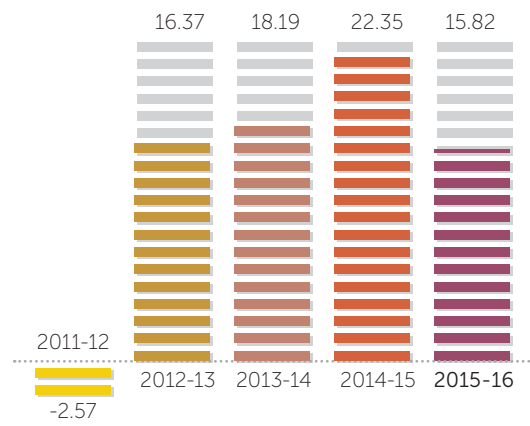


LISTING AND PROMOTER HOLDING

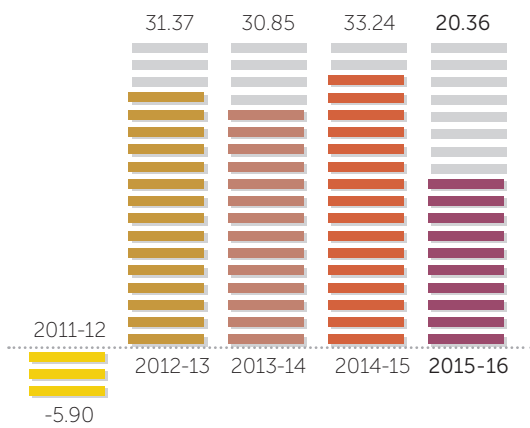
Next Mediaworks is listed on the BSE and NSE. The Company's market capitalization (on the BSE) stood at ₹104.48 cr as on 31st March 2016 (₹86.52 cr as on 31st March 2015). The promoters of the Company, the Ansari family, held a 60.98% stake in the Company's equity (as on 31 March 2016).



Turnover (gross, ₹ cr)



Operating profit (₹ cr)



Operating profit margin (%)

The reduction in the Operating Profit and the Operating Profit Margin in FY 2015-16 is largely due to the increase in license fees post Phase III auctions. See detailed note on Page No. 15 titled "Financial Performance of the Company in FY 2015-16."



Engagement versus reach

And how engagement has proved business-strengthening

Reach Generic content

Engagement Customised content

Reach Radio-driven

Engagement Multiple touch points

Reach Unsure of who is listening

Engagement Enhanced audience clarity

Reach Advertiser unsure of sales conversion

Engagement Advertiser confident of impact

Reach Low one-way conversation

Engagement Two-way engagement

Reach Inability to enumerate listeners

Engagement Measurable

Reach Generic revenues

Engagement Innovation-driven revenues

Reach High marketing costs

Engagement Moderate marketing costs

Reach High people attrition

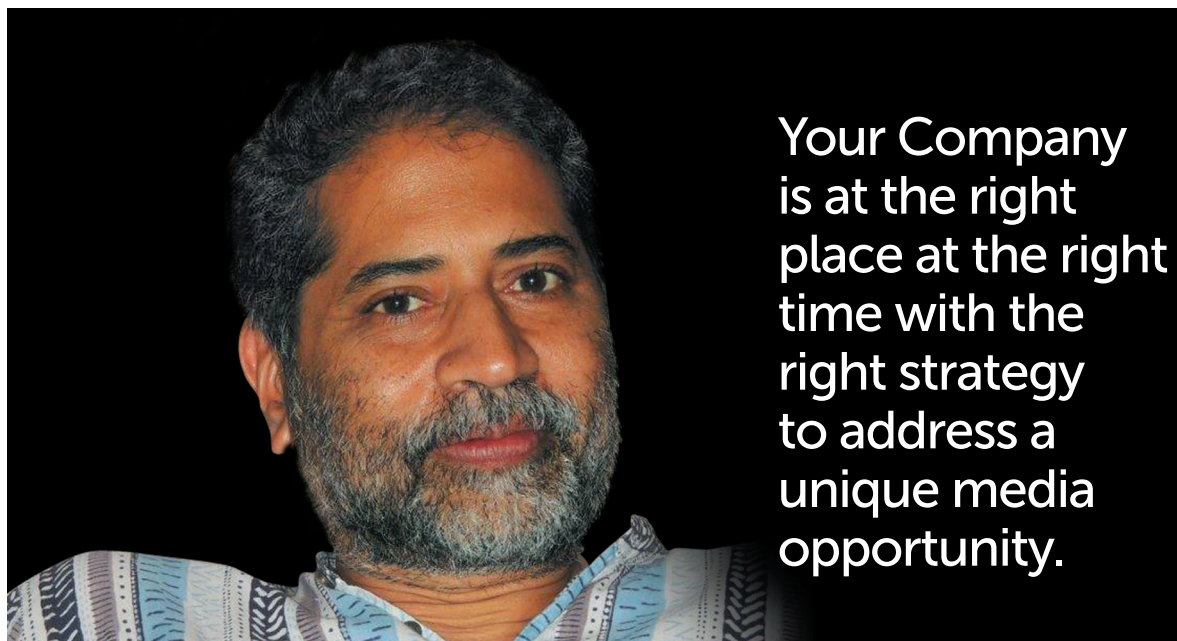
Engagement High people retention

Reach Broadcasting to a fickle audience

Engagement Creating a tribe



CHAIRMAN'S COMMUNIQUÉ



The biggest challenge in India's media industry is the economic slowdown manifested in a relative decline in advertising budgets. Consequently, there is a greater emphasis on stretching every promotional rupee the farthest.

In this context, an increasing number of corporate marketing professionals are turning to radio.

Advertisers are shifting their focus from nationwide brand-building (costly, complex, difficult to measure) exercises to tactical, localised and focused campaigns.

It is this optimism that I bring to the readers of this annual report. Your company is at the right place at the right time with the right strategy to address a unique media opportunity.

Opportunity

At Radio One, we believe that with the license renewal having been resolved for the next 15 years, a large risk has been resolved, making it possible for the Company to focus on marketing, brand building and revenue maximization.

We believe that we were among the few radio broadcasting companies in India to have paid less for our license in Phase 3 than what we paid in the previous Phase II. Besides, what we paid is a fraction of what was paid by competing newly acquired stations through auctions. This is expected to strengthen advertising rates across the foreseeable future, accelerating our break even and translating into attractive surpluses for our stakeholders.

Strategic differentiation

At Radio One, we are optimistic of our prospects because we have selected to play the game differently.

In a sector marked by scale, we have resolved to be a contrarian: not the largest with the biggest Balance Sheet but the most profitable radio broadcasting company with a pragmatic Balance Sheet.

This perspective has influenced our capital allocation, content mix, people retention, advertiser engagement and virtually defined our personality.

The result is that the Company expects to remain largely insulated from margins volatility in an economic slowdown.

The company has gradually evolved from a conventional

generic and mass-driven personality of most Indian broadcasting companies to a 'masstige' personality, marked by the ability to reach a large audience on the one hand coupled with a certain prestige element on the other. We believe that in a world where most broadcasting companies play the game for scale, reflected in the ability to be present in the largest number of cities and address the largest number pan-India listeners, the contrarian reality works better: select only the best markets, limit the target audience and produce differentiated customised content around ground-level needs in the cities of our presence and constantly engaged our audiences.

One of our biggest differentiators is that we have selected to address the young modern Indian, as opposed to the conventional sectoral response of addressing all kinds of listeners. This audience is upwardly mobile, needs to graduate to the next best product or idea, is a willing spender and seeks value-adding radio content.

We address these well-educated, upscale, aspiring, cosmopolitan and youthful individuals through a complement of focused content: finance, sports, fitness, food, travel, entertainment, real estate, automobiles, books and theatre and interesting global trends, among others – as opposed to prevailing celebrity gossip and small talk. We do not just deliver monologues; we engage in a two-way conversation with our listeners more than possibly any other radio station in the

country today with an 'interactivity score' of more than 70% during our day-parts. We have created successful value-adding content properties through the prudent use of celebrity hosts. We have extended our on-air content to social media in recognition of the fact that majority of our upscale listeners are always online. The measurability of our approach - modern-day 'listenership currency system' - makes it possible for advertisers to establish that their money was well spent, transforming what could have been only a transaction into a multi-year relationship.

Culture of conservatism

At Radio One, we treat our radio stations with strategic differentiation and fiscal conservatism, the bedrock of our sustainability.

We treated each radio station as a profit centre that must meet its own expenses and generate a targeted surplus. We do not spend on marketing costs to enhance the appeal of our radio station, relying on viral growth of our audiences through clear differentiation, great programming and high engagement. We have created an invigorating work environment that has maximized people retention and productivity.

Complementing these initiatives, coupled with stronger engagements with big clients, should translate into attractive free cash surpluses across the foreseeable future.

Looking ahead

I believe that the radio is the public medium of the future.

The medium addresses reach and engagement and is relatively low cost; longer urban commutes have made this medium increasingly relevant; smartphones have FM radio built into them; it is an effective mass medium for creating 'behaviour and attitude change' in customers.

From an advertiser's perspective, radio is the most cost-effective medium for public engagement. The number of new advertisers coming on to radio and 'radio-only advertisers' is growing significantly. With radio inventories being relatively limited, rate increases have already begun to happen. The more radio dovetails the digital medium, radio impact could be faster.

Going forward, the Company will continue to pursue positive change that benefits its industry, regional audiences, advertisers and shareholders.

Tarique Ansari

Chairman and Managing Director

Radio gaga...

The Indian radio industry is expected to grow from ₹2,300 cr in 2015 to ₹5,000-6,000 cr by 2020.

The Indian radio industry is expected to grow 18-20% CAGR by 2020.

The positive impact of Phase III auctions is expected to boost radio advertisement growth 6-8% by 2020.

Source: CII-BCG, "Towards a USD 100 billion media and entertainment industry" report



Operational Review

In conversation with Vineet Singh Hukmani - Managing Director & CEO,
Next Radio Limited

Q Were you pleased with the working of the Company during FY 2015-16

A The principal factor was that our FM radio licenses were renewed for a period of 15 years. Migration for the existing operators from Phase II to Phase III was based on price discovery in the auctions forming the basis for migration of the existing players to a new 15 year license. Our company was required to pay a net ₹126 cr as license fee for the 15 years license The completion of the migration from Phase II to Phase III and the funding of this aggregate license fee represented the twin achievements of the Company during the year under review.

Q The big question is whether the Company has compromised the integrity of its Balance Sheet in bidding for a license extension for the next decade and a half.

A The principal point that we wish to make is that we have, on the contrary, strengthened our Balance Sheet and overall competitiveness. Permit me to explain: During the earlier Phase, we paid ₹97 cr for a license tenure of ten years; based on this, we assumed that it would have been reasonable to budget for ₹150 cr for a 15-year tenure (based on a proportionate increase) coupled with a reasonable premium for the intervening inflation. As it turned out, we were required to pay only ₹138 cr for the forthcoming 15 years, which is attractively lower.

Q What provides you with the optimism that the Company will be able to recoup its license fees in quick time?

A There are a number of factors that inspire this optimism.

One, there has been a growing traction of our brand, which is visibly reflected in our growing revenues. For instance, by the last quarter of FY 2015-16, the Company had reported 16 successive quarters of revenue growth, inspiring the optimism that this trend is likely to sustain.

Two, our business is driven by knowledge capital and here I must indicate that this capital (programming, sales and support) was adequately protected during the year under review – through 97% retention. On the one hand, our knowledge capital made it possible to sustain the momentum it created; on the other, our people continuity made it possible to sustain and grow existing relationships. We maximized people retention through timely appraisals and increments.

Q Is there any reality that could translate into the Company's long-term advantage?

A The Company did not just pay license fees that were lower than the retrospective average but also lower than the peers who had paid high price for acquiring new frequencies. In each of the centres we renewed our license for fees that were considerably lower than either the peak fees or the average. The result is that our aggregate migration fees of ₹138 cr in the seven cities was lower than the peak auction price paid by other FM broadcasters for acquiring new frequency in those cities. We believe that this represents an attractive delta between what our competitors will need to recover through profits and what we will need to recover. The reality is that through this bidding process we believe that we have laid the foundation for the next round of sustainable growth at our Company.

Q Shareholders would like to know whether the Company has risked the integrity of its Balance Sheet in mobilizing the funds for the aggregate license fee?

A The Company selected to mobilise a net ₹126 cr that was required to be paid (after netting off a ₹12 cr credit from the government for the preponed discontinuation of the license through a mix of debt (₹80 cr), preference shares from one of India's most successful private investors (₹25 cr) and internal accruals. We believe that this optimal funding mix protects the interests of our investors without excessive equity dilution and the flexibility to repay debt through accruals. This validates the point: We did not just pay license fees that were considerably lower than the market average; we funded this through a mix of resources that will enable us to enhance shareholder value in future.

Q How is this reality an indicator of the Company's prospective competitiveness?

A The simple way of understanding the prevailing dynamics is that the Company has been expensed at today's price for a license fee that will be relevant for the next 15 years even as it stands to generate revenues based on the prevailing increase in time-slots across the next decade and a half. This effectively means that while our principal costs have been capped at price paid in the year 2005, our revenues are open-ended and only likely to increase across the foreseeable future.

Q There is one concern. The Company's equity capital appears significantly large for profit accretion to translate into meaningful earnings per share.

A The Company is seized of this reality. It is exploring options whereby a financial restructuring between itself and its 72 per cent subsidiary in which the radio station business is conducted can unleash shareholder value. Besides, we believe that a combination of the prevailing business traction and that we do not have any large capital expenditure on the horizon should enable us to become debt-free in the near future. Thereafter, the business is likely to generate cash validating its business model.

Our key differentiators

Game-changer: Engagement over reach

At Radio One, our engagement-driven approach is marked by a presence in only seven of the largest Indian cities (best national proxy). This focused

approach has made it possible to moderate our capital expenditure and strengthen our brand ('Think upscale, think Radio One') among listeners

and advertisers. The result is that we have enhanced our viability around seven-city engagement leadership.

Game-changer: Audience differentiation

At Radio One, since we are not a mass-focused broadcasting station, our content addresses the aspirational needs of upscale educated Indians. We do not seek to merely entertain;

we seek to catalyse the listener's upgradation to the next level of change. This differentiated content has positioned us as a radio broadcaster that has extended beyond the

'empty reach' of typical radio broadcasters, engaging our audience through distinctive content comprising food, sport, music and entertainment, travel and human stories.

Game-changer: Differentiated music slant

Music accounts for the largest share of our content. Within this space we customized content around the prevailing flavour of each city of our presence. In Mumbai & Delhi, we play international music while others play Hindi music. In Kolkata, we play Bollywood retro (while

others focus on English and Bengali songs); in Ahmedabad we play Bollywood retro (while others focus on Hindi and Gujarati); in Bengaluru, we play Bollywood songs (while others play Kannada and Hindi); in Chennai we play Bollywood songs (while others play Tamil

and English); in Pune, we play Bollywood songs (while others play Marathi and Hindi). Within each of these formats we seek to graduate the listener to the next level – a recording of Lata Mangeskar's performance in Royal Albert Hall, as distinct from the singer's usual film tracks.

Game-changer: Innovative content

At Radio One, our core strength is the development of superior content. For example, our whole-day 'EDM music' generated engaged audiences (on-air and social media) with attractive monetization. We are the only radio station to run a monetized travel show ('Get

Some Sun') with celebrity actor Ranveer Singh across seven cities resulting in a 'sunchaser' tribe of 120,000 people on social media. In just a year (FY 2015-16), we created more than 40 such on-air and online opportunities. The result: almost 40% of our total revenue are

derived from innovation and exclusive clients (60% from spots), one of the highest such proportions in India's radio sector. This makes it possible for us to be relatively more insulated against the impact of an economic slowdown.

Game-changer: People retention

Our greatest strength is our rich people experience. This is the result of a low 3.8% attrition in the last 10 years resulting

in consistent radio jockey retention and stability in client relationships. Besides, we have one of the lowest number of

people in each station given the scale of our business, strengthening our above-average productivity.

Game-changer: Large and compatible clientele

We have marquee clients comprising Maruti Suzuki, Paytm, LIC, Flipkart, HDFC Life and ICICI Lombard. On the basis of our premium positioning, Maruti

Suzuki launched its premium Nexa showrooms exclusive through our radio network. LIC markets premium life insurance products through our broadcast

network. Paytm used our radio network exclusively to educate customers on e-wallet advantages.

Game-changer: High interactive engagement

At Radio One, more than 70 per cent of our content involves two-way communication

between the radio jockey and the listener. This translates into higher audience engagement

and loyalty, creating a base for advertiser accretion.

Game-changer: Social media integration

We have successfully integrated on-air content with social media. We have largest number of 'likes' across any Indian FM radio broadcasting station. This makes

it possible to maximize recall (and ensure that listeners can always catch up with what they might have missed on radio), increasing engagement. Besides,

this has provided our advertisers with a measurability of their impact and a wider platform for engagement with prospective consumers.

Game-changer: Superior financials

We believe that our ability to focus on engagement (over reach) has had positive financial implications – lower people cost, zero marketing expenditure,

year-in-year profitable growth, the ability to generate almost 40% of revenues from innovative content helping counter sectoral weakness, grow almost 2x

the industry growth rate, each station a profit centre and one of the highest EBIDTA margins in our sector.

Management discussion and analysis

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

A. MEDIA INDUSTRY STRUCTURE AND DEVELOPMENTS

1 Indian economy

Even in the face of a global economic slowdown, the Indian economy is set on a path of rapid growth. The country's GDP grew 7.6% during FY 2015-16 compared with a growth of 7.3% in 2014-15, 6.9% in FY2013-14 and 5.1% in FY2012-13. The growth is based on a new methodology of calculating GDP with 2011-12 as the base year, as opposed to 2004-05. The economy remained relatively immune to inflation, fiscal deficit, weak demand, external account imbalances and an oscillating rupee as was evident in FY2011-12 and FY2012-13. India's GDP growth is expected to accelerate to 8% in FY2017-18 on the back of significant increase in investment inflow and favourable oil prices. *(Source: World Bank)*

Over the past, a direct relationship between economic conditions and revenues generated by radio channels has been visibly identified. In this context, we expect that

India's fast-growing economy is certainly going to positively impact the country's radio industry.

2 Media business overview, India

The Indian media industry is a growing sector of the Indian economy, demonstrating a strong phase of growth, backed by rising consumer demand and improving advertising revenues.

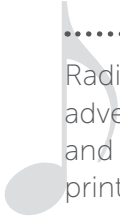
The Indian media and entertainment sector is expected to grow at a compound annual growth rate (CAGR) of 13.9 per cent year-on-year to reach a size of ₹196,400 cr (US\$ 28.82 billion) by 2019.

In FY 2015-16, the overall media and entertainment industry grew 11.7 per cent over 2014-15. The largest segment, India's television industry, is expected to maintain its strong growth momentum led by subscription revenues, representing a year-on-year growth of about 13.2 per cent to reach ₹60,000 cr (US\$ 8.8 billion) in 2015.

The foreign direct investment (FDI) inflows in the information and broadcasting (I&B) sector (including print media) in the period April 2000 – December 2015 stood at US\$ 4.55 billion, as per data released by the Department of Industrial Policy and Promotion (DIPP). *(Source: Ministry of External Affairs, Government of India)*

The revenue from advertising is expected to grow at a CAGR of 13 per cent and will exceed ₹81,600 cr (US\$ 12.29 billion) by 2019 from ₹41,400 cr (US\$ 6.24 billion) in 2014.

The media ecosystem has many players, including content creators, physical and digital content distributors, storage and telecom service providers and intellectual property managers. With the current government's optimistic outlook, business sentiment has been positive and strengthened by a number of growth-promoting policy initiatives taken in recent months.



Radio serves as a low cost medium for advertisers as it enjoys larger penetration and reach compared with the traditional print and television

B. RADIO INDUSTRY – OUTLOOK AND OPPORTUNITIES

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

1 Industry Outlook

Some of the key facets of the radio industry include the following:

- Business model is mainly advertisement-driven.
- Radio serves as a low cost medium for advertisers as it enjoys larger penetration and reach compared with the traditional print and television
- Phase II licensing made business possible; phase III is expected to yield better business prospects. Phase III is expected to increase geographic coverage from 40% to 75%, thereby helping drive up advertising revenues as advertisers will be more willing to advertise on a per channel basis given enhanced coverage

The FM radio industry in India has been growing from a size of ₹1,900 cr in 2015 to ₹2,300 cr in 2016, recording a CAGR of 15.2%

over the past 8 years. (Source: *The Financial Express*)

The FICCI-KPMG report projects radio to be the fastest-growing medium (compared to TV, print and OOH), trailing only digital. This strong growth in the past has been fuelled by the opportunities afforded to radio by the economic slowdown. As is well known around the world, radio thrives under poor economic conditions. Marketers are forced to cut down on brand spending and divert more resources to promotional spending and this works directly to radio's advantage. Radio is the medium for people on the move. It is the last medium consumed before a consumer enters a shopping arcade etc. It is for this reason that radio is so popular for promotions.

There is yet another significant reason to expect a strong growth

performance from radio in the next few years. The phase-3 expansion of radio is finally on after it was first announced in July 2011. In a fast-evolving media landscape, radio was the only medium that had not expanded since 2006.

During the financial year 2015-16, the radio industry maintained its share of approx. 4% in the media and entertainment sector. The E-commerce companies were the biggest spenders on advertisements through the radio medium. In spite of the various challenges faced by the real estate sector, there was hardly any reduction in their advertising spends. The share of listeners tuning on to radio from home also saw an increase, especially in the four metros – Mumbai, Delhi, Kolkata and Bengaluru from 77.7% to 79.1%.

2. Phase III Policy

In 2015, the radio sector witnessed the much-awaited movement in Phase III auctions with the government giving its go-ahead for partial auctions across 69 cities where potentially 135 channels were up for grabs. The completion of Stage-I of the Phase-III auctions and the migration of the existing operators from Phase-II to Phase-III provided the required fillip to the industry, which is evident from some of the below mentioned benefits that Phase-III offers to the FM radio operators:

- License period increased to 15 years.
- Lower amortization costs for FM radio operators migrating from Phase II to Phase III as compared to Phase II or the market discovered price.
- The FM broadcasting company may, with prior approval of the Ministry of Information &

Broadcasting, dilute the total shareholding of its largest Indian shareholder to a level below 51% only after a period of three years from the date on which all the channels allotted.

- Multiple Frequencies allowed in same city
- Networking across all cities allowed.

In terms of geographic spread, currently, private FM is available in only 40% of the country. With the completion of Phase III, the medium will be available in 75% of the country. It will provide private radio industry the much-needed reach in order to be a national play. Post-completion of phase III, owing to deeper penetration and availability of the medium, new advertisers are likely to invest in radio advertising in the coming days. The radio operators can now provide advertisers a much wider bouquet of channels in some

states and can become a viable alternative to the print advertising industry. This will enable more and larger ad campaigns on radio and the industry could grow by around 20-25 per cent within a year of operationalizing the new frequencies.

3. Penetration into digital media

Digital advertising will account for 12.7% of all ad spending in 2016, up from 9.9% in 2015. (*source-livemint*) Media companies are already seeing their consumers move online, adding to their regular media consumption. Worldwide experience indicates that savvy media brands are able to grow their audience size by making themselves available online. The Company has started a number of initiatives which will grow our online presence and allow us to expand our audience and advertiser base through a combination of radio and digital media.

C. OPERATIONAL AND FINANCIAL PERFORMANCE

1. Operational Performance

(a) Migration under Phase-III Policy:

Next Radio Limited ("NRL") has renewed its existing seven licenses for 15 years and opted not to bid for any new cities in Phase III as NRL did not want to sacrifice existing profitability for a

speculative future. However, the radio pie will grow and we will gain from that momentum. Also, players who have paid expensive prices for new licenses will drive ad rates up which is good for the whole industry.

This has allowed us to get higher advertising revenues through

a 'pull' from the advertiser and keep our costs to the lowest in that market. Keeping this learning in front of us, we have gone about implementing strategic changes in our programming in a few of our key stations. We have started to see positive results from these initiatives. Some of these comprise:

- Building locally mass differentiated stations with high 'associative value' in each city
- Reducing operating costs significantly through a combination of a more focused programming and sales approach
- Creation of properties resulting in increased margins

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

(b) Awards:

NRL's radio station at Chennai, which was the first radio station in Chennai to become a 100 per cent Bollywood station, won an award at the prestigious ad club awards in Chennai - The Maddys 2016 - for its on-air campaign 'Colours of Chennai'. The on-air campaign was designed to involve the listeners of Radio One and to create a high level of live interaction of what the colour or nuances of Chennai were and how this had now changed to become a city that accepts global cultures and progress.

2. Financial performance of the Company in FY 2015-16:

During the year, Next Mediaworks Ltd. registered a loss before tax of ₹11,963.80 lakhs, as compared to a loss of ₹359.71 lakhs for the financial year 2014-15. The loss in the current financial year is due to the fact that the Company has provided an amount of ₹11,710 Lakhs on account of diminution in the value of the Company's investment in its subsidiary viz. Next Radio Limited ("NRL"). The said diminution has resulted pursuant to the approval of Scheme of Capital Reduction (the "Scheme") of NRL by the Hon'ble High Court at Bombay on 1st April 2016. As per the Scheme, 68.14 equity shares for every 100 equity shares of NRL were cancelled against the accumulated losses of NRL. The operating cost of the Company has reduced from ₹253.39 Lakhs in the financial year 2014-15 to ₹206.52 Lakhs in the current financial year, a decline of 18.5%.

3. Financial performance of the Subsidiary Company's (FM Radio operations) in FY 2015-16:

During the year under review, the business income of the Company's operating subsidiary viz. Next Radio Limited increased by 16.43% and stood at ₹7,618.23 Lakhs as against ₹6,542.88 Lakhs in the previous year.

During the financial year 2015-16, the Company paid an annual license fees of ₹1,393.56 Lakhs as against ₹394.75 Lakhs in the previous year. This substantial increase was on account of the increase in the annual license fees by the Ministry of Information & Broadcasting ("MIB") under Phase III. The MIB laid down a formula wherein the FM radio operators were to pay the annual license fees as the higher of: (a) 4% of Gross Revenue of the FM Radio Channel or (b) 2.5% of the Non-Refundable One Time Entry Fee. The MIB applied this formula to even those FM radio operators who have only migrated their existing licenses into Phase III. The Company's subsidiary viz. Next Radio Limited, alongwith other FM broadcasters, challenged the method adopted by MIB in computing the annual license fees and have filed Writ Petition before the Hon'ble High Court, Delhi. Though the Company has accounted the annual license fees in its books of accounts, the matter is sub-judice.

4. Group Financial Performance for the FY 2015-16:

This Group performance is in context of the performance of Next Mediaworks Limited (consolidated with Next Radio

Ltd and other subsidiaries). Next Radio Limited is the substantive part of the group financial performance. Through this note,

we are providing shareholders the details on the performance of the financial year ended March 31, 2016.

Particulars	Next Mediaworks Ltd		Next Radio Ltd		Group Consolidated
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15	FY 2015-16
Operating Revenue	54.86	-	7618.23	6542.88	7618.23
Other Income	9.93	-	143.87	180.56	153.79
Operating Costs	206.52	253.39	6037.97	4233.73	6190.07
EBITDA	(141.73)	(253.39)	1724.13	2489.71	1581.95
Finance Charges (Net)	106.62	100.57	446.59	191.76	553.39
Depreciation	5.91	5.75	1347.69	1357.98	1353.60
Profit / (Loss) before exceptional items	(254.26)	(359.71)	(70.15)	939.97	(325.04)
Extra-ordinary item *	11709.54	-	-	-	5489.67
Prior Period Items	-	-	-	-	-
Profit / (Loss) Before Tax	(11963.80)	(359.71)	(70.15)	939.97	(5814.71)
Deferred Tax #	-	111.30	3745.41	266.01	3745.41
Profit After Tax	(11963.80)	(471.01)	(3815.56)	673.96	(9560.12)

* 1. The Board of Directors of the subsidiary company Next Radio Limited has on June 18, 2015 approved a proposal for reduction of capital of the Company by cancelling approximately 68 shares out of 100 shares held as on date against the accumulated losses. Pursuant to approval for the same from the Hon'ble High Court at Bombay on April 1, 2016, the Company has provided for ₹11,709.54 Lakhs for provision for diminution in value of investment in Next Radio Limited. This has been disclosed as an extra-ordinary item in the financial statement of the Company. The Company has also recognized the provision for diminution in value of investment. On account of this the Goodwill recognized on consolidation amounting to ₹5489.67 lakhs has been written off fully and the same has been disclosed as extra-ordinary item in the consolidated financial statement.

Next Radio Limited has unabsorbed carried forward losses and depreciation. As a matter of prudence, no deferred tax assets have been recognized and the Company has written off the deferred tax assets previously recognized.

Financial Cost Analysis Next Radio Limited:

Particulars	FY 2015-16 (in ₹ lakhs)	(% to Net Sales)	FY 2014-15 (in ₹ lakhs)	(% to Net Sales)
Radio License Fees*	1394	18.3	395	6.0
Employee Costs	2164	28.4	1977	30.2
Operating Expenses	1295	17.0	1241	19.0
General & Administration Expenses	1186	15.6	875	13.4
Interest & Finance Charges	447	5.9	292	4.5
Depreciation	1348	17.7	1364	20.8

* Annual license fees payable by Next Radio Limited ("NRL") for the FM radio licenses to Ministry of Information and Broadcasting have increased due to high bids received for new licences in our cities of operation by ₹9.99 Crores. NRL has, alongwith other FM radio operators, challenged the methodology adopted by MIB in computing the annual license fees before the Hon'ble High Court at Delhi and the matter is subjudice.

The Interest & Finance Charges have increased in FY 2015-16 as a result of debt availed by Next Radio Limited from bank and private investor to fund the migration fees required to be paid to MIB for migrating its existing licenses from Phase II to Phase III.

5. Risks, Concerns and Challenges

1. Macro-economic risk

The primary risk facing all media companies at this time is the prospect of slowing investment and demand in the Indian economy. This has a direct bearing on advertising spends and any perceived slowdown will directly result in a shrinking of advertising budgets and impede the growth of all media.

2. Business risk:

With increased proliferation of the digital medium through smartphones and other portable devices, terrestrial radio stations need to redefine their future path in order that this represents an opportunity and not a risk.

Moreover, the delay in the constitution of the Copyright Board also impedes adjudication of issues related to royalty.

3. Operational and financial risks

The risk management process established by Next Mediaworks Limited (NMW) and monitored and reviewed by the Board of NMW periodically has identified several risks with the effect that risk mitigation plans have been put in place. Risks are periodically reviewed and brought to the Board's attention for their intervention.

4. Price wars

Hypercompetitive forces in operation in the industry are

forcing price wars. Small players openly engage whereas large players/ leaders do not admit price wars, wanting to protect their market share. Airtime inventory is perishable and hence advertisers play hard ball till the last minute, forcing price wars.

5. Talent issues

Radio jockey (RJ) is the star of the radio station and drives listenership to the station. RJs and other radio staff want to stay in the metro market because of greater opportunities. Hence, shortage of talent, such as star RJs, forces players to poach from other players driving up the cost of talent acquisition.

Besides, limited size of the industry also poses problems in terms of attracting new talent.

6. Issues with internet radio

Digital radio is another area where the industry is struggling. Even other players have tried

their hands at Internet radio through online stream, podcasts and platforms such as YouTube and Sound Cloud to expand their reach and enhance consumer engagement, not much headway has been made in the direction. The fact that music royalty is

payable for the internet streaming music coupled with the fact that there is very low or no revenue, companies are forced to stream customised content that has left them handicapped on the digital platform.

6. Human Resource

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

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

is followed for all business and functional heads.

Maintaining global standards on the employment front and keeping pace with the ever developing technology in the field, the Company has undertaken several initiatives to make its workforce more efficient, well organized, professional and skilled. These steps include building high

performing teams, encouraging innovation, inducting leadership at all levels, readying its people for higher roles, increasing the scope for the search of young talent and improving the hiring process to raise the talent bar.

The employee strength of the Company alongwith that of Next Radio Limited was 162 as on 31st March 2016.

7. Internal Control Systems and their adequacy:

The Company has a system of internal controls focusing on all processes to ensure integrity of the financial accounting and reporting processes of the Company to ensure compliance

with all legal rules and regulations.

The Company has an Audit Committee which meets once in every quarter to review internal

control systems, accounting processes, financial information, internal audit findings and other related areas including their adequacies.

Cautionary Statement

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

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

Directors' Report

TO THE MEMBERS,

Your Directors have pleasure in presenting their 35th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2016.

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Income	64.79	–	7,772.02	6,723.43
Profit / (Loss) before Finance Cost & Exceptional Items	(147.64)	(259.14)	228.35	871.45
Finance Cost	106.62	100.57	553.39	292.34
Profit / (Loss) after Finance Cost but before Exceptional Items	(254.26)	(359.71)	(325.04)	579.11
Exceptional Items	–	–	–	–
Profit / (Loss) before tax	(254.26)	(359.71)	(325.04)	579.11
Tax Expense	–	111.30	3,745.41	377.30
Profit / (Loss) after tax	(254.26)	(471.01)	(4,070.45)	201.80
Extra-Ordinary Item	11,709.54	–	5,489.67	–
Net Profit / (Loss) for the year	(11,963.80)	(471.01)	(9,560.12)	201.80

During the year under review, on a standalone basis, your Company generated business income of ₹65 lacs and posted loss of ₹11,964 lakh as against ₹471 lakhs in the previous year. The Company has provided an amount of ₹11,710 Lacs (appearing as Extra-Ordinary Item in the above table) on account of diminution in the value of the Company's investment in its subsidiary viz. Next Radio Limited ("NRL"). The said diminution is pursuant to the approval of Scheme of Capital Reduction (the "Scheme") of NRL by the Hon'ble High Court at Bombay on 1st April 2016. As per the Scheme, 68.14 equity shares for every 100 equity shares of NRL were cancelled against the accumulated losses of NRL.

On a consolidated basis, your Company's income from operation increased by 16% over the previous year and stood at ₹7,772 Lacs. The Company posted loss of ₹9,560 Lacs as against profit of ₹202 Lacs in the previous year. On account of the approval of the Scheme of Capital Reduction of NRL by the Hon'ble

High Court at Bombay, as explained in the above para, the goodwill amounting to ₹5,490 Lacs recognized on consolidation of accounts has been written-off fully.

2. OPERATIONAL PERFORMANCE:

Your Company operates through its subsidiary viz. Next Radio Limited ("NRL"). NRL is into the business of FM radio broadcasting. It was among the first private players to venture into private FM broadcasting and has established "Radio One" as the premium FM Brand in top 7 cities of the country viz. (i) Delhi, (ii) Mumbai, (iii) Chennai, (iv) Kolkata, (v) Bangalore, (vi) Pune, and (vii) Ahmedabad. NRL operates under frequency 94.3 MHz in all its cities except for the city of Ahmedabad where it operates under the frequency 95 MHz.

During the year under review, NRL migrated its existing licenses in all the seven (7) cities from Phase-II to Phase-III. The said licenses, allotted to NRL by the Ministry of Information & Broadcasting ("MIB"), are valid

for a period of fifteen (15) years. The financial year 2015-16 was an important year since successful migration of all the licenses has given NRL a huge opportunity to run its business for another 15 years. In order to migrate into Phase-III, NRL was required to pay One Time Migration Fees. These fees were funded by debt availed by NRL from bank and by issue of preference shares to Rakesh Jhunjhunwala. NRL also paid fees for migration and the annual license fees in advance. As a result, there has been an increase in the finance cost of NRL.

Despite the growing market competition, the revenues of NRL have shown increase. During the year under review, NRL earned revenues of ₹7,618.23 Lacs as against ₹6,542.88 Lacs in the previous year. On a positive note, it is worth mentioning that the revenues of NRL have also shown consistent increase over the past years. The revenues of NRL increased by 16% in 2013-14, by 11% in 2014-15 and by 16% in 2015-16 which is significantly higher than the market growth.

3. DIVIDEND:

In view of the loss incurred by the Company during the year under review, your Directors do not recommend any dividend for the financial year ended 31st March 2016.

4. FINANCE:

During the year under review, your Company did not raise any capital from the capital markets either by way of issue of equity shares / ADR / GDR / or any debt by way of debentures.

5. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF THE FINANCIAL YEAR AND DATE OF REPORT:

During the year under review, the Board of Directors of Next Radio Limited ("NRL") (the Company's subsidiary) approved Scheme of Capital Reduction (the "Scheme") for setting-off its accumulated losses against its equity paid up capital. The Scheme was approved by the Hon'ble High Court at Bombay on 1st April 2016. Though there is no impact on the profit and loss account of NRL, the following effects have been given in the Company's standalone and consolidated accounts:

- (a) The value of the Company's investment in the equity shares of NRL has been impaired to the tune of ₹117.10 Crores in the Company's standalone financials.
- (b) The goodwill amounting to ₹54.90 Crores recognized on consolidation has been written off in the Company's consolidated financials.

6. DEPOSITORY SYSTEM:

The Company's equity shares are compulsorily tradable in electronic form. As of 31st March 2016, 99.99% of the Company's total paid-up capital representing 65,333,311 equity shares is in dematerialized form. In view of the benefits offered by the depository system, members holding shares in physical mode are advised to avail the demat facility.

7. PUBLIC DEPOSITS:

Your Company did not invite or accept deposits from public during the year under review.

8. SUBSIDIARY COMPANIES:

During the year under review, the Company has not incorporated / acquired any subsidiary.

The annual audited financial statements of the Company's subsidiary namely, Next Radio Limited have been included in this Annual Report.

A statement containing salient features of the financial statement and related information of the subsidiaries in the prescribed format AOC-1 is provided in the consolidated financial statements and hence not repeated here for the sake of brevity.

Pursuant to Section 136 of the Companies Act, 2013, the financial statements of the subsidiary companies are kept for inspection by the shareholders at the Registered Office of the Company. The Company shall provide the copy of the financial statements of its subsidiary companies to the shareholders upon their request. The statements are also available on the website of the Company www.nextmediaworks.com under the Investor's Desk section.

9. CONSOLIDATED FINANCIAL STATEMENTS:

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to the provisions of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard and forms part of the Annual Report.

10. AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S SUBSIDIARIES:

The audited financial statements, the Auditors Report thereon and the Board's Report for the year ended 31st March 2016 for the Company's subsidiary i.e. Next Radio Limited is annexed to this Report. Further a summary of the financial position of all the subsidiaries is also provided in the report.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Particulars of loans, guarantees given and investments made during the year are provided in Notes of the Standalone Financial Statements as required under Section 186 of the Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015.

12. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were in compliance with the requirement of the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All Related Party Transactions are placed before the Audit Committee and also the Board, as the case may be, for approval. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval / noting on a quarterly basis. During the year under review, the contracts or arrangements with related parties referred to in section 188 of Companies Act, 2013 have been on arms' length and in ordinary course of business and were not material in nature. Accordingly, the particulars of the transactions as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating

to Accounts of Companies under the Companies Act, 2013 are not required to be disclosed as they are not applicable. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

13. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:

Report on Corporate Governance and Management Discussion and Analysis Report for the year under review, together with a Certificate from the M/s A. Y. Sathe & Co., Company Secretaries regarding compliance of the conditions of Corporate Governance, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

14. ADOPTION OF NEW ARTICLES:

The Companies Act, 2013 has necessitated changes in the Articles of Association of the Company. It is accordingly proposed that a new set of Articles of Association be adopted by the Members and a Resolution to this effect is included at Item No. 4 in the Notice of the Annual General Meeting. The Board recommends the resolution for adoption by the Members.

15. DIRECTORS & KEY MANAGERIAL PERSONNEL:

(a) Directors:

Mr. Narayan Varma, Independent Director, expired on 24th December 2015. The Board expresses its deepest condolences and places on record its appreciation for the services rendered by Mr. Varma during his tenure as an Independent Director of the Company.

As on the date of this report, the Company's Board consists of the following Independent Directors:

- a) Mr. Adille Sumariwalla
- b) Mr. Venkat Idupuganti
- c) Mr. Dilip Cherian
- d) Ms. Monisha Shah
- e) Mr. Rajbir Singh Bhandal

In accordance with Section 152 and other applicable

provisions of Companies Act, 2013, Mr. Tarique Ansari (DIN: 00101820) – Chairman & Managing Director, retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting. The Board commends his re-appointment for your approval.

Note: The office of Mr. Tarique Ansari as the Chairman & Managing Director of the Company expires on 30th June 2016. Further, the re-appointment of Mr. Tarique Ansari as the Chairman & Managing Director of the Company for a further period of 3 years effective 1st July 2016 has already been approved by the shareholders at the 34th Annual General Meeting of the Company held on 6th August 2015. The aforementioned re-appointment is being commended for shareholders' approval only for complying with the provisions of Section 152 of the Companies Act, 2013 and shall not be construed as a break in his current tenure.

(b) Key Managerial Personnel:

As on the date of this Report, the following persons have been appointed as the Key Managerial Personnel (KMP) of the Company pursuant to Section 2(51) and 203 of the Companies Act, 2013:

- (a) Mr. Tarique Ansari – Chairman & Managing Director
- (b) Mr. Ismail Dabhoya – Chief Financial Officer
- (c) Mr. Mandar Godbole – Company Secretary & Compliance Officer

During the year, Mr. Manoj Gujran resigned as the Company Secretary & Compliance Officer of the Company. Mr. Mandar Godbole was appointed as the Company Secretary & Compliance Officer of the Company effective 1st June 2015.

16. BOARD & COMMITTEE MEETINGS:

During the year under review, the following Board / Committee Meetings were convened and held:

- (a) Five (5) Board Meetings were held, details of which are given in the Corporate Governance Report. The

intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

- (b) Five (5) Audit Committee Meetings were held, details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.
- (c) One (1) Nomination & Remuneration Committee Meeting was held, details of which are given in the Corporate Governance Report.

17. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee and the Nomination & Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

18. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

Since the Company functions through its subsidiary viz. Next Radio Limited which is into FM broadcasting business, the familiarization programme aims to provide Independent Directors with the radio industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes. The policy on Company's familiarization programme for Independent Directors is posted on the Company's website at www.nextmediaworks.com.

19. REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and

their remuneration. The Remuneration Policy is stated in the Corporate Governance Report and is also available on the Company's Website at www.nextmediaworks.com.

20. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and 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 your Company as at 31st March, 2016 and of the profit and loss of the Company for the financial year ended 31st March, 2016;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

21. STATUTORY AUDITORS:

M/s. Haribhakti & Co. LLP, Chartered Accountants, (Firm Registration No. 103523W), Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. A certificate to the

effect that their appointment, if made, will be within the limits prescribed under Section 141 of the Companies Act, 2013, has been obtained from them. The Board, on the recommendation of the Audit Committee, recommends the appointment of M/s. Haribhakti & Co. LLP, as the Statutory Auditors of the Company for the financial year 2016-17.

22. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS:

The Auditors' Report on the Standalone and Consolidated Annual Accounts do not contain any qualification.

Members' attention is drawn to "Emphasis of Matter" stated in the Auditor's Report dated 13th May 2016 on the Standalone Financial Statements and in the Audit Report dated 13th May 2016 on the Consolidated Financial statements for the financial year ended 31st March 2016. The Directors would like to state that the said matters are for the attention of members only and have been explained in detail in the relevant notes to accounts as stated therein and hence require no further clarification.

23. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. A. Y. Sathe & Co., Company Secretaries to undertake the Secretarial Audit of the Company for the financial year ended 31st March 2016. The Report of the Secretarial Audit is annexed herewith as Annexure 'A'. With reference to the observation made by the Secretarial Audit Report dated 13th May 2016 on the notice received by the Company from the National Stock Exchange of India ("NSE"), we wish to state that the Company had received the said notice regarding non-compliance of Clause 41 of the erstwhile Listing Agreement pertaining to issuance of notice of the Board Meeting. Your Directors would like to state that the Company had inadvertently issued the said notice six days prior to the date of the Board Meeting instead of the requirement of seven days prior notice. The Company had replied to the said notice and no further notice / action has been issued / taken by NSE.

24. INTERNAL FINANCIAL CONTROL SYSTEM:

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has a proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's internal financial control system also comprises of compliances with the Company's policies and Standard Operating Procedures (SOPs), which is further reviewed by M/s T. R. Chadha & Co., LLP, the Internal Auditors. The Internal Auditors independently evaluate the adequacy of internal controls.

25. ADEQUACY OF INTERNAL FINANCIAL CONTROLS IN RELATION TO FINANCIAL STATEMENTS:

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The system should be designed and operated effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. To ensure effective Internal Financial Controls, the Company has laid down the following measures:

- All operations are executed through Standard Operating Procedures (SOPs) in all functional activities for which key manuals have been put in place. The manuals are updated and validated periodically.
- All legal and statutory compliances are ensured on a monthly basis for all locations in India through a fully automated tool. Non-compliance, if any, is seriously taken by the management and corrective actions are taken immediately.

- Approval of all transactions is ensured through a preapproved delegation of authority schedule. The schedule is reviewed periodically by the management and compliance of the same is regularly checked and monitored by the auditors.
- The Company follows a robust internal audit process wherein audits are conducted on a regular basis throughout the year by the Internal Auditors as per agreed audit plan.
- The audit reports of the Internal Auditors are submitted to the Audit Committee and the Board for review and necessary action.
- The Company has a comprehensive risk management framework.
- The Company has a robust mechanism of building budgets at an integrated cross- functional level. The budgets are reviewed on a monthly basis so as to analyze the performance and take corrective action, wherever required.
- The Company has in place a well-defined Whistle Blower Policy / Vigil Mechanism.
- The Company has a system of Internal Business Reviews. All departmental heads discuss their business issues and future plans in monthly review meetings. They review their achievements in quarterly review meetings.
- Compliance of the secretarial functions is ensured by way of secretarial audit.

26. EXTRACT OF ANNUAL RETURN:

Pursuant to sub-section 3(a) of section 134 and sub-section (3) of section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the annual return as on 31st March, 2016 forms part of this report as Annexure 'B'.

27. EMPLOYEE STOCK OPTION PLAN:

During the year, 66,660 options were exercised by one (1) employee pursuant to the Company's Employee Stock Option Scheme 2012 after the same were vested.

The applicable disclosures as stipulated under the SEBI Regulations as on 31st March 2016 with regard to Employees Stock Option Plan are provided in Annexure 'C' to this report.

28. EMPLOYEE REMUNERATION:

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section (12) of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming the part of this report as Annexure 'D'. The Company does not have any employees, apart from the employees mentioned in Annexure 'D'.

29. SEXUAL HARRASMENT POLICY:

During the year under review the Company has not received any complaint from the employees related to sexual harassment. The Company has in place sexual harassment policy which is available on the Company's website.

30. RISK MANAGEMENT:

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has, on 23rd January, 2015, constituted a Risk Management Committee comprising of the following persons viz. (i) Mr. I. Venkat – Independent Director, (ii) Ms. Monisha Shah – Independent Director and (iii) Mr. Ismail Dabhoya – Chief Financial Officer as its members.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are periodically discussed at the meetings of the Company.

31. VIGIL MECHANISM:

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind

of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report.

32. ENERGY CONSERVATION, 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

For Next Mediaworks Limited

Sd/-

Tarique Ansari

Chairman & Managing Director
(DIN: 00101820)

Place: Mumbai
Date: 13th May 2016

ANNEXURE - 'A' Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,
Next Mediaworks Limited**

156, D.J. Dadajee Road
Behind Everest Building
Tardeo Mumbai-400034

I, Ajit Y. Sathe, Proprietor of A. Y. Sathe & Co., Practicing Company Secretary have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Next Mediaworks Limited (CIN - L22100MH1981PLC024052) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Applicable w.e.f 1st December, 2015).
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999) which is now The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & The Securities and Exchange Board of India Securities and Exchange Board of India (Share Based Employee Benefits) (Amendment) Regulations, 2015.
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
 - (g) The Securities and Exchange Board of India

(Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);
- (vi) As informed to me; there are no other specifically applicable laws to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited. (Applicable upto 30th November, 2015).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

I) COMPANIES ACT, 2013:

- a) Company has filed DIR-12, MR-1, MGT-14, CHG-1, AOC-4 and MGT 7 with Registrar of Companies Maharashtra at Mumbai, beyond the prescribed time by paying relevant additional filing fees.

II) LISTING AGREEMENT:

- a) Notice of Board meeting held on 29.04.2015 was sent only 6 days prior to the meeting. For this Company received a notice form NSE dated 10th June, 2015.

I have relied on information / records produced by the Company during the course of my audit and the reporting is limited to that extent.

I further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has not issued any securities.

I further report that during the audit period the Company has passed Special Resolution on 25th July, 2015, through postal ballot, under Section 180(1) (a) of the Companies Act, 2013, authorizing the board to create charge, mortgage and hypothecate movable and / or immovable properties of the company for value upto ₹300 Crores.

I further report that during the audit period there were no instances of:

- (i) Redemption / buy-back of securities
- (ii) Merger / amalgamation / reconstruction, etc.
- (iii) Foreign technical collaborations

For A. Y. Sathe & Co.

Company Secretaries

Sd/-

Date: 13th May, 2016

Place: Mumbai

CS Ajit Sathe
(Proprietor)

FCS No.2899

COP No. 738

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

ANNEXURE - 'A' SECRETARIAL AUDIT REPORT

To,

**The Members,
Next Mediaworks Limited**

156, D.J. Dadajee Road
Behind Everest Building
Tardeo Mumbai-400034

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For A. Y. Sathe & Co.
Company Secretaries

Sd/-

Date: 13th May, 2016
Place: Mumbai

CS Ajit Sathe
(Proprietor)

FCS No.2899
COP No. 738

ANNEXURE 'B' FORM NO. MGT9

EXTRACT OF ANNUAL RETURN

(As on the financial year ended 31st March 2016)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

CIN : L22100MH1981PLC024052
 Registration Date : 13th March 1981
 Name of the Company : Next Mediaworks Limited
 Category / Sub-category of the Company : Public Company/Limited by shares
 Address of the Registered Office and : 156, DJ Dadajee Road, Behind Everest Building Tardeo, Mumbai-400 034
 contact details
 Whether listed company Yes / No : Yes
 Name, Address and Contact details of : M/s. Link Intime India Private Limited,
 Registrar & Transfer Agent, if any. C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400 078.
 Telephone: 022-25963838 / Facsimile: 022-25946969
 e-mail: mumbai@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and description of main services	NIC Code of the service	% to total turnover of the Company
1.	Publishing & Broadcasting	18111 & 60100	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Next Radio Limited 156, D.J. Dadajee Road, Behind Everest Building, Tardeo, Mumbai – 400034.	U32201MH1999PLC122233	Subsidiary	76.73%	2(87)ii
2	One Audio Limited 156, D.J. Dadajee Road, Behind Everest Building, Tardeo, Mumbai – 400034.	U92130MH1999PLC122230	Subsidiary	99.99%	2(87)ii
3	Next Outdoor Limited 156, D.J. Dadajee Road, Behind Everest Building, Tardeo, Mumbai – 400034.	U22219MH1985PLC037498	Subsidiary	99.98%	2(87)ii
4	Digital One Private Limited 156, D.J. Dadajee Road, Behind Everest Building, Tardeo, Mumbai – 400034.	U92131MH1999PTC122232	Subsidiary	99.99%	2(87)ii

IV SHAREHOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity):

(i) Category-wise Shareholding

Category of shareholders	No. of shares held at the beginning of the year (as at 01.04.2015)				No. of shares held at the end of the year (as at 31.03.2016)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF	21965024	-	21965024	33.62	21965024	-	21965024	33.62	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt.(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	17873828	-	17873828	27.36	17873828	-	17873828	27.36	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	39838852	-	39838852	60.98	39838852	-	39838852	60.98	-
(2) Foreign									
(a) NRI – Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks / FIs	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A) = (A) (1) + (A) (2)	39838852	-	39838852	60.98	39838852	-	39838852	60.98	-
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks / FIs	35000	-	35000	0.05	-	-	-	-	(0.05)
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt.(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	35000	-	35000	0.05	-	-	-	-	(0.05)

Category of shareholders	No. of shares held at the beginning of the year (as at 01.04.2015)				No. of shares held at the end of the year (as at 31.03.2016)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2. Non-Institutions									
(a) Bodies Corporate									
(i) Indian	6580534	1	6580535	10.07	8194685	1	8194686	12.54	2.47
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	8437688	1964	8439652	12.92	7778673	1964	7780637	11.91	(1.01)
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	7650607	-	7650607	11.71	6087777	-	6087777	9.32	(2.39)
(c) Others									
Clearing Member	363193	-	363193	0.55	353305	-	353305	0.54	0.34
Foreign Nationals									
Non-Resident Indians (Non-Repat)	39344	-	39344	0.06	119948	-	119948	0.18	0.15
Non-Resident Indians (Repat)	564429	-	564429	0.86	514710	-	514710	0.79	(0.13)
Foreign Portfolio Investor (Corporate)	1822664	-	1822664	2.79	1822664	-	1822664	2.79	-
Other Directors	-	-	-	-	-	-	-	-	-
Overseas Bodies Corporate	-	-	-	-	-	-	-	-	-
Hindu Undivided Family	-	-	-	-	621697	-	621697	0.95	0.95
Trusts	1000	-	1000	0.00	1000	-	1000	0.00	-
Sub-total (B)(2)	25459459	1965	25461424	38.96	25494459	1965	25496424	36.02	(4.94)
Total public shareholding (B) = (B) (1) + (B)(2)	25494459	1965	25496424	39.01	25494459	1965	25496424	36.02	(4.99)
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total									
(A+B+C)	65333311	1965	65335276	100	65333311	1965	65335276	100	

(i) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as at 01.04.2015)			Shareholding at the end of the year (as at 31.03.2016)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	Tarique Ansari	4,337,298	6.64	-	4,337,298	6.64	-	
2.	Rukya Ansari	4,615,075	7.06	-	4,615,075	7.06	-	
3.	Tehzeeb Ansari	4,337,298	6.64	-	4,337,298	6.64	-	
4.	Khalid Ansari	4,338,055	6.64	-	4,338,055	6.64	-	
5.	Sharique Ansari	4,337,298	6.64	-	4,337,298	6.64	-	
6.	Meridian Holding & Leasing Company Private Limited	7,469,856	11.43	-	7,469,856	11.43	-	
7.	Ferrari Investment and Trading Company Private Limited	9,659,226	14.78	-	9,659,226	14.78	-	
8.	Inquilab Offset Printers Limited	744,746	1.14	-	744,746	1.14	-	

(ii) Change in Promoters' Shareholding

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year (as at 01.04.2015)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Tarique Ansari	4,337,298	6.64	4,337,298	6.64
2.	Rukya Ansari	4,615,075	7.06	4,615,075	7.06
3.	Tehzeeb Ansari	4,337,298	6.64	4,337,298	6.64
4.	Khalid Ansari	4,338,055	6.64	4,338,055	6.64
5.	Sharique Ansari	4,337,298	6.64	4,337,298	6.64
6.	Meridian Holding & Leasing Company Private Limited	7,469,856	11.43	7,469,856	11.43
7.	Ferrari Investment and Trading Company Private Limited	9,659,226	14.78	9,659,226	14.78
8.	Inquilab Offset Printers Limited	744,746	1.14	744,746	1.14

(iii) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding (No of Shares)		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
1.	Bennett, Coleman and Company Limited	3649391	5.59	0	0	3649391	5.59
2.	Crosseas Comtrade Private Limited	0	0	1760000	0	1760000	2.70
3.	Acacia Partners, LP	907065	1.39	0	0	907065	1.39
4.	Prabhudas Lilladher Financial Services Private Limited	641750	0.98	0	23000	618750	0.95
5.	Acacia Institutional Partners, LP	473893	0.73	0	0	473893	0.73
6.	Pankajkumar Maganlal Babariya	400000	0.61	0	0	400000	0.61
7.	Rahul Khanna	417251	0.64	0	46124	371127	0.57
8.	Acacia Banyan Partners	368800	0.56	0	0	368800	0.56
9.	Chhaganbhai M Patel	300000	0.46	0	0	300000	0.46
10.	Ravikumar Ramkishore Sanwalka	279501	0.43	0	14501	265000	0.41

(iv) Shareholding of Directors and Key Management Personnel

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2015		Cumulative Shareholding during the year				Shareholding at the end of the year as on 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	Date of Change	Reason of Change	No. of shares	% of total shares of the company
1.	Mr. Tarique Ansari	4,337,298	6.64	-	-	-	-	4,337,298	6.63
2.	Mr. Adille Sumariwalla	5,875	0.00	-	-	-	-	5,875	0.00
3.	Mr. Ismail Dabhoya*	-	-	71,660	0.11	*16 Feb, 2016 **4 March 2016	Sale / Purchase	61,660	0.10
	Total:	4,343,173	7.54	71,660	0.11	-	-	4,404,833	6.74

*66,660 equity shares have been allotted to Mr. Ismail Dabhoya upon his exercise of options granted to him under the Company's Employee Stock Option Scheme 2008 on 16th February, 2016

** 5,000 equity shares have been purchased by Mr. Ismail Dabhoya from open market on 4th March, 2016

IV. INDEBTEDNESS:

(Indebtedness of the Company including interest outstanding / accrued but not due for payment) (Amount in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	-	82.30	-	82.30
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	114.42	-	114.42
Total (i) + (ii) + (iii)	-	196.72	-	196.72
Change in indebtedness during the financial year				
Addition	-	958.96	-	958.96
Reduction	-	-	-	-
Net Change				
Indebtedness at the end of the financial year				
(i) Principal Amount	-	1,041.26	-	1,041.26
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	197.01	-	197.01

I. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Director and / or Manager: (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Managing Director / Whole-time Director / Manager
		Mr. Tarique Ansari, Managing Director
1.	Gross Salary	
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2,961,048
	Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	2,541,200
	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	As % to profit	-
	Others, specify	-
5.	Others:	
	Provident Fund	355,326
	Gratuity	142,426
	Total (A)	6,000,000
	Ceiling as per the Act	6,000,000

B. Remuneration to other directors:

No remuneration has been paid to any other director except sitting fees, details of which are included in the Corporate Governance Report.

C. Remuneration to Key Managerial Personnel other than MD / WTD / Manager:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Ismail Dabhoya Chief Financial Officer	Mr. Manoj Gujran Company Secretary upto 29/04/2015	Mr. Mandar Godbole Company Secretary from 01/06/2015
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	4,911,625	102,059	961,168
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	1,194,200	25,800	109,200
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	-	-
2.	Stock Option	1,053,200	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	As % to profit	-	-	-
	Others, specify	-	-	-
5.	Others:			
	Performance Bonus	6,00,000	-	175,000
	Provident Fund	210,000	4,175	39,000
	Gratuity	84,175	-	15,632
	Total	8,053,200	1,32,034	1,300,000

PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalties / punishment / compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any
A. Company			NONE		
Penalty					
Punishment					
Compounding					
B. Directors			NONE		
Penalty					
Punishment					
Compounding					
C. Others Officers in default			NONE		
Penalty					
Punishment					
Compounding					

ANNEXURE 'C'

EMPLOYEE STOCK OPTIONS SCHEME

Sr. No.	Description	Details
(a)	Total Options granted	200,000
(b)	Pricing formula	Exercise price for the above options is NIL.
(c)	Options vested	66,660
(d)	Options exercised	66,660
(e)	Total number of shares arising as result of exercise of options	66,660
(f)	Options lapsed during the year	NIL
(g)	Variation of terms of the options	NIL
(h)	Money realized by exercise of options	NIL
(i)	Total number of options in force	133,340
(j)	Employee-wise details of options granted:	
	(i) Senior Managerial Personnel	200,000
	(ii) Any other employees to whom options granted amount to 5% or more of the total options granted during the year	NIL
	(iii) Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year.	NIL
(k)	Diluted earnings per share (EPS) pursuant to issue of shares on exercise of options during the year and options outstanding as on 31.03.2016 calculated in accordance with Accounting Standard 20 'Earning per share'.	0.39
(l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and EPS of the company.	Not Applicable
(m)	Weighted average exercise prices weighted average fair value of options disclosed separately for options whose exercise price equals to market price exceeds or is less than the market price of the stock.	1. Weighted average exercise price: ₹Nil per share for all the options. 2. Weighted average fair value of all the options is ₹13.64 per option.
(n)	Description of the method and significant assumptions used during the year to estimate the fair value of the options.	Weighted Average closing price of last six months.

ANNEXURE 'D'

EMPLOYEE REMUNERATION

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Requirements	Disclosure									
1.	The ratio of the remuneration of each directors to the median remuneration of the employee for the financial year.	Mr. Tarique Ansari (MD): 4.20 times									
2.	The percentage increase in the remuneration of each director, CFO, CS in the financial year (including Perquisites).	Managing Director: NIL Chief Financial Officer: 12.50% Company Secretary: 10%									
3.	The percentage increase in the median remuneration of employee in the financial year.	10%									
4.	The number of permanent employees on the rolls of the Company.	There were 3 employees as on March 31, 2016									
5.	The explanation on the relationship between average increase in remuneration and Company performance.	Factor consider while recommending increase in the fixed compensation: 1. Financial performance of the operating subsidiary Company 2. Comparison with the peer media companies.									
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	Since the Company has incurred loss on a consolidated basis, the percentage cannot be ascertained.									
7.	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company, in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.	<table> <tr> <th>Particulars / Year</th><th>2015-16</th><th>2014-15</th></tr> <tr> <td>Market Capitalisation (in crores)</td><td>104.54</td><td>83.95</td></tr> <tr> <td>PE Ratio*</td><td>-</td><td>642.5</td></tr> </table>	Particulars / Year	2015-16	2014-15	Market Capitalisation (in crores)	104.54	83.95	PE Ratio*	-	642.5
Particulars / Year	2015-16	2014-15									
Market Capitalisation (in crores)	104.54	83.95									
PE Ratio*	-	642.5									
8.	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	Not Applicable									
9.	Affirmation that the remuneration is as per the Remuneration Policy of the Company.	Affirmed									

*In view of loss incurred by the Company, the PE Ratio for the financial year 2015-16 will be NIL.

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's report on Corporate Governance for the year ended 31st March 2016.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's 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.

2. BOARD OF DIRECTORS:

(a) Composition of the Board:

The Company has an optimum combination of Executive and Non-Executive Directors in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to maintain the independence of the Board and to separate the Board functions of governance and management.

As on 31st March 2016 the Board comprises of a Chairman and Managing Director (Executive) and 5 (five) Non-Executive Independent Directors including a woman Director. All the members of the Board are persons with considerable experience and expertise in industry, finance, management and law.

The Chairman and Managing Director provide leadership to the Board and to the Management in strategizing and realizing business objectives. The Independent Directors contribute by giving their valuable guidance and inputs with their independent judgment on the overall business strategies and performance.

None of the Directors on the Board is a Member of

more than 10 (ten) Committees and Chairman of more than 5 (five) Committees, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the Companies in which he / she is a Director as per the disclosures made by all the Directors.

None of the Independent Directors on the Board serve as an Independent Director in more than seven listed companies.

The Whole-time Director does not serve as an Independent Director in more than three listed companies.

(b) Meetings of the Board:

The Board meets at least once in each quarter inter-alia, to review the quarterly financial results. The gap between two consecutive meetings is less than 120 days. In addition the Board also meets whenever necessary. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliances.

During the year under review the Board met five (5) times on 29th April 2015, 18th June 2015, 6th August 2015, 28th October 2015 and 27th January 2016.

The Company Secretary prepares a detailed agenda and the explanatory notes, in consultation with the Chairman & Managing Director and circulates the same in advance to the Directors. The Directors are also provided with all the material information including minimum information as required under Part A of schedule II of sub regulation 7 of Regulation 17 of SEBI LODR Regulations. Every Director has the right to suggest inclusion of items in the agenda.

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

and the signed Minutes are noted at the subsequent meeting of the Board of Directors.

Board and their attendance at the Board Meetings during the year under review and at the last Annual General Meeting are given below:

(c) Directors' Attendance Record and Directorships held:

The names and categories of the Directors on the

Name of the Director	Nature of Directorship	No. of Board Meetings attended		Attendance at last AGM
		Held	Attended	
Mr. Tarique Ansari	Promoter, Executive & Non Independent	5	5	Yes
Mr. Narayan Varma*	Non – Executive & Independent	5	4	Yes
Mr. Dilip Cherian	Non – Executive & Independent	5	4	No
Mr. Adille Sumariwalla	Non – Executive & Independent	5	5	Yes
Mr. I. Venkat	Non – Executive & Independent	5	2	Yes
Mr. Raj Singh Bhandal	Non – Executive & Independent	5	4	No
Ms. Monisha Shah	Non – Executive & Independent	5	3	Yes

The names and categories of the Directors on the Board and their attendance at the Board Meetings during the year under review and at the last Annual General Meeting, also the number of directorships and committee memberships held by them in other Companies are given below:

Name of the Director	Nature of Directorship	No. of Directorships in other Public companies#	No. of Committee Memberships (including in Company) ##	
			Member	Chairman
Mr. Tarique Ansari	Promoter, Executive & Non Independent	3	2	0
Mr. Narayan Varma*	Non – Executive & Independent	1	1	1
Mr. Dilip Cherian	Non – Executive & Independent	3	6	1
Mr. Adille Sumariwalla	Non – Executive & Independent	2	5	1
Mr. I. Venkat	Non – Executive & Independent	0	1	0
Mr. Raj Singh Bhandal	Non – Executive & Independent	0	0	0
Ms. Monisha Shah	Non – Executive & Independent	0	0	0

*Mr. Narayan Varma expired on 24th December 2015.

#excluding Directorships in Foreign companies, Private Limited companies, companies under Section 8 of the Companies Act, 2013.

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

(d) There is no relationship between the Directors inter se.

(e) Details of shares & Convertible instruments held by non-executive Directors:

Sr. No.	Name of the Director	Nature of Directorship	Number of Shares held in the Company	Type of Security
1.	Mr. Adille Sumariwala	Non-Executive & Independent	5,875 (0.009%)	Equity shares of ₹ 10 Each

(f) The Company has in place a familiarization programme for the Independent Directors. Since the Company operates through its subsidiary viz. Next Radio Limited ("NRL") which is into FM broadcasting business, the familiarization programme aims to familiarise the Independent Directors with the radio industry scenario, the socio-economic environment in which NRL operates, the business model, the operational and financial performance of NRL, significant developments so as to enable them to take well informed decisions in a timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes. The policy on Company's familiarization programme for Independent Directors is posted on the Company's website at www.nextmediaworks.com.

(Chairman), (2) Mr. I. Venkat and (3) Mr. Tarique Ansari.

All the members of the Audit Committee are financially literate and have accounting / related financial management expertise.

The Company Secretary acts as Secretary to the Committee.

The Statutory Auditors, Chief Financial Officer, Internal Auditors are invitees to the Audit Committee Meetings.

The scope of activities and powers of the Audit Committee are in line with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013.

Terms of reference:

The terms of reference of the Audit Committee are broadly as follows:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board the appointment, re-appointment and removal of statutory auditors, cost auditors, branch auditors and fixation of their remuneration.
- Approving the payments to statutory auditors for any other services rendered by them.
- Reviewing with management the annual financial statements and auditor's report before submission to the Board for approval, focusing primarily on:

- Matters required to be included in the Director's Responsibility Statement for inclusion of the same

3. BOARD COMMITTEES:

In compliance with the requirements of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable laws, the Company has the following committees in place: (i) Audit Committee (ii) Stakeholders Relationship Committee (iii) Nomination & Remuneration Committee (iv) Review Committee of Independent Directors (v) Risk Management Committee.

The Board determines the constitution of the Committees and the terms of reference for Committee Members including their roles and responsibilities.

A. Audit Committee:

Composition:

The Audit Committee consists of three (3) members, of which two (2) Non-Executive are Independent Directors and one (1) Whole-time Director viz. namely: (1) Mr. Adille Sumariwala

in the Board Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

- Any changes in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on exercise of judgments by management;
 - Qualifications in draft audit report;
 - Significant adjustments made in the financial statements arising out of audit;
 - The going concern assumption;
 - Compliance with accounting standards;
 - Compliance with listing and legal requirements concerning financial statements;
 - All related party transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc.
- (e) Reviewing with the management, internal financial controls and risk management system.
- (f) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board.
- (g) Reviewing with the management the quarterly and half yearly financial results before submission to the Board.
- (h) Reviewing the adequacy of internal audit functions, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (i) Scrutinizing the inter-corporate loans & investments.
- (j) Discussion with Internal Auditors and the Statutory Auditors on any significant findings and follow up thereon.
- (k) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- (l) Approval or any subsequent modification of transactions of the Company with related parties.
- (m) To look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (n) Review and monitor the auditor's independence and performance, and effectiveness of audit processes.
- (o) To review the functioning of the Whistle Blower Policy and Vigil mechanism.
- (p) Valuation of undertaking or assets of the Company where ever it is necessary.
- (q) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- (r) Discussions with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (s) All such other functions as may be specified from time to time.

Meetings:

During the year under review, five (5) Audit Committee meetings were held on 29th April 2015, 18th June 2015, 6th August 2015, 28th October 2015 and 27th January 2016. The gap between two consecutive meetings is less than 120 days.

The details of meetings attended by the Members are given below:

Name of the Member	No. of meetings attended
Mr. Narayan Varma (Chairman)	4
Mr. Adille Sumariwalla (Member)	5
Mr. I. Venkat (Member)	2
Mr. Tarique Ansari (Member)	5

Mr. Narayan Varma – Chairman of the Audit Committee was present at the previous Annual General Meeting held on 6th August 2015.

B. Stakeholders' Relationship Committee:

Composition:

The Stakeholders' Relationship Committee comprises of one (1) Non-Executive Independent Director and the Managing Director viz.: (1) Mr. Adille Sumariwalla (Chairman) and (2) Mr. Tarique Ansari.

The Company Secretary acts as Secretary to the Committee.

Terms of reference:

The Stakeholders Relationship Committee primarily attends to and resolves grievances of the Company's shareholders and other stakeholders.

Meetings:

The Committee did not hold any meeting during the year under review.

Details of Investor Complaints:

The Company did not receive any queries / complaints during the year under review.

Name, Designation and Address of Compliance Officer:

Mr. Mandar Godbole
Company Secretary & Manager – Legal
Next Mediaworks Limited
156, D. J. Dadajee Road,
Behind Everest Building,
Tardeo, Mumbai-400 034.
Contact: +91 22 67527016
Email: mandar.godbole@nextmediaworks.com

C. Nomination and Remuneration Committee:

Composition:

The Stakeholders' Relationship Committee comprises of three (3) Non-Executive Independent Directors viz.: (1) Mr. Dilip Cherian (Chairman), (2) Mr. Adille Sumariwalla and (3) Mr. Rajbir Singh Bhandal**.

The Company Secretary acts as Secretary to the Committee.

Mr. Narayan Varma, former member of the Committee, expired on 24th December 2015.

**Mr. Rajbir Singh Bhandal was inducted as member of the Committee effective 13th May 2016.

Terms of reference:

The role of the Nomination and Remuneration Committee is:

- To identify persons who are qualified to become directors or who can be appointed in the senior management.
- To formulate criteria for evaluation of the performance of the Independent Directors and the Board and decide whether to extend or continue the term of appointment of independent directors, on the basis of performance evaluation.
- To devise a policy on Board diversity.
- To recommend the appointment / removal of directors or senior management personnel.
- To carry out evaluation of every director's performance.
- To formulate criteria for determining qualifications, positive attributes and independence of a director.
- To recommend to the Board, policy relating to remuneration for the directors, key managerial personnel and other senior employees and to review the policy at regular intervals.

Meetings:

During the financial year ended 31st March 2016, one (1) meeting of the Nomination and Remuneration Committee was held on 18th June 2015. The said meeting was attended by all the members.

Nomination & Remuneration Policy

The Nomination and Remuneration policy provides a framework for appointment of Directors, Key Managerial Personnel and senior management, their performance evaluation and fixing their remuneration based on their performance.

Policy for selection and Appointment of Directors and their Remuneration

Criteria for selection of Non-executive Directors

- The Non-executive Director shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Director to enable the Board to discharge its function and duties effectively.
- The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The Committee shall consider the following attributes / criteria, while recommending to the Board the candidature for appointment as Director:
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, Professional or business standing;
 - iii. Diversity of the Board.
- In case of re-appointment of Non-executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration

The Non-executive Directors shall be entitled to receive sitting fees for each meeting of the Board and Audit Committee attended by them, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and reimbursement of expenses for participation in the Board Meetings.

Remuneration for the CEO, CFO & Executive Chairman / Director

At the time of appointment or re-appointment, the CEO, CFO & Executive Chairman / Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Committee and the Board of Directors) and the CEO, CFO & Executive Chairman / Director within the overall limits prescribed under the Companies Act, 2013. The Committee shall also take into account the comparative remuneration in the industry, size of the Company and profile of the candidate while deciding the remuneration. The remuneration shall be subject to the approval of the Members of the Company in General Meeting, where required.

The remuneration of the CEO & Executive Chairman / Director comprises of fixed and variable component as per the provisions of Companies Act, 2013. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits

CEO & Executive Chairman / Director – Criteria for selection / appointment

For the purpose of selection of the CEO & Executive Chairman / Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees, the Committee shall ensure that the relationship of remuneration and performance benchmark is clear.

The Non-Executive Chairman will carry out the individual

performance review based on the respective defined objectives, qualification, expertise, experience and other factors while recommending the annual increment and performance incentive to the Committee for its review and approval.

Details of Remuneration paid to the Executive Director during the year ended 31st March 2016:

Particulars	Amount (₹)
Salary	2,961,048
Perquisites	2,541,200
Commission	-
Performance-linked incentive	-
Total	5,502,248

The Company had paid total remuneration of ₹ 46.70 Lacs to Mr. Tarique Ansari – Chairman & Managing Director for the period from 1st July 2013 to 31st March 2014. During the year under review, the Company had made an application to the Ministry of Corporate Affairs ("MCA") seeking its approval for waiver for recovery of excess remuneration of ₹ 33.20 Lacs paid to Mr. Tarique Ansari for the aforementioned

period. In response to the Company's said application, the MCA has, vide its letter No. SRN C59541607 / 2015-CL. VII dated 22nd January 2016, approved waiver for recovery of excess remuneration of ₹ 23.35 Lacs for the said period. The Company has recovered the excess remuneration of ₹ 23.35 Lacs from Mr. Ansari.

Service Contract, Severance Fees & Notice Period:

The terms of employment stipulate a notice period of 3 (three) months for termination of appointment of Chairman & Managing Director and Executive Directors, on either side. There is no provision for payment of severance fees.

Sitting Fees to Non-Executive Independent Directors:

Non-Executive Independent Directors of the Company do not draw any remuneration from the Company other than sitting fees for attending Board and Audit Committee meetings. None of the Non-Executive Independent Directors have entered into any pecuniary transaction or relationship with the Company.

Details of sitting fees paid for attending Board and Committee Meetings during the year ended 31st March 2016 are given below:

(Amount in ₹)

Name of the Director	Sitting Fees		Total
	Board Meetings	Committee Meetings	
Mr. Narayan Varma	40,000	40,000	80,000
Mr. Adille Sumariwalla	50,000	50,000	100,000
Mr. I. Venkat	20,000	20,000	40,000
Mr. Dilip Cherian	40,000	-	40,000
Ms. Monisha Shah	30,000	-	30,000
Mr. Raj Singh Bhandal	40,000	-	40,000

D. Risk Management Committee:

The Board has set up Risk Management Committee pursuant to the requirement of the Companies Act, 2013. The Committee consists of Mr. I. Venkat (Chairman), Ms. Monisha Shah and Mr. Ismail Dabhoya as Members. The Committee regularly reviews the Company's assets and liabilities, its quality and business risk. The Internal Auditors also report to the Committee from time to time of their observation on the risk management.

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a strong risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprise of:

- Oversight of risk management performed by the executive management.
- Reviewing the policy and framework in line with legal

requirements and SEBI guidelines.

- Reviewing risks and evaluate treatment including initiating mitigation actions.
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- Within its overall scope as aforesaid, the Committee shall review risk trends, exposure, potential impact analysis and mitigation plan.

4. COMPANY POLICIES:

The Company has the following policies in place:

(a) Policy on Related Party Transactions:

Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place Policy on Related Party Transactions. This Policy can be viewed on the Company's website viz. www.nextmediaworks.com in the "Investor's Desk" Section.

(b) Policy on Material Subsidiaries:

Pursuant to Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place Policy on Material Subsidiaries. This Policy can be viewed on the Company's website viz. www.nextmediaworks.com in the "Investor's Desk" Section.

(c) Whistle Blower Policy:

Pursuant to Regulation 4 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place Whistle Blower Policy and the same can be viewed on the Company's website viz. www.nextmediaworks.com in the "Investor's Desk" Section.

(d) Nomination & Remuneration Policy:

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place Nomination & Remuneration Policy and the same can be viewed on the Company's website viz. www.nextmediaworks.com in the "Investor's Desk" Section.

During the year under review, the Board adopted the following policies:

(e) Policy on Preservation of Documents:

Pursuant to Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, at its meeting held on 28th October 2015, approved and adopted the Policy on Preservation of Documents. This Policy can be viewed on the Company's website viz. www.nextmediaworks.com in the "Investor's Desk" Section.

(f) Policy for determining materiality of any event or information for the purpose of dissemination of the same to the stock exchanges:

Pursuant to Regulation 30(4)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, at its meeting held on 28th October 2015, approved and adopted the Policy on Preservation of Documents. This Policy can be viewed on the Company's website viz. www.nextmediaworks.com in the "Investor's Desk" Section.

5. PERFORMANCE EVALUATION OF THE BOARD:

After taking into consideration one to one inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance; pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee and Nomination and Remuneration Committee.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire

Board. The performance evaluation of the Chairman and the Non-independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

6. MEETING OF THE INDEPENDENT DIRECTORS:

During the year under review, the Independent Directors met on 30th March 2016, inter alia, to discuss:

- (a) Evaluation of the performance of the Board of Directors as a Whole;
- (b) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Non-executive Directors.
- (c) Evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

7. OTHER INFORMATION:

- (a) The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is: L22100MH1981PLC024052.

(b) Code of Conduct:

The Company has laid down a Code of Conduct for all Board members and the Senior Management Personnel. The Code of Conduct is available on the Company's website viz., www.nextmediaworks.com. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by the Chairman & Managing Director forms part of this Report.

(c) General Body Meetings:

(i) Location, Date and Time of Annual General Meetings held during the last 3 (three) years:

The Annual General Meetings ("AGM") of the Company for the financial years 2012-13 and 2013-14 were held at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018, and for the financial year 2014-15 at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 as detailed below:

AGM	Financial Year	Date of AGM
32nd	2012-13	31st July 2013
33rd	2013-14	8th August 2014
34th	2014-15	6th August 2015

(ii) Special Resolutions passed in the previous three Annual General Meetings:

32nd AGM held on 31st July 2013 at 4:00 p.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.	<ol style="list-style-type: none"> (i) Special Resolution for re-appointment of Mr. Tarique Ansari as the Managing Director of the Company. (ii) Special Resolution for payment of remuneration to Mr. Tarique Ansari as the Managing Director of the Company.
33rd AGM held on 8th August 2014 at 4:00 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.	<ol style="list-style-type: none"> (i) Special Resolution was passed for the re-appointment of Mr. Tarique Ansari as the Managing Director of the Company. (ii) Special Resolution was passed for issue of shares to the Promoters group Companies Viz. Ferari Investment & Trading Company Private Limited and Meridian Holding & Leasing Company Private Limited on preferential basis.
34th AGM held on 6th August 2015 at 4:00 p.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.	<ol style="list-style-type: none"> (i) Special Resolution for revision in the remuneration payable to Mr. Tarique Ansari - Chairman & Managing Director for the period 1st April 2014 to 30th June 2016. (ii) Special Resolution for re-appointment of Mr. Tarique Ansari as the Chairman & Managing Director of the Company for further period of 3 years effective from 1st July 2016.

(iii) Resolution Passed by Postal Ballot on 25th July 2015:

During the year 2015-16, the following resolutions were passed by Postal Ballot, results of which were declared on 25th July 2015:

1. Special Resolution under Section 186 of the Companies Act, 2013 authorizing the Board of Directors to give loans / guarantee / provide security to or invest in the securities of the

Company's subsidiary(ies) upto an aggregate amount of ₹ 300 Crores.

2. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors to create charge / mortgage / hypothecation on all or any of the movable / immovable properties of the Company.

Details of Voting Pattern of postal ballot:

Item No. 1:

Description of Resolution	Special Resolution u / s 186 of the Companies Act, 2013	
	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	44	1,916,380
Total number of electronic ballot forms received.	65	352,501
Number of invalid physical ballot forms.	1	400
Number of invalid electronic ballot forms.	-	-
Number of valid physical ballot forms.	43	1,915,980
Number of valid electronic ballot forms.	65	352,501
Votes in favour of the resolution (both, physical & electronic)	91	2,264,099
Votes against the resolution (both, physical & electronic)	17	4,382
Percentage of votes cast in favour of the resolution (both, physical & electronic): 99.81%		
Percentage of votes casted against the resolution (both, physical & electronic): 0.19%		

Item No. 2:

Description of Resolution	Special Resolution u / s 180(1)(a) of the Companies Act, 2013	
	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	42	1,916,380
Total number of electronic ballot forms received.	66	354,256
Number of invalid physical ballot forms.	1	400
Number of invalid electronic ballot forms.	-	-
Number of valid physical ballot forms.	41	1,915,980
Number of valid electronic ballot forms.	66	354,256
Votes in favour of the resolution (both, physical & electronic)	91	2,265,004
Votes against the resolution (both, physical & electronic)	16	5,232
Percentage of votes cast in favour of the resolution (both, physical & electronic): 99.77%		
Percentage of votes casted against the resolution (both, physical & electronic): 0.23%		

Mr. J. U. Poojari of M/s. J. U. Poojari & Associates, Company Secretaries was appointed as the Scrutinizer for conducting the Postal Ballot process.

Procedure for Conducting Postal Ballot:

After receiving the approval of the Board of Directors and consent of the scrutinizer, notice of the Postal Ballot containing text of the Resolution alongwith the Explanatory Statement to be passed through postal ballot, Postal ballot Form and self-addressed postage pre-paid envelopes are sent to the shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. The Company also provides e-voting facility to enable the shareholders to cast their vote by electronic means. A notice is also published in the newspapers regarding dispatch of Postal Ballot notices. After the last date of receipt of ballots, the Scrutinizer, after due verification, submits the result to the Chairman. Thereafter, the Chairman declares the result of the postal ballot. The same along with Scrutinizer's Report is submitted to the Stock Exchanges and also displayed on the website of the Company.

8. OTHER DISCLOSURES:

- (a) During the year under review, the Company has entered into related party transaction, which was material in nature, with its subsidiary viz. M/s Next Radio Limited ("NRL"). The Company had obtained approval of the shareholders by way of Postal Ballot, results of which were declared on 25th July 2015. Apart from this transaction and other than transactions entered into in the normal course of business for which necessary approvals are taken and disclosures made, the Company has not entered into any materially significant related party transactions i.e., transactions of material nature, with its Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. However, the Company has annexed to the accounts a list of all related parties as per Section 188 of the Companies Act, 2013 and Accounting Standard 18 and the transactions entered into with them and pursuant to and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Company has in place Policy on Related Party Transactions. This Policy can be viewed on the Company's website viz. www.nextmediaworks.com in the "Investor's Desk" Section.
- (b) A qualified practicing Company Secretary conducts Share Capital Reconciliation Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) along with shares held in physical form and the total issued and listed capital. The Share Capital Reconciliation Audit Report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- (c) The Chairman and Managing Director and the Chief Financial Officer have certified to the Board in accordance with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO / CFO Certification for the period ended 31st March 2016.
- (d) The Companies risk management framework is being reviewed and revised to minimize risk and strengthen risk assessment.
- (e) During the last three years, there were no strictures or penalties imposed either by Securities and Exchange Board of India or the Stock Exchange or any regulatory authority for non-compliance of any matter related to the capital market.
- (f) No personnel have been denied access to the Chairman or members of the Audit Committee. Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 4 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and

the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report. This Policy can be viewed on the Company's website viz. www.nextmediaworks.com in the "Investor's Desk" Section.

- (g) To the extent possible, the Company has complied with the mandatory requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (h) The Company has complied with all applicable Accounting Standards issued by Institute of Chartered Accountants of India in preparation of its financial statements pursuant to the amended Schedule III of Companies Act, 2013.
- (i) The Company had received letter from the National Stock Exchange of India ("NSE") regarding non-compliance of Clause 41 of the erstwhile Listing Agreement pertaining to issuance of notice of the Board Meeting. The Company had issued the said notice six days prior to the date of the Board Meeting instead of the requirement of seven days prior notice. The Company had replied to the said notice and no further notice / action has been issued / taken by NSE.
- (j) The Company has not complied with the discretionary requirements as mentioned in Part E of Schedule II.

9. MEANS OF COMMUNICATION:

- a. Financial Results: As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Quarterly and Half-Yearly results of the Company are published within forty five days from the end of the respective quarter and the annual audited results are announced as and when approved by the Board. The financial results are published usually in the Free Press Journal and Navshakti and also posted on the Company's website viz. www.nextmediaworks.com.
- b. News Releases, Presentations etc.: Official news releases, detailed presentations made to media, analysts, institutional investors etc. if any, are displayed on the Company's website viz. www.nextmediaworks.com.

com. Official announcements are sent to the Stock Exchanges.

- c. Website: The Company's corporate website www.nextmediaworks.com provides information about the Company's business. It also contains a separate dedicated Section 'Investor's Desk' where shareholders information is available. The Annual Report of the Company is also available on the website in a user friendly and downloadable format.
- d. Annual Report: Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.
- e. There were no presentations made to the institutional investors or to the analysts.

10. MANDATORY REQUIREMENT:

The Company has complied with the mandatory requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance.

11. NON-MANDATORY REQUIREMENTS:

Subsidiary Monitoring Framework:

All Subsidiaries of the Company are Board managed with their Boards having the rights and obligations to manage such Companies in the best interest of their stakeholders. As a majority shareholder, the Company has nominated its representatives on the Boards of subsidiary Companies and monitors the performance of such companies, inter alia, by means of taking Consolidated Accounts and including all items of the subsidiaries as required under the provision of the Companies Act 2013.

12. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	5th August 2016.
Financial Year	1st April 2015 to 31st March 2016
Time & Venue	4:00 p.m. at Sunville Banquet, 9 Dr. Annie Besant Road, Middle of Worli Flyover, Near Poonam Chambers, Worli, Mumbai – 400 18.
Date of Book Closure	30th July 2016 to 4th August 2016 (both days inclusive)
Dividend Payment	No Dividend
Listing on Stock Exchanges	<ol style="list-style-type: none"> Bombay Stock Exchange Limited 1st floor, Rotunda Building, Dalal Street, Mumbai – 400 001. National Stock Exchange of India Limited Exchange Plaza, 5th floor, Plot No. C / 1, 'G' Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051. <p>The Company has paid the annual listing fees to both the aforementioned stock exchanges.</p>
Stock Code	BSE: 532416 NSE: NEXTMEDIA EQ
Registered office of Company	156, D. J. Dadajee Road, Behind Everest Building, Tardeo, Mumbai-400 034 Tel: +91-22-67527038 Email: cs@nextmediaworks.com Web site: www.nextmediaworks.com

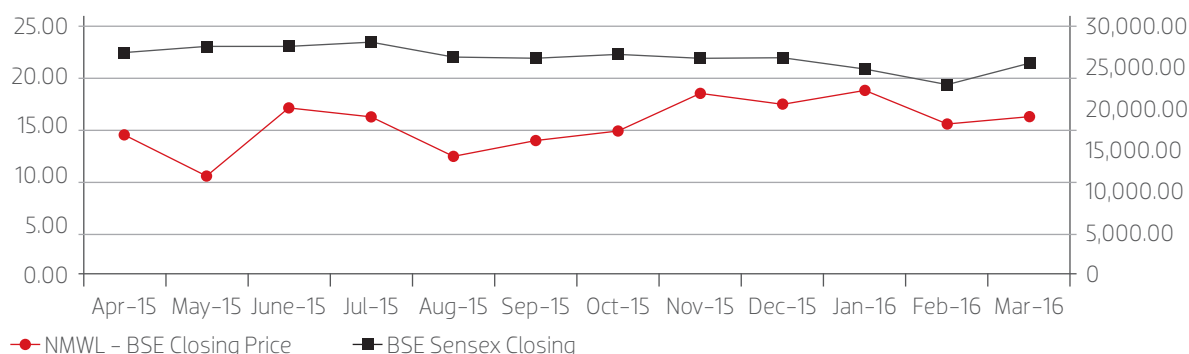
Financial Calendar (tentative and subject to change) (AT THE END OF THE YEAR)

Particulars	Date
Financial unaudited results for 1st Qtr. ended 30th June 2016	12th August 2016
Financial unaudited results for 2nd Qtr. ended 30th September 2016	28th October 2016
Financial unaudited results for 3rd Qtr. ended 31st December 2016	30th January 2017
Financial audited results for the year ended 31st March 2017	28th April 2017

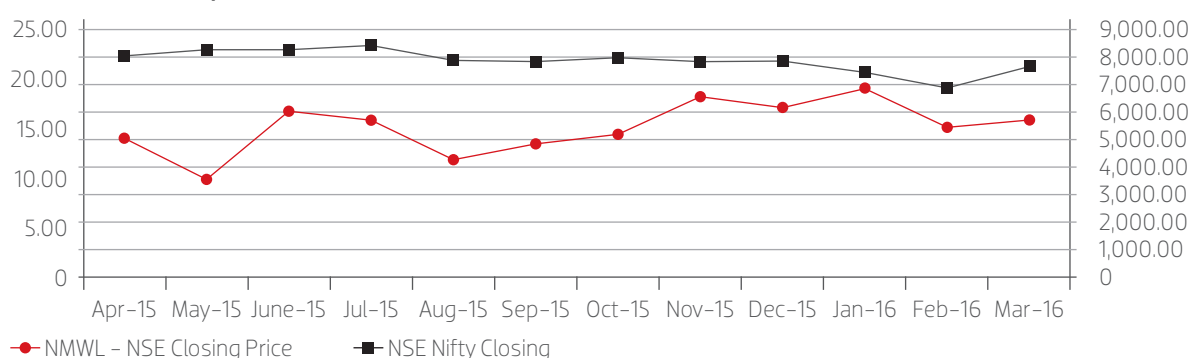
Market Price Data from NSE & BSE website:

MONTH	BSE		NSE	
	High	Low	High	Low
April 2015	16.20	12.20	16.50	12.10
May 2015	13.90	8.71	14.20	8.65
June 2015	18.39	8.11	18.40	7.65
July 2015	16.90	13.70	16.95	13.70
August 2015	16.35	10.25	16.50	10.25
September 2015	16.10	10.25	16.40	10.55
October 2015	19.00	12.09	17.40	12.55
November 2015	19.00	12.35	19.10	12.20
December 2015	20.10	15.45	20.00	15.00
January 2016	24.10	15.55	24.20	15.25
February 2016	20.00	14.50	20.25	14.25
March 2016	17.75	15.15	18.15	15.15

Performance in comparison to BSE SENSEX:



Performance in comparison to NSE NIFTY:



13. SHAREHOLDER'S INFORMATION:

Registrar and Share Transfer Agent	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 Email: accounts@linkintime.co.in
Share Transfer System	The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Stakeholder relationship Committee. The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

The Distribution of Shareholding as on 31st March 2016

No. of Equity Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares	% to total Shares
1-500	15,186	81.02	2,519,601	3.86
501-1000	1,753	9.35	1,504,894	2.30
1001-2000	811	4.33	1,283,912	1.97
2001-3000	263	1.40	699,623	1.07
3001-4000	132	0.71	485,040	0.74
4001-5000	159	0.85	764,709	1.17
5001-10000	205	1.09	1,550,344	2.37
10001 and above	235	1.25	56,527,153	86.52
TOTAL	18,744	100.00	65,335,276	100.00

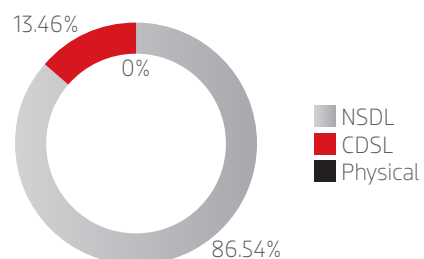
Category of Shareholders as on 31st March 2016:

Category	No. of shareholders	No. of shares held	% of holding
Promoters & Promoter Group	8	39,838,852	60.98
Foreign Portfolio Investors (Corporate)	4	1,822,664	2.79
Other Bodies Corporate	323	8,194,686	12.54
Non-Resident Indians	72	634,658	0.97
Clearing Members	87	353,305	0.54
Public	18,250	14,491,111	22.18
TOTAL	18,744	65,335,276	100.00

14. DEMATERIALISATION OF SHARES:

As on 31st March 2016, 99.99% of the total equity capital is held in dematerialised form with NSDL and CDSL. As per SEBI guidelines, the trading in equity shares of the Company is permitted only in dematerialized form.

Particulars	No. of Shares	% of total capital issued
NSDL	56,541,721	86.54
CDSL	8,791,590	13.46
Physical	1,965	0.00
Total	65,335,276	100.00



PURSUANT TO REGULATION 34(3) READ WITH CLAUSE 'D' OF SCHEDULE V OF SEBI

**(Listing Obligations and Disclosure Requirements)
Regulations, 2015**

To

**The Members of
NEXT MEDIWORKS LIMITED**

DECLARATION

I, Tarique Ansari, Chairman & Managing Director of Next Mediaworks Limited hereby declare that all the members of the Board of Directors and the senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2016.

For Next Mediaworks Limited

Sd/-

Tarique Ansari

Chairman & Managing Director

Place: Mumbai

Date: 13.05.2016.

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To

**The Members of
Next Mediaworks Limited**

We have examined the Compliance of conditions of Corporate Governance by Next Mediaworks Limited ("the Company") (CIN: L22100MH1981PLC024052), for the financial year ended 31st March, 2016, as stipulated in Schedule V(E) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementations thereof, adopted by the Company for ensuring the compliances with the conditions of the Corporate Governance as stipulated in the said Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in chapter IV of the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**For A Y Sathe & Co.
Company Secretaries**

Sd/-

CS Ajit Sathe
FCS: 2899 CP: 738

Place: Mumbai
Date: 13.05.2016.

CERTIFICATE PURSUANT TO REGULATION 17 OF SEBI

(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Tarique Ansari – Chairman & Managing Director and Ismail Dabhoya – Chief Financial Officer hereby certify for the financial year ended 31st March 2016 that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

Sd/-

Tarique Ansari

Chairman & Managing Director

(DIN: 00101820)

Sd/-

Ismail Dabhoya

Chief Financial Officer

Date: 13th May 2016

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Next Mediaworks Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Next Mediaworks Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which

are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, its loss and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and 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 it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the

Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 20A on Contingent Liabilities to the standalone financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No.103523W

Atul Gala

Partner
Membership No. 048650

Place : Mumbai
Date : May 13, 2016

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Next Mediaworks Limited on the standalone financial statements for the year ended March 31, 2016]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded in the books of account of the Company are held in the name of the Company.
- (ii) The Company does not hold any inventory and hence this clause is not applicable to the Company.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) 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 provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, sales tax, service tax, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases in payment of service tax. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	152.65 lacs	AY 2009-2010	ITAT
Income Tax Act, 1961	TDS	66.84 lacs	AY 2007-2008 to AY 2015-16	ITO

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s).
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) 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 by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) As per the information and explanations given to us, the Company had paid remuneration in excess of limits under Section 197 for the period 01-07-2013 to 31-03-2014 by ₹ 46.70 lacs and for which Central Government approval was sought. During the year the Central Government have approved payment of ₹23.35 lacs. The balance amount is recovered by the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) Based on the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No.103523W

Atul Gala

Partner
Membership No. 048650

Place : Mumbai
Date : May 13, 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls of Next Mediaworks Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the Safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls & financial reporting based on our audit. We Conducted our audit in accordance with the Guidance Note on Audit of internal Financial Controls over Financial Reporting (the "Guidance. Note.") issued by ICAI and the Standards on Auditing, and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note required that

we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial Controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of internal financial controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions. Or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial Controls Over Financial Reporting issued by The Institute of chartered Accountants of India.

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No.103523W

Atul Gala

Partner
Membership No. 048650

Place : Mumbai
Date : May 13, 2016

Balance Sheet as at 31st March 2016

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	4	6,516.54	6,499.88
Reserves and Surplus	5	(3,708.89)	8,248.74
		2,807.65	14,748.62
Non-Current Liabilities			
Long Term Borrowings	6	1,041.26	82.30
Long-Term Provisions	7	5.51	5.84
		1,046.77	88.14
Current Liabilities			
Other Current Liabilities	8	249.04	906.87
Short-Term Provisions	7	0.52	5.05
		249.56	911.92
Total		4,103.98	15,748.68
ASSETS			
Non-current assets			
Fixed assets	9		
Tangible assets		23.87	18.86
Non-current investments	10	3,893.33	15,602.87
Long-term loans and advances	13	118.12	106.91
Current assets			
Trade receivables	11	17.02	-
Cash and Bank Balances	12	23.35	1.44
Short-term loans and advances	13	28.29	18.60
		68.66	20.04
Total		4,103.98	15,748.68
Summary of significant accounting policies	3		

The Notes are an integral part of financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

NEXT MEDIWORKS LIMITED

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

Tarique Ansari
Chairman & Managing Director
(DIN: 00101820)

Adille Sumariwalla
Director
(DIN: 00045855)

Atul Gala
Partner
Membership No.: 48650

Mandar Godbole
Company Secretary

Ismail Dabhoya
Chief Financial Officer

Place: Mumbai
Date: May 13, 2016

Statement of Profit & Loss for the year ended 31st March 2016

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue			
Services charges received		54.86	-
Other income	14	9.93	-
Total Revenue		64.79	-
Expenses			
Employee Benefit Expenses	15	102.15	155.96
General & Administration Expenses	16	104.37	97.43
		206.52	253.39
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)–[Refer Note 3(p)]		(141.73)	(253.39)
Depreciation & Amortization	9	5.91	5.75
Finance charges	17	106.62	100.57
Profit / (Loss) before exceptional and extraordinary		(254.26)	(359.71)
Extraordinary Items	20	11,709.54	-
Profit / (Loss) before tax		(11,963.80)	(359.71)
Tax Expense:			
Deferred tax		-	111.30
Profit/(Loss) for the year		(11,963.80)	(471.01)
Earnings per equity share:	18		
Basic & Diluted before extra ordinary item		(0.39)	(0.76)
Basic & Diluted after extra ordinary item		(18.39)	(0.76)
Summary of significant accounting policies	3		

The Notes are an integral part of financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

NEXT MEDIAWORKS LIMITED

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Membership No.: 48650

Mandar Godbole
Company Secretary

Ismail Dabhoya
Chief Financial Officer

Place: Mumbai
Date: May 13, 2016

Cash Flow Statement for the year ended 31st March 2016

(₹ in lakhs)

		Year ended 31st March, 2016	Year ended 31st March, 2015
A. Net Cashflow from operating Activities			
Net Profit / (Loss) before tax		(11963.81)	(359.71)
Sundry Balance w/off		4.81	17.24
Depreciation		5.91	5.75
Provision for Diminution in Value of Investment		11,709.54	-
Employee Stock Option		22.83	12.54
Sundry Balance w/back		(9.93)	-
Interest & finance cost		106.56	100.57
Rent Equilisation Reserve		0.51	0.76
Operational Profit before Working Capital		(123.58)	(222.85)
Adjustments for changes in Working Capital			
Other Current assets		(26.72)	(7.29)
Current Liabilities & provisions		(740.66)	718.06
Sub-Total		(767.38)	710.77
Cash generated from operations		(890.96)	487.92
Tax		(11.20)	(6.00)
Net Cash Flow from Operating Activities (A)		(902.16)	481.92
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets		(10.91)	-
Interest received		-	-
Net Cash Flow from Investing Activities (B)		(10.91)	-

Cash Flow Statement for the year ended 31st March 2016

(₹ in lakhs)

		Year ended 31st March, 2016	Year ended 31st March, 2015
C. Cash Flow from financing Activities			
Capital		-	670.00
Long Term & Other borrowings		-	-
Unsecured loan received		958.95	(1126.24)
Interest Paid		(23.97)	(27.82)
Net Cash Flow from Financing Activities (C)		934.98	(484.06)
Net Increase/decrease in Cash & Cash Equivalents (A+B+C)		21.92	(2.14)
Cash & Cash Equivalents at the beginning of the year		1.44	3.57
Cash & Cash Equivalents at the end of the year		23.35	1.44
Cash and cash equivalent at year end constitutes			
Balance with Banks:			
In Current Accounts		-	1.44
Cheques in hand		23.35	-
Cash in hand		-	-
		23.35	1.44

- The above Cash Flow Statement has been prepared under "indirect method" as set out in the Accounting Standard CAS-3 on Cash Flow Statement.

As per our report of even date attached

For and on behalf of the Board of Directors

NEXT MEDIAWORKS LIMITED

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

Tarique Ansari
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Atul Gala
Partner
Membership No.: 48650

Mandar Godbole
Company Secretary

Ismail Dabhoya
Chief Financial Officer

Place: Mumbai
Date: May 13, 2016

Notes to Financial Statements for the year ended 31st March 2016

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 specified u/s 133 of Companies Act, 2013 read with Rule 7 of the Companies(Accounts) Rules, 2014 and the relevant provision of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under historical cost convention. The accounting policies have been consistently applied by the company and are consistent with those used in previous year.

3. Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management of the company to make estimates and assumptions that affect the reported amounts of income and expenses of the period and the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as on 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 for 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 for the year ended 31st March 2016

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 II of the Companies Act, 2013, whichever is higher. Depreciation on additions during the year is provided on a pro-rata basis from the date of addition.

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 off 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.

Interest

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

Notes to financial Statements for the year ended 31st March 2016

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

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

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

k) Income Taxes

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

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

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

l) Earnings Per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders (after deducting preference dividends and attributable expenses) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity share outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share 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.

Notes to financial Statements for the year ended 31st March 2016

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 for the year ended 31st March 2016

4. Share Capital

a. Authorized and issued and paid-up capital

(₹ in lakhs)

Equity Shares	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Authorised Capital				
Equity Shares of ₹10/- Each	70,000,000	7,000.00	70,000,000	7,000.00
	70,000,000	7,000.00	70,000,000	7,000.00
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹10/- Each fully paid	65,335,276	6,533.53	65,335,276	6,533.53
Less : Shares outstanding under ESOP Scheme *	169,840	16.98	336,520	33.65
	65,165,436	6,516.54	64,998,756	6,499.88

* ESOP Trust (Mid-Day Exports Pvt Ltd) is holding in total 210,756 shares including 40,916 shares held from earlier ESOP Scheme which is part of share Capital reflected in balance sheet.

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

(₹ in lakhs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	64,998,756	6,499.88	58,298,776	5,829.88
Add: Shares issued during the year	166,680	16.67	6,699,980	670.00
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of year	65,165,436	6,516.54	64,998,756	6,499.88

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.

Notes to financial Statements for the year ended 31st March 2016**d. Details of Shareholders holding more than 5% shares in the company**

(₹ in lakhs)

Equity Shares	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Khalid Ansari	4,338,055	6.64%	4,338,055	6.64%
Mr. Tarique Ansari	4,337,298	6.64%	4,337,298	6.64%
Mrs. Rukya Ansari	4,615,075	7.06%	4,615,075	7.06%
Mr. Sharique Ansari	4,337,298	6.64%	4,337,298	6.64%
Ms. Tehzeb Ansari	4,337,298	6.64%	4,337,298	6.64%
Bennett, Coleman and Company Ltd.	3,649,391	5.59%	3,649,391	5.59%
Ferari Investments & Trading Company Pvt. Ltd.	9,659,226	14.78%	9,659,226	14.78%
Meridian Holding and Leasing Co. P. Ltd.	7,469,856	11.43%	7,469,856	11.43%
Total	42,743,497	65.42%	42,743,497	65.42%

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

5. Reserves & Surplus

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Securities Premium		
Opening Balance	8,393.09	8,393.09
Add: Share Premium credited on share issue	6.20	-
Less: Premium utilized for issuing bonus shares	-	-
	8,399.29	8,393.09
Employee Stock Option Outstanding	332.17	355.04
Less: Deferred Employee Compensation Cost	(319.66)	(342.49)
	12.51	12.55
Surplus		
Opening Balance	(156.89)	
Add: Net Profit/ (Loss) for the year	(11963.80)	314.11
Closing Balance	(12120.69)	(156.90)
Total Reserves & Surplus	(3708.89)	8,248.74

Notes to financial Statements for the year ended 31st March 2016

6. Long Term Borrowings

(₹ in lakhs)

Particulars	Non-Current Portion	
	As at 31st March, 2016	As at 31st March, 2015
Unsecured Borrowings		
From Related Parties	1,041.26	82.30
	1,041.26	82.30

Unsecured loans from related parties are payable at end of tenure of loan i.e. 8 years

7. Provisions

(₹ in lakhs)

Particulars	Long Term		Short Term	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Provision for Employee Benefits				
Gratuity (funded)	-	-	-	4.92
Leave Encashment (Unfunded)	5.00	4.57	0.52	0.13
Rent Equalisation Reserve	0.51	1.27	-	-
	5.50	5.84	0.52	5.05

8. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Other Liabilities		
Statutory Dues Payable	9.71	7.83
Other Current Liabilities	33.62	25.62
Salary payable	8.53	8.99
Advances Received	-	750.00
Interest Accrued but not due to related parties	197.02	114.42
Balance with Bank	0.16	-
	249.04	906.87

Notes to financial Statements for the year ended 31st March 2016**9. Fixed Assets**

(₹ in lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 1st Apr, 2015	Additions	Deductions	As at 31st Mar, 2016	As at 1st Apr, 2015	For the period	Deductions	As at 31st Mar, 2016	As at 31st Mar, 2016	As at 31st Mar, 2015
Tangible Assets:										
Office Premises	35.25	10.91	-	46.16	16.38	5.91	-	22.29	23.87	18.86
Office Equipments	0.61	-	-	0.61	0.61	-	-	0.61	-	-
Total Tangible Assets	35.86	10.91	-	46.76	16.99	5.91	-	22.90	23.87	18.86
Intangible Assets:										
Softwares	28.30	-	-	28.30	28.30	-	-	28.30	-	-
Total Intangible Assets	28.30	-	-	28.30	28.30	-	-	28.30	-	-
Total	64.16	10.91	-	75.07	45.29	5.91	-	51.20	23.87	18.86
Intangible Assets under development									-	-
Total	64.16	10.91	-	75.07	45.29	5.91	-	51.20	23.87	18.86
Previous Year (as on 31st March, 2015)	64.16	-	-	64.16	39.55	5.75	-	45.29	18.86	

10. Non Current Investment

(₹ in lakhs)

Equity Shares	As at 31st March, 2016			As at 31st March, 2015		
	No. of Shares held	% of Holding	Amount	No. of Shares held	% of Holding	Amount
Trade Investments (Unquoted)						
Investments in Subsidiaries						
Next Outdoor Limited (Equity Shares of ₹ 10/- Each)	3,494,200	100.00%	349.42	3,494,200	100.00%	349.42
Digital One Pvt Limited (Equity Shares of ₹ 10/- Each)	10,000	100.00%	1.00	10,000	100.00%	1.00
One Audio Limited (Equity Shares of ₹ 10/- Each)	50,000	100.00%	5.00	50,000	100.00%	5.00
Next Radio Limited (Equity Shares of ₹ 10/- Each)	122,200,770	76.73%	15,602.86	96,430,770	72.24%	13,025.86
Next Radio Limited (Preference Shares of ₹ 10/- Each)	-	-	-	25,770,000	100.00%	2,577.00
Other Investments						
Awami Co-op Bank Limited (Equity Shares of ₹ 10/- Each)	250	0.01%	0.03	250	0.01%	0.03
Dombivli Nagari Sahakari Bank (Equity Shares of ₹ 50/- Each)	20	0.01%	0.01	20	0.01%	0.01
Less: Provision for diminution in value of Investment (Refer note no. 21)			12,064.99			355.45
			3,893.33			15,602.87

Notes to financial Statements for the year ended 31st March 2016

11. Trade Receivable

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade receivables outstanding for period exceeding six months from the date they are due for payment		
Unsecured Considered good	-	-
Unsecured Considered doubtful	-	-
	-	-
Less: Provision for doubtful debts	-	-
A	-	-
Trade receivables outstanding for period less than six months from the date they are due for payment		
Unsecured Considered good	17.02	-
	17.02	-
Less: Provision for doubtful debts	-	-
B	17.02	-
Total (A+B)	17.02	-

12. Cash and Bank Balances

(₹ in lakhs)

Particulars	Non Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Cash & Cash Equivalents				
Balances with Banks-In Current Accounts	-	-	-	1.44
Cheques in hand	-	-	23.35	-
Cash in hand	-	-	-	0.00
	-	-	23.35	1.44

13. Loans and Advances

(₹ in lakhs)

Particulars	Long Term		Short Term	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Unsecured Considered Good				
Sundry Deposit	-	-	4.00	3.80
Other Loans and Advances	-	-	-	4.53
Loans to Related Party	-	-	203.10	203.10
Less: Provision against Loans	-	-	(201.73)	(201.73)
Tax Deducted at Source / Advance Income Tax	118.12	-	-	106.91
Other Taxes Receivable	-	-	0.72	-
Prepaid Expenses	-	-	9.80	8.90
Gratuity Fund	-	-	12.40	-
	118.12	-	28.29	125.51

Notes to financial Statements for the year ended 31st March 2016**14. Other Income**

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Other Income		
Creditors / Liabilities Written Back	9.93	-
	9.93	-

15. Employee Benefit Expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Employee Benefit Expenses		
Salary & Wages	72.95	115.30
Contribution to PF and other funds	6.20	7.58
Staff Welfare expenses & Other Employee expenses	0.17	0.54
Employee Compensation (ESOP) Exp	22.83	32.54
	102.15	155.96

16. General & Administration Expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
General & Administration Expenses		
Telephone charges	2.96	2.87
Travelling & Conveyance	3.92	8.48
Directors' sitting fees	2.80	3.71
Business Promotion	9.53	4.70
Auditors' remuneration :-		
- Statutory Audit	1.00	1.00
- Tax Audit	-	-
- Others	0.57	1.00
Repairs & Maintainance - Others	1.26	0.70
Miscellaneous Expenses	-	0.68
Electricity charges	0.05	0.11
Sundry Balances W/Off	4.81	17.24
Hire Charges	3.04	3.10
Membership & Subscription fees	2.96	2.08
Legal & Professional Charges	29.43	17.35
Printing and stationery	5.09	7.67
Insurance	0.91	1.37
Rates and Taxes	12.36	1.81
Rent	23.68	23.56
Total	104.37	97.43

Notes to financial Statements for the year ended 31st March 2016

17. finance charges

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Charges		
On Loans from Others	106.56	100.50
Other Borrowing Costs		
Bank Charges & Commission	0.05	0.07
	106.62	100.57

18. Earnings Per Share (EPS)

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Net loss for the year attributable to equity shareholders before extra ordinary item (₹ in lakhs)	(254.27)	(471.00)
Net loss for the year attributable to equity shareholders after extra ordinary item (₹ in lakhs)	(11963.82)	(471.00)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	64,998,756	58,298,776
Weighted average number of Shares issued during the year	71,974	3,782,451
Weighted average number of equity shares at the end of the year	65,070,730	62,081,227
Basic and diluted earnings (in ₹) per share before extra ordinary item	(0.39)	(0.76)
Basic and diluted earnings (in ₹) per share after extra ordinary item	(18.39)	(0.76)

19. Segment Reporting

The Company has only one segment namely providing management consultancy, hence no separate disclosure of segment wise information has been made.

20A. Contingent Liabilities

- In respect of guarantees issued by Company's bankers to MSRDC and other authorities for ₹ NIL (Previous Year ₹ 3.00 lakhs)
- Corporate guarantee issued to banks for Company's Subsidiary for term loan of ₹ 11,193.00 lakhs (Previous Year ₹ 412.73 lakhs) and Cash Credit limit of ₹ 1,000.00 lakhs.(Previous Year ₹ 740.00 lakhs)
- In respect of Income Tax demand under dispute (net of advances) ₹ 265.64 lakhs (Previous Year ₹ 532.49 lakhs)

20B. Estimated amount of contracts remaining to be executed on capital account is ₹ Nil(Previous Year ₹ Nil)

- The Board of Directors of the subsidiary company Next Radio Limited has on June 18, 2015 approved a proposal for reduction of capital of the company by cancelling approximately 68 shares out of 100 shares held as on date against the accumulated losses. Pursuant to approval for the same from the Hon'ble High Court on April 1, 2016, the company has provided for ₹ 11,709.54 Lacs for provision for diminution in value of investment in Next Radio Limited. This has been disclosed as an extra ordinary item in the financial statement of the company.

Notes to financial Statements for the year ended 31st March 2016

22. Related Party Disclosures

Names of related parties and related party relationship

- | | |
|--------------------------------|---|
| a. Subsidiary Companies | <ul style="list-style-type: none"> - Next Radio Limited (Formerly known as Radio One Limited) One Audio Limited Digital One Private Limited Next Outdoor Limited |
| b. Under control of Management | <ul style="list-style-type: none"> - Next Publishing Services Private Limited Mid-Day Exports Private Limited Inquilab Offset Printers Limited Ferari Investments and Trading Co Private Limited Meridian Holding & Leasing Co Private Limited |
| c. Key Managerial Personnel | <ul style="list-style-type: none"> - Mr. Tarique Ansari, Managing Director |

Related Party Transactions

(₹ in lakhs)

Nature of Transactions	Subsidiary Company	Under control of Management	Key Managerial Personnel
Management fees			
Next Radio Limited	54.86		
	-		
Interest Expenses			-
Next Radio Limited	106.01		
	(88.52)		
Meridian Holding & Leasing Co Pvt Ltd		-	
		(0.91)	
Ferari Investments and Trading Co Pvt Ltd		0.18	
		(10.93)	
Managerial Remuneration-Mr Tarique Ansari			60.00
			(71.36)
Printing expenses			
Inquilab Offset Printers Ltd.		2.50	
		-	
Receipt of Unsecured Loan during the year			
Next Radio Ltd.	967.05		
	(709.60)		
Ferari Investments and Trading Co Pvt Ltd		-	
		(210.00)	
Meridian Holding & Leasing Co Pvt Ltd		-	
		(210.00)	
Repayment of Unsecured Loan During the year			-
Next Radio Ltd.	8.10		
	(1181.84)		
Ferari Investments and Trading Co Pvt Ltd		-	
		(424.00)	

Notes to financial Statements for the year ended 31st March 2016

(₹ in lakhs)

Nature of Transactions	Subsidiary Company	Under control of Management	Key Managerial Personnel
Unsecured loan converted to equity during the year			
Ferari Investments and Trading Co Pvt Ltd		-	
		(380.00)	
Meridian Holding & Leasing Co Pvt Ltd		-	
		(270.00)	
Unsecured Loan payable at end of year			
Next Radio Ltd.	1,035.27		
	(76.30)		
Ferari Investments and Trading Co Pvt Ltd		6.00	
		(6.00)	
Interest Payable			
Next Radio Ltd.	196.90		
	(112.76)		
Ferari Investments and Trading Co Pvt Ltd		0.12	
		(1.66)	
Interest Recievable			
Meridian Holding & Leasing Co Pvt Ltd		0.59	
		(0.59)	
Trade Payable			
Inquilab Offset Printers Pvt Ltd		0.13	
		-	
Receivables at the end of the year			
Next Radio Limited	17.02		

23. 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 ₹ 6.15 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	- 7.81% pa
Rate of Increase in compensation levels (pa)	- 6.00% pa
Attrition Rate	- 1.00% pa

Notes to financial Statements for the year ended 31st March 2016**a. Change in the Present Value obligation**

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Present Value of Defined Benefit Obligation as at beginning of the Period	60.86	53.87
Interest Cost	4.86	4.89
Current Service Cost	2.62	2.23
Benefits Paid	-	-
Actuarial (gain) / Loss on Obligation	(22.59)	-0.12
Present Value of Defined Benefit Obligation as at end of the period	45.75	60.86

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

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Present Value of Plan Assets as at beginning of the period	55.94	45.76
Expected Return on Plan Assets	4.46	4.15
Actuarial gain/(loss) on Plan Assets	(2.26)	6.03
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at end of the period *	58.15	55.94

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

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Present Value of Funded Obligation as at end of the period	45.75	60.86
Fair Value of Plan Assets as at end of the period	58.15	55.94
Funded Asset recognised in the Balance Sheet	12.40	(4.92)
Included in provision (Schedule)	-	-
Present Value of Unfunded Obligation as at end of the period	-	-
Unrecognised Actuarial gains / (losses)	-	-
Unfunded Liability recognised in the Balance Sheet	-	-
Included in provision (Schedule)	-	-

d. Amount Recognized in the Balance Sheet

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Present Value of Defined Benefit Obligation as at the end of the period	45.75	60.86
Fair Value of Plan Assets As at the end of the period	58.15	55.94
Liability / (Net Asset) recognized in the Balance Sheet	-12.40	4.92

Notes to financial Statements for the year ended 31st March 2016

e. Expenses Recognized in the Profit & Loss Statement

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Current Service Cost	2.62	2.23
Past Service Cost	-	-
Interest Cost	4.86	4.89
Expected Return on Plan Assets	(4.46)	(4.15)
Actuarial (gain) / loss	(20.33)	(6.15)
Settlement Cost / (Credit)	-	-
Net Actuarial (gain) / Loss recognised in the Period	-	-
Total Expenses recognised in the Statement of Profit and Loss	(17.32)	(3.19)

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 provided an amount of ₹ 0.83 lakhs on account of leave encashment payable to the employees.

f. Other Disclosure

(₹ in lakhs)

Experience Adjustments of last three years	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014
(Present Value Of Benefit Obligation as at the End of the Period)	(45.75)	(60.86)	(53.87)
Fair Value Of Plan Assets as at End of the period	58.15	55.94	45.76
Funded Status (Deficit)/Surplus	12.40	(4.92)	(8.11)
Experience Adjustment On Benefit Obligation (Gains)/Losses	(22.82)	(2.91)	(4.39)
Experience Adjustments On Plan Assets (Losses)/Gains	(2.26)	6.03	(1.99)

24 Managerial Remuneration

During the period July 2013 to March 2014 the company has paid remuneration to Managing Director which is in excess of the limit specified in section 197 of the Companies Act, 2013. Pursuant to non-approval of such higher remuneration from Central Government the company has recovered ₹ 23.35 Lacs from Managing Director towards such higher remuneration paid.

25 Expenditure in Foreign Currency

Expenditure in Foreign Currency –

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Others	-	2.22

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

Notes to financial Statements for the year ended 31st March 2016

26. Leases

Pursuant to Accounting Standard (AS-19) - Leases, the following information is given

In case of assets taken on operating lease

The lease rent and amenities charges recognized in the Statement of Profit and Loss during the year ended March 31, 2016 is ₹23.68 Lacs (previous year: ₹23.56 Lacs)

Obligation of the Company towards future lease payments

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Not later than one year	8.36	23.75
Later than one year but not later than five years	-	8.36
Later than five years	-	-

27. Disclosure required under section 186(4) of the Companies Act, 2013

Loans, Guranteess given or Investment made during the Financial Year 2015-16

(₹ in lakhs)

	As at 31st March, 2016
Loans given	Nil
Guarantee given	11,193.00
Investment made	15,958.28

(₹ in lakhs)

Name of the entity	Relation	Amount	Particulars of loans, gurantee given or Investment made	Purpose
Next Radio Limited	Subsidiary	11,193.00	Guarantee	Business Purpose
Next Radio Limited	Subsidiary	15,602.86	Investment	Business Purpose
Next Outdoor Limited	Subsidiary	349.42	Investment	Business Purpose
Digital One Pvt Limited	Subsidiary	1.00	Investment	Business Purpose
One Audio Limited	Subsidiary	5.00	Investment	Business Purpose

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

As per our report of even date attached

For and on behalf of the Board of Directors

NEXT MEDIAWORKS LIMITED

For **Haribhakti & Co.LLP**

Chartered Accountants

ICAI Firm Regn No. 103523W

Tarique Ansari

Chairman & Managing Director

(DIN: 00101820)

Adille Sumariwalla

Director

(DIN: 00045855)

Atul Gala

Partner

Membership No.: 48650

Mandar Godbole

Company Secretary

Ismail Dabhoya

Chief Financial Officer

Place: Mumbai

Date: May 13, 2016

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Next Mediaworks Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Next Mediaworks Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 auditor's 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 financial control relevant to the Holding Company's preparation 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 the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the

audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group entities as at 31st March, 2016, their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the Note 29 to the consolidated financial statement with regard to managerial remuneration paid to managing director by one of the subsidiaries during the period from May 07, 2015 to March 31, 2016, which is subject to Central Government approval.

Our opinion is not modified in respect of this matter.

Other Matter

(a) We did not audit the financial statements of three subsidiaries, whose financial statements reflects total assets of ₹14.47 lacs as at March 31, 2016, total revenues of ₹Nil and net cash inflows amounting to ₹0.19 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these

subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

(As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors of the Holding Company as on March 31,

2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

- f. With respect to the adequacy of the internal financial controls over financial reporting of the the Group and the operating effectiveness of such controls, we give our separate Report in the "Annexure" Awaited.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note 25A to the consolidated financial statements;

- (ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No.103523W

Atul Gala

Partner
Membership No. 048650

Place : Mumbai
Date : May 13, 2016

Annexure to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Infosys Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies

Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable

detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India,

have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No.103523W

Atul Gala

Partner
Membership No. 048650

Place : Mumbai
Date : May 13, 2016

Consolidated Balance Sheet as at 31st March 2016

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	4	6,516.54	6,499.88
Reserves and Surplus	5	(2,817.17)	5,685.94
		3,699.37	12,185.82
Preference Shares in Subsidiary Company		2,500.00	
Minority Interest	6	261.54	1,312.39
Non-Current Liabilities			
Long Term Borrowings	7	6,524.62	331.35
Deferred tax liabilities (Net)		-	-
Other Long term liabilities		1,900.00	-
Long-Term Provisions	8	40.73	31.13
		8,465.35	362.48
Current Liabilities			
Short-term borrowings	9	218.51	580.22
Trade payables Due to	10		
- Micro, Small & Medium Enterprise		-	-
- Other than Micro, Small & Medium Enterprise		142.47	67.50
Other Current Liabilities	11	1,815.69	1,440.08
Short-Term Provisions	8	83.78	201.69
		2,260.45	2,289.49
Total		17,186.71	16,150.18
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		572.86	838.60
Intangible assets		12,894.39	6,809.67
		13,467.25	7,648.27
Non-current investments	13	0.54	0.54
Deferred tax assets (net)	14	-	3,745.41
Long-term loans and advances	15	654.92	407.30
Other non-current assets	17	4.50	254.22
Current assets			
Trade receivables	16	1,918.93	1,533.67
Cash and Bank Balances	17	266.62	1,860.12
Short-term loans and advances	15	857.04	684.45
Other non-current assets	18	16.91	16.20
		3,059.50	4,094.45
Total		17,186.71	16,150.18
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.LLP**

Chartered Accountants
ICAI Firm Regn No. 103523W

Atul Gala
Partner
Membership No.: 48650

Place: Mumbai
Date: May 13, 2016

Tarique Ansari
Chairman & Managing Director
(DIN: 00101820)

Mandar Godbole
Company Secretary

For and on behalf of the Board of Directors
Next Mediaworks Limited
Adille Sumariwalla
Director
(DIN: 00045855)

Ismail Dabhoya
Chief Financial Officer

Consolidated Statement of Profit & Loss for the year ended 31st March 2016

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue from Operations			
Advertisement Income		7,618.23	6,542.88
Income from Sale of Smartphone applications		-	-
Other income	19	153.79	180.56
Total Revenue		7,772.02	6,723.43
Expenses			
Radio license fees		1,393.56	394.75
Employee Benefit Expenses	20	2,265.65	1,977.37
Operating expenses	21	1,295.12	1,241.38
General & Administration Expenses	22	1,235.75	874.76
		6,190.07	4,488.26
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) – [Refer Note 3(p)]		1,581.95	2,235.18
Depreciation & Amortization	12	1,353.60	1,363.73
Finance charges (Net)	23	553.39	292.34
Profit / (Loss) before exceptional and extraordinary items and tax		(325.04)	579.11
Extra ordinary items	30	5,489.67	-
Profit / (Loss) before tax		(5,814.71)	579.11
Tax Expense:			
Deferred tax for the current period	14	20.10	377.30
Deferred Tax on Carried forward loss reversed		3,725.31	-
Profit/(Loss) for the year		(9,560.12)	201.80
Less: Share of Profit / (Loss) of Minority Shareholders		(1,050.85)	187.09
Profit (Loss) for the year after Minority Interest		(8,509.27)	14.72
Earnings per equity share:	24		
Basic & Diluted before extra ordinary item		(4.64)	0.02
Basic & Diluted after extra ordinary item		(13.08)	0.02
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.LLP**

Chartered Accountants

ICAI Firm Regn No. 103523W

Atul Gala

Partner

Membership No.: 48650

Place: Mumbai

Date: May 13, 2016

Tarique Ansari

Chairman & Managing Director

(DIN: 00101820)

Mandar Godbole

Company Secretary

For and on behalf of the Board of Directors

Next Mediaworks Limited**Adille Sumariwalla**

Director

(DIN: 00045855)

Ismail Dabhoya

Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31st March 2016

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
A. Net Cashflow from operating Activities		
Net Profit / (Loss) before tax	(325.04)	579.11
Depreciation	1,353.60	1,363.73
Employee Stock Option	22.83	12.54
Loss/(profit) on sale of fixed assets (net)	-	(0.22)
Interest expenses	647.80	322.60
Interest Income	(206.22)	(30.27)
Sundry Balances W/off	9.85	27.23
Rent Equilisation Reserve	2.33	3.42
Income from Investment	(1.43)	(0.08)
Creditors Written Back	(40.62)	(160.43)
Provision for Doubtful Debt	152.48	130.80
Operational Profit before Working Capital	1,615.57	2,248.49
Adjustments for changes in Working Capital		
Sundry Debtors	(385.25)	20.45
Loans & Advances	(1,316.34)	1,691.33
Other Current assets	(26.72)	(43.49)
Current Liabilities	1,518.96	333.82
Sub-Total	(209.35)	2002.11
Cash generated from operations	1,406.22	4,250.60
Direct Taxes Paid	(122.04)	(74.60)
Sub-Total	(122.04)	(74.60)
Net Cash Flow from Operating Activities	1,284.18	4,176.00
B. Cash Flow from Investing Activities		
Purchase fixed Assets	(14,002.32)	53.70
Sale of Fixed Assets	1,304.36	0.22
Interest Received	99.45	57.51
Income on Investments	1.43	0.08
Net Cash Flow from Investing Activities	(12,597.07)	111.51

Consolidated Cash Flow Statement for the year ended 31st March 2016

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
C. Cash Flow from financing Activities		
Capital	2,500.00	670.00
Long Term & Other borrowings	7,442.61	1.82
Unsecured loan received	959.04	-
Repayment of Long term and Other Borrowings	(617.05)	(2,985.62)
Interest Paid	(565.20)	(359.00)
Net Cash Flow from Financing Activities	9,719.40	(2,672.80)
Net Increase/decrease in Cash & Cash Equivalents	(1,593.50)	1,614.71
Cash & Cash Equivalents at the beginning of the year	1,860.12	245.41
Cash & Cash Equivalents at the end of the year	266.62	1,860.12
Cash and cash equivalent at year end constitutes:		
Balance with schedule banks		
- In Current Accounts	184.10	1,696.80
- In Fixed Deposit Account (Notes)	57.11	160.00
Cheques in hand	23.35	-
Cash in hand	2.06	3.32
	266.62	1,860.12

Note:

- The above Cash Flow statement has been prepared under the "Indirect method" as set out in the Accounting Standard (AS-3) on Cash Flow Statement.
- Fixed deposit of ₹57.11 lacs (previous year ₹ NIL) placed with bank against which bank has given guarantee.

As per our report of even date attached

For **Haribhakti & Co.LLP**

Chartered Accountants

ICAI Firm Regn No. 103523W

Atul Gala

Partner

Membership No.: 48650

Place: Mumbai

Date: May 13, 2016

Tarique Ansari

Chairman & Managing Director
(DIN: 00101820)

Mandar Godbole

Company Secretary

For and on behalf of the Board of Directors

Next Mediaworks Limited

Adille Sumariwalla

Director
(DIN: 00045855)

Ismail Dabhoya

Chief Financial Officer

Notes to Consolidated Financial Statements for the year ended 31st March 2016

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

- The consolidated financial statement relates to Next Mediaworks Limited, ('the holding Company') and its Subsidiaries (together referred to as 'NMW Group') has been prepared to comply in all material respects with the accounting standard specified u/s 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act 2013.
- 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	76.73%	31-Mar-16
One Audio Limited	India	100%	31-Mar-16
Digital One Limited	India	100%	31-Mar-16
Next Outdoor Limited	India	99.97%	31-Mar-16

b) The consolidated financials statements have been prepared on following basis

- The consolidated financial statement has been prepared in accordance with the Accounting Standard 21, "Consolidated Financial Statement" issued by The Institute of Chartered Accountants of India.
- The financial statements of NMW Group have been consolidated on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un-realized profits or losses.
- The consolidated financial statement has been prepared by using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as those of the parent company's independent financial statements unless stated otherwise.
- The difference between the cost to the company of its investments in the subsidiary and its portion of equity of subsidiary at the date it became subsidiary is recognized in the financial statement as Goodwill or Capital

Notes to Consolidated Financial Statements for the year ended 31st March 2016

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 :
 - (i) The Minority share of movement in equity since the date parent-subsidiary relationship came into existence.
 - (ii) 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 on 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 for 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 i.e. 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 15 years, and hence it is being amortized accordingly.

d) Depreciation

Depreciation on fixed assets is provided on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II of the Companies Act, 2013, whichever is higher. Depreciation on additions during the year is provided on a pro-rata basis from the date of addition.

Notes to Consolidated Financial Statements for the year ended 31st March 2016

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 off 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.

FM Radio Broadcasting

Revenue from radio broadcasting is recognized on accrual basis and net of service tax.

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 Consolidated Financial Statements for the year ended 31st March 2016

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

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

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

k) Income Taxes

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

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

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

l) Earnings Per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders (after deducting preference dividends and attributable expenses) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity share outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share 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.

Notes to Consolidated Financial Statements for the year ended 31st March 2016

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 Consolidated Financial Statements for the year ended 31st March 2016**4. Share Capital****a. Authorized and issued and paid-up capital**

(₹ in lakhs)

Equity Shares	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Authorised Capital				
Equity Shares of ₹ 10/- Each	70,000,000	7,000.00	70,000,000	7,000.00
	70,000,000	7,000.00	70,000,000	7,000.00
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹ 10/- Each	65,335,276	6,533.53	65,335,276	6,533.53
Less : Shares outstanding under ESOP Scheme*	169,840	16.98	336,520	33.65
	65,165,436	6,516.54	64,998,756	6,499.88

* ESOP Trust (Mid-Day Exports Pvt. Ltd.) is holding in total 210,756 shares including 40,916 shares held from earlier ESOP scheme which is part of Share Capital reflected in balance sheet.

b. Reconciliation of the Equity shares at the beginning of the year & at the end of the year

(₹ in lakhs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	65,335,276	6,533.53	58,298,776	5,829.88
Add: Shares issued during the year	166,680	16.67	6,699,980	670.00
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of year	65,501,956	6,550.20	64,998,756	6,499.88

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.

Notes to Consolidated Financial Statements for the year ended 31st March 2016

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

(₹ in lakhs)

Equity Shares	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Khalid Ansari	4,338,055	6.64%	4,338,055	6.64%
Mr. Tarique Ansari	4,337,298	6.64%	4,337,298	6.64%
Mrs. Rukya Ansari	4,615,075	7.06%	4,615,075	7.06%
Mr. Sharique Ansari	4,337,298	6.64%	4,337,298	6.64%
Ms. Tehzeb Ansari	4,337,298	6.64%	4,337,298	6.64%
Bennett, Coleman and Company Ltd.	3,649,391	5.59%	3,649,391	5.59%
Ferari Investments & Trading Company Pvt. Ltd.	9,659,226	14.78%	9,659,226	14.78%
Meridian Holding and Leasing Co. P. Ltd.	7,469,856	11.43%	7,469,856	11.43%
	42,743,497	65.42%	42,743,497	65.42%

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

5. Reserves & Surplus

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Share Premium		
Opening Balance	9,300.68	9,300.68
Add : Share Premium credited on share issue	6.20	-
	9,306.88	9,300.68
Employee Stock Option Outstanding	332.17	355.04
Less: Deferred Employee Compensation Cost	(319.66)	(342.50)
	12.51	12.54
Surplus		
Opening Balance	(3,627.29)	(3,521.72)
Add: Net Profit/(Loss) for the year	(8,509.27)	14.71
Less: WDV of Fixed Assets	-	(120.27)
	(12,136.56)	(3,627.29)
	(2,817.17)	5,685.94

Notes to Consolidated Financial Statements for the year ended 31st March 2016

6. Minority Interest

(₹ in lakhs)

	As on 1st April, 2015	Additions during the year	Deductions during the year	As at 31st March, 2016
Contribution to Share Capital	7,845.04	-	-	7,845.04
Share of Retained Profits	(6,532.64)	(1,050.85)	-	(7,583.49)
	1,312.40	(1,050.85)	-	261.55

7. Long term borrowings

(₹ in lakhs)

Particulars	Non-Current Portion	
	As at 31st March, 2016	As at 31st March, 2015
Secured Borrowings		
Term Loans (From Banks/FI's)	6,480.00	286.81
Unsecured Borrowings		
From Others	44.62	44.54
	6,524.62	331.35

- First exclusive charge on company's moveable and immovable Fixed Assets both present and future.
 - First exclusive charge on Current Assets both present & future.
 - First exclusive charge by way of equitable mortgage on office property of the holding company.
- The interest rate is fixed at 11% p.a. on term loan obtained from bank.
- Term Loan from bank is repayable in first 4 quarterly installment of ₹2 crore each and balance 20 quarterly installment of ₹3.60 crore each
- Current maturities of Long term borrowings have been reported as Other Current Liabilities

8. Provisions

(₹ in lakhs)

Particulars	Long Term		Short Term	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Provision for Employee Benefits				
Gratuity (funded)	13.07	4.36	41.65	39.81
Leave Encashment (Unfunded)	27.16	25.50	3.29	0.75
Other Provisions				
Rent equilisation Reserve	0.51	1.27	-	-
Provision for other expenses	-	-	38.85	161.13
	40.73	31.13	83.78	201.69

Notes to Consolidated Financial Statements for the year ended 31st March 2016

9. Short Term Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured Borrowings		
Cash Credit Facility (From Banks)	218.51	580.22
	218.51	580.22

- First exclusive charge on company's moveable and immovable Fixed Assets both present and future.
- First exclusive charge on Current Assets both present & future.
- First exclusive charge by way of equitable mortgage on office property of the holding company.

10. Trade Payables

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade Payables (Refer Note 26)		
- Micro, Small & Medium Enterprise	-	-
- Other than Micro, Small & Medium Enterprise	142.47	67.50
	142.47	67.50

11. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Other Liabilities		
Current Maturities of Long term Debt	1,120.13	126.05
Advance Received from customers	13.09	12.57
Other Advances Received	-	750.00
Statutory Dues Payable	30.35	64.88
Other Liabilities	483.35	362.51
Balance with bank	0.16	-
Interest Accrued but not due to Related party	0.12	1.66
Salary Payable	168.49	122.41
	1,815.69	1,440.08

Notes to Consolidated Financial Statements for the year ended 31st March 2016**12. Fixed Assets**

(₹ in lakhs)

Particulars	Gross Block				Depreciation				Net Block		
	As at 1st Apr, 2015	Additions	Deductions	As at 31st Mar, 2016	As at 1st Apr, 2015	For the Year	Transfer to Opening Reserves	Deductions	As at 31st Mar, 2016	As at 31st Mar, 2016	As at 31st Mar, 2015
Tangible Assest:											
Building	73.32	10.91	-	84.23	54.38	5.98	-	-	60.37	23.86	24.67
Studio equipment	451.63	8.11	-	459.74	393.80	9.38	-	-	403.18	56.56	57.83
Transmitter	709.64	5.88	-	715.51	386.92	55.16	-	-	442.08	273.43	322.72
Furniture and fixtures	641.26	6.23	-	647.49	420.00	115.79	-	-	535.79	111.70	221.26
Office Equipments	58.32	1.10	-	59.42	48.67	7.89	-	-	56.57	2.86	3.90
Computers	357.37	26.52	-	383.89	336.11	14.44	-	-	350.56	33.34	21.26
Air-conditioners	102.65	-	-	102.65	93.70	5.57	-	-	99.27	3.38	8.96
Audio-visual equipments	2.63	0.12	-	2.74	2.63	0.01	-	-	2.64	0.11	-
Vehilces	7.73	-	-	7.73	0.21	1.29	-	-	1.50	6.23	7.52
Common Transmission Infrastructure	429.29	92.55	-	521.85	258.81	201.65	-	-	460.46	61.39	170.48
Total Tangible Assets	2,833.83	151.43	-	2,985.25	1,995.23	417.18	-	-	2,412.41	572.86	838.60
Intangible Assets:											
One Time Entry Fees	9,732.54	13,815.18	9,732.54	13,815.18	8,428.18	923.54	-	8,428.18	923.54	12,891.65	1,304.36
Computer software	120.94	-	-	120.94	105.30	12.89	-	-	118.19	2.75	15.64
Goodwill on Consolidation (Refer note 30)	5,489.67	-	-	5,489.67	-	5,489.67	-	-	5,489.67	-	5,489.67
Total Intangible Assets	15,343.15	13,815.18	9,732.54	19,425.79	8,533.48	6,426.10	-	8,428.18	6,531.40	12,894.40	6,809.67
Total	18,176.97	13,966.61	9,732.54	22,411.04	10,528.70	6,843.27	-	8,428.18	8,943.80	13,467.25	7,648.27
Intangible Assets under Development	-	-	-	-	-	-	-	-	-	-	-
Total	18,176.97	13,966.61	9,732.54	22,411.04	10,528.70	6,843.27	-	8,428.18	8,943.80	13,467.25	7,648.27
Previous Year	18,118.16	64.74	5.93	18,176.16	9,050.63	1,363.73	120.27	5.93	10,528.70	7,648.27	

Common Transmission Infrastructure (CTI) is co-owned by the company along with other Radio FM players in each city. Depreciation on CTI is charged on straight line method over balance period of License (as per Phase II) at each location.

13. Non Current Investment

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Non-Trade Investments	-	-
Investments in Equity Shares		
DNS Bank Shares (Equity Shares of ₹ 50/- each)	0.51	0.51
Awami Co-op Bank Limited (Equity Shares of ₹ 10/- Each)	0.03	0.03
	0.54	0.54

Notes to Consolidated Financial Statements for the year ended 31st March 2016

14. Deferred tax Assets

The Company has unabsorbed carried forward losses & depreciation. As a matter of prudence, no deferred tax assets have been recognised as on the Balance Sheet date.

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Assets/(Liability) on:		
Carried Forward Losses	-	3,710.19
Depreciation on Fixed Assets	-	15.13
Leave Encashment	-	7.12
Gratuity	-	12.98
	-	3,745.40

15. Loans and Advances

(₹ in lakhs)

Particulars	Long Term		Short Term	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Unsecured Considered Good				
Trade Deposits	403.53	309.74	-	-
Capital Advances	133.27	97.56	-	-
Loans to Others	-	-	203.10	203.09
Less: Provision against Loans			(201.73)	(201.73)
Gratuity Fund	-	-	12.40	-
Staff Loans & Advances	-	-	0.80	9.44
Advances to Creditors			99.15	73.19
Other Taxes Receivable	-	-	10.12	44.29
Tax Deducted at Source	118.12	-	437.23	420.92
Prepaid Expenses	-	-	290.44	131.50
Sundry Deposit	-	-	5.53	3.80
	654.92	407.30	857.04	684.49

16. Trade Receivable

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade receivables outstanding for period exceeding six months from the date they are due for payment		
Unsecured Considered good	101.84	205.22
Unsecured Considered doubtful	239.21	249.42
	341.05	454.65
Less: Provision for doubtful debts	239.21	249.42
(A)	101.84	205.22
Trade receivables outstanding for period less than six months from the date they are due for payment		
Unsecured Considered good	1,817.09	1,328.45
(B)	1,817.09	1,328.45
Total (A+B)	1,918.93	1,079.03

Notes to Consolidated Financial Statements for the year ended 31st March 2016**17. Cash and Cash Equivalents**

(₹ in lakhs)

Particulars	Non Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Balances with Scheduled Bank				
In Current Accounts	-	-	184.10	1,696.80
In Fixed Deposit Accounts *	4.50	7.25	57.11	160.00
Cheques in hand	-	-	23.35	-
Cash in hand	-	-	2.06	3.32
Other Bank Balances				
Deposit Account - (under lien with bank)	-	17.08	-	-
Margin Money - (under lien with bank)	-	229.89	-	-
	4.50	254.22	266.62	1,860.12

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

* Fixed deposit of ₹ 57.11 Lacs (previous year ₹ NIL) placed with a bank against which bank has given a guarantee.

18. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Other Current Assets		
Interest Accrued but not due	16.91	16.20
	16.91	16.20

19. Other Income

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Other Income		
Profit on Sale of Fixed Assets	-	0.22
Creditors / Liabilities Written Back	152.36	160.43
Dividend Income	1.43	0.08
Other Misc Income	-	19.83
	153.79	180.56

20. Employee Benefit Expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Employee Costs		
Salary & Wages	2,045.88	1,760.47
Contribution to PF and other funds	59.58	55.97
Staff Welfare expenses & Other Employee cost	137.36	128.40
Employee Compensation (ESOP) Exp	22.83	32.54
	2,265.65	1,977.37

Notes to Consolidated Financial Statements for the year ended 31st March 2016

21. Operating Expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Operating Expenses		
Royalty	209.47	171.27
Radio programme creation and studio hire	117.75	136.76
Repairs & Maintenance – Equipment	160.45	108.90
Repairs & Maintenance – Others	85.63	84.11
Electricity charges	219.85	191.61
Rent	501.96	548.73
	1,295.11	1,241.38

22. General & Administration Expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
General & Administration Expenses		
Telephone charges	48.75	47.66
Travelling	45.34	46.51
Conveyance	42.87	38.92
Directors sitting fees	3.20	4.04
Business Promotion	41.96	39.79
Auditors remuneration :-		
– Statutory Audit	6.43	4.42
– Tax Audit	0.75	0.75
– Others	1.70	2.10
Miscellaneous Expenses	31.75	25.21
Corporate social responsibility expenses	6.77	–
Repairs & Maintenance – Others	1.26	0.70
Discounts & Credits	173.90	151.96
Advertisement Expenses	179.55	114.77
Balances Written Off	9.85	27.23
Hire Charges	3.04	3.10
Membership & Subscription	2.96	2.08
Legal & Professional Charges	349.36	164.14
Printing and stationery	17.45	20.38
Insurance	5.20	17.47
Rent	23.68	23.55
Rates & Taxes	87.46	9.10
Bad Debts Written Off	162.70	124.30
Add: Provision made during the year for doubtful debts	152.48	130.86
Provision made in earlier years for bad debts	(162.70)	(124.30)
	1,235.75	874.76

Notes to Consolidated Financial Statements for the year ended 31st March 2016**23. Finance Charges**

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Charges		
On Loans from Banks	541.23	119.24
On Loans from Others	1.30	109.25
Less: Interest Income	(99.66)	-
Bank Charges & Commission	110.52	63.85
	553.39	292.34

24. Earnings Per Share (EPS)

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Net loss for the year attributable to equity shareholders before extra ordinary item	(3,019.60)	14.72
Net loss for the year attributable to equity shareholders after extra ordinary item	(8,509.28)	14.72
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	64,998,756	58,298,776
Weighted average number of Shares issued during the year	71,974	3,782,451
Weighted average number of equity shares at the end of the year	65,070,730	62,081,227
Basic and diluted earnings (in ₹) per share before extra ordinary item	(4.64)	0.02
Basic and diluted earnings (in ₹) per share after extra ordinary item	(13.08)	0.02

25A. Contingent Liabilities & Commitments

- In respect of guarantees issued by Company's bankers to MSRDC and other authorities for ₹ NIL lakhs (Previous Year ₹ 3.00 lakhs)
- In respect of guarantees issued by the Company's bankers for Company's subsidiary to government and other parties ₹ 1390.66 lakhs (previous year ₹ 331.53 lakhs)
- In respect of guarantees issued by the Company's bankers for company's subsidiary to government and other parties ₹ 7,600.00 lakhs (Previous Year ₹ 412.73 lakhs) and Cash Credit limit of ₹ 1,000.00 lakhs. (Previous Year ₹ 740.00 lakhs)
- In respect of Income Tax demand under dispute (net of advances) ₹ 1097.63 lakhs (Previous Year ₹ 779.84 lakhs)

25B. Estimated amount of contracts remaining to be executed on capital account is ₹ NIL (Previous Year ₹ NIL)**26. Disclosure pertaining to Micro, Small and Medium Enterprises**

There are no dues payable to Micro, Small and Medium Enterprises. The same 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 information has been made.

Notes to Consolidated Financial Statements for the year ended 31st March 2016

28. Related Party Disclosures

Names of related parties and related party relationship

- | | | |
|----|-----------------------------|---|
| a. | Under Control of Management | <ul style="list-style-type: none"> - 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 | <ul style="list-style-type: none"> - Mr. Tarique Ansari, Managing Director (Next Mediaworks Limited) Mr. Vineet Singh Hukmani, Managing Director (Next Radio Limited) |

RELATED PARTY TRANSACTIONS

(₹ in lakhs)

Nature of Transactions	Under control of Management	Key Managerial Personnel
Interest Expenses		
Meridian Holding & Leasing Co Pvt Ltd	-	
	(15.62)	
Ferari Investments and Trading Co Pvt Ltd	0.18	
	(10.93)	
Managerial Remuneration		
Mr Tarique Ansari		60.00
		(71.36)
Mr Vineet Singh Hukmani		196.00
		(175.00)
Printing expenses		
Inquilab Offset Printers Ltd	2.50	
	-	
Receipt of Unsecured Loan during the year		
Ferari Investments and Trading Co Pvt Ltd	-	
	(210.00)	
Meridian Holding & Leasing Co Pvt Ltd	-	
	(210.00)	
Repayment of Unsecured Loan During the year		-
Ferari Investments and Trading Co Pvt Ltd	-	
	(424.00)	
MC Media Limited	-	
	(30.00)	
Meridian Holding & Leasing Co Pvt Ltd	-	
	(187.04)	
Unsecured loan converted to equity during the year		
Ferari Investments and Trading Co Pvt Ltd	-	
	(380.00)	
Meridian Holding & Leasing Co Pvt Ltd	-	
	(270.00)	

Notes to Consolidated Financial Statements for the year ended 31st March 2016

(₹ in lakhs)

Nature of Transactions	Under control of Management	Key Managerial Personnel
Unsecured Loan payable at end of year		
Ferari Investments and Trading Co Pvt Ltd	6.00	
	(6.00)	
Meridian Holding & Leasing Co Pvt Ltd	0.13	
	(0.13)	
Unsecured Loan receivable at end of year		
	-	-
	(0.90)	
Interest Payable		
Ferari Investments and Trading Co Pvt Ltd	0.12	
	(1.66)	
Trade Payable		
Inquilab offset printers Pvt Ltd	3.91	
	-	
Interest Receivable		
Meridian Holding & Leasing Co Pvt Ltd	-	
	(0.59)	
Rent Expense		
Inquilab offset printers Pvt Ltd	16.80	-
	(7.00)	

29. Managerial Remuneration

During the period July 2013 to March 2014 the company has paid remuneration to Managing Director which is in excess of the limit specified in section 197 of the Companies Act, 2013. Pursuant to non-approval of such higher remuneration from Central Government the company has recovered ₹ 23.35 Lacs from Managing Director towards such higher remuneration paid.

The Company had paid remuneration of ₹ 1.96 Crores to Mr. Vineet Singh Hukmani – Managing Director & CEO for the financial year 2015-16. Since the said remuneration was in excess of the limits specified in the Companies Act, 2013, the Company had made an application to the Ministry of Corporate Affairs ("MCA") for payment of the said remuneration. The MCA has, vide its letter dated 8th April 2016, rejected the Company's application. The Company has now preferred an appeal with the MCA by filing another application. The MCA's reply on the same is awaited.

30. Capital Reduction

The Board of Directors of the subsidiary company Next Radio Limited has on June 18, 2015 approved a proposal for reduction of capital of the company by cancelling approximately 68 shares out of 100 shares held as on date against the accumulated losses. Pursuant to approval for the same from the Hon'ble High Court on April 1, 2016, the company has provided for ₹ 11,709.54 Lacs for provision for diminution in value of investment in Next Radio Limited. This has been disclosed as an extra ordinary item in the standalone financial statement of the company.

The Board of Directors of subsidiary company Next Radio Limited has approved the capital reduction scheme, pursuant to that the Next Mediaworks Limited has recognized the provision for diminution in value of investment. On account of this the Goodwill recognized on consolidation amounting to ₹ 5489.67 lacs has been written off fully and the same has been disclosed as extra-ordinary item in the consolidated financial statement.

Notes to Consolidated Financial Statements for the year ended 31st March 2016

31. Expenditure in Foreign Currency

Expenditure in Foreign Currency –

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Others	34.76	38.02

Earning in Foreign Currency – ₹ NIL Lakhs (Previous Year – ₹ NIL Lakhs)

32. Additional Information on Consolidated Financial Statement

(₹ in lakhs)

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
Parent – Next Mediaworks Limited	27.67%	2,807.64	75.82%	(11,963.81)
Indian Subsidiaries				
1 – Next Radio Limited	74.67%	7,576.33	24.18%	(3,815.56)
2 – One Audio Limited	-2.25%	(228.49)	0.00%	(0.35)
3 – Digital one Private Limited	-0.00%	(0.29)	0.00%	(0.09)
4 – Next Outdoor Limited	-0.09%	(9.04)	0.00%	(0.18)
SUB-TOTAL	100.00%	10,146.14	100.00%	(15,780.00)
Less: Goodwill on consolidation written-off		(5,489.67)		(5,489.67)
Adjustment on Consolidation		(695.55)		11,709.55
Minority interested in all subsidiaries associates (Investment as per equity method)				
Indian Subsidiaries				
1 – Next Radio Limited		261.54		(1,050.85)
TOTAL		3,699.38		(8,509.27)

33. Previous years figures have been regrouped/rearranged wherever required to make them comparable.

As per our report of even date attached

For **Haribhakti & Co.LLP**

Chartered Accountants
ICAI Firm Regn No. 103523W

Atul Gala

Partner
Membership No.: 48650

Place: Mumbai
Date: May 13, 2016

Tarique Ansari

Chairman & Managing Director
(DIN: 00101820)

Mandar Godbole

Company Secretary

For and on behalf of the Board of Directors

Next Mediaworks Limited
Adille Sumariwalla

Director
(DIN: 00045855)

Ismail Dabhoya

Chief Financial Officer

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹) ₹ in lakhs

1. Sl. No	1	2	3	4
2. Name of the subsidiary	Next Radio Limited	One Audio Limited	Digital One Private Limited	Next Outdoor Limited
3. Reporting period for the subsidiary concerned, if different from the holding company	Not Applicable	Not Applicable	Not Applicable	Not Applicable
4. Reporting currency and Exchange rate as on the last date of the relevant Financial Year	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5. Share capital	18,426.38	5.00	1.00	349.50
6. Reserves & surplus	(10,850.04)	(233.49)	(1.29)	(358.54)
7. Total assets	18,215.30	12.49	1.82	0.19
8. Total Liabilities	10,638.97	240.99	2.11	0.37
9. Investments	0.50	-	-	-
10. Turnover	7,618.23	-	-	-
11. Profit before taxation	(70.15)	(0.35)	(0.08)	(0.18)
12. Provision for taxation	3,745.41	-	-	-
13. Profit after taxation	(3,815.56)	(0.35)	(0.08)	(0.18)
14. Proposed Dividend	-	-	-	-
15. % of shareholding	76.73%	100%	100%	99.97%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations-Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year.-Not Applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – Not Applicable

NEXT RADIO LIMITED

Directors' Report

TO THE MEMBERS,

Your Directors have pleasure in presenting their 16th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2016.

1. FINANCIAL HIGHLIGHTS:

(₹in Lakhs)

Particulars	Standalone	
	2015-16	2014-15
Revenue from Operations	7,618.23	6,542.88
Earnings before Interest, Tax, Depreciation & Amortization	1,724.13	2,489.71
Profit before Tax	(70.15)	939.97
Less: Provision for Taxation	3,745.41	266.01
Net Profit / (Loss) after taxes	(3,815.56)	673.96

During the year under review, the Company earned total revenues of ₹7,762.10 lakhs as against ₹6,723.44 lakhs in the previous year. The revenues from operations increased by 16% and stood at ₹7,618.23 lakhs (Previous Year: ₹6,542.88 lakhs). The Company registered loss (after tax) of ₹3,815.56 lakhs against the profit of ₹673.96 lakhs for the previous year.

2. OPERATIONAL HIGHLIGHTS:

The Company is into the business of FM radio broadcasting. It was among the first private players to venture into private FM broadcasting and has established "Radio One" as the premium FM Brand in top 7 cities of the country viz. (i) Delhi, (ii) Mumbai, (iii) Chennai, (iv) Kolkata, (v) Bangalore, (vi) Pune, and (vii) Ahmedabad. The Company operates under frequency 94.3 MHz in all its cities except for the city of Ahmedabad where it operates under the frequency 95 MHz.

During the year under review, NRL migrated its existing licenses in all the seven (7) cities from Phase-II to Phase-III. The said licenses, allotted to NRL by the

Ministry of Information & Broadcasting ("MIB"), are valid for a period of fifteen (15) years. The financial year 2015-16 was an important year since successful migration of all the licenses has given NRL a huge opportunity to run its business for another 15 years. In order to migrate into Phase-III, NRL was required to pay One Time Migration Fees. These fees were funded by debt availed by NRL from bank and by issue of preference shares to Mr. Rakesh Jhunjunwala. NRL also paid fees for migration and the annual license fees in advance. As a result, there has been an increase in the finance cost of NRL.

Despite the growing market competition the revenues of NRL have shown increase. During the year under review, NRL earned revenues from operations of ₹7,618.23 Lacs as against ₹6,542.88 Lacs in the previous year. On a positive note, it is worth mentioning that the revenues of NRL have also shown consistent increase over the past years. The revenues of NRL have increased by 16% in 2015-16 which is higher than the

market growth.

3. DIVIDEND:

The Board of Directors do not recommend any dividend for the financial year ended 31st March 2016.

4. FINANCE:

During the year under review, your Company raised finance for funding the cost of migration of the Company's existing FM broadcasting licenses in seven cities across India by availing term loan facilities from RBL Bank Limited and by issue of preference shares to Mr. Rakesh Jhunjhunwala.

5. CHANGE IN THE PAID-UP & ISSUED SHARE CAPITAL

During the year under review, the Company has made the following allotment of shares on a preferential basis:

- (a) 2,57,70,000 equity shares of ₹10/- each were issued to Next Mediaworks Limited ("NML") (holding company) pursuant to the conversion option exercised by NML in respect of 2,57,70,000 11.5% Redeemable Cumulative Convertible Preference Shares held by it in the Company. The said issue was approved by the shareholders at the Extra Ordinary General Meeting of the Company held on 29th April 2015.
- (b) 25,000,000 0.001% Cumulative Compulsorily Convertible Preference Shares ("CCCPS") of ₹10/- each were issued to Mr. Rakesh Jhunjhunwala by way of Private placement. The issue was approved by the shareholders at the Extra Ordinary General Meeting of the Company held on 24th July 2015. The said CCCPS were subsequently converted into equity shares pursuant to a resolution passed by the Board of Directors at its meeting held on 13th May 2016.

Subsequent to the aforementioned allotment, the paid-up share capital of the Company increased from ₹1,334,937,570/- (Rupees One Hundred and Thirty Three Crores Forty Nine Lacs Thirty Seven Thousand Five Hundred and Seventy Only) comprising of 133,493,757 (Thirteen Crores Thirty Four Lacs Ninety Three Thousand Seven Hundred and Fifty Seven) equity shares of ₹10/- (Rupees Ten Only) each to ₹1,842,637,570/- (Rupees One Hundred and Eighty Four Crores Twenty Six Lacs Thirty Seven Thousand Five Hundred and Seventy Only) comprising of 159,263,757 (Fifteen Crores Ninety Two Lacs Sixty Three

Thousand Seven Hundred and Fifty Seven) equity shares of ₹10/- (Rupees Ten Only) each and 25,000,000 0.001% Cumulative Compulsorily Convertible Preference Shares of ₹10/- each.

6. CAPITAL REDUCTION

During the year under review, the Company had made an application in the Hon'ble High Court at Bombay for reduction of its paid-up equity share capital from ₹159,26,37,570 (Rupees One Hundred and Fifty Nine Crore Twenty Six Lac Thirty Seven Thousand Five Hundred and Seventy only) divided into 15,92,63,757 equity shares of ₹10/- (Rupees Ten only) each fully paid-up to ₹50,74,02,870/- (Rupees Fifty Crore Seventy Four Lac Two Thousand Eight Hundred and Seventy only) divided into 5,07,40,287 equity shares of ₹10/- (Rupees Ten only) each fully paid-up by setting-off its accumulated losses of ₹108.52 Crores against its equity paid up capital. The Bombay High Court has, vide its order dated 1st April 2016, sanctioned the Scheme of Capital Reduction.

7. DEPOSITORY SYSTEM:

The Company has provided to its shareholders, the facility to hold their respective shareholdings in dematerialized form. As of 31st March 2016, 73.24% of the Company's total paid-up capital representing 133,493,757 equity and preference shares is in dematerialized form. In view of the benefits offered by the depository system, members holding shares in physical mode are advised to avail the demat facility.

8. PUBLIC DEPOSITS:

Your Company did not invite or accept deposits from public during the year under review.

9. SUBSIDIARY COMPANIES:

The Company does not have any subsidiary. Further, no new subsidiary was incorporated / acquired by the Company during the year under review.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Particulars of loans, guarantees given and investments made during the year are provided in Notes of the Audited Financial Statements as required under Section 186 of the Companies Act, 2013.

11. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during

the financial year were in compliance with the requirement of the Companies Act, 2013 and the Rules framed thereunder. All Related Party Transactions are placed before the Audit Committee and also the Board, as the case may be, for approval. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval / noting on a quarterly basis. During the year under review, the contracts or arrangements with related parties referred to in section 188 of Companies Act, 2013 have been on arms' length and in ordinary course of business and were not material in nature. Accordingly, the particulars of the transactions as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013 are not required to be disclosed as they are not applicable.

12. CORPORATE SOCIAL RESPONSIBILITY

The Company has a duly constituted Corporate Social Responsibility (CSR) Committee in terms of Section 135 of the Companies Act, 2013. As on 31st March 2016 the CSR Committee comprised of three directors viz. (a) Mr. Vineet Singh Hukmani, (b) Mr. Dilip Cherian and (c) Mr. Adille Sumariwalla. The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board. A report on CSR activities of the Company conducted during the financial year 2015-16 is annexed herewith as Annexure "C".

13. ADOPTION OF NEW ARTICLES:

The Company had executed an Investment Agreement with Mr. Rakesh Jhunjhunwala pursuant to which Mr. Rakesh Jhunjhunwala had invested an amount of ₹25 Crores in the Company by subscribing to the Company's share capital. With a view to bring the relevant provisions of the Company's Articles of Association in line with the provisions of the Investment Agreement executed by the Company with Mr. Rakesh Jhunjhunwala and to align the articles with the provisions of the Companies Act, 2013, Articles of Association of the Company were amended. The shareholders, at the Extra-Ordinary General Meeting of the Company held on 24th July 2015, approved the resolution for amendment to the Company's Articles of Association.

14. DIRECTORS & KEY MANAGERIAL PERSONNEL:

(a) Directors:

Mr. Vineet Singh Hukmani continues to be the Managing Director of the Company.

As on the date of this report, the Company's Board consists of the following Non-Executive / Independent Directors:

- (1) Mr. Adille Sumariwalla (Independent Director)
- (2) Mr. Dilip Cherian (Independent Director)
- (3) Ms. Myleeta Aga (Non-Executive Director)

Ms. Myleeta Aga was appointed as Additional Director in the Company with effect from 27th November, 2015 as required under Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014. In accordance with the provisions of Section 161 of the Companies Act, 2013, she would hold office till the date of forthcoming Annual General Meeting. The company has received notice along with the requisite deposit under section 160 of Companies Act, 2013 from the member of signifying its intention to propose the candidature of Ms. Myleeta Aga as the Director of the company in the forthcoming Annual General Meeting.

In accordance with Section 152 and other applicable provisions of Companies Act, 2013, Mr. Vineet Singh Hukmani (DIN 02514684) - Managing Director & CEO, retires by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting. The Board commends his re-appointment for your approval.

Note: The office of Mr. Vineet Singh Hukmani as the Managing Director of the Company expires on May 06, 2020 as approved by the shareholders at the Extra-Ordinary General Meeting held on April 29, 2015. Further, the re-appointment of Mr. Vineet Singh Hukmani as the Managing Director of the Company for a further period of 5 years effective May 07, 2015 has already been approved by the shareholders. The aforementioned re-appointment is being commended for shareholders' approval for complying with the provisions of Section 152 of the Companies Act, 2013 and shall not be construed as a break in his current tenure.

(b) Key Managerial Personnel:

As on the date of this Report, the following persons have been appointed as the Key Managerial Personnel (KMP) of the Company pursuant to Section 2(51) and 203 of the Companies Act, 2013:

- (a) Mr. Vineet Singh Huukmani – Chairman & Managing Director
- (b) Mr. Ismail Dabhoya – Chief Financial Officer
- (c) Ms. Deepal Khandelwal – Company Secretary

During the year, Mr. Satyender Singh Chauhan resigned as the Company Secretary of the Company. Ms. Deepal Khandelwal was appointed as the Company Secretary of the Company effective 6th August, 2015.

15. BOARD & COMMITTEE MEETINGS:

During the year under review, the following Board / Committee Meetings were convened and held:

- (a) Six (6) Board Meetings were held and the intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.
- (b) Five (5) Audit Committee Meetings were held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.
- (c) Two (2) Nomination and Remuneration Committee Meetings were held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.
- (d) One (1) meeting of the Corporate Social Responsibility Committee was held on 26th February 2016.

16. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee and the Nomination & Remuneration. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

17. REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and

their remuneration.

18. CORPORATE SOCIAL RESPONSIBILITY POLICY:

The Board, vide resolution passed on 27th January 2016 approved formation of Corporate Social Responsibility Committee ("CSR Committee") pursuant to the provisions of Section 135(1) and other applicable provisions of the Companies Act, 2013. The CSR Committee comprises of the following members (a) Mr. Vineet Singh Hukmani – Managing Director & CEO, (b) Mr. Adille Sumariwalla – Independent Director and (c) Mr. Dilip Cherian – Independent Director

19. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and 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 your Company as at 31st March, 2016 and of the profit and loss of the Company for the financial year ended 31st March, 2016;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

20. STATUTORY AUDITORS:

M/s. Haribhakti & Co. LLP, Chartered Accountants, (Firm Registration No. 103523W), Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. A certificate to the effect that their appointment, if made, will be within the limits prescribed under Section 141 of the Companies Act, 2013, has been obtained from them. The Board, on the recommendation of the Audit Committee, recommends the appointment of M/s. Haribhakti & Co. LLP, as the Statutory Auditors of the Company for the financial year 2016-17.

21. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS:

The Auditors' Report on the Annual Accounts do not contain any qualification.

Members' attention is drawn to "Emphasis of Matter" stated in the Auditor's Report dated 13th May 2016 on the Financial Statements for the financial year ended 31st March 2016. The Directors would like to state that the said matters are for the attention of members only and have been explained in detail in the relevant notes to accounts as stated therein and hence require no further clarification.

22. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. V. Joglekar & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended 31st March 2016. The Report of the Secretarial Audit Report is annexed herewith as **Annexure 'A'**.

23. INTERNAL FINANCIAL CONTROL SYSTEM:

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has a proper and adequate internal financial control system which ensures that all assets

are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's internal financial control system also comprises of compliances with the Company's policies and Standard Operating Procedures (SOPs), which is further reviewed by M/s. T. R. Chadda & Co. the Internal Auditors. The Internal Auditors independently evaluate the adequacy of internal controls.

24. ADEQUACY OF INTERNAL FINANCIAL CONTROLS IN RELATION TO FINANCIAL STATEMENTS:

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The system should be designed and operated effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. To ensure effective Internal Financial Controls, the Company has laid down the following measures:

- All operations are executed through Standard Operating Procedures (SOPs) in all functional activities for which key manuals have been put in place. The manuals are updated and validated periodically.
- All legal and statutory compliances are ensured on a monthly basis for all locations in India through a fully automated tool. Non-compliance, if any, is seriously taken by the management and corrective actions are taken immediately.
- Approval of all transactions is ensured through a preapproved delegation of authority schedule. The schedule is reviewed periodically by the management and compliance of the same is regularly checked and monitored by the auditors.
- The Company follows a robust internal audit process wherein audits are conducted on a regular basis throughout the year by the Internal Auditors as per agreed audit plan.
- The audit reports of the Internal Auditors are submitted to the Audit Committee and the Board for review and necessary action.
- The Company has a comprehensive risk management framework.

- The Company has a robust mechanism of building budgets at an integrated cross- functional level. The budgets are reviewed on a monthly basis so as to analyze the performance and take corrective action, wherever required.
- The Company has in place a well-defined Whistle Blower Policy / Vigil Mechanism.
- The Company has a system of Internal Business Reviews. All departmental heads discuss their business issues and future plans in monthly review meetings. They review their achievements in quarterly review meetings.
- Compliance of the secretarial functions is ensured by way of secretarial audit.
- Compliance relating to cost records of the company is ensured by way of cost audit.

25. EXTRACT OF ANNUAL RETURN:

Pursuant to sub-section 3(a) of section 134 and sub-section (3) of section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the annual return as on 31st March, 2016 forms part of this report as **Annexure 'B'**.

26. EMPLOYEE REMUNERATION:

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section (12) of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming the part of this report as **Annexure 'D'**.

As per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

27. SEXUAL HARRASMENT POLICY:

The company has not received any complaint from the employees related to sexual harassment.

28. VIGIL MECHANISM:

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them.

29. ENERGY CONVERSATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

- A. Conversation of Energy: NIL
- B. Technology Absorption: NIL
- C. Foreign Exchange Earning: NIL
- D. Foreign Exchange Outgo: NIL

30. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

For Next Radio Limited

Sd/-

Vineet Singh Hukmani

Managing Director

(DIN: 02514684)

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Next Radio Limited

CIN U32201MH1999PLC122233

156, D.J. Dadajee Road Behind Everest Building
Tardeo Mumbai-400034

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Next Radio Limited (CIN: U32201MH1999PLC122233) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and

Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - **Not Applicable during the Audit Period**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; - **Not Applicable during the Audit Period**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable during the Audit Period**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable during the Audit Period**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable during the Audit Period**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable during the Audit Period**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **Not Applicable during the Audit Period**

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable during the Audit Period**
- (vi) The other laws applicable to the Company as per the representations made by the company:
- The Factories Act, 1948
 - The Payment of Wages Act, 1936
 - The Minimum Wages Act, 1948
 - Employees Provident Fund And Misc. Provisions Act, 1952
 - Employers State Insurance Act, 1948
 - The Payment of Bonus Act, 1965
 - The Environment (Protection) Act, 1986
 - Electricity Act 2003
 - Indian Stamp Act, 1999
 - Income Tax Act 1961 and Indirect Tax Law
 - Negotiable Instrument Act 1881
 - Maternity Benefits Act 1961
 - Payment of Gratuity Act, 1972
 - The Apprentices Act 1961
 - Service tax
 - Vat Act
 - Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
 - Air (Prevention & Control of Pollution) Act 1981 and rules thereunder
 - Indian Copyright Act, 1957
 - Telecom Regulatory Authority of India Act, 1997
 - Information Technology (Intermediaries guidelines) Rules, 2011
 - Code of Advertising Practice for the Advertising Standards Council of India,
 - Policy Guidelines for expansion of FM Radio

Broadcasting services through private agencies (Phase-III)

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with Stock Exchange(s): **Not Applicable during the Audit Period**

During the period under review and subject to explanations submitted to us and representations made by the Management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- Non filing of Form MGT 14 with Ministry of Corporate Affairs in respect of resolution passed at the Meeting of Board of Directors on April 29, 2014 for availing Debt Funding.
- Non filing of Form MGT 14 with Ministry of Corporate Affairs in respect of resolution passed at the Meeting of Board of Directors on April 29, 2014 for further issue of shares and borrowing
- The Company had paid remuneration of ₹1.96 Crores to Mr. Vineet Singh Hukmani – Managing Director & CEO for the financial year 2015-16. The appointment has been proposed for the period of 5 years from May 7, 2015 to May 6, 2020. Since the said remuneration was in excess of the limits specified in the Companies Act, 2013, the Company had made an application to the Ministry of Corporate Affairs ("MCA") for payment of the said remuneration. The MCA has, vide its letter dated 8th April 2016, rejected the Company's application. The Company has now preferred an appeal with the MCA by filing another application. The MCA's reply on the same is awaited.
- It is recommended to adopt fresh set of Articles of Association of the Company to comply with provisions of the Companies Act, 2013.

5. The company had proposed the Scheme of reduction of Equity Paid up Share Capital from ₹159,26,37,570/- (Rupees One Hundred and Fifty Nine Crore Twenty Six Lac Thirty Seven Thousand Five Hundred and Seventy only) divided into 15,92,63,757 equity shares of ₹10/- (Rupees Ten only) each fully paid-up to ₹50,74,02,870/- (Rupees Fifty Crore Seventy Four Lac Two Thousand Eight Hundred and Seventy only) divided into 5,07,40,287 equity shares of ₹10/- (Rupees Ten only) each fully paid-up and the said scheme has been approved by the Honourable High Court of Bombay on April 01,2016.

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the

Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that as represented by the Company, and relied upon by us there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no major events which has bearing on the Company Affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For V Joglekar & Associates

Date: 13th May, 2016
Place: Mumbai

Vidya Joglekar
Practising Company Secretary
Membership No. FCS7401
Certificate of Practice No.5172

ANNEXURE 'A' TO THE DIRECTORS' REPORT SECRETARIAL AUDIT REPORT FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Next Radio Limited

CIN U32201MH1999PLC122233

156, D.J. Dadajee Road Behind Everest Building
Tardeo Mumbai-400034

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For V Joglekar & Associates

Date: 13th May, 2016

Place: Mumbai

Vidya Joglekar

Practising Company Secretary

Membership No. FCS7401

Certificate of Practice No.5172

ANNEXURE 'B' TO THE DIRECTORS' REPORT FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

(As on the financial year ended 31st March 2016)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

CIN : U32201MH1999PLC122233
 Registration Date : 14th October 1999
 Name of the Company : Next Radio Limited
 Category / Sub-category of the Company : Public Company / Limited by shares
 Address of the Registered Office and : 156, DJ Dadajee Road, Behind Everest Building Tardeo, Mumbai-400 034
 contact details
 Whether listed company Yes / No : No
 Name, Address and Contact details of : M/s. Datamatics Financial Services Limited,
 Registrar & Transfer Agent, if any. Plot No B-5, Part B Cross Lane, MIDC, Andheri (East), Mumbai 400 093.,
 Telephone: 91-22-66712001
 e-mail: shares@dfssl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and description of main services	NIC Code of the service	% to total turnover of the Company
1.	Broadcasting	60100	98.15

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Next Mediaworks Limited 156, D.J. Dadajee Road, Behind Everest Building, Tardeo, Mumbai – 400034.	L22100MH1981PLC024052	Holding	76.73%	2(87)ii

The Company does not have any subsidiary / associate companies.

IV SHAREHOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity):

(i) Category-wise Shareholding

Category of shareholders	No. of shares held at the beginning of the year (as at 01.04.2015)				No. of shares held at the end of the year (as at 31.03.2016)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	

A. Promoters

(1) Indian

(a) Individual / HUF	-	5	5	0.00%	-	5	5	0.00%	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt.(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	74732992	25027778	99760770	74.73	100502992	25027778	125530770	78.82	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	74732992	25027783	99760775	74.73	100502992	25027783	125530775	78.82	-

(2) Foreign

(a) NRI – Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks / FIs	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A) = (A) (1) + (A) (2)	74732992	25027783	99760775	74.73	100502992	25027783	125530775	78.82	-

B. Public Shareholding

(1) Institutions

(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks / FIs	2775000	-	2775000	2.08	2775000	-	2775000	1.74	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt.(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	2775000	-	2775000	2.08	2775000	-	2775000	1.74	-

Category of shareholders	No. of shares held at the beginning of the year (as at 01.04.2015)				No. of shares held at the end of the year (as at 31.03.2016)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2. Non-Institutions									
(a) Bodies Corporate									
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	24287982	-	24287982	18.19	24287982	-	24287982	15.25	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
(c) Others									
Clearing Member	-	-	-	-	-	-	-	-	-
Foreign Nationals									
Non-Resident Indians (Non-Repat)	-	-	-	-	-	-	-	-	-
Non-Resident Indians (Repat)	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
Other Directors	6670000		6670000	5	6670000		6670000	4.19	-
Overseas Bodies Corporate	-	-	-	-	-	-	-	-	-
Hindu Undivided Family	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	34287982	-	34287982	23.19	30957982	-	30957982	19.44	-
Total public shareholding (B) = (B)(1) + (B)(2)	37062982	-	37062982	25.27	33732982	-	33732982	21.18	-
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	133493752	5	133493757	100	134235974	25027783	159263757	100	

(i) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as at 01.04.2015)			Shareholding at the end of the year (as at 31.03.2016)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	Next Mediaworks Limited	96430770	72.24	-	122200770	76.73	51	4.49
2.	Ferrari Investment and Trading Company Private Limited	3330000	2.49	-	3330000	2.09	-	0.40

(ii) Change in Promoters' Shareholding

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year (as at 01.04.2015)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Next Mediaworks Limited	96430770	72.24	122200770	76.73
2.	Ferrari Investment and Trading Company Private Limited	3330000	2.49	3330000	2.09

(iii) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding (No of Shares)		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
1.	BBC Worldwide Holding B.V	24287982	18.19	-	-	24287982	15.25
2.	Axis Bank Limited	2775000	2.08	-	-	2775000	1.74

(iv) Shareholding of Directors and Key Management Personnel

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2015		Cumulative Shareholding during the year				Shareholding at the end of the year as on 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	Date of Change	Reason of Change	No. of shares	% of total shares of the company
1.	Vineet Singh Hukmani	6670000	5%	-	-	-	-	6670000	4.19%
	Total:	6670000	5%	-	-	-	-	6670000	4.19%

IV. INDEBTEDNESS:

(Indebtedness of the Company including interest outstanding / accrued but not due for payment) (Amount in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	993.08	-	-	993.08
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i) + (ii) + (iii)	993.08	-	-	993.08
Change in indebtedness during the financial year				
Addition	8,000.00	-	-	8,000.00
Reduction	1,174.57	-	-	1,174.57
Net Change				
Indebtedness at the end of the financial year				
(i) Principal Amount	7,818.51	-	-	7,818.51
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Director and / or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Managing Director / Whole-Time Director / Manager
		Mr. Vineet Singh Hukmani, Managing Director
1.	Gross Salary	
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	16,700,110
	Value of perquisites u / s 17(2) of the Income Tax Act, 1961.	1,564,200
	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	As % to profit	
	Others, specify	
5.	Others:	
	Performance-linked incentive	1,100,000
	Gratuity	235,690
	Total (A)	19,600,000
	Ceiling as per the Act	8,400,000

The Company has made an application to the Central Government for payment of remuneration of ₹1.96 Crores to Mr. Vineet Singh Hukmani for the financial year 2015-16 and the same is pending with the Central Government.

A. Remuneration to other directors:

No remuneration has been paid to any other director except sitting fees,

B. Remuneration to Key Managerial Personnel other than MD / WTD / Manager:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Ismail Dabhoya Chief Financial Officer	Mr. Satyender Singh Chauhan Company Secretary upto 25 / 06 / 2015	Ms. Deepal Khandelwal Company Secretary from 03 / 08 / 2015
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	285,847	319,057
	(b) Value of perquisites u / s 17(2) of the Income Tax Act, 1961.	-	23,100	30,800
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	As % to profit	-	-	-
	Others, specify	-	-	-
5.	Others:			
	Performance Bonus	-	9,675	33,333
	Provident Fund	-	3,878	12,000
	Gratuity	-	-	4,810
	Total	-	322,500	400,000

PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalties / punishment / compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any
A. Company			NONE		
Penalty					
Punishment					
Compounding					
B. Directors			NONE		
Penalty					
Punishment					
Compounding					
C. Others Officers in default			NONE		
Penalty					
Punishment					
Compounding					

ANNEXURE 'C' TO THE DIRECTOR'S REPORT

CORPORATE SOCIAL RESPONSIBILITY

I. A BRIEF OUTLINE OF THE COMPANY'S CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN:

Next Radio Limited considers CSR as an activity to accomplish passionate commitment to the social obligation towards social, financial and educational upliftment of people belonging to economically weaker sections of the society.

The Company's CSR Policy aims to develop and implement a long-term vision and strategy for the Company's CSR initiatives including formulating relevant potential CSR activities, their timely and expeditious implementation and establishing an overview mechanism of the activities undertaken / to be undertaken, in synchronization with the various eligible activities prescribed under Schedule VII of the Act.

II. THE COMPOSITION OF THE CSR COMMITTEE:

The CSR committee presently comprises of Mr. Vineet Singh Hukmani, Mr. Adille Sumariwalla and Mr. Dilip Cherian.

III. AVERAGE NET PROFITS OF THE COMPANY FOR THE LAST THREE FINANCIAL YEARS: ₹338.34 LAKHS

IV. PRESCRIBED CSR EXPENDITURE (TWO PER CENT OF THE AMOUNT AS IN ITEM 3 ABOVE): ₹6.77 LAKHS

V. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

- Total amount to be spent for the financial year under review: ₹6.77 lakhs
- Amount unspent, if any: NIL
- Manner in which the amount spent during the financial year under review:

Sr. No.	CSR project activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013)	Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs 1) Direct Expenditure on projects or programs 2) Overhead*	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
1	Education and employment enhancing vocational skills for under privileged students	Clause No.ii		₹6.77 lakhs	₹6.77 lakhs	₹6.77 lakhs	Riverside Education Foundation

V. REASON FOR NOT SPENDING THE PRESCRIBED AMOUNT: NOT APPLICABLE

VI. RESPONSIBILITY STATEMENTS OF THE CSR COMMITTEE:

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

ANNEXURE 'D' TO THE DIRECTOR'S REPORT

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Requirements	Disclosure
1.	The ratio of the remuneration of each directors to the median remuneration of the employee of for the financial year.	Mr. Vineet Singh Hukmani (MD) : 5.29 times
2.	The percentage increase in the remuneration of each director, CFO,CS in the financial year (including Perquisites).	Managing Director: 12.0% Company Secretary: 8.59%
3.	The percentage increase in the median remuneration of employee in the financial year.	11.2%
4.	The number of permanent employees on the rolls of the Company.	There are 179 employees as on March 31, 2016
5.	The explanation on the relationship between average increase in remuneration and Company performance.	The operating advertisement revenue has increased by 16.44% from ₹6542.88 lacs in FY 2014-15 to ₹7618.23 lacs in FY 2015-16. Increase in median remuneration of employees during the year was 11.23%. the average increase in remuneration was in line with the market trend.
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	The average managerial remuneration of key managerial personnel has increased by 10.30%. The advertisement revenue has increased by 16.44% from ₹6542.88 lacs in FY 2014-15 to ₹7618.23 lacs in FY 2015-16
7.	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company, in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.	Since the company is not listed at stock exchange the market price not available. Hence the Market capitalization variation and Price Earning ratio comparison is not applicable.
8.	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	Not Applicable
9.	Affirmation that the remuneration is as per the Remuneration Policy of the Company.	Affirmed

ANNEXURE 'F' FORM AOC-2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with
Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto:

A. DETAILS OF CONTRACTS / ARRANGEMENTS NOT ON ARMS' LENGTH BASIS:

Not Applicable

B. DETAILS OF MATERIAL CONTRACTS / ARRANGEMENTS AT ARMS' LENGTH BASIS:

Nature of contracts / arrangements / transactions	Name of the related party and nature of relationship	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any
Corporate Guarantee & Security	Next Mediaworks Limited (Holding Company)	72 months	Corporate Guarantee & Security provided by the holding company viz. Next Mediaworks Limited in connection with term loan availed by Next Radio Limited.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Next Radio Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Next Radio Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the

provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the 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 the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2016, its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to note 31 to the Statement with regard to managerial remuneration paid to managing director by

Company during the period from May 07, 2015 to March 31, 2016, which is subject to Central Government approval.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and 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 it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 on Contingent Liabilities;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No.103523W

Atul Gala

Partner
Membership No. 048650

Place : Mumbai
Date : May 13, 2016

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Next Radio Limited on the financial statements for the year ended March 31, 2016]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, fixed assets have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There is no immovable properties held by the Company.
- (ii) The Company does not hold any inventory and hence this clause is not applicable to the Company.
- (iii) The Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.
- (b) As informed to us, there are no stipulations as to the repayment of the principal amount and interest amount
- (c) In respect of the aforesaid loans, there is no overdue amount of loans granted to companies listed in the register maintained under Section 189 of the Act.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) 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 provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income tax, sales tax, service tax, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases in payment of service tax. According to the information and explanations given to us, undisputed dues in respect of provident fund, income tax, sales tax, service tax, cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due Date	Date of Payment
Income Tax	TDS on Professional Fees	1.14 lacs	2015-16	07-08-2015	Not Paid

(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	562.32 lacs	AY 2013-2014	CIT (Appeals)
Income Tax Act, 1961	Income Tax	65.91 lacs	AY 2012-2013	CIT (Appeals)
Income Tax Act, 1961	TDS – Q1	4.84 lacs	AY 2012-2013	ITO (TDS)
Income Tax Act, 1961	TDS – Q2	2.79 lacs	AY 2012-2013	ITO (TDS)
Income Tax Act, 1961	Income Tax	181.44 lacs	AY 2011-2012	CIT (Appeals)
Income Tax Act, 1961	TDS – Q3	14.69 lacs	AY 2009-2010	ITO (TDS)

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks.

(ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.

(x) 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 by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) According to the information and explanations given to us, the Company has not paid the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. The remuneration paid to Managing Director for the period from May 07, 2015 to March 31, 2016 is in excess of limits prescribed by ₹112 lacs. The Company has made an application with Central Government for approval of such excess amount which is pending disposal.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) The Company has made private placement of shares during the year under review and in our opinion and according to the information and explanations given to us, the requirement of Section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Atul Gala

Partner

Membership No. 048650

Place : Mumbai

Date : May 13, 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls of Next Radio Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the Safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls & financial reporting based on our audit. We Conducted our audit in accordance with the Guidance Note on Audit of internal Financial Controls over Financial Reporting (the "Guidance. Note.") issued by ICAI and the Standards on Auditing, and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note required that we comply with ethical requirements and plan and perform

the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial Controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of internal financial controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with

generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions. Or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial Controls Over Financial Reporting issued by The Institute of chartered Accountants of India.

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No.103523W

Atul Gala

Partner
Membership No. 048650

Place : Mumbai

Date : May 13, 2016

Balance Sheet as at 31st March 2016

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	4	18,426.38	15,926.38
Reserves and Surplus	5	(10,850.04)	(7,034.48)
		7,576.34	8,891.90
Non-Current Liabilities			
Long Term Borrowings	6	6,480.00	286.81
Other Long term liabilities	7	1,900.00	-
Long-Term Provisions	8	35.23	25.29
		8,415.23	312.10
Current Liabilities			
Short-term borrowings	9	218.51	580.22
Trade payables : Due to	10		
- Micro, Small and Medium Enterprises		-	-
- Other than Micro, Small and Medium Enterprises		159.49	67.50
Other Current Liabilities	11	1,762.48	645.29
Short-Term Provisions	8	83.26	196.63
		2,223.74	1,489.64
Total		18,215.31	10,693.64
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		548.98	819.73
Intangible assets		12,894.40	1,320.00
		13,443.38	2,139.73
Non-current investments	13	0.50	0.50
Deferred tax assets (net)	14	-	3,745.41
Long-term loans and advances	17	1,572.76	484.31
Other non-current assets	16	4.50	254.22
Current assets			
Trade receivables	15	1,918.93	1,533.67
Cash and Bank Balances	16	242.46	1,857.72
Short-term loans and advances	17	797.03	549.12
Other non-current assets	18	235.75	128.96
		3,194.16	4,069.47
Total		18,215.31	10,693.64
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.LLP**

Chartered Accountants

ICAI Firm Regn No. 103523W

Atul Gala

Partner

Membership No.: 48650

Place: Mumbai

Date: May 13, 2016

Vineet Singh Hukmani

Managing Director

(DIN: 02514684)

Ismail Dabhoya

Group Chief Financial Officer

For and on behalf of the Board of Directors

Next Radio Limited

Dilip Cherian

Director

(DIN: 00322763)

Deepal Khandelwal

Company Secretary

Adille Sumariwalla

Director

(DIN: 00045855)

Statement of Profit & Loss for the year ended 31st March 2016

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue from Operations			
Advertisement Revenue		7,618.23	6,542.88
Other income	19	143.87	180.56
Total Revenue		7,762.10	6,723.44
Expenses			
Radio license fees		1,393.56	394.75
Employee Benefit Expenses	20	2,163.50	1,821.41
Operating expenses	21	1,295.12	1,241.26
General & Administration Expenses	22	1,185.79	776.31
		6,037.97	4,233.73
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)–[Refer Note 3(p)]		1,724.13	2,489.71
Depreciation & Amortization	12	1,347.69	1,357.98
Finance charges (Net)	13	446.59	191.76
Profit / (Loss) before tax		(70.15)	939.97
Tax Expense:			
Current Tax		–	–
Deferred tax for the current period	14	20.10	266.01
Deferred Tax on Carried forward loss reversed		3,725.31	–
Profit/(Loss) for the year		(3,815.56)	673.96
Earnings per equity share:	24		
Basic & Diluted–(Face Value ₹10)		(2.59)	0.24
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.LLP**
Chartered Accountants
ICAI Firm Regn No. 103523W

Atul Gala
Partner
Membership No.: 48650

Place: Mumbai
Date: May 13, 2016

Vineet Singh Hukmani
Managing Director
(DIN: 02514684)
Ismail Dabhoya
Group Chief Financial Officer

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

Dilip Cherian
Director
(DIN: 00322763)
Deepal Khandelwal
Company Secretary

Adille Sumariwalla
Director
(DIN: 00045855)

Cash Flow Statement for the year ended 31st March 2016

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
A. Net Cashflow from operating Activities		
Net Profit / (Loss) before tax	(70.15)	939.97
Depreciation	1,347.69	1,357.98
Interest & finance cost	541.23	310.56
Loss/(profit) on sale of fixed assets (net)	-	(0.22)
Income from Investment	(1.43)	(0.08)
Interest Income	(206.22)	(118.80)
Rent Equalisation Reserve	1.82	2.66
Sundry Balances W/off	5.04	9.99
Creditors written back	(30.69)	(160.43)
Provision for Doubtful Debt	152.48	130.86
Operational Profit before Working Capital	1,739.77	2,472.49
Adjustments for changes in Working Capital		
Sundry Debtors	(385.25)	20.43
Loans & Advances	(1,316.34)	509.49
Liabilities & provisions	2,009.53	(383.55)
Non current assets	249.72	(36.20)
Sub-Total	557.66	110.16
Cash generated from operations	2,297.43	2,582.67
Income Tax	(110.84)	(68.60)
Sub-Total	(110.84)	(68.60)
B. Net Cash Flow from Operating Activities (A)	2,186.59	2,514.07
Cash Flow from Investing Activities		
Purchase of fixed Assets	(13,991.41)	53.70
Sale of Fixed Assets	1,304.36	0.22
Interest Received	99.44	57.51
Income on Investments	1.43	0.08
Investments	-	-
Net Cash Flow from Investing Activities (B)	(12,586.18)	111.50

Cash Flow Statement for the year ended 31st March 2016

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
C. Cash Flow from financing Activities		
Issue of Securities	2,500.00	-
Long Term & Other borrowings	7,442.61	-
Repayment of Long Term & Other borrowings - Net	(617.05)	(677.55)
Interest & finance cost	(541.23)	(331.18)
Net Cash Flow from Financing Activities (C)	8,784.32	(1,008.73)
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	(1,615.25)	1,616.84
Cash & Cash Equivalents at the beginning of the year	1,857.72	240.88
Cash & Cash Equivalents at the end of the year	242.46	1,857.72
Cash and Cash Equivalent at the year end constitutes		
Balance with Banks-In Current Accounts	183.30	1,694.41
In Deposit Accounts (Note 2)	57.11	160.00
Cash in hand	2.05	3.31
	242.46	1,857.72

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS-3) on Cash Flow Statement.
- Fixed deposit of ₹ 57.11 Lacs (previous year ₹ NIL) placed with a bank against which bank has given a guarantee.

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

Atul Gala
Partner
Membership No.: 48650

Place: Mumbai
Date: May 13, 2016

Vineet Singh Hukmani
Managing Director
(DIN: 02514684)

Ismail Dabhoya
Group Chief Financial Officer

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

Dilip Cherian
Director
(DIN: 00322763)

Deepal Khandelwal
Company Secretary

Adille Sumariwalla
Director
(DIN: 00045855)

Notes to Financial Statements for the year ended 31st March 2016

1. Corporate Information

Next Radio 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 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 with all material respects with the accounting standard specified u/s 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act 2013. The financial statements have been prepared on an accrual basis and under historical cost convention. The accounting policies have been consistently applied by the company and are consistent with those used in previous year.

3. Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management of the company to make estimates and assumptions that affect the reported amounts of income and expenses of the period and the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as on 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 for existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

c) Intangible assets

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

'The One Time Entry Fees' paid by the Company to acquire FM broadcasting license has been classified as an intangible asset. The benefit of this will be derived over a period of 15 years, and hence it is being amortized accordingly.

Notes to Financial Statements for the year ended 31st March 2016

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 II of the Companies Act, 2013, whichever is higher. Depreciation on additions during the year is provided on a pro-rata basis from the date of addition.

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.

FM Radio Broadcasting

Revenue from radio broadcasting is recognized on accrual basis and net of Service tax.

Interest

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

Others

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

h) Foreign currency translation

Initial recognition

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

Conversion

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

Notes to financial Statements for the year ended 31st March 2016

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

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

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

j) Income Taxes

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

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

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

k) Earnings Per Share

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

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

l) Provisions

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

Notes to financial Statements for the year ended 31st March 2016

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.

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.

Notes to financial Statements for the year ended 31st March 2016

4. Share Capital

a. Authorized and issued and paid-up capital

(₹ in lakhs)

Equity Shares	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital				
Equity Shares of ₹ 10/- Each	188,930,000	18,893.00	188,930,000	18,893.00
Preference Shares of ₹ 10/- Each	25,770,000	2,577.00	25,770,000	2,577.00
	214,700,000	21,470.00	214,700,000	21,470.00
Issued, Subscribed & Paid up Capital				
Equity Shares of ₹ 10/- Each	159,263,757	15,926.38	133,493,757	13,349.38
11.50% Optionally Convertible Cumulative Preference Shares of ₹ 10/- Each	-	-	25,770,000	2,577.00
0.001% Compulsorily Convertible Preference Shares of ₹ 10/- Each	25,000,000	2,500.00	-	-
	184,263,757	18,426.38	159,263,757	15,926.38

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

(₹ in lakhs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	133,493,757	13,349.38	133,493,757	13,349.38
Add: Shares issued / converted during the year	25,770,000	2,577.00	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of year	159,263,757	15,926.38	133,493,757	13,349.38

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.

11.5% Convertible Cumulative Preference Shares

(₹ in lakhs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
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 converted during the year	25,770,000	2,577.00	-	-
Shares outstanding at the end of year	0.00	0.00	25,770,000	2,577.00

Notes to financial Statements for the year ended 31st March 2016**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 completion of 20 years i.e. in the year 2029-30.

Cumulative outstanding preference dividend as on 31st March, 2016 is ₹ NIL (as on 31st March, 2015 is ₹ 1,676.64 lakhs)

The 11.50% optionally convertible cumulative preference shares are converted into equity shares at par.

The cumulative dividend payable as on March 31, 2015 ₹ 1,676.64 lakhs has been waived by the shareholders.

0.001 % Cumulative Compulsory Convertible Preference Shares (issued on September 18, 2015)

(₹ in lakhs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	-	-	-	-
Add: Shares issued during the year	25,000,000	2,500.00	-	-
Less: Shares converted during the year	-	-	-	-
Shares outstanding at the end of year	25,000,000	2,500.00	-	-

Terms of conversion / redemption of 0.001% optionally convertible cumulative preference shares

a Preference shares are convertible into equity shares at par

b Cumulative outstanding preference dividend as on March 31, 2016 is ₹ 0.01 Lacs (as on March 31, 2015 ₹ Nil)

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Next Mediaworks Limited(holding Company)	122,200,770	76.73%	96,430,770	72.24%
11.50% Preference Shares				
Next Mediaworks Limited(holding Company)	-	0.00%	25,770,000	100.00%

f. Details of Shareholders holding more than 5% of Shares in the Company

Equity Shares	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Next Mediaworks Limited	122,200,770	76.73%	96,430,770	72.24%
BBC Worldwide Holdings B.V	24,287,982	15.25%	24,287,982	18.19%
Vineet Singh Hukmani	6,670,000	4.19%	6,670,000	5.00%
Total	153,158,752	96.17%	127,388,752	95.43%
11.50% Preference Shares				
Next Mediaworks Limited			25,770,000	100.00%
0.001% Preference Shares				
Rakesh Jhunjhunwala	25,000,000	100.00%		
Total	25,000,000	100.00%	25,770,000	100.00%

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

Notes to financial Statements for the year ended 31st March 2016

5. Reserves & Surplus

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Securities Premium		
Opening Balance	3,837.81	3,837.81
Closing Balance	3,837.81	3,837.81
Surplus		
Opening Balance	(10,872.29)	(11,425.98)
Add: Net Profit/ (Loss) for the year	(3,815.56)	673.96
Less: WDV of Assets	-	(120.27)
Closing Balance	(14,687.84)	(10,872.29)
Total Reserves & Surplus	(10,850.04)	(7,034.48)

6. Long Term Borrowings

(₹ in lakhs)

Particulars	Non-Current Portion	
	As at 31st March, 2016	As at 31st March, 2015
Secured Borrowings		
Term Loans (From Banks)	6,480.00	286.81
	6,480.00	286.81

- First exclusive charge on the company's moveable and immoveable fixed assets both present and future.
 - First exclusive charge on current assets both present and future.
 - First exclusive charge by way of equitable mortgage on office property of the holding company.
- The interest rate is fixed at 11% p.a. on term loan obtain from bank.
- Term Loan from bank is repayable in first 4 quaterly installment of ₹ 2 crore each and balance 20 quarterly installment of ₹ 3.60 crore each
- Current maturities of Long term borrowings have been reported as Other Current Liabilities

7. Other Long Term Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Security deposit	1,900.00	-
	1,900.00	-

Notes to financial Statements for the year ended 31st March 2016

8. Provisions

(₹ in lakhs)

Particulars	Long Term		Short Term	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Provision for Employee Benefits				
Leave Encashment (Unfunded)	22.17	20.93	2.76	0.62
Gratuity Payable (Funded)	13.07	4.36	41.65	34.89
Provision for other expenses	-	-	38.84	161.12
	35.24	25.29	83.25	196.63

9. Short Term Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured Borrowings		
Cash Credit Facility (From Banks)	218.51	580.22
	218.51	580.22

- First exclusive charge on the company's moveable and immoveable fixed assets both present and future.
- First exclusive charge on current assets both present and future.
- First exclusive charge by way of equitable mortgage on office property of the holding company.

10. Trade Payables

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade Payables-[Refer Note 26]		
Due to:		
- Micro, Small and Medium Enterprises	-	-
- Other than Micro, Small and Medium Enterprises	159.49	67.50
	159.49	67.50

Notes to financial Statements for the year ended 31st March 2016

11. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Other Liabilities		
Current Maturities of Long term debt	1,120.13	126.05
Advance Received from customers	13.09	12.57
Taxes Payable	20.64	65.76
Salary & Reimbursement	159.95	113.42
Other Current Liabilities	448.67	327.50
	1,762.48	645.29

12. Fixed Assets

(₹ in lakhs)

Particulars	Gross Block				Depreciation				Net Block		
	As at 1st Apr, 2015	Additions during the year	Deductions during the year	As at 31st Mar, 2016	As at 1st Apr, 2015	For the year	Transfer to Opening Reserve	Deductions during the year	As at 31st Mar, 2016	As at 31st Mar, 2016	As at 31st Mar, 2015
Tangible Assest:											
Building (Leasehold Improvement)	38.07	-	-	38.07	38.00	0.07	-	-	38.07	(0.00)	0.07
Studio equipment	451.63	8.11	-	459.74	393.80	9.38	-	-	403.18	56.56	57.83
Transmitter	709.64	5.88	-	715.51	386.91	55.16	-	-	442.08	273.43	322.73
Furniture and fixtures	641.26	6.23	-	647.49	420.00	115.79	-	-	535.79	111.70	221.24
Office Equipments	57.71	1.10	-	58.81	48.07	7.89	-	-	55.96	2.86	9.65
Computers	357.37	26.52	-	383.89	336.12	14.44	-	-	350.56	33.34	21.25
Air-conditioners	102.65	-	-	102.65	93.69	5.57	-	-	99.27	3.38	8.95
Audio-visual equipments	2.63	0.12	-	2.74	2.62	0.01	-	-	2.64	0.11	0.01
Vehilces	7.73	-	-	7.73	0.20	1.29	-	-	1.50	6.23	7.52
Common Transmis-sion Infrastructure	429.29	92.55	-	521.85	258.81	201.65	-	-	460.46	61.39	170.48
(Refer note below)		-									
Total Tangible Assets	2,797.97	140.52	-	2,938.48	1,978.21	411.26	-	-	2,389.50	548.99	819.73
Intangible Assets:											
One Time Entry Fees	9,732.54	13,815.18	9,732.54	13,815.18	8,428.18	923.54	-	8,428.18	923.54	12,891.65	1,304.36
Computer software	92.63	-	-	92.63	77.00	12.89	-	-	89.89	2.75	15.64
Total Intangible Assets	9,825.17	13,815.18	9,732.54	13,907.81	8,505.18	936.43	-	8,428.18	1,013.42	12,894.40	1,320.00
Capital Work in Progress										-	
Total	12,623.14	13,955.70	9,732.54	16,846.29	10,483.39	1,347.69	-	8,428.18	3,402.92	13,443.38	2,139.73
Previous Year	12,564.31	64.73	5.94	12,623.12	9,011.09	1,357.97	120.26	5.94	10,483.39	2,139.73	

Common Transmission Infrastructure (CTI) is co-owned by the company along with other Radio FM players in each city. Depreciation on CTI is charged on straight line method over balance period of License (as per Phase II) at each location.

Notes to financial Statements for the year ended 31st March 2016**13. Non Current Investment**

(₹ in lakhs)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Investments in Dombivli Nagarik Sahakari Bank (Equity Shares of ₹ 50/- Each)	1,000	0.50	1,000	0.50
		0.50		0.50

14. Deferred Tax Assets (Net)

The company has unabsorbed carried forward losses and depreciation. As a matter of prudence, no deferred tax assets have been recognised as on Balance Sheet date.

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Assets/(Liabilities) on:		
Carried Forward Losses	–	3,710.19
Depreciation on Fixed Assets	–	15.12
Leave Encashment	–	7.12
Gratuity	–	12.98
	–	3,745.41

15. Trade Receivable

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade receivables outstanding for period exceeding six months from the date they are due for payment		
Unsecured Considered good	101.84	205.22
Unsecured Considered doubtful	239.21	249.42
	341.05	454.65
Less: Provision for doubtful debts	239.21	249.42
A	101.84	205.22
Trade receivables outstanding for period less than six months from the date they are due for payment		
Unsecured Considered good	1,817.09	1,328.45
B	1,817.09	1,328.45
Total (A+B)	1,918.93	1,533.67

Notes to financial Statements for the year ended 31st March 2016

16. Cash and Bank Balances

(₹ in lakhs)

Particulars	Non-Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Cash & Cash Equivalents				
Balance with Banks				
In Current Accounts	-	-	183.30	1,694.41
In Deposit Accounts *	4.50	7.25	57.11	160.00
Cash in hand	-	-	2.05	3.31
Other Bank Balances				
Deposit Account - (under lien with bank)	-	17.08	-	-
Margin Money	-	229.89	-	-
	4.50	254.22	242.46	1,857.72

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

* Fixed deposit of ₹ 57.11 Lacs (previous year ₹ NIL) placed with a bank against which bank has given a bank guarantee.

17. Loans and Advances

(₹ in lakhs)

Particulars	Long Term		Short Term	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Unsecured Considered Good				
Trade Deposits	403.53	309.74	1.53	-
Capital Advances	133.27	97.56	-	-
Advances to Creditors	-	-	99.15	73.19
Staff Loans & Advances	-	-	0.81	5.05
Tax Deducted at Source	-	-	411.13	300.30
Service Tax Cenvat Receivable	-	-	-	44.29
Prepaid Expenses	-	-	280.64	122.60
Loans to Others	-	-	-	0.90
Loans to Related Parties	1,035.97	77.01	3.75	2.79
	1,572.76	484.31	797.03	549.12

18. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Other Current Assets		
Interest Accrued but not due	16.98	16.20
Interest Accrued but not due from Related parties	218.77	112.76
	235.75	128.96

Notes to financial Statements for the year ended 31st March 2016

19. Other Income

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Other Income		
Dividend Income	1.43	0.08
Other Income	-	19.83
Profit on Sale of Fixed Assets	-	0.22
Creditors / Liabilities Written Back	142.43	160.43
	143.87	180.56

20. Employee Benefit Expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Employee Costs		
Salary & Wages	1,972.93	1,645.16
Contribution to PF and other funds	53.38	48.38
Staff Welfare expenses & Other Employee expenses	137.19	127.87
	2,163.50	1,821.41

21. Operating Expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Operational Expenses		
Royalty	209.47	171.27
Radio programme creation and studio hire	117.75	136.76
Repairs & Maintainance – Equipment	160.46	108.89
Repairs & Maintainance – Others	85.63	84.11
Electricity charges	219.85	191.50
Rent	501.96	548.73
	1,295.12	1,241.26

Notes to financial Statements for the year ended 31st March 2016

22. General & Administration Expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
General & Administration Expenses		
Telephone charges	45.79	44.79
Travelling	41.43	38.04
Conveyance	42.87	38.92
Directors sitting fees	0.40	0.33
Business Promotion	32.44	35.09
Auditors remuneration :-	-	
- Statutory Audit	5.00	3.00
- Tax Audit	0.75	0.75
- Others	1.13	1.10
Sundry Balance w/off	5.04	9.99
Miscellaneous Expenses	31.70	24.53
Corporate social responsibility expenses	6.77	-
Discounts & Other Incentives	173.89	151.95
Advertisement Expenses	179.55	114.77
Legal & Professional Charges	374.79	146.07
Printing and stationery	12.36	12.73
Insurance	4.30	16.10
Rates and Taxes	75.10	7.29
Bad Debts Written Off	162.70	124.30
Add: Provision made during the year for doubtful debts	152.48	130.86
Less: Provision made in earlier years for bad debts	(162.70)	(124.30)
	1,185.79	776.31

23. Finance Charges

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Charges		
On Loans from Banks	541.23	119.24
On Loans from Others	1.30	127.54
Less: Interest Income	(206.22)	(118.79)
Bank Charges & Commission	110.28	63.77
	446.59	191.76

Notes to financial Statements for the year ended 31st March 2016

24. Earnings Per Share (EPS)

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Net Loss as per Profit & Loss Statement (₹ in lakhs)	(3815.56)	673.96
Less: Dividend on Preference Shares(₹ in lakhs) (including DDT)	0.03	357.02
Net loss for the year attributable to equity shareholders(₹ in lakhs)	(3815.59)	316.94
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	133,493,757	133,493,757
Weighted average number of Shares issued during the year	13,800,328	0
Weighted average number of equity shares at the end of the year	147,294,085	133,493,757
Basic and diluted earnings (in ₹) per share	(2.59)	0.24

25. Contingent Liabilities

- In respect of guarantees issued by the Company's bankers ₹ 1390.66 lakhs (Previous Year ₹ 331.53 lakhs).
- In respect of cumulative outstanding preference dividend as on 31st March, 2016 is ₹ 0.01 lakhs (Previous year ₹ 1676.64 lakhs lakhs)
- In respect of Income Tax demand under dispute ₹ 831.99 lakhs (Previous Year ₹ 247.35 lakhs)
- Estimated amount of contracts remaining to be executed on capital account is ₹ Nil (Previous Year ₹ Nil)

26. Disclosure pertaining to Micro, Small and Medium Enterprises

There are no dues payable to Micro, Small and Medium Enterprises. The same 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 Company has only one segment namely Radio Broadcasting; hence no separate disclosure of segment wise information has been made.

28. Capital Reduction

The Hon'ble High Court at Bombay has, vide its Order dated 1st April 2016, approved the Scheme of Capital Reduction of the Company, wherein the company has proposed to set-off its accumulated losses of ₹ 108.52 Crores against its equity paid up capital. Pursuant to the sanction of the said Scheme, the equity paid-up share capital of the company after such reduction will be reduced from ₹ 159,26,37,570/- divided into 15,92,63,757 equity shares of ₹ 10/- each fully paid-up to ₹ 50,74,02,870/- divided into 5,07,40,287 equity shares of ₹ 10/- each fully paid-up.

Notes to financial Statements for the year ended 31st March 2016

29. Related Party Disclosures

Names of related parties and related party relationship

a. Holding Company	Next Mediaworks Limited
b. Fellow Subsidiaries	One Audio Limited Digital One Private Limited Next Outdoor Limited
c. Under control of Management	Next Publishing Services Private Limited Mid-Day Exports Pvt Ltd Inquilab offset printers Ltd Ferari Investments and Trading Co Pvt Ltd Meridian Holding & Leasing Co Pvt Ltd MC Media Limited
d. Key Managerial Personnel	Mr. Vineet Singh Hukmani, Managing Director

Related Party Transactions

(₹ in lakhs)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Under control Management	Key Managerial Personnel
Interest Expenses:				
Meridian Holding & Leasing Co Pvt Ltd			-	
			(14.71)	
Management fees expenses	54.86			
	-			
Expenses incurred on their behalf				
One Audio Limited		0.54		
		(0.38)		
Digital One Private Limited		0.18		
		(0.29)		
Next Outdoor Limited		0.26		
		(0.60)		
Managerial Remuneration —Mr. Vineet Singh Hukmani				196.00
				(175.00)
Rent Expense				
Inquilab Offset Printers Ltd			16.80	
			(7.00)	
Interest Earned	106.01			
	(88.52)			
Unsecured Loan repaid during the year by holding company	8.10			
	(1,181.84)			

Notes to financial Statements for the year ended 31st March 2016

(₹ in lakhs)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Under control Management	Key Managerial Personnel
Repayment of Unsecured Loan During the year	-			
MC Media Limited			-	
			(30.00)	
Meridian Holding & Leasing Co Pvt Ltd			-	
			(187.04)	
Unsecured Loan payable at end of year				
Meridian Holding & Leasing Co Pvt Ltd			0.13	
			(0.13)	
Unsecured Loan given During the year	967.07		-	
	(709.60)		(0.44)	
Unsecured Loan receivable at end of year	1,035.27		-	
	(76.30)		(0.90)	
Trade Payable				
Next Mediaworks Ltd	17.02			
	-			
Inquilab Offset Printer Ltd			3.78	
			-	
Receivable against expenses paid on their behalf:				
One Audio Limited		1.96		
		(1.42)		
Digital One Private Limited		0.81		
		(0.63)		
Next Outdoor Limited		1.69		
		(1.44)		
Interest Recievable	196.90			
	(112.76)			

Notes to financial Statements for the year ended 31st March 2016

30. Employee Benefits

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

a. Defined Contribution Plans

Provident Fund

The Company has recognized ₹ 53.38 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	– 8.04% Pa
Rate of Increase in compensation levels (pa)	– 6.00% Pa
Attrition Rate	– 4.00% Pa

a. Change in the Present Value obligation

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Present Value of Defined Benefit Obligation as at beginning of the Period	80.40	39.03
Interest Cost	6.38	3.63
Current Service Cost	14.71	7.68
Benefits Paid from the fund	(9.83)	(0.92)
Actuarial (gain) / Loss on Obligation	10.83	30.97
Present Value of Defined Benefit Obligation as at end of the period	102.49	80.40

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

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Present Value of Plan Assets as at beginning of the period	41.14	30.46
Expected Return on Plan Assets	3.27	2.84
Actuarial gain/(loss) on Plan Assets	(1.80)	2.49
Contributions	15.00	6.27
Benefits Paid	(9.83)	(0.92)
Fair Value of Plan Assets as at end of the period *	47.78	41.14

Notes to financial Statements for the year ended 31st March 2016

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

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Present Value of Funded Obligation as at end of the period	102.49	80.40
Fair Value of Plan Assets as at end of the period	47.78	41.14
Funded Asset recognised in the Balance Sheet	(54.71)	(39.25)
Included in provision (Schedule)	-	-
Present Value of Unfunded Obligation as at end of the period	-	-
Unrecognised Actuarial gains / (losses)	-	-
Unfunded Liability recognised in the Balance Sheet	-	-
Included in provision (Schedule)	-	-

d. Amount Recognized in the Balance Sheet

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Present Value of Defined Benefit Obligation as at the end of the period	102.49	80.40
Fair Value of Plan Assets As at the end of the period	47.78	41.14
Liability / (Net Asset) recognized in the Balance Sheet	54.71	39.25

e. Expenses Recognized in the Profit & Loss Statement

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Current Service Cost	14.71	7.68
Past Service Cost	-	-
Interest Cost	6.38	3.63
Expected Return on Plan Assets	(3.27)	(2.84)
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Actuarial (gain) / Loss recognised in the Period	12.63	28.48
Total Expenses recognised in the Statement of Profit and Loss	30.46	36.96

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 provided an amount of ₹ 6.74 lakhs as expenses on account of leave encashment payable to the employees

Notes to financial Statements for the year ended 31st March 2016

f. Other Disclosure

(₹ in lakhs)

Experience Adjustments of last three years	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014
(Present Value Of Benefit Obligation as at the End of the Period)	(102.49)	(80.40)	(39.03)
Fair Value Of Plan Assets as at End of the period	47.78	41.14	30.46
Funded Status (Deficit)/Surplus	(54.71)	(39.25)	(8.57)
Experience Adjustment On Benefit Obligation (Gains)/Losses	10.83	18.92	2.52
Experience Adjustments On Plan Assets (Losses)/Gains	(1.80)	2.49	(1.29)

31. Leases

Pursuant to Accounting Standard (AS-19) – Leases, the following information is given

In case of assets taken on operating lease

The lease rent charges recognized in the Statement of Profit and Loss during the year ended March 31, 2016 is ₹ 501.67 Lacs (previous year: ₹ 548.83 Lacs)

Obligation of the Company towards future lease payments

(₹ in lakhs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Not later than one year	115.13	54.20
Later than one year but not later than five years	129.86	19.17
Later than five years	–	–

32. Foreign Currency Earnings & Expenditure

Expenditure in Foreign Currency –

(₹ in lakhs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Others	34.76	35.80

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

Notes to financial Statements for the year ended 31st March 2016

33. Corporate Social Responsibility (₹ in lakhs)

A. Gross amount required to be spent by company during the year 2015-2016	6.77
B. Amount spent during the year	6.77
C. Related party transaction in relation to corporate social responsibility expenses	NIL
D. Provision made during the year	NIL

34. Managerial Remuneration

The company is paying remuneration to Managing Director which is in excess of the limit specified in section 197 of the Companies Act, 2013. For the approval of the same the company has filed an application u/s 196 & schedule (V) (I) (e) of the Companies Act, 2013 with Central Government. The Central Government has rejected the same application wide their later dated April 8, 2016 to the company. Pursuant to non-approval of such higher remuneration from Central Government the company has file an appeal against the same rejection.

35. Disclosure required Under Section 186(4) of the Companies Act, 2013

Loans, Guranteess given or Investment made during the Financial Year 2015-16

(₹ in lakhs)

Particulars	Amount
Loans given	1,035.97
Guarantee given	NIL
Investment made	NIL

(₹ in lakhs)

Name of the entity	Relation	Amount	Particulars of loans, gurantee given or Investment made	Purpose
Next Mediaworks Limited	Holding company	1,035.97	Loan given	Working capital

36. Previous years figures have been regrouped/rearranged wherever required to make them comparable

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

Atul Gala
Partner
Membership No.: 48650

Place: Mumbai
Date: May 13, 2016

Vineet Singh Hukmani
Managing Director
(DIN: 02514684)
Ismail Dabhoya
Group Chief Financial Officer

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

Dilip Cherian
Director
(DIN: 00322763)
Deepal Khandelwal
Company Secretary

Adille Sumariwalla
Director
(DIN: 00045855)

NOTICE

NOTICE is hereby given that the 35th ANNUAL GENERAL MEETING of NEXT MEDIAWORKS LIMITED will be held on Friday, 5th August 2016 at 4:00 p.m. at Sunville Banquet, 9 Dr. Annie Besant Road, Middle of Worli Flyover, Near Poonam Chambers, Worli, Mumbai – 400 018 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March 2016 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Tarique Ansari (DIN: 00101820), who retires by rotation and being eligible, offers himself for re-appointment.

3. Appointment of Statutory Auditors:

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. Haribhakti & Co. LLP, Chartered Accountants (Firm Registration No. 103523W), the retiring Statutory Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

SPECIAL BUSINESS:

4. Adoption of new set of Articles of Association:

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 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to the necessary registration approvals, consents, permissions and sanctions required, if any, by the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, which terms, conditions, amendments or modifications, the Board of Directors (hereinafter referred to as "the Board", which term shall include any of its duly authorized Committees or one or more Directors) is authorized to accept as it may deem fit, the existing set of Articles of Association of the Company be and is hereby replaced, altered, modified and revised as per the new set of Articles of Association, and the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in the place and in exclusion and substitution of the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board and/or the Company Secretary be and are hereby jointly or severally authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.

5. Maintenance of Register of Members at a place other than the registered office of the Company.

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

"RESOLVED THAT pursuant to Section 94 of the Companies Act, 2013 and Rule 5 (2) of Companies (Management and Administration) Rule, 2014 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company

be and is hereby accorded to keep and maintain the Register of Members, Register of Debenture Holders, the Index of Members / Debenture Holders, along with share transfer book together with the copies of all certificates and documents required to be annexed or attached thereto under Companies Act 2013 with the Company's Registrar & Transfer Agents i.e., Link Intime India Private Limited, C-13, Pannalal Silkmills Compound, LBS Marg, Bhandup (W), Mumbai – 400078;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts, deeds including filing of e-form as required under the Companies Act, 2013 and things as may be necessary, proper, expedient or incidental."

6. Increase in the Authorized Share Capital of the Company.

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

"RESOLVED THAT pursuant to Section 64 and other applicable provisions of the Companies Act, 2013, if any, the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded for increasing the Authorised Share Capital of the Company from ₹ 700,000,000/- (Rupees Seventy Crores Only) divided into 70,000,000 (Seven Crores) equity shares of ₹10/- (Rupees Ten Only) each to ₹ 800,000,000/- (Rupees Eighty Crores Only) divided into 80,000,000 (Eight Crores) equity shares of ₹10/- (Rupees Ten Only) each;

RESOLVED FURTHER THAT pursuant to Sections 13 and 61 and other applicable provisions of the Companies Act, 2013, if any, the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the members be and is hereby accorded for substituting the existing Clause V of Memorandum of Association of the Company with the following clause:

"V. The Authorised Share Capital of the Company is ₹ 800,000,000/- (Rupees Eighty Crores Only) divided into 80,000,000 (Eight Crores) equity shares of ₹10/- (Rupees Ten Only) each. The Company has power

from time to time to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions or restrictions in such manner as may for the time being permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorised to file statutory application and other forms, remit fees and to do all such acts, deeds and things as may be necessary and incidental to give effect to the aforesaid resolution"

By Order of the Board of Directors

For Next Mediaworks Limited

Sd/-

Mandar Godbole

Company Secretary

Registered Office:

156, D J Dadajee Road, Behind Everest Building,
Tardeo, Mumbai – 400034.

Dated: 13th May 2016

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 30th July 2016 to Thursday, 4th August 2016 (both days inclusive) for the purpose of the 35th Annual general Meeting ("AGM") of the Company.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER(S) OF THE COMPANY.

THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING i.e. BY 4 P.M. ON WEDNESDAY, 3RD AUGUST 2016.

4. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Corporate Members intending to send their authorized representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified true copy of the relevant board resolution together with the respective specimen signature(s) of those representative(s) authorized under the said resolution to attend and vote on their behalf at the AGM.
5. Members, Proxies and Authorized Representatives are requested to bring to the AGM, the attendance slips enclosed herewith duly completed and signed mentioning therein details of their DP ID and Client ID / Folio No.
6. In case of joint holders attending the AGM, the joint holder who is higher in the order of names will be entitled to vote at the AGM.
7. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
10. Details pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 in respect of the Director seeking re-appointment at the 35th AGM, forms integral part of the Notice. The Director has furnished the requisite declaration for his re-appointment.
11. Electronic copy of the Annual Report for the year 2016 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for the financial year 2016 is being sent in the permitted mode.
12. Electronic copy of the Notice of the 35th AGM of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 35th AGM of the Company inter alia indicating the process

and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

13. Members may note that the Notice of the 35th Annual General Meeting and the Annual Report for the financial year 2015-16 will also be available on the Company's website www.nextmediaworks.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cs@nextmediaworks.com.

14. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 35th AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote

e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

- IV. **The remote e-voting period commences on Tuesday, 2nd August 2016 (9:00 am) and ends on Thursday, 4th August 2016 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 29th July 2016, may cast their vote by remote e-voting.** The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- V. The process and manner for remote e-voting are as under:

A. **In case a Member receives an email from NSDL** [for members whose email IDs are registered with the Company / Depository Participants(s)]:

- (i) Open email and open PDF file viz; "NMW remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder – Login.
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share

your password with any other person and take utmost care to keep your password confidential.

- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "REVEN" of Next Mediaworks Limited.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cs@nextmediaworks.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participants(s) or requesting physical copy]:

- (i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM:

REVEN (Remote e-voting Event Number)	USER ID	PASSWORD / PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) and e voting user manual for Members available in the 'Downloads' section of www.evoting.nsdl.com.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password / PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 29th July 2016.
- X. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. Friday, 29th July 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com.
- XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

- XII. Mr. Ajit Sathe, Practicing Company Secretary (Membership No. F2899) of M/s A. Y. Sathe & Co., has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person

authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- XV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.nextmediaworks.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and NSE Limited.

15. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
16. This Notice has been updated with the instructions for voting through electronic means as per the latest amended rules.

17. Details of director seeking reappointment in Annual General Meeting pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is as given below:

Name of Director	Mr. Tarique Ansari
Date of Birth	11th June 1961
Date of Appointment	1st July 2004
Qualifications	Bachelor of Business Administration from Notre Dame, USA.
Directorships held in other Companies (Indian companies)	1. Inquilab Offset Printers Ltd. 2. Next Outdoor Ltd. 3. Meridian Holding and Leasing Company Pvt. Ltd. 4. Mid Day Exports Pvt. Ltd. 5. Ferrari Investments and Trading Company Pvt. Ltd. 6. Outdoor Network Pvt. Ltd. 7. Next Publishing Services Pvt. Ltd. 8. One Audio Ltd. 9. Asset Vantage Systems Pvt. Ltd. 10. One By Two Media Pvt. Ltd. 11. Bombay Marathon Pvt. Ltd.
Memberships / Chairmanships of Committees of other public companies.	NIL
Shareholding (No. of shares)	4,337,298

Registered Office:

156, D J Dadaji Road, Behind Everest Building, Tardeo,
Mumbai - 400 034.

Place: Mumbai,

Dated: 13th May 2016

By Order of the Board of Directors

For Next Mediaworks Limited

Sd/-

Mandar Godbole
Company Secretary

EXPLANATORY STATEMENT

ITEM NO. 2:

This explanatory statement for Item No. 2 is provided though strictly not required as per Section 102 of the Act.

The current term of Mr. Tarique Ansari – Chairman & Managing Director expires on 30th June 2016. The shareholders, at the 34th Annual General Meeting of the Company held on 6th August 2015, have re-appointed Mr. Tarique Ansari as the Chairman & Managing Director of the Company for a further period of 3 years effective 1st July 2016.

The resolution for re-appointment as mentioned in Item No. 2 of this Notice is being commended for shareholders' approval for complying with the provisions of Section 152 of the Companies Act, 2013 and shall not be construed as a break in his current tenure, which is upto 30th June 2019.

Except for Mr. Tarique Ansari, no other Directors or Key Managerial Personnel of the Company or their relatives are directly or indirectly concerned or interested in the resolution at Item No. 2 of this Notice.

ITEM NO. 4:

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company need to be re-aligned as per the provisions of the new Act. The Board of Directors at its meeting held on 13th May, 2016 decided to substitute / alter certain provisions as per the Companies Act, 2013. As this would result in a number of changes in the existing Articles of Association of the Company, it was desirable to adopt a new set of Articles of Association in place of the existing Articles of Association of the Company. The new Articles of Association to be substituted in place of the existing Articles of Association is based on Table "F" of Schedule I of the Companies Act, 2013 which sets out the model Articles of Association for a company limited by shares.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company. The proposed new draft Articles of

Association is being uploaded on the Company's website for perusal by the shareholders.

The Board recommends the special resolution set out under Item No. 4 of the Notice for shareholders' approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the special resolution set out under Item No. 4 of the Notice.

ITEM NO. 5:

The Board of Directors of the Company had, at its meeting held in the year 2001, appointed Link Intime India Private Limited as the Company's Registrar & Transfer Agents. As such the Register of Members / Debenture Holders, the Index of Members / Debenture Holders, along with share transfer books together with the copies of all certificates and documents required to be annexed or attached thereto are being maintained by the said Registrar & Transfer Agents.

As per Section 94 of the Companies Act, 2013, the member's registers may be kept at any place other than the registered office of the Company after obtaining consent of the shareholders by way of a special resolution passed. To comply with the requirement of the Companies Act, 2013, consent of the members is being sought for keeping the Register of Members / Debenture Holders, the Index of Members / Debenture Holders, along with share transfer books together with the copies of all certificates and documents required to be annexed or attached thereto at the office of the Registrar & Transfer Agents situated at C-13, Pannalal Silkmills Compound, LBS Marg, Bhandup (W), Mumbai – 400078.

The Board recommends the special resolution set out under Item No. 5 of the Notice for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the special resolution set out under Item No. 5 of the Notice.

ITEM NO. 6:

The present Authorized Share Capital of the Company is ₹ 700,000,000/- (Rupees Seventy Crores Only) divided into 70,000,000 (Seven Crores) equity shares of ₹10/- (Rupees Ten Only) each.

In order to enable the Company to raise additional long-term finance by issue of equity shares and / or other equity linked securities in the domestic / international markets, as and when required, it is proposed to take an enabling resolution to increase the Authorized Share Capital of the Company from the existing ₹ 700,000,000 to ₹ 800,000,000/- (Rupees Eighty Crores Only) divided into 80,000,000 (Eight Crores) equity shares of ₹10/- (Rupees Ten Only) each with the consequential alterations in the Capital Clause of the Memorandum of Association of the Company.

Registered Office:

156, D J Dadaji Road, Behind Everest Building, Tardeo,
Mumbai - 400 034.

Place: Mumbai,

Dated: 13th May 2016

The provisions of the Companies Act, 2013 require the Company to seek the approval of the members for increasing the Authorized Share Capital and for altering the Capital Clause of the Memorandum of Association. The Memorandum of Association shall be available for inspection of members at the registered office of the Company at any time during business hours from 9.30 a.m. to 5.00 pm till the date of the 35th Annual General Meeting.

The Board recommends the resolution set out under Item No. 6 of the Notice for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the resolution set out under Item No. 6 of the Notice.

By Order of the Board of Directors

For Next Mediaworks Limited

Sd/-

Mandar Godbole
Company Secretary



NEXT MEDIAWORKS LIMITED

Regd. Off: 156, D J Dadajee Road, Behind Everest Building, Tardeo, Mumbai- 400034.

Tel. No.: 022-67527038, Fax: 022-67015701

CIN: L22100MH1981PLC024052

Website: www.nextmediaworks.com E-mail ID: cs@nextmediaworks.com

THIRTY FIFTH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

Regd. Folio / DP ID & Client ID	
Name and Address of the Shareholder	
Joint Holders	
No. of shares held	

I hereby record my presence at the THIRTY FIFTH ANNUAL GENERAL MEETING of the Company being held at 4.00 P.M. on Friday, August 05, 2016, at Sunville Banquet, 9 Dr. Annie Besant Road, Middle of Worli Flyover, Near Poonam Chambers, Worli, Mumbai- 400018.

Signature of the Shareholder / Proxy Present

Note:

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of meeting hall.
2. Electronic copy of the Annual Report for the year ended 31st March, 2016 and Notice of Annual General Meeting (AGM) along with attendance slip and proxy form is being sent to all members whose e-mail address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this attendance slip.
3. Physical copy of Annual Report for the year ended 31st March, 2016 and notice of the AGM along with the attendance slip and proxy form is sent in the permitted mode(s) to all members whose e-mail is not registered or have requested for a hard copy.

ELECTRONIC VOTING PARTICULARS

Electronic Voting Event Number (EVEN)	User ID	Password



AGM Venue

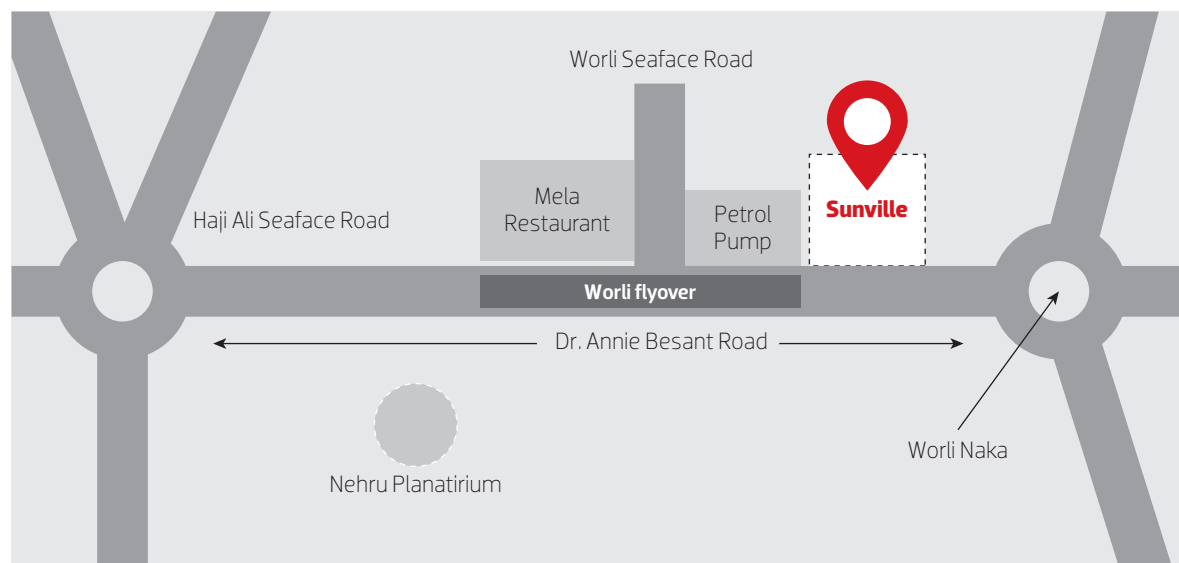
Sunville Banquets,

9, Dr. Annie Besant Road, Worli, Mumbai 400 018.

Opp China bistro Restaurant, Near H P petrol pump, Diagonally opp Atria Mall, Middle of Worli flyover,

Tel-2497 8082 / 2495 2069 / 24935546. **Fax:** 24921604

info@sunvillebanquets.com



Directions:

1. From Worli Sea Link take left below Love Groove flyover, enter first building
2. Prabhadevi – after Worli naka take U-turn under Love Groove flyover, 1st building on your left
3. Haji Ali, take the road below after Atria Mall, cross the signal below the flyover, first building on your left
4. Mahalaxmi. Take left at Worli Naka take U-turn under Love Groove flyover, 1st building on the left



NEXT MEDIAWORKS LIMITED

Regd. Off: 156, D J Dadajee Road, Behind Everest Building, Tardeo, Mumbai- 400034.

Tel. No.: 022-67527038, Fax: 022-67015701

CIN: L22100MH1981PLC024052

Website: www.nextmediaworks.com E-mail ID: cs@nextmediaworks.com

THIRTY FIFTH ANNUAL GENERAL MEETING

Form No. MGT-11

PROXY FORM

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

Name of Member(s):

Registered Address:

E-mail Id:

Folio No. / Client Id:

DP Id:

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

1. Name:..... Address:.....

E-mail Id:..... Signature:.....

2. Name:..... Address:.....

E-mail Id:..... Signature:.....

3. Name:..... Address:.....

E-mail Id:..... Signature:.....

as my / our proxy to attend and vote (on poll) for me / our behalf at the 35th AGM of the Company, to be held on Friday, 5th August, 2016 at 4.00 p.m. at Sunville Banquet, 9 Dr. Annie Besant Road, Middle of Worli Flyover, Near Poonam Chambers, Worli, Mumbai- 400018 and at any adjournment thereof in respect of such resolution as are indicated below:



Sr. No.	Resolution	Optional*	
Ordinary Resolution		For	Against
1.	Adoption of Standalone and Consolidated financial statement of the Company for the year ended March 31, 2016.		
2.	To appoint Director in place of Mr. Tarique Ansari (DIN: 00101820), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Re- appointment of M/s Haribhakti & Co. LLP., Chartered Accountants as Statutory Auditors and fix their remuneration thereof		
Special Business		For	Against
1.	Adoption of new set of Articles of Association pursuant to Section 14 and other applicable provisions of Companies Act, 2013		
2.	Maintenance of Register of Members at a place other than the Registered Office of the Company i.e., Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company.		
3.	To increase the Authorized Share Capital of the Company from ₹70 crores to ₹80 crores		

Signed this day of, 2016

.....
Signature of Shareholder

.....
Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company addressed to the Company Secretary, not later than 48 hours before the commencement of the meeting
2. A person can act as a proxy on behalf of the Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total paid-up Share Capital of the Company. Further, a member holding ten percent of the total paid-up Share Capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

*It is optional to put a (tick symbol) in the appropriate column against the Resolution indicated in the box. If you leave the "For or Against" column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.