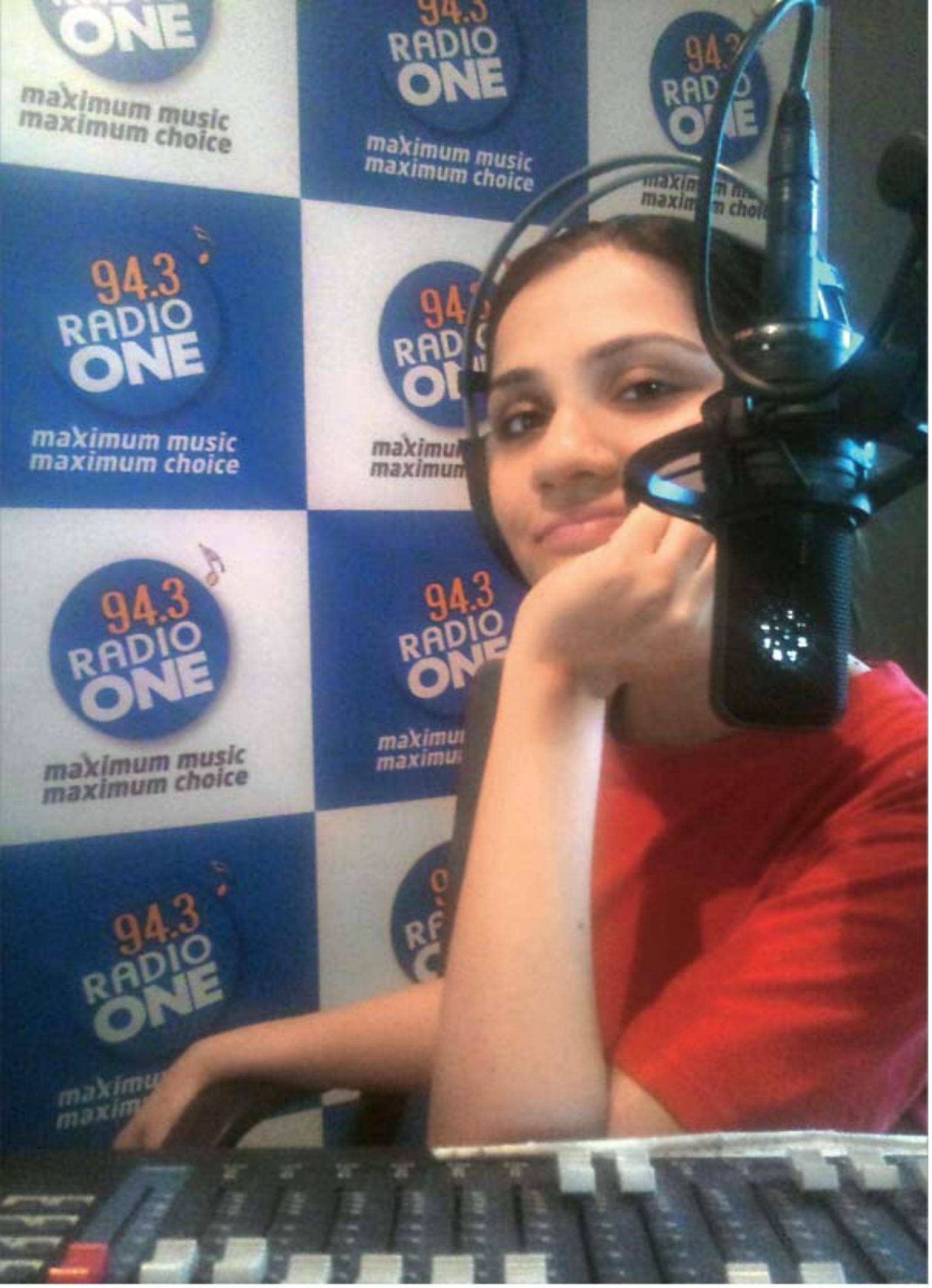




Annual Report 2010 - 2011





**ONE**

*maximum music  
maximum choice*

**94.3  
RADIO  
ONE**

*maximum  
maximum*

**94.3  
RADIO  
ONE**

*maximum music  
maximum choice*

**94.3  
RADIO  
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ONE**

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maximum*

**94.3  
RADIO  
ONE**

## Corporate Information

- **Board of Directors**

Tarique Ansari - Chairman & Managing Director  
 Narayan Varma  
 Nana Chudasama  
 Adille Sumariwalla  
 I. Venkat  
 Dilip Cherian  
 Monisha Shah

- **Chief Financial Officer**

Mr. Manish Thukral

- **Auditors**

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

- **Bankers**

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

- **Registrar & Transfer Agent**

Link Intime India Private Limited  
 C-13, Pannalal Silk Mill Compound,  
 L.B.S. Marg, Bhandup-West,  
 Mumbai - 400 078.  
 Tel No. 2596 3838 Fax No. 2594 6969

- **Registered Office**

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

- **Solicitors & Legal Advisors**

Economic Laws Practice

**30th Annual General Meeting  
 on Thursday, 8th day of  
 September, 2011 at 4.00 p.m.  
 at Kamalnayan Bajaj Hall Auditorium,  
 Bajaj Bhavan, Jamnalal Bajaj Marg,  
 226, Nariman Point, Mumbai – 400 021**

## Contents

Corporate Information	1
Chairman's Note	2
Management Discussion and Analysis	4
Corporate Governance and Shareholder's Information	8
Directors' Report with Annexures	16
Auditors' Report of Next Mediaworks Limited with Annexures	23
Audited Financial Statements of the Company	26
Auditors' Certificate on Corporate Governance	42
Auditors' Report on Consolidated Financial Statements	43
Consolidated Financial Statements of the Company	44
<b>Audited Accounts of Subsidiaries</b>	
Digital One Private Limited (formerly Mid-Day Broadcasting South (India) Private Limited)	58
Mid-Day Radio North (India) Limited	66
Next Outdoor Limited (formerly Mid-Day Outdoor Limited)	77
Radio One Limited (formerly Radio Mid-Day West (India) Limited)	89
Notice	113

## Chairman's Note

### Dear Shareholders,

Welcome to the 30th Annual General Meeting of our Company.

The financial year 2010-11 was a significant year for the Company. The Company was able to successfully complete the merger of its print and publishing business with Jagran Prakashan Limited (JPL).

Pursuant to the Scheme of Arrangement (Scheme) between the Company and JPL and their respective shareholders and creditors, the Honorable High Court of Bombay and the Honorable High Court of Allahabad accorded their approval to the Scheme on October 15, 2010 and on December 21, 2010 respectively.

As per the Scheme, the entire print and publishing business of Company alongwith all the related licences, trademarks and logos stand transferred in the name of JPL with effect from 1st April 2010.

Pursuant to the transfer of the name and logo of 'Mid-Day', the Company has changed its name to **Next Mediaworks Limited** post all approvals from its shareholders and the Central Government.

At the present time, our substantial business is in FM radio broadcasting, which is undertaken in our subsidiary Radio One, which is a joint venture with BBC Worldwide and in which we hold an equity share of 70%.

My remarks will therefore be largely relating to the radio business.

### 2010- 11 – An Overview

The Media and Entertainment (M&E) industry was one of the fastest growing sectors in India in the last year. Poised to grow at a compounded rate of 14 per cent to touch US\$ 28 billion by 2015, the sector registered a growth of 11 per cent in 2011. The industry's strong growth potential was attributed to factors such as growing potential of the regional markets, advertising spends bouncing back post recession, increasing media penetration and per capita consumption, and the rising importance of New Media driven by changing media consumption patterns.

The Radio industry registered a revenue growth of 24% during the year which was driven by both metros and non metros. The growth was driven by large inventory volumes which grew in the RAM (Radio Audience Measurement) markets by 39% during the year and further enhanced due to price increases in the latter part of the year.

In listenership, FM penetration increased to approximately 77% (RAM markets) and FM enabled mobile phones emerged as the key device for listenership across cities. Local advertising remained a strong contributor to industry revenues accounting to approximately 40% of ad revenues. Real estate was one of the biggest contributing sectors.

Our radio subsidiary, Radio One grew faster than the market, with a revenue growth of 46% from Rs. 3031 lakhs to Rs. 4413 lakhs from our seven FM stations across the country. EBIDTA improved from a loss of Rs 169 lakhs last year to a profit of Rs 406 lakhs in the current year.

I would like to recognize the efforts of the management team led by Vineet Hukmani in this excellent performance.

### Going Forward

#### FM Radio Broadcasting

The Union Cabinet in its meeting on July 7, 2011 approved the proposal of the Ministry of Information and Broadcasting for the 'Policy Guidelines on Expansion of FM radio broadcasting services through private agencies (Phase-III)'. This is a significant step in the development and growth of the Radio industry in the country. FM Phase-III Policy proposes to extend FM radio services from present 86 cities to 313 cities with upto 839 new FM radio stations. Phase -III policy will result in coverage of all cities with a population of one lakh and above with private FM radio channels.



## Chairman's Note

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Some of the salient features of the approved Policy for Phase-III are :

- Radio operators have been permitted carriage of news bulletins of All India Radio;
- Broadcast pertaining to the certain categories like information pertaining to sporting events, traffic and weather, coverage of cultural events, festivals, coverage of topics pertaining to examinations, results, admissions, career counselling, availability of employment opportunities, public announcements pertaining to civic amenities like electricity, water supply, natural calamities, health alerts etc. as provided by the local administration will be treated as non-news and current affairs broadcast and will therefore be permissible.
- The limit on the ownership of Channels, at the national level, allocated to an entity has been retained at 15%. However channels allotted in Jammu & Kashmir, North Eastern States and island territories will be allowed over and above the 15% national limit to incentivise the bidding for channels in such areas.
- Private operators have been allowed to own more than one channel but not more than 40% of the total channels in a city subject to a minimum of three different operators in the city.
- Networking of channels will be permissible within a private FM broadcaster's own network across the country; instead of in 'C' and 'D' category cities only of a region allowed at present.
- FDI limits in a private FM radio broadcasting company has been increased from 20% to 26%.
- The lock in period of shareholding of promoters/majority shareholders has been reduced from the present 5 years to 3 years.

The steps taken in the new policy will bring down operational costs and improve viability in general. Your company is analyzing the opportunities and the strategies to use the above benefits to the best of its advantage.

### **The Digital opportunity**

Internet access is growing significantly in the country, with entertainment, communication and instant messaging being the main purposes for access. According to an Internet and Mobile Association of India (IAMAI) report, 41 per cent of the claimed internet users had used the internet for watching, downloading and listening to music or uploading or downloading pictures while 32 per cent also used the internet for email, chat and communication.

Increasing digitalisation will also change the ways in which consumers view or listen to content. These distribution platforms will assist broadcasters in giving direct access to consumers, thus facilitating the provision of not just routine content but also customised value added services. The increasing penetration of smart phones and devices like the ipads and tablets offer an opportunity to expand the music business beyond FM radio and beyond the boundaries of the country.

The Company's new name indicates the management's intentions to explore and exploit all available opportunities in areas of new age media and entertainment. Your Company looks forward to participating in the technology revolution which is currently sweeping the country.

### **Acknowledgement**

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

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

Thank you,

**Tarique Ansari**

Chairman & Managing Director

Place : Mumbai

## Management Discussion & Analysis

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

This is the new avatar of Mid-Day Multimedia Ltd, after the demerger of our print business in favour of Jagran Prakashan Ltd. As you are aware, this demerger has taken effect from April 1, 2010 and shareholders of Mid-Day Multimedia Ltd were issued shares in the ratio of 7:2 in Jagran Prakashan, a successful and profitable newspaper publishing enterprise.

In addition, Mid-Day Multimedia shareholders also continue to hold shares in Next Mediaworks Ltd, to the extent of their previous holding. Next Mediaworks owns 70% of the shareholding in Radio One Ltd, our radio broadcasting subsidiary, which holds licences for and runs FM broadcasting services in Mumbai, Delhi, Bangalore, Chennai, Kolkatta, Pune and Ahmedabad.

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

### GENERAL BUSINESS ENVIRONMENT

The underlying theme of 2010 has been a steady recovery from recession. The initial recovery in global markets coupled with a continued growth in the Indian economy has allowed your company to grow its operating radio business at a faster rate than its peers. Looking forward, however, the US debt crisis and hyper-inflation in the Indian market may have a depressive short term effect on growth rates in Indian business. **We have to evaluate our strategies going forward with a measure of realism and focus on profitable growth, with a careful eye on costs.**

#### New round of licenses in FM radio

The Government has announced Phase III of the FM broadcasting policy. This will extend FM radio services to around 227 new cities and offers an opportunity to your company to expand our broadcasting network. Other salient features of the policy include a raising of the cap on foreign equity to 26%, allowing of restricted news and current affairs and multiple ownership of licences in a single market.

Your company already has the most lucrative metros which are not available in abundance in the new phase of licensing. The allotment of new frequencies will be on an e-auction basis and there is a possibility of licence fees reaching unviable levels in lucrative markets. The new phase allows extension of licenses to 15 years from the current 10 years. It is most likely that existing players will be able to migrate closer to the end of the 10 year period (as per the trend from phase I to phase II). It is also probable that new entrants seeking entry into FM radio will need the lucrative metros and will look to work with existing players.

**Your management is reviewing all opportunities and challenges that will arise due to this development and will craft a future strategy based on our strengths and growth imperatives.**

#### Royalty Costs

The FM radio industry is sitting on a possibility of substantial costs saving from Music Royalty given that the copyright board has reduced royalties payable to PPL to 2% of revenue. The Mumbai, Delhi and Kerala high court have ruled and questioned the right of IPRS to collect royalties from Radio stations. Though these will be challenged by the bodies in question, trends show that the royalty regime may shift to global norms in the near future, which is far lower than current India costs.

## Management Discussion & Analysis

### Digital Future

It also becomes clear now that the rapid strides in computing and telecommunication and the overall growth of the digital economy in India offer both threats and opportunities for your company's business prospects. **We are putting together a growth strategy which takes into account these developments.**

### GROUP PERFORMANCE

While there has been a significant growth and improved profitability in our radio subsidiary (discussed below), the financials of Next Mediaworks seem not to paint such a rosy picture, with a apparent fall in Operating Revenue to Rs 4465 lakhs (from Rs. 12,620 lakhs in the previous fiscal) and significant increase in Loss after Tax to Rs. 2256 lakhs (from Rs. 393 lakhs in the previous fiscal). In order to understand these numbers clearly, we have separated the discussion on performance and financials for Next Mediaworks Ltd ('The Company'), our radio operating subsidiary Radio One Ltd ('The Subsidiary') and group consolidated numbers ('The Group').

Shareholders are requested to read all numbers with explanations in mind for a true and fair picture to emerge.

(Rs. in lakhs)

	Next Mediaworks 2010-11	Next Mediaworks 2009-10	Radio One 2010-11	Radio One 2009-10	Group 2010-11	Group 2009-10
Operating Revenue	257	356	4414	3037	4465	12620
Operating costs	75	(15)	4008	3206	4080	10660
<b>EBIDTA</b>	<b>182</b>	<b>372</b>	<b>406</b>	<b>(169)</b>	<b>385</b>	<b>1960</b>
Finance Charges	18	121	688	860	503	1038
Depreciation	1	1	1159	1152	1160	1418
<b>Profit / (Loss) before Exceptional items &amp; Tax</b>	<b>163</b>	<b>250</b>	<b>(1441)</b>	<b>(2181)</b>	<b>(1278)</b>	<b>(496)</b>
Exceptional items	1753	-	(933)	-	820	-
<b>PBT</b>	<b>(1590)</b>	<b>250</b>	<b>(508)</b>	<b>(2181)</b>	<b>(2098)</b>	<b>(496)</b>
Tax	55	54	103	(659)	158	(103)
<b>PAT</b>	<b>(1645)</b>	<b>196</b>	<b>(611)</b>	<b>(1522)</b>	<b>(2256)</b>	<b>(393)</b>

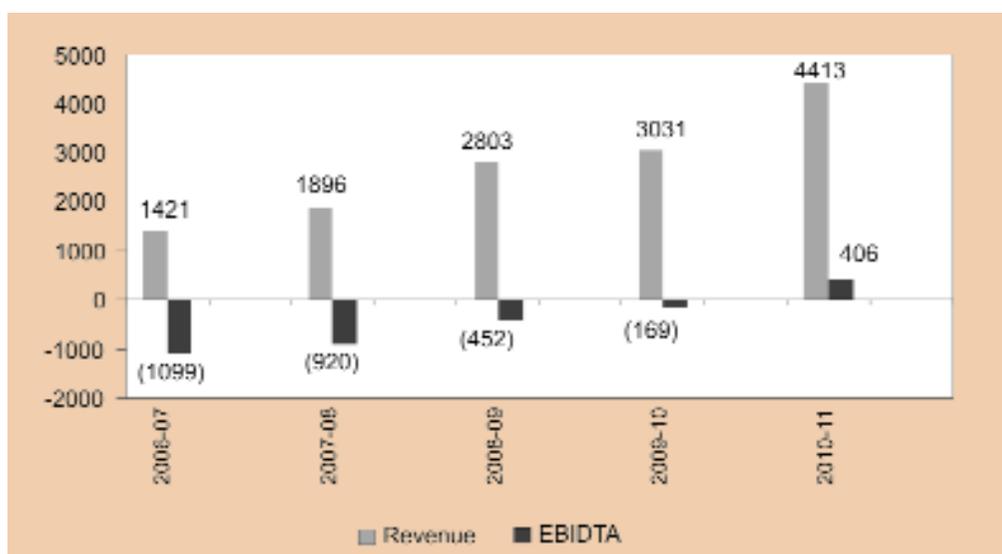
### COMPANY PERFORMANCE

Numbers for the previous years with regard to Company numbers include revenues from the newspaper publishing business. Now operations in the company represent income and expense from financial and investment activities with its subsidiaries. During the year, Next Mediaworks registered a profit before exceptional items and tax of Rs 163 lakhs (as per table above). **However, extraordinary items of Rs. 1753 lakhs on account of the demerger of the print business have been taken in this fiscal and as a result the Company has recorded a Net Loss after Tax of Rs 1645 lakhs for FY 2010-11.**

## Management Discussion & Analysis

### SUBSIDIARY PERFORMANCE

Radio One has significantly improved its revenue and profit performance for the period under review. From a revenue of Rs. 3031 lakhs in the previous fiscal, the Subsidiary's revenues stood at Rs. 4413 lakhs, a growth of 46%. From an EBIDTA loss of Rs 169 lakhs in 2009-2010, the company achieved a positive EBIDTA of Rs 406 lakhs, a stellar turnaround in operating performance built around a focused approach to revenue growth and cost control. Radio One ended the year with a loss before tax and exceptional items of Rs 1441 lakhs, a significant reduction from the previous year's loss of Rs 2181 lakhs.



### COST ANALYSIS

(Rs. in lakhs)

Particulars	Current Year	(% to Net Sales)	Previous Year	(% to Net Sales)
Radio license fees	340	8	338	11
Employee Cost	942	21	837	28
Operating expenses	1280	29	1389	46
General and Administration exp.	1445	33	642	21
Interest & Finance Charges	687	16	860	28
Depreciation	1159	26	1153	38

As illustrated, there is a significant improvement in the cost breakdown of the subsidiary company, as net sales have improved. Two items of specific interest are as follows:

1. General and Administrative expenses have increased by 125% due to increase in advertising spend and a more conservative provision for doubtful debts

## Management Discussion & Analysis

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2. Finance charges have shown a 20% decrease against the previous year due to conversion of shareholder debt from Next Mediaworks Ltd and a writing off of debts owing to BBC Worldwide. Both shareholders have undertaken this exercise in order to improve the financial prospects of your company.

### Human Resource Management

Pursuant to the demerger of the print and publishing business; all employees working for the said business were also transferred. Your Company continues to focus strongly on attracting and retaining the best talent across various functions in its ongoing businesses.

The compensation strategy defining 'Pay for performance' has been implemented across all levels to ensure alignment of remuneration to individual performance. The said practice is continued for business & functional heads.

### Adequacy of Internal Controls

Next Mediaworks Ltd was engaged in the print and publishing and radio business through its subsidiaries. Post the demerger of the print and publishing business, its major business remains radio broadcasting and there were no major operations in the Company. The company has appointed Internal Auditors, who conduct audits at regular intervals on key areas which are of substantial importance for its businesses and submit their reports. The Internal Audit reports are circulated to the Audit committee, which reviews the findings and directs the senior management to take effective steps to upgrade systems for better control, where necessary.

### THE FUTURE

Your management is committed to continue driving the company towards better performance and profits in the near term. The path forward will take into account the following imperatives:

1. The need for cash breakeven and profits in the shortest possible time in our radio operations
2. Evaluating opportunities and challenges that arise from Phase III of FM licensing and moving to maximize opportunities and minimize threats
3. Exploring the potential of the digital space in order to incubate and grow a future revenue stream

### Cautionary Statement

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

## Corporate Governance

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The Directors present the Company's report on Corporate Governance for the year ended March 31, 2011.

### **Company's Philosophy on Corporate Governance**

Our corporate governance philosophy is to comply with the laws in the country in which we operate. Also to have a simple and transparent corporate structure driven solely by business needs and the Management is the trustee of the shareholders' capital and not the owner.

We believe that Corporate Governance standards should go beyond law. Corporate Governance is a timely and accurate disclosure of information regarding the financial soundness performance, ownership and governance of the company.

Corporate Governance gives us idea about the corporate structure of the Company, its culture, values, policies and the manner in which it deals with its various shareholders. It throws light on the structure, activities and policies of the organization. Consequently, the organization is able to attract investors, and enhance the trust and confidence of the stakeholders. It is about commitment to values and ethical business conduct.

Our Board of Directors oversees how the Management serves and protects the long-term interests of all our shareholders.

### **We believe that;**

1. Sound corporate governance is required to enhance and retain investor trust.
2. An active, well-informed and independent Board is necessary to ensure highest standards of corporate governance.
3. A high degree of disclosure and communication in a transparent manner to the shareholders will build long term relationship with the stakeholders.

### **Board of Directors**

#### **Composition of the Board**

As on 31.03.2011 the Company has a Non-Executive Chairman. There were seven board members, four of whom were independent directors. All Board members are professionals from diverse fields. The day-to-day management of the company is conducted by the Managing Director subject to supervision and control of the Board of Directors.

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

At the closing hours of 31.03.2011, Mr. Khalid A.H. Ansari has resigned as the Chairman from the Board as well as from the Remuneration Committee.

Mr. Tarique Ansari has been appointed as the Chairman and Managing Director of the Company with effect from May 5, 2011.

Ms. Monisha Shah has been appointed as an Additional Director with effect from May 5, 2011 on the board of the company.

The Company has adopted a Code of Conduct for Board members and Senior Management Personnel of the Company. The Company has received confirmations from all Board members regarding compliance of the Code for the year ended March 31, 2011.

## Corporate Governance

Director	Executive/ Non-Executive/ Independent	Other Directorships (Public Ltd. Co.)*	Chairman/ Membership Of Board Committees in other Public limited companies•	
			Chairmanship	Membership
Mr. Khalid A. H. Ansari	Non-Executive	2	-	-
Mr. Tarique Ansari	Executive	1	-	-
Mr. Narayan Varma	Independent	1	-	-
Mr. Nana Chudasama	Independent	3	-	-
Mr. Dilip Cherian	Independent	2	-	-
Mr. Adille J. Sumariwalla	Non-Executive	-	-	-
Mr. I. Venkat	Independent	2	-	-

\* Excluding directorships in Next Mediaworks Limited. (formerly Mid-Day Multimedia Limited)

• Committees considered are Remuneration Committee, Audit Committee and Shareholders /Investors' Grievance Committee excluding Next Mediaworks Limited. (formerly Mid-Day Multimedia Limited)

### Information about Director appointed

<b>Name of the Director</b>	<b>Ms. Monisha Shah</b>
Date of Birth	11th September 1969
Date of Initial appointment	05th May 2011
Expertise in specific functional areas	She is an independent consultant in the media and entertainment business, with a special interest in the international exploitation of intellectual property across radio, television, publishing and digital media.
Qualifications	MSC, University of London MBA, London Business School
Directorships held in other Public Companies	NIL
Membership of Committees in other Public Limited Companies	NIL

## Corporate Governance

### Information about Directors re-appointed

Name of the Director	Mr. Narayan Varma	Mr. Nana Chudasama
Date of Birth	20.08.1931	17.06.1933
Date of Initial appointment	10.05.2001	10.05.2001
Expertise in specific functional areas	He is Ex-President of Bombay Chartered Accountants Society	He is a Founder and President of COMMON MANS FORUM, an organization which has a primary concern of safeguarding of the interest of the common man. He is also on the Advisory Committee of the Council for Fair Business Practices.
Qualifications	He holds a Bachelor's degree in Commerce and is a Fellow Member of the Institute of Chartered Accountants of India.	He holds a Bachelor's degree in Commerce.
Directorships held in other Public Companies Construction	<ul style="list-style-type: none"> <li>• Acrow India Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Raymonds Limited</li> <li>• New Consolidated Co. Ltd.</li> <li>• The Dukes Retreat Ltd.</li> <li>• San Engineering &amp; Locomotive Co. Ltd.</li> </ul>
Membership of Committees in other Public Limited Companies	Nil	Raymonds Limited (Share Transfer Committee and Remuneration Committee)

### Details of Directors Shareholding as on 31.03.2011

Sr. No.	Name of the Director	No. of shares held	Relationship between Directors
1	Mr. Khalid A.H. Ansari	43,38,055	Father of Mr. Tarique Ansari
2	Mr. Tarique Ansari	43,37,298	Son of Mr. Khalid Ansari
3	Mr. Adille J. Sumariwalla	5,875	N.A

### Board Meetings

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

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

- Quarterly results for the Company and its subsidiaries
- Capital Budgets and any updates

## Corporate Governance

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

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

### Details of Board meetings held during the financial year 2010-11 and the number of Directors present

Sr. No.	Date of the Board meeting	Total strength of the board	No of Directors present
1	May 5, 2010	7	5
2	July 19, 2010	7	6
3	October 27, 2010	7	6
4	January 10, 2011	7	5
5	January 28, 2011	7	6

### Attendance of Directors

Directors	Relationship With other Directors	Sitting Fees Paid for the year 2010-2011 (In Rs)	No. of Board Meetings Attended held during the year	No. of Committee Meetings Attended	Attended Last AGM held on July 20, 2010
Mr. Khalid A. H. Ansari	Father of Mr. Tarique Ansari	60,000	5	1	Yes
Mr. Tarique Ansari	Son of Mr. Khalid Ansari	NIL	5	4	Yes
Mr. Narayan Varma	--	90,000	5	4	Yes
Mr. Nana Chudasama	--	1,00,000	5	5	No
Mr. Adille J. Sumariwalla	--	30,000	3	N.A.	Yes
Mr. Dilip Cherian	--	30,000	3	N.A.	No
Mr. I. Venkat	--	30,000	3	N.A.	No
	<b>TOTAL</b>	<b>3,40,000</b>			

# Corporate Governance

## Committees of the Board

### 1. Audit Committee

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

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

Mr. Narayan Varma, Chairman of the Audit Committee was present at the Annual General Meeting held on July 20, 2010.

#### Role

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

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

The role of the Committee includes the following:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by the auditors;
- c) Reviewing with the management the financial statements before submission to the Board.
- d) Reviewing with the management, external and internal auditors, the adequacy of internal control system;
- e) Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity.
- f) Discussion with the external auditors, before the audit commences, on nature and scope of audit, as well as after conclusion of the audit, to ascertain any areas of concern and review the comments contained in their management letter;
- g) Reviewing the Company's financial and risk management policies;

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

Members	Category	Meetings held	Meetings attended
Mr. Narayan Varma- Chairman	Independent	4	4
Mr. Nana Chudasama	Independent	4	4
Mr. Tarique Ansari	Executive	4	4

## Corporate Governance

### 2. Shareholders/Investors' Grievance Committee

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

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

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

#### Investor Services - Complaints Received during the Year ended 31st March 2011

There were no investor complaints pending at the beginning of the financial year. During the year 4 complaints were received and resolved. There were no complaints pending at the end of the financial year 2010-2011.

### 3. Remuneration Committee

Mr. Khalid Ansari has resigned as a member of the Remuneration Committee with effect from 31.03.2011. As on May 5, 2011, Mr. Dilip Cherian was appointed as the Chairman of the Remuneration Committee and Mr. Adille J. Sumariwalla was appointed as a member of the Remuneration Committee.

The Remuneration Committee comprises the following:

Members	Category
Mr. Dilip Cherian	Independent
Mr. Nana Chudasama	Independent
Mr. Adille J. Sumariwalla	Independent

#### Remuneration Policy

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

Remuneration of employees largely consists of base remuneration and perquisites.

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

#### Remuneration to Directors

Mr. Tarique Ansari, Chairman and Managing Director was paid a remuneration of Rs. 7,78,878/- by way of Salary & Bonus, Perquisites Rs. 48,156 and PF/FPF contribution to the extent of Rs. 1,15,265/- for the year ended March 31, 2011 which were within the limits prescribed by Schedule XIII of the Companies Act, 1956. Apart from this, none of the directors were entitled to any remuneration except sitting fees for attending board meetings and committee meetings.

#### Subsidiary Companies

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

## Corporate Governance

### General Body Meetings

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

Financial Year	Date of AGM/EGM	Venue & Time of AGM	Special Resolutions passed at AGM/EGM for
2007-08	25.07.2008	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	No Special Resolution was passed
2008-09	16.07.2009	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	No Special Resolution was passed
2009-10	20.07.2010	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	No Special Resolution was passed

### Disclosures

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

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

### Code of Conduct

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

### Means of Communication

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

### Compliances

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

### Compliance of Accounting Standards:

Company has complied with the Accounting standard 17- Segment Reporting & Accounting Standard 18- Related Party Disclosures. The details of which are given under Schedule M of the main Balance Sheet and under Schedule P of the Consolidated Balance Sheet.

## Shareholders' Information

### Shareholders

<b>Date of Book Closure</b>	Wednesday, August 31, 2011, to Thursday, September 8, 2011
<b>Date, Time &amp; Venue of the AGM</b>	Thursday, September 8, 2011 at 4.00 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Nariman Point, Mumbai – 400 021.
<b>Dividend Payment</b>	No Dividend
<b>Listing on Stock Exchanges</b>	1) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. Tel: 2272 1233, 2272 1234
	2) The National Stock Exchange of India Limited, Exchange Plaza", Bandra-Kurla Complex, Bandra- East, Mumbai - 400 051 Tel: 2659 8100
<b>Listing fees</b>	Annual Listing fees paid for the year 2010-2011 to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
<b>Listing on Stock Exchange outside India</b>	Not Applicable
<b>Registered office of Company</b>	Peninsula Centre, Dr. S. S. Rao Road, Parel, Mumbai - 400 012. Tel: 6701 7171 Fax: 24150009 E-mail - cs@nextmediaworks.com Web site: www.nextmediaworks.com
<b>Correspondence related to dividends may be addressed to</b>	M/s Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup-West, Mumbai - 400 078. Tel: 2596 3838, Fax: 2594 6969
<b>Share Transfer System</b>	The shares of the Company are traded in dematerialised form only.
<b>Stock Code</b>	Bombay Stock Exchange Limited, Scrip Code – 532416 National Stock Exchange - NEXT MEDIA EQ NSDL/CDSL - ISIN - INE747B01016

### Market Price Data

(Rs.)

MONTH	BSE (High)	BSE (Low)	NSE (High)	NSE (Low)
April, 2010	37.20	27.30	36.95	27.25
May, 2010	36.20	27.20	36.20	27.05
June, 2010	35.00	28.00	36.00	28.50
July, 2010	35.95	31.40	38.30	31.10
August, 2010	38.50	32.00	40.00	32.00
September, 2010	40.25	36.40	40.25	36.25
October, 2010	43.25	36.70	43.35	36.35
November, 2010	41.45	35.25	41.85	35.50
December, 2010	42.40	35.75	42.50	35.75
January, 2011	40.90	5.25	41.15	5.25
February, 2011	8.70	6.25	8.70	6.30
March, 2011	7.50	5.25	7.40	5.00

## Shareholders' Information

### Share Price Performance

(Rs.)

Company's Share Price	BSE	NSE
01.04.2010	29.60	29.70
31.03.2011	5.42	5.45
Increase in %	Figures are not comparable due to demerger of print business	Figures are not comparable due to demerger of print business

### The Distribution of Shareholding as on 31st March 2011

No. of Equity Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares	% to total Shares
1-500	19101	84.38	3119899	5.91
501-1000	1901	8.40	1611245	3.05
1001-2000	796	3.52	1255068	2.37
2001-3000	263	1.16	687755	1.30
3001-4000	106	0.46	382277	0.72
4001-5000	118	0.52	565118	1.07
5001-10000	176	0.78	1309981	2.48
10001 and above	176	0.78	43903933	83.10
<b>TOTAL</b>	<b>22637</b>	<b>100</b>	<b>52835276</b>	<b>100</b>

### Category of Shareholders as on 31st March, 2011

Category	No. of Shareholders	Voting Strength (%)	No of Shares Held (%)
Individuals	21964	12442788	23.55
Companies/Clearing Members/Trusts	594	9164853	17.35
FIs	3	1822664	3.44
Promoters Group	8	26996675	51.10
Mutual Funds, Banks, Financial Institutions	8	1336116	2.53
Non Resident Indians	60	1072180	2.03
<b>TOTAL</b>	<b>22637</b>	<b>52835276</b>	<b>100</b>

### Financial Calendar (tentative and subject to change)

Particulars	Date
Annual General Meeting	September 8, 2011
Financial reporting for 1st Qtr ended June 30, 2011	July, 2011
Financial reporting for 2nd Qtr ended September 30, 2011	October 2011
Financial reporting for 3rd Qtr ended December 31, 2011	January 2012
Financial reporting for 4th Qtr ended March 31, 2012	May 2012
Annual General Meeting for the year ended March 31, 2012	July 2012

## Shareholders' Information

### Investors Correspondence:

**Investors' correspondence may be addressed to:**

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

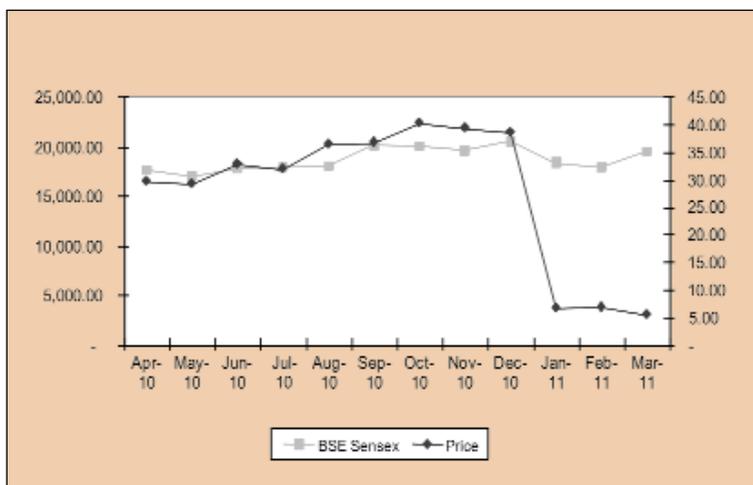
### Nomination Facility:

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

### Share Price Comparison with BSE Sensex

- CLOSING PRICE
- BSE SENSEX

MONTH	BSE SENSEX	Price
Apr-10	17558.71	29.60
May-10	16944.63	29.15
Jun-10	17700.90	32.75
Jul-10	17868.29	31.90
Aug-10	17971.12	36.35
Sep-10	20069.12	36.70
Oct-10	20032.34	40.20
Nov-10	19521.25	39.30
Dec-10	20509.09	38.55
Jan-11	18327.76	6.60
Feb-11	17823.40	6.81
Mar-11	19445.22	5.42



### DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2011.

For **Next Mediaworks Limited**

**Tarique Ansari**

Chairman & Managing Director

Mumbai: May 5, 2011

## Next Mediaworks Limited

### Directors' Report

#### TO THE MEMBERS,

Your Directors hereby present their 30th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March 2011.

#### Financial Performance

Particulars	2010-11	2009-10
Profit before Interest, Depreciation, Taxes & Exceptional Items	182	372
Less : Interest	18	121
Depreciation	1	1
Less: Exceptional Item	1753	-
<b>Profit before taxes</b>	<b>(1590)</b>	250
Less: Provision for Taxation	55	54
<b>Net Profit after Tax</b>	<b>(1645)</b>	196
Add: Balance brought from the previous year	2614	2418
<b>Total</b>	<b>969</b>	2614
Profit available for appropriation	969	2614

(Rs. In Lakhs)

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

#### Company Performance

In the present year under review, the Company's print and publishing subsidiary "Mid-day Infomedia Ltd" was fully transferred to Jagran Prakashan Ltd vide its scheme of demerger; and therefore; the Company only had radio business through its subsidiary, Radio One Ltd (formerly Radio Mid-day West (India) Ltd. The Company during the year incurred a Net Loss After Tax of Rs. 1645 lakhs as against a Net profit of Rs. 196 lakhs due to Loss on Demerger of Mid-day Infomedia Ltd (Exceptional Item) amounting to Rs. 1753 lakhs (please refer point 2 of Schedule M (Notes to Accounts) for details). In view of the above, the current year figures are not comparable to the previous year figures.

#### Demerger of Print Business

Pursuant to the Scheme of Arrangement between the Company and Jagran Prakashan Limited ("JPL") and their respective Shareholders and Creditors ("The Scheme"), which was approved by the respective Hon'ble High Court of Judicature of Bombay and Allahabad, the entire print and publishing business of the Company along with all the related licences, trade marks, logos etc was transferred in the name of Jagran Prakashan Limited w.e.f 1st April 2010.

#### Change in Name of the Company:-

Pursuant to the demerger of the print business, the name "MiD DAY" and its Logo were also transferred to Jagran Prakashan Limited. In order to avoid any disruption in the use of the name "MiD DAY" and its Logo, the Company's name has been changed to "Next Mediaworks Ltd" w.e.f 26th April 2011.

## Next Mediaworks Limited

### Directors' Report

#### Dividend

In view of the losses during the year and in order to preserve cash for the operating businesses, your Directors do not recommend any dividend for the financial year 2010-2011

#### Fixed Deposits

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

#### Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association, Mr. Narayan Varma and Mr. Nana Chudasama, Directors retire by rotation and are eligible for re-appointment.

#### Corporate Governance

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

#### Directors' Responsibility Statement

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

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

#### Auditors

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

#### Employee Stock Option Scheme

The Company had floated the ESOP Scheme 2005 for employees of the Company and its subsidiary companies. Pursuant to the Scheme of Demerger, all employees in the Company's print and publishing entity were also transferred w.e.f. 1st April 2010 and hence there were no options granted or vested or exercised by any persons. The total options outstanding or exercisable at the beginning of the year and at the end of the year were the same and hence there was neither change in the share capital nor any impact on the net profit or the EPS for the year.

## Next Mediaworks Limited

### Directors' Report

#### Subsidiary Companies

As required under section 212 (1) (e) of the Companies Act, 1956, the audited statements of accounts, along with the report of the Board of Directors relating to the Company's subsidiaries, Radio One Ltd (Formerly Radio Mid Day West (India) Limited), Digital One Private Ltd (Formerly Mid Day Broadcasting South (India) Private Limited), Mid Day Radio North (India) Limited (Awaiting confirmation for name change), Next Outdoor Ltd (Formerly Mid Day Outdoor Limited) and respective Auditors' Reports thereon for the year ended March 31, 2011 are annexed.

#### Particulars of Employees

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

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

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

#### Acknowledgement

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

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

**Tarique Ansari**  
Chairman & Managing Director

Place : Mumbai

Date : May 5, 2011

## Next Mediaworks Limited

### Annexures to the Directors' Report

#### ANNEXURE 'A'

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

(Rs. in lakhs)

Sr. No.	Name of the Subsidiary	Digital One Pvt. Ltd.	Next Outdoor Limited	Mid-Day Radio North (India) Limited	Radio One Limited
1.	Holding Company's Interest	Holder of 10,000 Equity Shares of Rs. 10 each out of the total issued and subscribed 10,000 Equity Shares of Rs. 10 each of the aforesaid Subsidiary Company	Holder of 34,94,200 Equity Shares of Rs. 10 each out of the total issued and subscribed 34,95,000 Equity Shares of Rs. 10 each of the aforesaid Subsidiary Company	Holder of 50,000 Equity Shares of Rs. 10 each out of the total issued and subscribed 50,000 Equity Shares of Rs. 10 each of the aforesaid Subsidiary Company	Holder of 8,43,76,928 Equity Shares of Rs. 10 each out of the total issued and subscribed 1,21,43,910 equity shares of Rs. 10 each and 2,57,70,000 preference shares of Rs. 10 each out of the total issued and subscribed 2,57,70,000 preference shares of Rs. 10 each of the aforesaid Company
	Net aggregate amount of Subsidiaries profits less losses and not dealt within the Company's Accounts				
	For the Subsidiaries Financial Year ended 31st March, 2011	NIL	NIL	NIL	NIL
	For the previous Financial years since it became subsidiary	NIL	NIL	NIL	NIL
	Net aggregate amount of Subsidiaries profits less losses and dealt within the Company's Accounts				
	For the Subsidiaries Financial Year ended 31st March, 2010	-0.11	-0.23	-0.26	-1522
	For the previous Financial years since it became subsidiary	-0.19	-356.50	-232.17	-7618.04

## **Next Mediaworks Limited**

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### **Annexures to the Directors' Report**

No material changes have been occurred between the end of the preceding financial year of the subsidiary and the end of the holding company's financial year in respect of the Subsidiaries: -

- a. Fixed Assets
- b. Investments
- c. The money lent by it
- d. The money borrowed by it for any purpose other than that of meeting current liabilities.

Except other than those mentioned in Note No. 2 of schedule M related to Demerger of its subsidiary, Mid-Day Infomedia Limited.

# **Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)**

## **Auditors' Report**

### **To the Members of Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)**

1. We have audited the attached Balance Sheet of Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited), as at 31st March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conduct our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - (v) Based on the written representations received from the directors and taken on record by the Board of Directors, we report that none of them are disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and subject to Note No. 5 of Schedule M with regard to non provision against fall in the value of investments of Rs. 138.25 crores in the subsidiary company, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2011;
    - (b) in the case of the Profit & Loss account, of the loss for the year ended on that date; and
    - (c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date

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

Place : Mumbai  
Date : 5th May, 2011

**Chetan Desai**  
Partner  
Membership No. 17000

## **Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)**

### **Annexure to Auditors' Report**

**[Referred to in paragraph 3 of the Auditors' Report of even date to the Members' of Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited) on the financial statements of the year ended March 31, 2011]**

- i) (a) The Company have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) As mentioned in Note 2 of the Notes to Accounts the Company has demerged the print and publishing division during the year. However, we are of the opinion that such demerger has not affected the going concern assumption.
- ii) The company does not hold any inventory and hence Clause 4(ii) is not applicable to the Company.
- iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 except loan amounting to Rs. 1,308.00 lakhs to its subsidiary Radio One Limited (formerly known as Radio Mid-day West (India) Limited). The outstanding balance as on the balance sheet date is Rs. 1,324.08 lakhs.
- (b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (c) According to the information and explanation given to us, the company has not taken any loan, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956 except loan of Rs. 1320.00 lakhs from two companies. The yearend balance is 1320.00 lakhs.
- (d) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loans are, prima facie, not prejudicial to the interest of the Company.
- (e) In respect of the aforesaid loans, the company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
- iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- v) (a) According to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register maintained under section 301 have been so entered.
- vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company have an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- ix) (a) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, customs duty, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act,1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

## **Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)**

### **Annexure to Auditors' Report**

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x)** The accumulated losses of the Company does not exceed fifty percent of its net worth. Further, the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi)** In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii)** According to the information and explanations given to us, the Company have not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii)** In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv)** In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv)** The Company has given counter guarantees for loans taken by others from banks or financial institutions aggregating Rs.2,240 lakhs (3,000 lakhs) where the terms and conditions in our opinion are prima facie not prejudicial to the interest of the Company.
- (xvi)** The Company has not obtained any term loans during the year.
- (xvii)** According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii)** According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix)** The Company did not have any outstanding debentures during the year.
- (xx)** The Company did not raise any money by way of public issue during the year.
- (xxi)** During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

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

**Chetan Desai**  
Partner  
Membership No: 17000

Place : Mumbai  
Date : 5th May, 2011.

# Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)

## Balance Sheet as at March 31, 2011

	SCHEDULE	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share capital	A	522,987,760	522,987,760
Employee Stock Option Outstanding		30,643,804	30,643,804
Less: Deferred Employee Compensation cost		30,643,804	30,643,804
		-	-
Reserves & surplus	B	936,199,701	1,100,648,298
		1,459,187,461	1,623,636,058
<b>Loan funds</b>			
Unsecured loans	C	132,000,000	93,000,000
	<b>TOTAL</b>	<b>1,591,187,461</b>	<b>1,716,636,058</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	D	4,546,712	4,546,712
Less: Depreciation		1,081,055	1,006,947
Net block		3,465,657	3,539,765
<b>Investments</b>	E	<b>1,382,491,498</b>	<b>1,220,606,498</b>
<b>Deferred tax Asset</b>		<b>310,179</b>	<b>404,728</b>
<b>Current assets, loans &amp; advances</b>			
Cash & bank balances	F	520,103	84,409
Other current assets	G	-	168,637,080
Loans and advances	H	209,944,690	326,929,001
		210,464,793	495,650,490
<b>Current liabilities &amp; provisions</b>			
Current liabilities	I	4,610,883	2,447,687
Provisions		933,783	1,117,735
		5,544,666	3,565,422
Net current assets		204,920,127	492,085,068
<b>TOTAL</b>		<b>1,591,187,461</b>	<b>1,716,636,058</b>
Notes to the Accounts	M		

Schedules A to M referred form integral part of the Accounts.

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

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

**Chetan Desai**  
Partner  
Membership No.: 17000

**Tarique Ansari**  
Chairman & Managing Director

**Narayan Varma**  
Director

Place : Mumbai  
Date : May 5, 2011

## Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)

### Profit and Loss Account for the year ended March 31, 2011

SCHEDULE	Year ended on March 31, 2011 Rs.	Year ended on March 31, 2010 Rs.
<b>INCOME</b>		
<b>Investment &amp; Other Income</b>		
Miscellaneous Income	5,451,461	1,291,828
Interest Income	20,238,978	32,821,080
Gain / (Loss) on sale of Fixed Asset	-	310,941
Gain / (Loss) on disposal of Investments	-	1,224,397
	<b>25,690,439</b>	<b>35,648,246</b>
<b>EXPENSES</b>		
Employees cost	J 1,721,646	(4,610,008)
Other operational expenses	K 5,759,044	3,090,541
Finance charges	L 1,799,244	12,087,424
Depreciation	74,108	77,299
	<b>9,354,041</b>	<b>10,645,257</b>
<b>Profit / ( Loss) before tax &amp; Exceptional Items</b>	<b>16,336,398</b>	<b>25,002,989</b>
Exceptional Item*	175,333,835	-
<b>Profit / (Loss) before tax</b>	<b>(158,997,437)</b>	<b>25,002,989</b>
Provision for tax - Current Tax	(5,761,339)	(5,840,834)
- Deferred Tax	310,179	404,728
Net profit / (Loss) after tax	<b>(164,448,597)</b>	<b>19,566,883</b>
Balance brought forward	261,339,559	241,772,676
Profit carried to balance sheet	<b>96,890,961</b>	<b>261,339,559</b>
<b>Earning per share face value of Rs.10 each</b>		
Basic	<b>(3.14)</b>	0.37
Diluted	<b>(3.14)</b>	0.37

\* Refer note no. 2 of schedule 'M'

Notes to the Accounts

M

Schedules A to M referred form integral part of the Accounts.

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

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

**Chetan Desai**  
Partner  
Membership No.: 17000

**Tarique Ansari**  
Chairman & Managing Director

**Narayan Varma**  
Director

Place : Mumbai  
Date : May 5, 2011

## Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)

### Cash Flow Statement

		(Rs. In Lakhs)	
		Year Ended March 31, 2011	Year Ended March 31, 2010
<b>A.</b>	<b>Net Cashflow from operating Activities</b>		
	Net Profit / (Loss) before tax	(1,590)	250
	Depreciation	1	1
	Interest	18	121
	Loss/(profit) on sale of fixed assets (net)	-	(3)
	Interest Income	(202)	(328)
	Deferred employees expenditure cost	-	(75)
	Provision for employees benefit	-	(34)
	Loss on Demerger	1,753	-
	Loss/(Gain) on disposal of current investment	-	(12)
	<b>Operational Profit before Working Capital</b>	<b>(20)</b>	<b>(81)</b>
	<b>Adjustments for changes in Working Capital</b>		
	Loans & Advances	(1,491)	1,919
	Other Current assets	-	658
	Current Liabilities	(23)	(33)
	<b>Sub-Total</b>	<b>(1,514)</b>	<b>2,544</b>
	<b>Cash generated from operations</b>	<b>(1,534)</b>	<b>2,464</b>
	Tax	34	(62)
	<b>Sub-Total</b>	<b>34</b>	<b>(62)</b>
	Less: exceptional Items	0	(295)
	Net Cash Flow from Operating Activities	(A) <b>(1,500)</b>	<b>2,107</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase fixed Assets (net)	-	13
	Investments (net)	-	(2,563)
	<b>Net Cash Flow from Investing Activities</b>	(B) <b>-</b>	<b>(2,550)</b>
<b>C.</b>	<b>Cash Flow from financing Activities</b>		
	Capital	-	6
	Borrowings	1,320	(65)
	Interest	184	207
	<b>Net Cash Flow from Financing Activities</b>	(C) <b>1,504</b>	<b>149</b>
	<b>Net Increase/decrease in Cash &amp; Cash Equivalents</b>	(A+B+C) <b>4</b>	<b>(0)</b>
	<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>1</b>	<b>1</b>
	<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>5</b>	<b>1</b>

As per our report of even date attached.

**For Haribhakti & Co.**  
Chartered Accountants

**Chetan Desai**  
Partner  
Membership No.: 17000

Place : Mumbai  
Date : May 5, 2011

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

**Tarique Ansari**  
Chairman & Managing Director

**Narayan Varma**  
Director

## Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)

### Schedules forming part of Balance Sheet

	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>SCHEDULE A</b>		
<b>Share capital</b>		
<b>Authorised capital</b>		
5,50,00,000 (5,50,00,000) Equity shares of Rs.10/- each	<b>55,00,00,000</b>	55,00,00,000
50,00,000 (50,00,000) Preference shares of Rs.10/- each	<b>5,00,00,000</b>	5,00,00,000
	<b>60,00,00,000</b>	60,00,00,000
Issued, subscribed & paid up capital		
5,22,98,776 (5,22,98,776) Equity shares of Rs. 10/- each	<b>522,987,760</b>	522,987,760
	<b>522,987,760</b>	522,987,760
<b>Schedule B</b>		
<b>Reserves &amp; surplus</b>		
Share premium as per last Balance Sheet	<b>839,308,740</b>	838,226,440
Add: Share Premium received during the year	-	1,082,300
	<b>839,308,740</b>	839,308,740
Balance as per profit & loss account	<b>96,890,961</b>	261,339,559
	<b>936,199,701</b>	1,100,648,298
<b>Schedule C</b>		
<b>Unsecured loans</b>		
Non convertible Debenture	-	93,000,000
Loans from Promoters	<b>132,000,000</b>	-
	<b>132,000,000</b>	93,000,000

#### SCHEDULE - D

##### FIXED ASSETS

Rs.

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2010	Additions	Deductions	As at March 31, 2011	As at April 1, 2010	For the period	Deductions	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
<b>TANGIBLE ASSETS</b>										
Office Premises	4,546,712	-	-	4,546,712	1,006,947	74,108	-	1,081,055	3,465,657	3,539,765
<b>TOTAL</b>	<b>4,546,712</b>	-	-	<b>4,546,712</b>	<b>1,006,947</b>	<b>74,108</b>	-	<b>1,081,055</b>	<b>3,465,657</b>	<b>3,539,765</b>
Previous Year	5,718,112	-	1,171,400	4,546,712	1,161,990	77,299	232,341	1,006,947	3,539,765	

## Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)

### Schedules forming part of Balance Sheet

	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>SCHEDULE E</b>		
<b>UNQUOTED: (trade)</b>		
<b>Investment in Subsidiaries (long term at cost less provision)</b>		
34,94,200 (34,94,200) Equity Shares of Rs.10/- each of Next Outdoor Ltd. (formerly Mid-Day Outdoor Limited)	<b>3,49,42,000</b>	3,49,42,000
Less: Provision for diminution in value of investment	<b>3,49,42,000</b>	3,49,42,000
<b>Total</b>	-	-
10,000 (10,000) Equity Shares of Rs.10/-each of Digital One Pvt.Ltd. (Formerly known as Mid-Day Broadcasting South ( India) Pvt Ltd.)	<b>100,000</b>	100,000
Less: Provision for diminution in value of investment	<b>100,000</b>	100,000
	-	-
50,000 (50,000) Eq Sh of Rs.10/- each of One Audio Ltd ( Formerly known as Mid-Day Radio North (I) Ltd)	<b>500,000</b>	500,000
Less:Provision for diminution in value of investment	<b>500,000</b>	500,000
	-	-
84,376,928 (70,460,261) Equity Shares of Rs.10/- each of Radio One Ltd. ( Formerly known as Radio Mid-Day West ( India) Ltd.)	<b>1,124,791,498</b>	874,291,498
NIL (88,61,500) Equity Shares of Rs.10/-each of Mid-Day Infomedia Ltd.	-	88,615,000
2,57,70,000 (2,57,70,000) Preference Shares of Rs.10/- each of Radio One Ltd. ( Formerly known as Radio Mid-Day West ( India) Ltd.)	<b>257,700,000</b>	257,700,000
<b>Others (long term cost less depreciation)</b>		
250(250) Eq Shares of Rs.10/- each of Awami Co-op Bank Ltd.	<b>2,500</b>	2,500
Less:Provision for diminution in value of investment	<b>2,500</b>	2,500
	-	-
<b>UNQUOTED : (trade) sub total</b>	<b>1,382,491,498</b>	1,220,606,498

## Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)

### Schedules forming part of Balance Sheet

	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>Schedule F</b>		
<b>Cash &amp; bank balances</b>		
Cash on hand	91,016	-
In current accounts with scheduled banks	354,087	9,409
In fixed deposit with scheduled banks	75,000	75,000
	<b>520,103</b>	<b>84,409</b>
<b>Schedule G</b>		
<b>Other current assets</b>		
Sales consideration receivable from Midday Infomedia Ltd	-	168,637,080
	-	168,637,080
<b>Schedule H</b>		
<b>Loans &amp; advances</b>		
Loans to subsidiaries	132,516,438	252,996,438
Advance Income-tax(net of provision)	4,635,993	19,271,706
Advances recoverable in cash or kind or for value to be received	72,792,260	54,660,858
	<b>209,944,690</b>	<b>326,929,001</b>
<b>Schedule I</b>		
<b>Current liabilities &amp; provisions</b>		
Other liabilities	4,610,883	2,447,687
	<b>4,610,883</b>	<b>2,447,687</b>
<b>Provisions</b>		
Provision for leave encashment	933,783	1,113,428
Provision for Gratuity	-	4,307
	<b>933,783</b>	<b>1,117,735</b>
	<b>5,544,666</b>	<b>3,565,422</b>

## Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)

### Schedules forming part of Profit & Loss Account

	Year ended on March 31, 2011 Rs.	Year ended on March 31, 2010 Rs.
<b>SCHEDULE J</b>		
<b>Employees cost</b>		
Salaries, wages & bonus	1,748,766	2,709,403
Contribution to PF, FPF	147,035	154,990
Gratuity	(1,107,938)	-
Leave Encashment	933,783	-
ESOP Compensation	-	(7,474,401)
	<b>1,721,646</b>	<b>(4,610,008)</b>
 <b>Schedule K</b>		
<b>Other operational expenses</b>		
General expenses	48,303	141,628
Electricity Office	28,397	-
Insurance premium	160,128	98,056
Legal & professional charges	3,790,851	1,741,752
Conveyance	15,214	-
Membership & Subscription	2,782	-
Other repairs & maintenance	115,096	-
Printing & stationery	351,214	336,677
Postage & telephone	320,431	199,489
Rent, rates & taxes	107,879	32,704
Travelling	107,869	-
Directors fees	340,000	270,000
Entertainment & Business Development	70,557	-
<u>Auditors remuneration :</u>		
Statutory audit	165,450	165,450
Tax audit	85,238	55,150
Certification work	49,635	49,635
	<b>5,759,044</b>	<b>3,090,541</b>
 <b>Schedule L</b>		
<b>Finance charges</b>		
Interest on Debentures & Others	1,785,280	12,062,100
Bank charges & commission	13,964	25,324
	<b>1,799,244</b>	<b>12,087,424</b>

## **Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)**

### **Notes forming part of the Accounts**

#### **SCHEDULE 'M'**

#### **Notes Forming Part of the Accounts for the Year ended March 31, 2011.**

##### **1. Significant Accounting Policies**

###### **a) Accounting system**

The financial statements have been prepared under the historical cost convention, on accrual basis of accounting and in compliance with the applicable accounting standards prescribed under Section 211 (3C) of the Companies Act and other accepted accounting principles.

###### **b) Use of Estimates**

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

###### **c) Revenue Recognition**

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

###### **d) The Company provides depreciation under the straight-line method as per the rates prescribed in schedule XIV of the Companies Act, 1956 in respect of office premises.**

###### **e) All investments of long-term nature are valued at cost. Diminution in value of such investments, if of permanent nature, is provided for. Current investments are valued at lower of cost or net realizable value.**

###### **f) Current tax is provided at the current tax rates on taxable income. The Company provides for deferred tax based on tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current tax provision using the tax rates and tax laws that have been enacted or substantively enacted. Deferred Tax Assets on timing differences other than unabsorbed losses are recognized to the extent there is a reasonable certainty that these would be realized in future. 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.**

###### **g) Employee Benefits**

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

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

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

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

## Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)

### Notes forming part of the Accounts

#### h) Impairment of Assets:

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 Profit and Loss Account. 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.

#### 2. Demerger

Pursuant to Scheme of Arrangement submitted by the company to Honourable High court of Bombay and an order dated October 15th , 2010 of the court, the entire Print & Publishing business of the company stands transferred to and vested in Jagran Prakashan Ltd with effect from the appointed date 01/04/2010. A loss of Rs 17.53 crores as per following details has been debited to P& L A/c as exceptional item. Consequently the figures of the previous year are not comparable with current year.

#### List of Assets and liabilities transferred on account of Demerger

Assets	Rs.
Investments	88,615,000
Deferred Tax Asset	378,454
Sales consideration receivable from Midday Infomedia Ltd	168,637,080
Advance Income-tax(net of provision)	11,127,267
Advances recoverable in cash or kind or for value to be received	904,452
<b>Total (A)</b>	<b>269,662,253</b>
<b>Liabilities</b>	
Unsecured loans	93,000,000
Other liabilities	210,683
Provision for leave encashment	1,113,428
Provision for Gratuity	4,307
<b>Total (B)</b>	<b>94,328,418</b>
<b>Loss on Demerger ( A – B )</b>	<b>175,333,835</b>

#### 3. Contingent Liability

- In respect of guarantees issued by Company's bankers to MSRDC and other authorities for Rs. 3 Lakhs (Rs 3 Lakhs).
- Corporate guarantee issued to Bank of Baroda for Radio One Ltd.( Formerly known as Radio Mid-Day West ( India) Ltd) against CC limit of Rs. 140 Lakhs (140 Lakhs).

Bank Guarantee issued to Ministry of Information & Broadcasting for Radio One Ltd.( Formerly known as Radio Mid-Day West ( India) Ltd) Rs. 332 Lakhs (332 Lakhs).

Bank Guarantee issued to Phonographic Performance Limited for Radio One Ltd.( Formerly known as Radio Mid-Day West ( India) Ltd). Rs. 0.70 Lakhs (NIL).

Counter guarantee issued to Axis Bank for Radio One Ltd.( Formerly nown as Radio Mid-Day West ( India) Ltd) against term loan of Rs. 2,240 Lakhs (3,000 Lakhs) and corporate guarantee for CC limit of Rs. 500 Lakhs (500 lakhs).

## Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)

### Notes forming part of the Accounts

- c) Claims against the company in respect of various defamation suits and claims of employees, amount not ascertainable (Previous year Unascertainable)
4. The company's exposure in its subsidiary Radio One Ltd.( Formerly known as Radio Mid-Day West ( India) Ltd) limited through investments and loans aggregate Rs 15,148.99 lakhs (investment Rs. 13,824.91 lakhs and loan Rs.1,324.08 lakhs). Though net worth of the subsidiary is substantially eroded and the company has been incurring constant losses, however no provision for impairment on this account is considered necessary by the management taking in to consideration the nature of Radio business and gradual improvement in performance of the subsidiary.
5. **Managerial Remuneration: Managing Director**

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
Salaries, Wages & Bonus	778,878	4,435,147
Contribution to PF & FPF	115,265	506,820
Perquisites	48,156	170,815

6. **The calculation of deferred tax asset/(liability) is shown below:**

Particulars	Opening Balance (Rs.)	Adjustment During the year (Rs)	For the period	Closing (Rs.)
Depreciation	26,274	(26,274)	-	-
Leave Encashment Provision	378,454	(378,454)	310,179	310,179
	<b>404,728</b>	<b>(404,728)</b>	<b>310,179</b>	<b>310,179</b>

7. **Calculation of EPS**

Particulars	2010-11	2009-10
Net Profit after tax for the year (Rs)	(164,448,597)	19,566,883
<b>Calculation of weighted average number of equity shares</b>		
Number of shares at the beginning of the year	522,987,76	52,275,776
Weighted avg. of Shares issued during the year (14000 x 156 / 365) & ( 9000 x 337/365)	NIL	14,293
Weighted avg. Number of Equity Shares considered for Basic EPS Calculation.	522,987,76	52,290,069
Weighted avg. Number of Equity Shares considered for Diluted EPS Calculation.	522,987,76	52,290,069
Basic Earnings/(loss) (in Rupees) per share	(3.14)	0.37
Diluted Earnings/(loss) (in Rupees) per share	(3.14)	0.37

## Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)

### Notes forming part of the Accounts

8. The company does not have multiple operating segments hence separate disclosure of the segment wise information is not required.

9. Disclosure with regard to related party transactions as per Accounting Standard AS- 18 is as follows:

**a) Subsidiary Company**

Name of The Party	Relationship	Nature of Transaction during the year	Amount of transaction (Rs.)	Closing Balance Due (to)/ from Rs.	Amount written off/ added back Rs.
Next Outdoor Ltd. (formerly known as Mid-Day Outdoor Ltd)*	Subsidiary Company	Loan	20,000	107,602	NIL
Radio One Ltd. (Formerly known as Radio Mid-Day West (India) Ltd)	Subsidiary Company	Loan Given	13,08,00,000	132,408,836	NIL
		Loan Repaid	250,500,000	NIL	NIL
		Investment in Equity Shares	250,500,000	1,124,791,498	NIL
		Interest on Loan & Rent Income.	20,547,768	71,937,689	NIL

\* We have made provision for diminishing in value of Rs 636,370 loan given to Next Outdoor Ltd. (formerly Mid-Day Outdoor Ltd.)

**b) Other related parties where control exists:**

Name of The Party	Relationship	Nature of Transaction during the year	Amount of transaction (Rs.)	Closing Balance Due (to)/ from Rs.	Amount written off/ added back Rs.
Mid-Day Export Limited	Associate Company	Amount Repaid against equity shares under ESOP	NIL	2,035,000	NIL
Meridian Holding & Leasing Co Pvt. Ltd.	Associate Company	Loan taken Interest	40,000,000 545,017	40,000,000 545,017	NIL
Ferari Investments and Trading Co Pvt. Ltd.	Associate Company	Loan taken Interest	92,000,000 1,240,263	92,000,000 1,240,263	NIL

During the year, there were no transactions with the following associate companies:

- i) Digital One Pvt.Ltd. (Formerly known as Mid-Day Broadcasting South (India) Pvt Ltd.)
- ii) Mirror Films Private Limited.
- iii) Mid-Day Radio North (I) Ltd
- iv) Inquilab Offset Printers Pvt Ltd
- v) Next Publishing Pvt Ltd.( Formerly known as Mid-day Publishing Pvt Ltd)

## **Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)**

### **Notes forming part of the Accounts**

**c) Key Management Personnel :**

Mr. Tarique Ansari (Remuneration Rs 942,300 Refer Note 6)

**d) Relatives of key management personnel and their enterprises where transactions have taken place:**

Not Applicable

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

### **10. Employees Benefit**

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

**a) Defined Contribution Plans:**

Provident Fund (PF, FPF)

The Company has recognised the following amounts in Profit and Loss Account:

Particulars	Year Ended March 31, 2011 Rs.
Employer's contribution to PF, FPF	1,47,035

**b) Defined Benefit Plans:**

**Contribution to Gratuity Fund (Funded Scheme)**

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

The current year information in the following tables represents the figure for employees retained after the slump sale of news print division and is not comparable with previous year's information.

Amount debited to Profit & Loss a/c on account of Leave encashment	Rs. NIL
Discount Rate (per annum)	8%
Rate of increase in compensation levels (per annum)	6%
Rate of return on Plan Assets (for Funded Scheme)	8.25%

## Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)

### Notes forming part of the Accounts

#### i) Change in the Present Value of Obligation

Particulars	Funded Scheme Gratuity	
	Year Ended March 31, 2011 (Rs.)	Year Ended March 31, 2010 (Rs.)
Present Value of Defined Benefit Obligation as at beginning of the period	5,119,081	4,507,083
Interest Cost	409,526	338,031
Current Service Cost	258,620	213,338
Benefits Paid*		(7,800,000)
Actuarial (gain) / loss on Obligations	(1,439,280)	7,860,629
Present Value of Defined Benefit Obligation as at the end of the period	4,347,947	5,119,081

#### ii) Fair Value of Plan Assets (For Funded Scheme)

Particulars	Year Ended March 31, 2011 (Rs.)	Year Ended March 31, 2010 (Rs.)
Present Value of Plan Assets as at beginning of the period	5,114,774	11,022,368
Expected Return on Plan Assets	409,182	826,678
Contributions during the year	NIL	NIL
Benefits Paid	NIL	(7,800,000)
Actuarial gain / (loss) on plan assets	(68,072)	1,065,728
Assets Distributed on Settlement	NIL	NIL
Fair Value of Plan Assets as at end of the period	5,455,884	5,114,774

#### iii) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

Particulars	Year Ended March 31, 2011 (Rs.)	Year Ended March 31, 2010 (Rs.)
Present Value of Funded Obligation as at end of the period	4,347,947	5,119,081
Fair Value of Plan Assets as at end of the period	5,455,884	5,114,774
Funded Liability recognised in the Balance Sheet(Gratuity)	NIL	NIL
Included in provision (Schedule )		
Present Value of Unfunded Obligation as at end of the period	1,107,938	4,307
Unrecognised Actuarial gains / (losses)	NIL	NIL
Included in provision (Schedule )	NIL	NIL

## Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)

### Notes forming part of the Accounts

#### iv) Amount recognised in the Balance Sheet

Particulars	Funded Scheme Gratuity	
	Year Ended March 31, 2011 (Rs.)	Year Ended March 31, 2010 (Rs.)
Present Value of Defined Benefit Obligation as at the end of the period	4,347,947	5,119,081
Fair Value of Plan Assets As at end of the period	5,455,884	5,114,774
Liability / (Net Asset) recognised in the Balance Sheet	1,107,938	(4,307)

#### v) Expenses recognised in Profit and Loss Account

Particulars	Funded Scheme Gratuity	
	Year Ended March 31, 2011 (Rs.)	Year Ended March 31, 2010 (Rs.)
Current Service Cost	258,620	213,338
Past Service Cost	NIL	NIL
Interest Cost	409,526	338,031
Expected Return on Plan Assets	(409,182)	(826,678)
Curtailment Cost / (Credit)	NIL	NIL
Settlement Cost / (Credit)	NIL	NIL
Net Actuarial (gain) / Loss recognised in the Period	(1,371,209)	6,794,900
Total Expenses recognised in the Profit And Loss Account	(1,112,244)	6,519,592

#### vi) Actual Return on Plan Assets

Particulars	Year Ended March 31, 2011 (Rs.)	Year Ended March 31, 2010 (Rs.)
Expected Return on Plan Assets	409,182	826,678
Actuarial gain / (losses) on Plan Assets	(68,072)	1,065,728
Actual Return on Plan Assets	341,110	1,892,406

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## **Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited)**

### **Notes forming part of the Accounts**

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The expected rate of return on plan assets is based on market expectations at the beginning of the period.

16. Current liabilities include overdue amounts of Rs. Nil (Previous year Rs. Nil) including interest of Rs. Nil (Previous year Rs. Nil) payable to Micro Small and Medium Enterprises. Total outstanding dues to Micro Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the company.
17. Previous year's figures have been re-grouped / re-arranged wherever necessary. Figures in bracket indicate previous year's figures.

#### **For Next Mediaworks Limited**

**Tarique Ansari**

Chairman & Managing Director

**Narayan Varma**

Director



**Next Mediaworks Limited & Subsidiaries** (formerly known as Mid-Day Multimedia Limited & Subsidiaries)  
**Auditors' Certificate on compliance with the conditions of Corporate Governance  
under Clause 49 of the Listing Agreement**

**To The Members of Next Mediaworks Ltd.**

We have examined the compliance of conditions of Corporate Governance by Next Mediaworks Limited, for the year ended on March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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

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

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

For **Haribhakti & Co.**  
Chartered Accountants

**Chetan Desai**  
Partner  
Membership No. 17000

Place : Mumbai  
Date : May 5, 2011

## **Next Mediaworks Limited & Subsidiaries** (formerly known as Mid-Day Multimedia Limited & Subsidiaries)

# **Auditors' Report on Consolidated Financial Statement**

### **AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF NEXT MEDIAWORKS LIMITED (FORMERLY KNOWN AS MID-DAY MULTIMEDIA LIMITED) ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NEXT MEDIAWORKS LIMITED AND ITS SUBSIDIARIES**

We have examined the attached consolidated Balance Sheet of Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited) and its subsidiaries as at 31st March, 2011 and the consolidated Profit and Loss Account for the year ended on that date and Cash Flow statement annexed thereto.

These financial statements are the responsibility of the Next Mediaworks Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 14.83 lakhs as at 31st March, 2011, total revenues of Rs. Nil and net negative cash flows of Rs. 0.07 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, are based solely on the report of the other auditors.

We report as under:

- 1) The consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, on "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Next Mediaworks Limited (formerly known as Mid-Day Multimedia Limited) and its subsidiaries included in the consolidated financial statements.
- 2) The Balance Sheet and Profit and Loss Account dealt with by this report are prepared in compliance of the applicable accounting standards referred to under Section 211(3C) of the Companies Act, 1956 except that the management of Radio One Limited (formerly known as Radio Mid Day West (India) Limited) has considered factors like expected profits in future, to recognize deferred tax assets of Rs.44,78,27,667 as on the Balance Sheet date on account of unabsorbed tax losses and depreciation. We are unable to comment whether these can be considered as 'virtual certainty' prescribed under Accounting Standard 22 - Accounting for Taxes on Income, to recognize such assets.
- 3) Further the management of Next mediaworks Limited (formerly known as Mid-Day Multimedia Limited) has considered that no provision is required against fall in the value of investments aggregating Rs138.25 crores in the subsidiary company Radio One Limited (formerly known as Radio Mid Day West (India) Limited. Consequently no impairment has been considered necessary by the management on Goodwill on Consolidation amount to Rs. 44,44,97,838 in the Consolidated Accounts.
- 4) Subject to our observations in para 2 & 3 above and on the basis of the information and explanation given to us and on consideration of the separate audit reports on individual audited financial statements of Next Media Works Limited and its subsidiaries, we are of the opinion that that the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in so far it relates to the consolidated Balance Sheet, of the consolidated state of affairs of Next Mediaworks Limited and its subsidiaries as at 31st March, 2011; and
  - b) in so far it relates to the consolidated Profit and Loss Account, consolidated results of operations of Next Mediaworks Limited and its subsidiaries for the year then ended.
  - c) in case of consolidated Cash Flow Statement, of the consolidated cash flows of Next Mediaworks Limited and its subsidiaries for the year ended on that date.

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

**Chetan Desai**  
Partner  
Membership No: 17000

Place : Mumbai  
Date : 5th May, 2011

**Next Mediaworks Limited & Subsidiaries** (formerly known as Mid-Day Multimedia Limited & Subsidiaries)**Consolidated Balance Sheet as at March 31, 2011**

	SCHEDULE	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	A	522,987,760	522,987,760
Employee Stock Option Outstanding		30,643,804	30,643,804
Less: Deferred Employee Compensation cost		30,643,804	30,643,804
		-	-
Reserves & surplus	B	930,067,512	997,808,150
		<b>1,453,055,272</b>	<b>1,520,795,910</b>
		-	-
<b>Minority interest</b>		<b>164,039,580</b>	114,376,013
<b>Loan funds</b>			
Secured loans	C	280,849,901	485,133,118
Unsecured loans	D	136,506,915	203,226,829
		<b>417,356,816</b>	688,359,947
	<b>TOTAL</b>	<b>2,034,451,668</b>	<b>2,323,531,870</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	E	1,733,432,556	1,963,015,964
Less: Depreciation		542,776,006	473,229,150
Net block		<b>1,190,656,550</b>	1,489,786,814
<b>Investments</b>	F	-	20,000,000
<b>Deferred tax asset (Net)</b>		<b>438,418,080</b>	454,898,423
<b>Current assets, loans &amp; advances</b>			
Inventories	G	-	28,525,848
Sundry debtors	H	154,482,009	305,237,019
Cash & bank balances	I	49,575,817	29,820,283
Loans and advances	J	72,171,620	161,149,121
Other Current Assets		5,091,976	-
		<b>281,321,422</b>	524,732,271
<b>Current liabilities &amp; provisions</b>	K	-	-
Current liabilities		148,296,270	425,811,396
Provisions		3,315,935	32,387,533
		<b>151,612,205</b>	458,198,929
<b>Net current assets</b>		<b>129,709,217</b>	66,533,343
<b>Profit and loss account</b>		<b>275,667,821</b>	292,313,291
<b>TOTAL</b>		<b>2,034,451,668</b>	<b>2,323,531,870</b>

Notes to the Accounts

Schedules A to P form integral part of the Accounts.

As per our report of even date attached

**For Haribhakti & Co.**

Chartered Accountants

For and on behalf of the Board of Directors

**Next Mediaworks Limited****Chetan Desai**

Partner

Membership No.: 17000

**Tarique Ansari**

Chairman &amp; Managing Director

**Narayan Varma**

Director

Place : Mumbai

Date : May 5, 2011

**Next Mediaworks Limited & Subsidiaries** (formerly known as Mid-Day Multimedia Limited & Subsidiaries)

**Consolidated Profit & Loss Account**

	SCHEDULE	Year ended March 31, 2011 Rs.	Year ended March 31, 2010 Rs.
<b>INCOME</b>			
Circulation revenue		-	147,936,548
Advertising revenue		<b>441,316,965</b>	1,077,394,200
Other Operating Income		-	23,868,334
<b>Investment &amp; miscellaneous Income</b>			
Miscellaneous Income		<b>5,167,925</b>	2,779,240
Gain/loss on foreign currency		-	11,301,333
Gain on disposal of current investment		-	1,224,397
Gain/(loss) on sale of Fixed Asset		<b>23,297</b>	(2,458,751)
		<b>446,508,187</b>	1,262,045,300
<b>EXPENSES</b>			
Cost of printing /painting	L	-	266,795,091
News expenses		-	21,895,144
Radio licence fees		<b>34,080,596</b>	33,751,440
Employees cost	M	<b>95,953,097</b>	342,340,843
Selling & distribution	N	<b>82,995,824</b>	104,966,117
Other operational expenses	O	<b>194,961,689</b>	296,265,987
Finance charges		<b>50,313,406</b>	103,765,189
Depreciation		<b>116,024,458</b>	141,877,845
		<b>574,329,071</b>	1,311,657,656
<b>Profit/ ( Loss) before tax &amp; Exceptional Items</b>			
		<b>(127,820,884)</b>	(49,612,356)
Exceptional Items ( Refer Note no 2 )		<b>82,023,864</b>	-
<b>Profit/ ( Loss) before tax</b>			
		<b>(209,844,748)</b>	(49,612,356)
Provision for tax - Current Tax		<b>5,761,339</b>	27,693,143
- Deferred Tax		<b>10,009,645</b>	(20,870,913)
		<b>15,770,984</b>	6,822,230
Less - MAT Entitlement credit		-	(17,130,858)
		<b>15,770,984</b>	(10,308,628)
<b>Net Profit / ( Loss) After Tax</b>			
		<b>(225,615,732)</b>	(39,303,728)
Less:Share of profit/(Loss) of minority shareholders		<b>(18,071,253)</b>	(45,757,518)
<b>Net profit / (Loss) after tax &amp; minority interest</b>			
		<b>(207,544,479)</b>	6,453,790
Balance brought forward		<b>(292,313,291)</b>	(298,767,081)
Goodwill on Consolidation		<b>207,090,716</b>	-
Loss on Demerger of Mid-Day Infomedia Limited		<b>17,099,232</b>	-
<b>Profit carried to balance sheet</b>			
		<b>(275,667,822)</b>	(292,313,291)
<b>Earning per share face value of Rs.10 each</b>			
Basic		<b>(3.97)</b>	0.14
Diluted		<b>(3.97)</b>	0.14

Notes to the Accounts P  
Schedules A to P form integral part of the Accounts.

As per our report of even date attached

**For Haribhakti & Co.**

Chartered Accountants

**Chetan Desai**

Partner

Membership No.: 17000

Place : Mumbai

Date : May 5, 2011

For and on behalf of the Board of Directors

**Next Mediaworks Limited**

**Tarique Ansari**

Chairman & Managing Director

**Narayan Varma**

Director

**Next Mediaworks Limited & Subsidiaries** (formerly known as Mid-Day Multimedia Limited & Subsidiaries)**Consolidated Cash Flow Statement**

(Rs. in lakhs)

	Year ended 31st March 2011	Year ended 31st March 2010
<b>A. Net Cashflow from operating Activities</b>		
Net Profit before tax	(2,098)	(496)
Depreciation	1,160	1,419
Interest	494	1,028
Loss/(profit) on sale of fixed assets (net)	(0)	25
Interest Income	(0)	(5)
Deferred Employees Expenditure Cost	-	(75)
Provision for employees benefit	-	(34)
Bad Debts and Other Balances W/off	-	96
Provision for Doubtful Debts	148	-
Loss on Demerger	1,753	-
Loss/(gain) on foreign currency transaction	0	(14)
Loss/(Gain) on disposal of current investment	0	(12)
<b>Operational Profit before Working Capital</b>	<b>1,457</b>	<b>1,932</b>
<b>Adjustments for changes in Working Capital</b>		
Sundry Debtors	(238)	(125)
Inventories	-	242
Loans & Advances	(244)	38
Current Liabilities	(699)	345
<b>Sub-Total</b>	<b>(1,181)</b>	<b>501</b>
<b>Cash generated from operations</b>	<b>276</b>	<b>2,433</b>
Income Tax	21	(88)
<b>Net Cash Flow from Operating Activities</b>	<b>(A) 297</b>	<b>2,344</b>
<b>B. Cash Flow from Investing Activities</b>		
Fixed Assets (net)	(43)	(182)
Investments (net)	-	14
<b>Net Cash Flow from Investing Activities</b>	<b>(B) (43)</b>	<b>(168)</b>
<b>C. Cash Flow from financing Activities</b>		
Capital	-	6
Borrowings	551	(1,764)
Interest	(494)	(1,023)
<b>Net Cash Flow from Financing Activities</b>	<b>(C) 57</b>	<b>(2,781)</b>
<b>Net Increase/decrease in Cash &amp; Cash Equivalents</b>	<b>(A+B+C) 311</b>	<b>(604)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>185</b>	<b>902</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>496</b>	<b>298</b>

As per our report of even date attached

**For Haribhakti & Co.**

Chartered Accountants

**Chetan Desai**

Partner

Membership No.: 17000

Place : Mumbai

Date : May 5, 2011

For and on behalf of the Board of Directors

**Next Mediaworks Limited****Tarique Ansari**

Chairman &amp; Managing Director

**Narayan Varma**

Director

**Next Mediaworks Limited & Subsidiaries** (formerly known as Mid-Day Multimedia Limited & Subsidiaries)

**Schedules forming part of Balance Sheet**

SCHEDULE	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>SCHEDULE A</b>		
<b>Share capital</b>		
<u>Authorised capital</u>		
5,50,00,000 (5,50,00,000) Equity shares of Rs.10/- each	<b>55,00,00,000</b>	55,00,00,000
50,00,000 (50,00,000) Preference shares of Rs.10/- each	<b>5,00,00,000</b>	5,00,00,000
	<b>600,000,000</b>	600,000,000
<u>Issued, subscribed &amp; paid up capital</u>		
5,22,98,776 (5,22,34,860) Equity shares of Rs. 10/- each	<b>522,987,760</b>	522,987,760
	<b>522,987,760</b>	522,987,760
<b>SCHEDULE B</b>		
<b>Reserves &amp; surplus</b>		
Share premium	<b>930,067,512</b>	997,808,150
	<b>930,067,512</b>	997,808,150
<b>SCHEDULE C</b>		
<b>Secured loans</b>		
<b>From banks</b>		
<u>Cash credit</u>		
(Secured against hypothecation of book debts and stock of newsprint and further secured by paripasu charge on present and future, movable & immovable assets of the Company and also secured by personal guarantee of Chairman and Managing Director)	<b>56,849,901</b>	162,616,835
<u>Term loan</u>	<b>224,000,000</b>	300,000,000
(Secured against mortgage of existing and future machineries & personal guarantee of Chairman and Managing Director respectively)		
Due within a year Rs.10 Crores (Rs.10 Crore)		
<u>Term loan (External Commercial Borrowing)</u>	-	22,516,283
(Secured against mortgage of existing & future fixed assets of the company and personal guarantee of Chairman and Managing Director)		
	<b>280,849,901</b>	485,133,118
<b>SCHEDULE D</b>		
<b>Unsecured loans</b>		
Non Convertible Debenture	-	93,000,000
From Bank - Short Term Loan	-	105,745,583
From others	<b>136,506,915</b>	4,481,246
	<b>136,506,915</b>	203,226,829

## Next Mediaworks Limited & Subsidiaries (formerly known as Mid-Day Multimedia Limited & Subsidiaries)

### Schedules forming part of Balance Sheet

#### SCHEDULE - E

#### FIXED ASSETS

Rs.

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2010	Additions	Deductions	As at March 31, 2011	As at April 1, 2010	For the period	Deductions	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
<b>TANGIBLE ASSETS</b>										
Building	11,014,888	-	-	11,014,888	1,793,682	459,933	-	2,253,615	8,761,273	9,221,206
Studio equipment	45,594,973	542,165	347,027	45,790,111	18,668,097	4,412,056	213,324	22,866,829	22,923,282	26,926,876
Transmitter	66,960,064	624,334	-	67,584,398	14,734,867	2,554,466	-	17,289,333	50,295,065	52,201,960
Furniture and fixtures	62,897,965	1,437,792	-	64,335,757	13,684,211	4,033,923	-	17,718,134	46,617,623	49,213,754
Office Equipments	4,879,239	88,558	-	4,967,797	655,785	549,961	-	1,205,746	3,762,051	4,223,454
Computers	31,858,277	993,199	-	32,851,476	15,984,528	5,040,850	-	21,025,378	11,826,098	15,873,748
Air-conditioners	8,595,505	758,334	-	9,353,839	1,378,970	434,831	-	1,813,801	7,540,038	7,216,535
Audio-visual equipments	262,636	-	-	262,636	55,390	12,470	-	67,860	194,776	207,246
Computer software	6,002,964	-	-	6,002,964	3,818,616	1,200,592	-	5,019,208	983,756	2,184,348
Capital Work in Progress	73,517,155	-	-	73,517,155	-	-	-	-	73,517,155	73,517,155
<b>INTANGIBLE ASSETS</b>										
One Time Entry Fees	973,253,698	-	-	973,253,698	356,190,726	97,325,376	-	453,516,102	519,737,596	617,062,972
Goodwill on Consolidation	237,407,122	207,090,716	-	444,497,838	-	-	-	-	444,497,838	-
<b>Total</b>	<b>1,522,244,484</b>	<b>211,535,099</b>	<b>347,027</b>	<b>1,733,432,556</b>	<b>426,964,872</b>	<b>116,024,458</b>	<b>213,324</b>	<b>542,776,006</b>	<b>1,190,656,550</b>	<b>857,849,253</b>
Previous Year	1,949,881,346	42,248,141	29,113,526	1,963,015,964	333,977,279	141,877,845	2,625,974	473,229,150	1,489,786,814	

#### SCHEDULE F

#### Investments (long term at cost less provision)

#### UNQUOTED: (Trade)

250 Equity Shares of Rs.10/- each of Awami Co-operative Bank Ltd.

Less: Provision for diminution in value of investment

NIL (54,057) equity shares of Rs.10/- each of Naaptol Online Shopping Pvt. Ltd.

#### SCHEDULE G

#### Inventories

Newsprint

Consumables

#### SCHEDULE H

#### Sundry debtors (Unsecured)

Debts outstanding for a period exceeding 6 months considered doubtful

Debts outstanding for a period exceeding 6 months considered good

Other debts considered good

Less : Provision for doubtful debts

As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
2,500	2,500
2,500	2,500
-	-
-	20,000,000
-	20,000,000
-	26,514,540
-	2,011,308
-	28,525,848
27,203,195	21,133,958
34,894,604	53,395,709
62,097,800	74,529,667
119,587,405	251,841,309
181,685,204	326,370,976
27,203,195	21,133,958
154,482,009	305,237,019

**Next Mediaworks Limited & Subsidiaries** (formerly known as Mid-Day Multimedia Limited & Subsidiaries)

**Schedules forming part of Balance Sheet**

	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>SCHEDULE I</b>		
<b>Cash &amp; bank balances</b>		
Cash on hand	1,135,901	1,299,607
In current accounts with scheduled banks	20,705,346	14,281,183
In fixed deposit accounts with scheduled banks	14,364,570	939,494
Margin money with scheduled banks	13,370,000	13,300,000
	<b>49,575,817</b>	<b>29,820,284</b>
<b>SCHEDULE J</b>		
<b>Loans &amp; advances</b>		
Unsecured, considered good		
Loans to others	-	2,858,668
Trade deposit	37,487,854	88,732,396
Staff advance	545,837	1,104,041
Advance Income-tax (net of provision)	4,635,993	21,129,552
TDS Redceivable	14,714,229	13,416,300
MAT credit entitlement		20,870,913
Advances recoverable in cash or kind, or for value to be received	14,787,707	13,037,250
	<b>72,171,620</b>	<b>161,149,121</b>
<b>Schedule K</b>		
<b>Current liabilities &amp; provisions</b>		
<b>Current liabilities</b>		
Sundry creditors	121,894,973	165,701,777
Other Liabilities	26,401,295	251,207,491
Trade deposits	-	8,902,127
	<b>148,296,267</b>	<b>425,811,396</b>
<b>Provisions</b>		
Provision for leave encashment	3,315,935	11,552,959
Provision for Gratuity	-	13,422,544
Provision for Depot incentive	-	7,412,030
	<b>3,315,935</b>	<b>32,387,533</b>
	<b>151,612,202</b>	<b>458,198,929</b>

## Next Mediaworks Limited & Subsidiaries (formerly known as Mid-Day Multimedia Limited & Subsidiaries)

### Schedules forming part of Profit & Loss Account

	Year ended March 31, 2011 Rs.	Year ended March 31, 2010 Rs.
<b>SCHEDULE L</b>		
<b>Cost of printing / painting</b>		
Consumption of Newsprint		
Opening stock	-	51,545,756
Purchases (net)	-	165,420,463
	-	216,966,219
Closing stock	-	26,514,540
	-	190,451,679
Printing job work & labour charges	-	31,907,487
Printing & Packing materials	-	35,720,136
Electricity	-	8,715,789
	-	266,795,091
<b>SCHEDULE M</b>		
<b>Employees cost</b>		
Salaries, wages & bonus	<b>85,586,955</b>	266,118,150
Contribution to PF, FPF	<b>3,138,695</b>	14,879,476
Gratuity	<b>(1,107,938)</b>	154,990
Outsourcing	-	433,545
Staff welfare expenses	<b>8,335,386</b>	59,455,371
ESOP Compensation	-	1,299,311
	<b>95,953,097</b>	342,340,843
<b>SCHEDULE N</b>		
<b>Selling &amp; distribution</b>		
Freight & Distribution	-	50,427,059
Entertainment & business development	<b>9,021,148</b>	28,981,749
Advertisement expenses	<b>73,974,676</b>	25,557,309
	<b>82,995,824</b>	104,966,117

**Next Mediaworks Limited & Subsidiaries** (formerly known as Mid-Day Multimedia Limited & Subsidiaries)

**Schedules forming part of Profit & Loss Account**

	Year ended March 31, 2011 Rs.	Year ended March 31, 2010 Rs.
<b>SCHEDULE O</b>		
<b>Other operational expenses</b>		
Conveyance	5,594,839	14,562,774
Electricity	15,494,353	21,391,240
General expenses	2,031,395	5,448,449
Vehicle expenses	-	682,018
Insurance premium	1,195,185	1,704,456
Legal & professional charges	19,682,625	20,395,494
Machinery repairs	8,732,400	15,714,475
Other repairs & maintenance	5,788,527	23,511,672
Printing & stationery	1,530,465	5,183,192
Postage & telephone	7,591,214	19,749,551
Rent, rates & taxes	69,358,117	113,402,112
Travelling	4,828,760	8,764,563
Radio programme creation & studio hire	30,155,331	32,934,348
Discounts & Credit	2,852,294	-
Bad debts written off	-	4,753,079
Provision for Doubtful debts	14,826,339	6,062,278
Deposits / Advances Written off	4,005,026	-
Membership & Subscription	2,782	270,000
Directors fees	620,000	260,000
Entertainment & Business Development	70,557	394,000
Remuneration to auditors		
Statutory audit	354,607	685,507
Taxation matter	85,238	-
Tax audit	99,635	187,875
Certification work	62,000	208,905
	<b>194,961,689</b>	<b>296,265,987</b>

## **Next Mediaworks Limited & Subsidiaries** (formerly known as Mid-Day Multimedia Limited & Subsidiaries)

### **Notes forming part of Account**

#### **SCHEDULE P**

#### **Notes Forming Part of the Accounts for the period ended March 31, 2011.**

#### **1. Accounting Policies**

##### **a) Accounting system**

The financial statements have been prepared under the historical cost convention, on accrual basis of accounting and in compliance with the applicable accounting standards prescribed under Section 211 (3C) of the Companies Act and other accepted accounting principles.

##### **b) Use of Estimates**

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

##### **c) Revenue Recognition**

As per industry practice – (i) Income/Expenditure of a reciprocal nature not involving any monetary transactions have not been considered, (ii) Expected credit notes due to possible reduction in receivable from Debtors (Doubtful Debts) have been adjusted against Ad Revenue.

Share of combined advertisement revenue received from advertisers are accounted on the basis approved by the management.

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

##### **d) Depreciation has been provided under the straight-line method as per the rates prescribed in schedule XIV of the Companies Act, 1956 in respect of office & factory premises and Presses. Depreciation on other fixed assets is provided under the written down value method at the rates prescribed in schedule XIV of the Companies Act, 1956. Technical know-how is amortized over a period of five years from the month of acquisition. License and Marketing Right is amortised over a period of ten years.**

As per AS-26 "Intangible Assets" pronounced by the Institute of Chartered Accountants of India, the One Time Entry Fees paid by Radio one Ltd. during the year for Private FM Broadcasting has been classified as an intangible asset. The benefit of this Entry Fee will be derived over a period of 10 years, hence it is amortized accordingly.

Lease Assets : Assets taken on Finance Lease by Radio one Ltd, are capitalised at the inception of the lease at the lower of fair value or present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

##### **e) All investments of long-term nature are valued at cost. Diminution in value of such investments, if of permanent nature, is provided for. Current investments are valued at lower of cost or net realizable value.**

##### **f) Foreign Exchange Transactions: Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate. 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 or reported in previous financial statements are recognized in the Profit & Loss account.**

##### **g) Current tax is provided at the current tax rates on taxable income. The Company provides for deferred tax based on tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current**

## Next Mediaworks Limited & Subsidiaries (formerly known as Mid-Day Multimedia Limited & Subsidiaries)

### Notes forming part of Account

tax provision using the tax rates and tax laws that have been enacted or substantively enacted. Deferred Tax Assets on timing differences other than unabsorbed losses are recognized to the extent there is a reasonable certainty that these would be realized in future. 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

- h) Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

i) **Employee Benefits:**

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

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

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

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

## 2. Demerger

Pursuant to Scheme of Arrangement submitted by the company to Honourable High court of Bombay and an order dated October 15th , 2010 of the court, the entire Print & Publishing business of the company stands transferred to and vested in Jagran Prakashan Ltd with effect from the appointed date 01/04/2010.. A loss of Rs 17.53 crores as per following details has been debited to P& L A/c as exceptional item. Consequently the previous losses amounting to Rs.170.99 lakhs pertaining to the demerged unit have been derecognized during the year. For the reasons stated above the figures of the previous year are not comparable with current year.

#### List of Assets and liabilities transferred on account of Demerger

Assets	Rs.
Investments	88,615,000
Deferred Tax Asset	378,454
Sales consideration receivable from Midday Infomedia Ltd	168,637,080
Advance Income-tax(net of provision)	11,127,267
Advances recoverable in cash or kind or for value to be received	904,452
<b>Total (A)</b>	<b>269,662,253</b>
<b>Liabilities</b>	
Unsecured loans	93,000,000
Other liabilities	210,683
Provision for leave encashment	1,113,428
Provision for Gratuity	4,307
<b>Total (B)</b>	<b>94,328,418</b>
<b>Loss on Demerger ( A – B )</b>	<b>175,333,835</b>

## Next Mediaworks Limited & Subsidiaries (formerly known as Mid-Day Multimedia Limited & Subsidiaries)

### Notes forming part of Account

#### 3. Exceptional Items represent:

Particulars	Company Name	Amount (Rs.)
Loss on Demerger	Next Media Works Limited (formerly known as Mid-Day Multimedia Limited)	175,333,835
Royalty	Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)	16,378,544
Waiver of Lease Liability	Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)	(93,979,907)
Waiver of interest due on above lease	Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)	(15,708,608)
<b>Total</b>		<b>82,023,864</b>

Royalty amount is differential amount of royalty payable to Indian Performing Rights Society (IPRS) as per the rate specified by court in the interim order and amount provided in books from inception of the respective stations till the date of interim order.

- During the year the Company has made further investments in Equity shares of Radio One Limited. The excess of cost of the investment over the portion of equity has been accounted as Goodwill on Consolidation as per the requirements of AS – 21.
- The Accounts of the following subsidiaries are incorporated in these financial statements. All subsidiaries are incorporated in India.

Name of Subsidiary	No of Equity Shares Held	Percentage Holding in Subsidiary
Digital One Pvt. Ltd. (formerly known as Mid-Day Broadcasting South (India) Pvt. Ltd.)	10,000 of Rs 10 each	100%
Next Outdoor Ltd. (Formerly known as Mid-day Outdoor Limited)	3,494,200 of Rs 10 each	99.97%
One Audio Ltd. (Formerly known as Mid-Day Radio North (India) Ltd.)	50,000 of Rs 10 each	100%
Radio one Ltd. (Formerly known as Radio Mid-day west (I) Ltd.)	84,376,928 of Rs 10 each	69.48%

#### 6. Details of Minority Shareholders

Particulars	As on April 1, 2010	Additions During the year	Deductions During the year	As on March 31, 2011
Contribution to Share Capital	716,768,745	67,734,820	NIL	784,503,565
Retained profits	(602,392,731)	NIL	18,071,253	(620,463,984)
<b>Total</b>	<b>114,376,014</b>	<b>67,734,820</b>	<b>18,071,253</b>	<b>164,039,580</b>

## Next Mediaworks Limited & Subsidiaries (formerly known as Mid-Day Multimedia Limited & Subsidiaries)

### Notes forming part of Account

#### 7. Contingent Liability

- a) In respect of guarantees issued by Company's bankers to MSRDC and other authorities for Rs. 3 Lakhs (Rs 3 Lakhs).
- b) Corporate guarantee issued to Bank of Baroda for Radio One Ltd.( Formerly known as Radio Mid-Day West ( India) Ltd) against CC limit of Rs. 140 Lakhs (140 Lakhs).

Bank Guarantee issued to Ministry of Information & Broadcasting for Radio One Ltd.( Formerly known as Radio Mid-Day West ( India) Ltd) Rs. 332 Lakhs (332 Lakhs).

Bank Guarantee issued to Phonographic Performance Limited for Radio One Ltd.( Formerly known as Radio Mid-Day West (India) Ltd). Rs. 0.70 Lakhs (NIL).

Counter guarantee issued to Axis Bank for Radio One Ltd.( Formerly known as Radio Mid-Day West ( India) Ltd) against term loan of Rs. 2,240 Lakhs (3,000 Lakhs) and corporate guarantee for CC limit of Rs. 500 Lakhs (500 lakhs).

- c) In respect of service tax demand under litigation is Rs. 596,537 (NIL)

#### 8. The total of minimum lease payments at the balance sheet date and their present value is as under

The company's lease agreement at Pune and Kolkata has a lock-in-period of 3 years. In the event of company terminating the agreement before the lock-in-period, further payment of lease rent for the balance period of lock-in, will be payable by the company, except where the company has to compulsorily shift to the Common Transmission Infrastructure to be built and completed by Broadcast Engineering Consultants India Ltd (BECIL). The amount payable in case of such termination comes to Rs. 39, 78,285/- as on the balance sheet date.

#### For Non cancelable Operating Lease :-

Particulars	Minimum Lease Payment (Rs.)
Not later than one Year	3,978,285
Later than one year and not later than five year	NIL
Later than five year	NIL

#### 9. Managerial Remuneration: Managing Director ( Net of Recovery )

Particulars	2010-11(Rs.)	2009-10 (Rs.)
Salaries, Wages & Bonus	778,878	4,435,147
Contribution to PF & FPF	115,265	506,820
Perquisites	48,156	170,815

## Next Mediaworks Limited & Subsidiaries (formerly known as Mid-Day Multimedia Limited & Subsidiaries)

### Notes forming part of Account

#### 10. The calculation of Deferred Tax Asset / (Liability) is shown below

(Rs.)

Particulars	Opening	During the year	Transfer on demerger	Closing
Depreciation	(30,532,986)	1,173,066	(19,267,365)	(10,092,554)
Carried Forward Losses	481,127,466	(11,660,345)	21,639,454	447,827,667
Gratuity	2,535,640	13,212	2,703,891	(155,039)
Provision for Leave Encashment	1,768,303	431,172	989,993	831,028
<b>Total</b>	<b>454,898,423</b>	<b>(10,042,895)</b>	<b>60,65,971</b>	<b>438,411,102</b>

#### 11. Calculation of EPS

(Rs.)

Particulars	2010-11	2009-10
Net Profit after tax and minority interest for the year	(652,475,799)	6,453,790
<b>Calculation of weighted average number of equity shares</b>		
Number of shares at the beginning of the year	522,987,76	52,234,860
Weighted avg. of Shares issued during the year (14000 x 156 / 365) & ( 9000 x 337/365))	NIL	14,293
Weighted avg. Number of Equity Shares considered for Basic EPS Calculation.	522,987,76	52,249,153
Weighted avg. Number of Equity Shares considered for Diluted EPS Calculation.	522,987,76	52,249,153
Basic Earnings / (loss) (in Rupees) per share	(12.47)	0.12
Diluted Earnings / (loss) (in Rupees) per share	(12.47)	0.12

#### 12. Impairment of Assets :

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 Profit and Loss Account. 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.

## Next Mediaworks Limited & Subsidiaries (formerly known as Mid-Day Multimedia Limited & Subsidiaries)

### Notes forming part of Account

#### 13. Disclosure with regards to related party transactions as per Accounting Standard AS-18 is as under:

##### A. Related party where control exists

(Rs.)

Name of The Party	Relationship	Nature of Transaction during the year	Amount of transaction	Closing Balance Due (to)	Amount written off/ added back
Mid-Day Export Limited	Associate Company	Amount Repaid against equity shares under ESOP	NIL	2,035,000	NIL
Meridian Holding & Leasing Co Pvt. Ltd.	Associate Company	Loan taken Interest	40,000,000 545,017	40,000,000 545,017	NIL
Ferari Investments and Trading Co Pvt. Ltd.	Associate Company	Loan taken Interest	92,000,000 1,240,263	92,000,000 1,240,263	NIL

During the year, there were no transactions with the following associate companies:

- i) Digital One Pvt.Ltd. (Formerly known as Mid-Day Broadcasting South (India) Pvt Ltd.)
- ii) Mirror Films Private Limited.
- iii) One Audio Ltd (Formerly known as Mid-Day Radio North (I) Ltd)
- iv) Inquilab Offset Printers Pvt Ltd
- v) Next Publishing Pvt Ltd.( Formerly known as Mid-day publishing Pvt Ltd)

##### B Key Management Personnel

Mr. Tarique Ansari (Remuneration Rs 942,300 Refer Note 8)

##### C. Relatives of key management personnel and their enterprises where transactions have taken place: Not applicable

Note: Related party relationship is as identified by the Company and relied upon by the auditors.

#### 14. Previous year's figures have been regrouped / rearranged wherever necessary. Figures in bracket indicate previous year's figures.

#### For Next Mediaworks Limited & subsidiaries

**Tarique Ansari**  
Chairman & Managing Director

**Narayan Varma**  
Director

## **Digital One Private Limited** (formerly known as MID-DAY BROADCASTING SOUTH (INDIA) PRIVATE LIMITED)

### **Directors' Report**

**To the Members of DIGITAL ONE PRIVATE LIMITED (formerly known as MID-DAY BROADCASTING SOUTH (INDIA) PRIVATE LIMITED).**

The Directors have pleasure in presenting the Eleventh Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2011.

**Business Operations: -**

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

**Change in Name of the Company:-**

Pursuant to the Scheme of Arrangement between the Holding Company, Mid-Day Multimedia Limited ("MML") and Jagran Prakashan Limited ("JPL"), the entire print and publishing business of MML, along with all the related licences, trade marks, logos etc were also 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 has been changed to "Digital One Private Ltd" w.e.f 19th April 2011.

**Directors: -**

Mr. Tarique Ansari and Mr. Aziz Khatri are appointed as Additional Directors with effect from 5th May 2011.

**Auditors: -**

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

**Particulars of Employees: -**

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

**Directors' Responsibility Statement**

The Directors confirm that: -

- \* In the preparation of the annual accounts, the applicable Accounting Standards have been followed.
- \* The selected and applied accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011.
- \* Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- \* The annual accounts are prepared on a going concern basis.

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

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

**Acknowledgement: -**

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

**For and on behalf of the Board**

Place : Mumbai

Date : 5th May 2011

**Manajit Ghoshal**

Chairman

## Digital One Private Limited (formerly known as MID-DAY BROADCASTING SOUTH (INDIA) PRIVATE LIMITED)

### Auditors' Report

To the Members of DIGITAL ONE PRIVATE LIMITED (formerly known as MID-DAY BROADCASTING SOUTH (INDIA) PRIVATE LIMITED).

We have audited the attached Balance Sheet of DIGITAL ONE PRIVATE LIMITED (formerly known as MID-DAY BROADCASTING SOUTH (INDIA) PRIVATE LIMITED). as at 31st March, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report as under: -

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors, we report that none of the Directors of the Company are, prima facie, as at 31st March, 2011 disqualified from being appointed as Director of the Company under Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read along with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2011
  - b) In the case of the Profit and Loss Account, of the loss for the year ended on that date.

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

**For R.D.SHENVI & Co.**

Chartered Accountants

**R.D.Shenvi**

Proprietor

Place : Mumbai

Date : 5th May 2011

**Digital One Private Limited** (formerly known as MID-DAY BROADCASTING SOUTH (INDIA) PRIVATE LIMITED)**Balance Sheet as at 31st March, 2011**

	SCHEDULE	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	1	1,00,000	1,00,000
<b>Loan funds</b>			
Unsecured loan	2	1,10,000	1,10,000
		<b>2,10,000</b>	<b>2,10,000</b>
<b>APPLICATION OF FUNDS</b>			
<b>Current assets, loans and advances</b>			
Cash and bank balances	3	75,243	81,365
Loans and advances	4	121,649	121,649
		<b>196,892</b>	<b>203,014</b>
<b>Less:- Current liabilities &amp; provisions</b>			
Current liabilities	5	23,615	23,615
<b>Net current assets</b>		<b>173,277</b>	<b>179,399</b>
<b>Profit and loss account (Dr. balance)</b>		<b>36,723</b>	<b>30,601</b>
		<b>210,000</b>	<b>210,000</b>
<b>Notes forming part of the Balance Sheet</b>	7		

As per our report of even date attached

**For R.D. Shenvi & Co.**

Chartered Accountants

for and on behalf of Board of Directors

**Digital One Private Limited****R.D. Shenvi**

(Proprietor)

**Manajit Ghoshal**

Director

**Vidya Shembekar**

Director

Place : Mumbai

Date : May 5, 2011

**Digital One Private Limited** (formerly known as MID-DAY BROADCASTING SOUTH (INDIA) PRIVATE LIMITED)

**Profit and Loss Account for the year ended 31st March, 2011**

	SCHEDULE	Year ended March 31, 2011 Rs.	Year ended March 31, 2010 Rs.
<b>INCOME</b>			
Income		-	-
<b>EXPENDITURE</b>			
General & Administration Expenses	6	6,122	11,593
Total Expenses		6,122	11,593
<b>Net Loss for the Period</b>		(6,122)	(11,593)
<b>Add Loss brought forward</b>		(30,601)	(19,008)
<b>Net loss carried to the Balance Sheet</b>		(36,723)	(30,601)
Earning Per Share		(0.06)	(0.12)
Notes forming part of the Balance Sheet	7		

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

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

**R.D. Shenvi**  
(Proprietor)

**Manajit Ghoshal**  
Director

**Vidya Shembekar**  
Director

Place : Mumbai  
Date : May 5, 2011

## Cashflow Statement

		Year Ended March 31, 2011 Rs.	Year Ended March 31, 2010 Rs.
<b>A. Net Cashflow from operating Activities</b>			
Net Profit / (Loss) before tax		(6,122)	(11,593)
<b>Operational Profit before Working Capital</b>		(6,122)	(11,593)
<b>Adjustments for changes in Working Capital</b>			
Loans & Advances		-	-
Current Liabilities		-	3,007
<b>Sub-Total</b>		-	3,007
<b>Cash generated from operations</b>	( A )	(6,122)	(8,586)
<b>B. Cash Flow from financing Activities</b>			
Borrowings	-	-	-
<b>Net Cash Flow from Financing Activities</b>	( B )	-	-
<b>Net Increase/decrease in Cash &amp; Cash Equivalents</b>	(A+B)	(6,122)	(8,586)
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>		81,165	89,951
<b>Cash &amp; Cash Equivalents at the end of the year</b>		75,043	81,365
		<b>75,043</b>	<b>81,365</b>

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

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

**R.D. Shenvi**  
 (Proprietor)

**Manajit Ghoshal**  
 Director

**Vidya Shembekar**  
 Director

Place : Mumbai  
 Date : May 5, 2011

**Digital One Private Limited** (formerly known as MID-DAY BROADCASTING SOUTH (INDIA) PRIVATE LIMITED)

**Schedules forming part of the Balance Sheet**

	SCHEDULE	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>Share capital</b>	<b>1</b>		
<b>Authorised capital</b>			
60,000 equity shares of Rs.10/- each		<b>6,00,000</b>	6,00,000
		<b>6,00,000</b>	6,00,000
<b>Issued, subscribed and paid-up capital</b>			
10,000 equity shares of Rs.10/- each fully paid-up		<b>100,000</b>	100,000
		<b>100,000</b>	100,000
<b>Unsecured loan</b>	<b>2</b>		
From bodies corporate		<b>110,000</b>	110,000
		<b>110,000</b>	110,000
<b>Cash and bank balances</b>	<b>3</b>		
Cash in hand		<b>200</b>	200
Balances with scheduled banks in current accounts		<b>75,043</b>	81,165
		<b>75,243</b>	81,365
<b>Loans and advances</b>	<b>4</b>		
Tax deducted at source		<b>121,649</b>	121,649
		<b>121,649</b>	121,649
<b>Current liabilities</b>	<b>5</b>		
Sundry creditors for expenses		<b>23,615</b>	23,615
		<b>23,615</b>	23,615
<b>General &amp; Administration Expenses</b>	<b>6</b>		
Auditors Remuneration		<b>6,067</b>	6,067
Legal & Professional Charges		-	5,526
Bank Charges		<b>55</b>	-
		<b>6,122</b>	11,593

**Digital One Private Limited** (formerly known as MID-DAY BROADCASTING SOUTH (INDIA) PRIVATE LIMITED)**Schedules forming part of the Balance Sheet****SCHEDULE:- 7****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011:****1) Statement of Significant Accounting Policies:**

- a) Accounts have been prepared on historical cost and accrual basis.

**2) Notes to Accounts :-**

- a) Prior to the operating license being issued to the Company, it expressed its inability to the Government to launch the radio station at Chennai under the current unviable license fee structure. The Company appealed to the Government for a rationalization of the same. The matter was under arbitration and now has been decided in favour of the Company. The bank guarantee and the related margin money have since been released and the license fee being paid has been forfeited and being treated accordingly.

**b) Remuneration Payable to Auditors**

	Current Year (in Rs.)	Previous Year (in Rs.)
Audit fees	6,067	6,180

- c) Disclosure with regard to related party transactions as per Accounting Standard AS-18 is as under: (Rs.)

Name of the Party	Relationship	Nature of Transaction during the year	Amount of transaction	Closing Balance Due (to)/	Amount written off/ added back
Inquilab Offset Printers Pvt. Ltd.	Associate Company	Nil	Nil	1,10,000	Nil

- d) Previous years figures have been re-grouped / recast wherever necessary.
- e) Additional information required under Part II of Schedule VI of the Companies Act, 1956 has been furnished to the extent applicable.

**For R.D. Shenvi & Co.**  
Chartered Accountants

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

**R.D. Shenvi**  
(Proprietor)

**Manajit Ghoshal**  
Director

**Vidya Shembekar**  
Director

Place : Mumbai  
Date : May 5, 2011

# Digital One Private Limited (formerly known as MID-DAY BROADCASTING SOUTH (INDIA) PRIVATE LIMITED)

## Balance -Sheet Abstract And Company's General Business Profile

### I Registration Details

Registration No  State Code

Balance Sheet Date :- Date MonthYear

CIN Number

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

Public Issue  Rights Issue

Bonus Issue  Private Placements

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

Total Liabilities  Total Assets

Sources of Funds  
 Paid-up Capital  Reserves and Surplus

Secured Loans  Unsecured Loans

#### Application of Funds

Net Fixed Assets /  Investments

Incidental Expenditure

During The Construction Period } NIL  
 Pending Allocation to Capital /

Other Accounts Misc . Expenditure

Net Current Assets  Accumulated Losses

### IV Performance of Company ( Amount in Rs. Thousands)

Turnover  Total Expenditure

Profit / Loss before Tax  Profit / Loss after Tax

Earning per share (Rs.)  Dividend rate %

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

Item Code No. (ITC Code)

Service Description: Radio Broadcasting Services

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

Place: Mumbai  
 Date: May 5, 2011

Manajit Ghoshal  
 Director

Vidya Shembekar  
 Director

## Mid-Day Radio North (India) Limited

### Directors' Report

#### TO THE MEMBERS OF MID-DAY RADIO NORTH (INDIA) LIMITED

The Directors have pleasure in presenting the Eleventh Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2011.

#### Business Operations: -

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

#### Change in Name of the Company:-

Pursuant to the Scheme of Arrangement between the Holding Company, Mid-Day Multimedia Limited ("MML") and Jagran Prakashan Limited ("JPL"), the entire print and publishing business of MML, along with all the related licences, trade marks, logos etc were also 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 has proposed to change its name to "One Audio Ltd". The Company has received the approval from its member and is awaiting the New Certificate of Incorporation post name change from the Central Government.

#### Directors: -

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

Mr. Tarique Ansari and Mr. Vineet Singh Hukmani are appointed as Additional Directors with effect from 5th May 2011.

#### Auditors: -

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

#### Auditors' Observation in their Report: -

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

#### Particulars of Employees: -

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

#### Directors' Responsibility Statement

The Directors confirm that: -

- In the preparation of the annual accounts, the applicable Accounting Standards have been followed;
- The selected and applied accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2011;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts are prepared on a going concern basis.

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

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

#### Acknowledgement: -

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

**For and on behalf of the Board**

Place : Mumbai  
Date : May 5, 2011

**Manajit Ghoshal**  
Chairman & Managing Director

## Mid-Day Radio North (India) Limited

### Auditors' Report

#### AUDITOR'S REPORT TO THE SHAREHOLDERS OF MID-DAY RADIO NORTH (INDIA) LIMITED

1. We have audited the attached Balance Sheet of Mid-day Radio North (India) Limited as at 31st March, 2011 and also the profit and loss account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments referred to above, we report that:
  - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - 4.2 In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - 4.3 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - 4.4 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
  - 4.5 On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.3.2011 from being appointed as a director under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
  - 4.6 In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Statement of Significant Accounting Policies and the Notes forming parts of Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011; and
    - b) in the case of the Profit and Loss Account, of the loss of the company for the year ended on that date
    - c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For T. R. Chadha & Co.**  
Chartered Accountants

**Vikas Kumar**  
(Partner)  
Membership No. 75363  
Firm Reg. No. 006711N

Place: Mumbai  
Date : May 5, 2011

## Mid-Day Radio North (India) Limited

### Auditors' Report

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

##### **I. Fixed Assets**

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

##### **II. Inventories**

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

##### **III Loans Given / Taken**

- a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has taken interest free unsecured loan from Holding company. The maximum amount involved during the year was Rs. 201.73 Lakhs and closing balance was Rs. 201.73 Lakhs.
- b) The rate of interest and other terms and conditions of loans taken by the company, are prima facie not prejudicial to the interest of the company.
- c) The repayment schedule of the above mentioned loan has not been defined, however, payment of interest have been regular.
- d) The overdue amount for any individual party is not more than one Lac.

##### **IV Internal Control**

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

##### **V. Transaction under Section 301**

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

##### **VI. Public Deposits**

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

##### **VII. Internal Audit System**

The Company has an internal audit system commensurate with its size and the nature of its business.

##### **VIII. Cost Record**

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

##### **IX. Statutory Dues**

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

## **Mid-Day Radio North (India) Limited**

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### **Auditors' Report**

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

**X. Miscellaneous**

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

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

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

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

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

f) The Company has not given any guarantee for loans taken by others from bank or financial institutions during the year and no such guarantees are outstanding as on 31.03.2011.

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

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

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

**For T.R. Chadha & Co.**  
Chartered Accountants

**Vikas Kumar**  
(Partner)  
M.N. 75363  
Firm Reg. No. 006711N

Place: Mumbai  
Date: May 5, 2011

## Mid-Day Radio North (India) Limited

### Balance Sheet as at 31st March, 2011

	SCHEDULE	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b><u>SOURCES OF FUNDS</u></b>			
<b>Shareholders' funds</b>			
Share capital	1	500,000	500,000
<b>Loan funds</b>			
Unsecured loan	2	23,933,511	23,916,966
<b>Total</b>		<b>24,433,511</b>	<b>24,416,966</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>Current Assets, Loans and advances</b>			
Cash and bank balances	3	19,113	19,390
Loans and Advances	4	1,248,809	1,248,809
		<b>1,267,922</b>	<b>1,268,199</b>
<b>Less:- Current liabilities and provisions</b>			
Current liabilities	5	94,648	91,339
<b>Net current assets</b>		<b>1,173,274</b>	<b>1,176,860</b>
<b>Profit and loss account (Dr. balance)</b>		<b>23,260,237</b>	<b>23,240,106</b>
<b>Total</b>		<b>24,433,511</b>	<b>24,416,966</b>
Notes to accounts and accounting policies forming part of the accounts	7		

Notes to accounts and accounting policies forming part of the accounts

As per our Report of even date

**For T.R.Chadha & Co.**  
Chartered Accountants

For and on behalf of the Board  
**Mid-Day Radio North (India) Ltd.**

**Vikas Kumar**  
(Partner)

**Manajit Ghoshal**  
Chairman & Managing Director

**Vidya Shembekar**  
Director

Place : Mumbai  
Date : May 5, 2011

## Mid-Day Radio North (India) Limited

### Profit & Loss Account for the year ended 31st March, 2011

	SCHEDULE	Year ended March 31, 2011 Rs.	Year ended March 31, 2010 Rs.
<b>INCOME</b>			
Income		-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURE</b>			
General & Administration Expenses	6	<b>20,131</b>	22,735
	<b>TOTAL</b>	<b>20,131</b>	22,735
<b>Net loss for the period</b>		<b>(20,131)</b>	(22,735)
Add/Loss brought forward		<b>(23,240,106)</b>	(23,217,371)
<b>Net loss carried to the Balance Sheet</b>		<b>(23,260,237)</b>	(23,240,106)
Earning Per Share		<b>(0.40)</b>	(0.45)
Notes to accounts and accounting policies forming part of the accounts	7		

As per our Report of even date

**For T.R.Chadha & Co.**  
Chartered Accountants

For and on behalf of the Board  
**Mid-Day Radio North (India) Ltd.**

**Vikas Kumar**  
(Partner)

**Manajit Ghoshal**  
Chairman & Managing Director

**Vidya Shembekar**  
Director

Place : Mumbai  
Date : May 5, 2011

## Mid-Day Radio North (India) Limited

### Cashflow Statement

	Year ended March 31, 2011	Year ended March 31, 2010
<b>A. Net Cashflow from operating Activities</b>		
Net Profit / (Loss) before tax	(20,131)	(26,044)
<b>Operational Profit before Working Capital</b>	(20,131)	(26,044)
<b>Adjustments for changes in Working Capital</b>		
Loans & Advances	-	(37,000)
Current Liabilities	3,309	-
<b>Sub-Total</b>	3,309	(37,000)
<b>Cash generated from operations</b> ( A )	(16,822)	(63,044)
<b>B. Cash Flow from financing Activities</b>		
Borrowings	16,545	-
<b>Net Cash Flow from Financing Activities</b> ( B )	16,545	-
<b>Net Increase/decrease in Cash &amp; Cash Equivalents</b> (A+B)	(277)	(63,044)
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	19,390	82,434
<b>Cash &amp; Cash Equivalents at the end of the year</b>	19,113	19,390

As per our Report of even date

**For T.R.Chadha & Co.**

Chartered Accountants

**For and on behalf of the Board**

Mid-Day Radio North (India) Ltd

**Vikas Kumar**

(Partner)

**Manajit Ghoshal**

Chairman & Managing Director

**Vidya Shembekar**

Director

Place : Mumbai

Date : May 5, 2011

## Mid-Day Radio North (India) Limited

### Schedules forming part of the Accounts as at 31st March 2011

	SCHEDULE	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>Share Capital</b>	<b>1</b>		
<b>Authorised Capital</b>			
50,000 equity shares of Rs.10/- each (Prev. Year 50000 Eq. Share of Rs. 10 each)		<b>5,00,000</b>	5,00,000
		<b>5,00,000</b>	5,00,000
<b>Issued, subscribed and paid-up capital</b>			
50000 equity shares of Rs.10/- each fully paid-up (Prev. Year 50000 Eq. Share of Rs. 10 each) ( Out of which 50000 Eq. Share are held by Next Mediaworks Limited (formerly known as Mid-Day Multimedia Ltd. - Holding Company )		<b>5,00,000</b>	5,00,000
		<b>5,00,000</b>	5,00,000
		<b>500,000</b>	500,000
<b>Unsecured Loan</b>	<b>2</b>		
From Holding Company		<b>20,172,966</b>	20,172,966
From Bodies Corporate		<b>3,760,545</b>	3,744,000
		<b>23,933,511</b>	23,916,966
<b>Cash and bank balances</b>	<b>3</b>		
Cash in hand		<b>200</b>	200
Balances with scheduled banks in current accounts		<b>18,913</b>	19,190
		<b>19,113</b>	19,390
<b>Loans and advances (unsecured and considered good)</b>	<b>4</b>		
Advances recoverable in cash or for value to be received		<b>1,248,809</b>	1,248,809
		<b>1,248,809</b>	1,248,809
<b>Current liabilities</b>	<b>5</b>		
Sundry creditors for expenses		<b>94,648</b>	91,339
		<b>94,648</b>	91,339
<b>General &amp; Administration Expenses</b>	<b>6</b>		
Auditors Remuneration		<b>16,545</b>	13,236
Legal, Professional , Demat Charges		<b>3,309</b>	8,586
Bank Charges		<b>277</b>	913
		<b>20,131</b>	22,735

## Mid-Day Radio North (India) Limited

### Schedules forming part of the Accounts as at 31st March 2011

#### SCHEDULE:- 7

Notes Annexed to and forming part of the Balance Sheet as at 31st March, 2011

##### 1) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

a) The Financial Statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and on the accounting principles of going concern.

##### 2) Notes to Accounts:

- a) Prior to the operating license being issued to the Company, it expressed its inability to the Government to launch the radio station at Delhi under the current unviable license fee structure. The Company appealed to the Government for a rationalization of the same. The matter was under arbitration and has been decided in favour of the Company. The bank guarantee and the related margin money have since been released and the licence fee being paid has been forfeited and being treated accordingly.
- b) The company has paid balance Rs. 8.49 lakhs towards the demand of Income Tax Assessment for A.Y. 2003-04 against which the appeal has been referred to Commissioner (Appeals). The company is confident of having the appeal in its favour and accordingly no provision has been made against the same. The tax paid against this demand till 31.03.2011 of Rs.8.49 Lac has been treated as advances recoverable.
- c) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs nil (Previous year Rs. nil).
- d) The Company has only one segment namely radio, hence no separate disclosure of the segment wise information has been made.
- e) No provision has been made for retirement benefits since there are no employees on the roll of the Company.
- f) Previous years figures have been re-grouped / re-cast wherever necessary.
- g) Disclosure with regard to related party transactions as per Accounting Standard AS-18 is as under:
- i) Additional information required under Part II of Schedule VI of the Companies Act, 1956 has been furnished to the extent applicable.

#### List of Related Parties

##### Holding Company:

- Next Mediaworks Limited (formerly known as Mid-day Multimedia Ltd.)

##### Concerns where control exists:

- Meridian Holding & Leasing Co. Pvt. Ltd.
- Mid-day Export Pvt. Ltd.
- Inquilab Offset Printers Pvt. Ltd.
- Ferari Investments & Trading Co. Pvt. Ltd.
- Radio One Limited (formerly known as Radio Mid-day West (India) Ltd.)
- Digital One Limited (formerly known as Mid-day Broadcasting South (India) Pvt. Ltd.)
- Next Outdoor Limited (formerly known as Mid-day Outdoor Limited)

## Mid-Day Radio North (India) Limited

### Schedules forming part of the Accounts as at 31st March 2011

Name of the transacting related party	Relationship	Nature of transaction during the year	Amount of (Rs. )	Closing balance due to / (from)
Next Mediaworks Limited (formerly known as Mid-Day Multimedia Ltd)	Holding Company	-	NIL	20,172,966
Inquilab Offset Printers	Associate	-	NIL	3,744,000
Radio One Limited (formerly known as Radio Mid Day West (India) Limited)	Associate	Loan Receipt	16,545	16,545

As per our Report of even date

**For T.R.Chadha & Co.**

Chartered Accountants

**For and on behalf of the Board**

Mid-Day Radio North (India) Ltd

**Vikas Kumar**

(Partner)

**Manajit Ghoshal**

Chairman & Managing Director

**Vidya Shembekar**

Director

Place : Mumbai

Date : May 5, 2011

## Mid-Day Radio North (India) Limited

### Balance -Sheet Abstract And Company's General Business Profile

#### I Registration Details

Registration No   -       State Code

Balance Sheet Date :- Date Month Year

CIN Number

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

Public Issue          Rights Issue

Bonus Issue          Private Placements

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

Total Liabilities          Total Assets

##### Sources of Funds

Paid-up Capital          Reserves and Surplus

Secured Loans          Unsecured Loans

##### Application of Funds

Net Fixed Assets /          Investments

Incidental Expenditure  
 Pending Allocation to Capital /

Other Accounts          Misc . Expenditure

Net Current Assets         Accumulated Losses

#### IV Performance of Company ( Amount in Rs. Thousands)

Turnover          Total Expenditure

Profit / Loss before Tax          Profit / Loss after Tax

Earning per share (Rs.)     (  .   ) Dividend rate %

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

Item Code No. (ITC Code)

Service Description : Radio Broadcasting Services

For and on behalf of board of directors

**Mid-Day Radio North (India) Ltd.**

Place: Mumbai  
 Date: May 5, 2011

**Manajit Ghoshal**  
 Chairman & Managing Director

**Vidya Shembekar**  
 Director

## Next Outdoor Limited (formerly MID-DAY OUTDOOR LIMITED)

### Directors' Report

**To The Members,**

Your Directors' are pleased to submit their Annual Report together with the audited Statement of accounts for the year ended 31st March 2011.

**FINANCIAL RESULTS**

(Amt. in Rs)

	31.03.2011	31.03.2010
Other Income	-	-
Operating Expenses	20,241	22,559
Profit / (Loss) during the year	(20,241)	(22,559)
Add/ (Less): Balance from Profit & Loss Account B/F	(3,56,72,338)	(3,56,49,779)
Net Profit/(Loss) carried to Balance Sheet	(3,56,92,579)	(3,56,72,338)

**BOARD OF DIRECTORS**

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

**AUDITORS**

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

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

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

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

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that:

- \* in the preparation of the annual accounts, the applicable accounting standards have been followed;
- \* the selected and applied accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and the profit of the Company for the period ended on that date;
- \* proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- \* The annual accounts are prepared on a 'going concern' basis.

**ACKNOWLEDGEMENT:**

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

**For and on behalf of the Board**

Place : Mumbai  
Dated : May 5, 2011

**Tarique Ansari**    **Rukya Ansari**  
Director                      Director

## **Next Outdoor Limited (formerly MID-DAY OUTDOOR LIMITED)**

### **Auditors' Report for the year ended 31st March 2011**

To,

**The Members of NEXT OUTDOOR LIMITED**

1. We have audited the attached balance sheet of Next Outdoor Limited (formerly Mid-day Outdoor Limited) as at 31st March 2011 and also the profit and loss account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - 4.2 In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - 4.3 The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - 4.4 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
  - 4.5 On the basis of representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.3.2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - 4.6 In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Statement of Significant Accounting Policies and the Notes forming parts of Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011; and
    - b) in the case of the Profit and Loss Account, of the loss of the company for the year ended on that date.
    - c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For T. R. Chadha & Co.**  
Chartered Accountants

**Vikas Kumar**  
(Partner)  
Membership No.: 75363  
Firm Reg. No. 006711N

Place : Mumbai  
Date : May 5, 2011

## **Next Outdoor Limited (formerly MID-DAY OUTDOOR LIMITED)**

### **Annexure to Auditors' Report**

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

##### **I. Fixed Assets**

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

##### **II Inventories**

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

##### **III Loans Given / Taken**

- a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has taken interest free unsecured loan from Holding company M/s Mid-day Multimedia Limited. The maximum amount involved during the year was Rs. 7,43,972 and closing balance was Rs. 7,43,972
- b) The rate of interest and other terms and conditions of loans taken by the company, are prima facie not prejudicial to the interest of the company.
- c) The repayment schedule of the above mentioned loan has not been defined, however, payment of interest have been regular.
- d) The overdue amount for any individual party is not more than one Lac.

##### **IV Internal Control**

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

##### **V. Transactions under Section 301**

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

##### **VI. Public Deposits**

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

##### **VII. Internal Audit System**

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

##### **Cost Records**

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

##### **VIII. Statutory Dues**

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

## **Next Outdoor Limited (formerly MID-DAY OUTDOOR LIMITED)**

### **Annexure to Auditors' Report**

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

#### **IX. Miscellaneous**

- a) The net worth of the company has been fully eroded as on 31.03.2011. The company has incurred cash losses in current financial year and in preceding financial year.
- b) The Company has not taken any loans from financial institution or bank or debenture holders and accordingly the question of any default does not arise.
- c) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- d) As explained, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order are not applicable to the company.
- e) As explained and verified, the Company is not dealing or trading in shares, securities, debentures and other investments.
- f) As explained, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- g) The Company has not obtained any loans, accordingly clause (xvi) and (xvii) of para 4 of the order is not applicable.
- h) The Company has not issued any shares / debentures during the year. Accordingly, the compliance of clause (xviii) to (xx) of para 4 of the order is not applicable.
- i) As explained to us, no fraud on or by the Company has been noticed or reported during the year.

**For T. R. Chadha & Co.**  
Chartered Accountants

**Vikas Kumar**  
(Partner)  
Membership No.: 75363  
Firm Reg. No. 006711N

Place : Mumbai  
Date : May 5, 2011

## Next Outdoor Limited (formerly MID-DAY OUTDOOR LIMITED)

### Balance Sheet as at 31st March, 2011

	SCHEDULE	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b><u>SOURCES OF FUNDS</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	<b>A</b>	<b>34,950,000</b>	34,950,000
<b>Loan Funds</b>			
Unsecured Loan	<b>B</b>	<b>743,972</b>	723,972
	<b>TOTAL</b>	<b>35,693,972</b>	35,673,972
<b><u>APPLICATION OF FUNDS</u></b>			
<b>Current Assets, Loans &amp; Advances</b>			
Cash & Bank Balances	<b>C</b>	<b>17,938</b>	18,179
<b>Less:- Current liabilities and provisions</b>			
Current Liabilities	<b>D</b>	<b>16,545</b>	16,545
Net Current Assets		<b>1,393</b>	1,634
Profit & Loss Account ( Dr. Balance)		<b>35,692,579</b>	35,672,338
	<b>TOTAL</b>	<b>35,693,972</b>	35,673,972

Significant Accounting Policies And  
Notes Forming Part of Accounts

F

As per our Report of even date

**For T.R.Chadha & Co.**  
Chartered Accountants

**For and on behalf of the Board**  
Next Outdoor Limited

**Vikas Kumar**  
(Partner)

**Rukya Ansari**  
Director

**Tarique Ansari**  
Director

Place : Mumbai  
Date : May 05, 2011

## Next Outdoor Limited (formerly MID-DAY OUTDOOR LIMITED)

### Profit & Loss Account for the year ended 31st March, 2011

SCHEDULE	Year ended March 31, 2011 Rs.	Year ended March 31, 2010 Rs.
<b>INCOME</b>		
Other Income	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURE</b>		
Operating Expenses	<b>20,241</b>	22,559
<b>TOTAL</b>	<b>20,241</b>	22,559
<b>Net Profit / (Loss) during the year</b>	<b>(20,241)</b>	(22,559)
Profit/(Loss) Brought Forward	<b>(35,672,338)</b>	(35,649,779)
<b>Profit /(Loss) Carried to Balance Sheet</b>	<b>(35,692,579)</b>	(35,672,338)
Earning/(loss) Per Share - Basic / Diluted - Face Value Rs 10 per share	<b>(0.01)</b>	(0.01)
Significant Accounting Policies And Notes Forming Part of Accounts	<b>F</b>	

As per our Report of even date

**For T.R.Chadha & Co.**  
Chartered Accountants

**For and on behalf of the Board**  
Next Outdoor Limited

**Vikas Kumar**  
(Partner)

**Rukya Ansari**  
Director

**Tarique Ansari**  
Director

Place : Mumbai  
Date : May 05, 2011

## Next Outdoor Limited (formerly MID-DAY OUTDOOR LIMITED)

### Cashflow Statement

	Year ended March 31, 2011 Rs.	Year ended March 31, 2010 Rs.
<b>A. Net Cashflow from operating Activities</b>		
Net Profit before tax	(20,241)	(22,559)
Depreciation	-	-
Operational Profit Before Working Capital	(20,241)	(22,559)
<b>Adjustments for changes in Working Capital</b>		
Current Liabilities	-	3,309
<b>Sub Total</b>	-	3,309
Cash Generated from Operations	(20,241)	(19,250)
Income Tax Paid	-	-
<b>Net Cashflow from Operating Activities</b>	(20,241)	(19,250)
<b>B. Cash Flow from Investing Activities</b>		
Fixed Assets (net)	-	-
Investments	-	-
Net Cash Flow from Investing Activities	-	-
<b>C. Cash Flow from Financing Activities</b>		
Borrowings holding Company	20,000	25,130
<b>Net Cash Flow from Financing Activities</b>	20,000	25,130
<b>Net Increase in cash &amp; cash equivalents</b>	(241)	5,880
<b>Opening balance of cash &amp; cash equivalents</b>	18,179	12,299
<b>Closing balance of cash &amp; cash equivalents</b>	17,938	18,179

As per our Report of even date

**For T.R.Chadha & Co.**

Chartered Accountants

**For and on behalf of the Board**

Next Outdoor Limited

**Rukya Ansari**

Director

**Tarique Ansari**

Director

Place : Mumbai

Date : May 05, 2011

## Next Outdoor Limited (formerly MID-DAY OUTDOOR LIMITED)

### Schedules Forming Part of the Balance Sheet

	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>SCHEDULE A</b>		
<b>Share Capital</b>		
<u>Authorised Capital</u>		
40,00,000 equity shares of Rs.10/- each (Previous year 40,00,000 Equity Shares of Rs. 10/- each)	<b>40,000,000</b>	40,000,000
<u>Issued, Subscribed &amp; Paid up</u>		
34,95,000 Equity shares of Rs.10/-each (Previous Year 34,95,000 equity shares of Rs.10/- each) [Out of which 34,94,200 Equity shares (Previous year 34,94,200 equity shares) held by Holding Company Next Mediaworks Ltd.]	<b>34,950,000</b>	34,950,000
	<b>34,950,000</b>	34,950,000
<b>SCHEDULE B</b>		
<b>Unsecured Loan</b>		
Loan from Holding Company M/s Next Mediaworks Ltd. (Maximum Outstanding during the year Rs.743,972 )	<b>743,972</b>	723,972
	<b>743,972</b>	723,972
<b>SCHEDULE C</b>		
<b>Cash &amp; Bank Balances</b>		
In current account with a scheduled Bank	<b>17,938</b>	18,179
	<b>17,938</b>	18,179
<b>SCHEDULE D</b>		
<b>Current Liabilities &amp; Provisions</b>		
Outstanding Liabilities	<b>16,545</b>	16,545
	<b>16,545</b>	16,545

**Next Outdoor Limited (formerly MID-DAY OUTDOOR LIMITED)**  
**Schedules Forming Part of the Profit & Loss Account**

	<b>Year ended March 31, 2011 Rs.</b>	<b>Year ended March 31, 2010 Rs.</b>
<b>SCHEDULE E</b>		
<b>Operating Expenses</b>		
Professional Charges	<b>1,654</b>	3,600
Statutory Audit Fees	<b>16,545</b>	16,545
Filing Fees	<b>2,000</b>	1,500
Bank Charges	<b>42</b>	914
	<b>20,241</b>	22,559

## Next Outdoor Limited (formerly MID-DAY OUTDOOR LIMITED)

### Schedules Forming Part of Accounts

#### SCHEDULE-F

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FORMING AN INTEGRAL PART OF THE BALANCE SHEET AS AT 31st MARCH 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011**

#### A) SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of Accounting

The Financial Statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and on the accounting principles of going concern.

#### B) NOTES TO ACCOUNTS

##### 1. Contingent liability:

Income-tax : NIL, Previous Year : NIL

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

	Current Year Rs.	Previous Year Rs.
3. Expenditure in Foreign Currency	Nil	Nil
4. Earning in Foreign Currency	Nil	Nil
5. In view of the accumulated losses, provision for Income tax is not made.		
6. Disclosure with regard to the Related party transactions as per AS- 18 is as under:		

List of Related Parties:

##### **Holding Company:**

Next Mediaworks Ltd (formerly known as Mid-Day Multimedia Limited)

##### **Concerns where control exists:**

Meridian Holding & Leasing Co. Pvt. Ltd.

Next Export Pvt. Ltd.

Inquilab Offset Printers Pvt. Ltd.

Ferari Investments & Trading Co. Pvt. Ltd.

Radio One Limited (formerly known as Radio Mid-Day west (India) Limited

Digital One Pvt. Ltd (Formerly known as Mid-Day Broadcasting South (India) Limited

Mid-Day Radio North (India) Limited

## Next Outdoor Limited

### Schedules Forming Part of Accounts

Name of the transacting related party	Relationship	Description of the nature of transaction	Amount (Rs. in Lakhs)
Next Media Works Limited	Holding Company	Unsecured Loan received during the year	0.20 (-)
		Unsecured Loan outstanding as on 31.03.2011 (As on 31.03.2010)	7.44 (7.24)

7. The deferred tax assets as per Accounting Standard – 22 (AS-22) on Accounting of taxes towards carried forward losses have not been recognised, as there is no certainty on realization of the same.
8. The Company operates in a single business segment of Outdoor Advertising. Therefore disclosure requirement for Segment Reporting as per AS-17 is not applicable to the company.
9. No provision has been made for retirement benefits since there are no employees on the roll of the Company.
10. The disclosures with regard to the requirement of Part II of Schedule VI of the Companies Act, 1956 are not applicable.
11. Previous year figures have been regrouped / rearranged wherever considered necessary to make them comparable with the current year figures.
12. All figures are rounded off to the nearest rupee.

As per our Report of even date

**For T.R.Chadha & Co.**

Chartered Accountants

**For and on behalf of the Board of**

Next Outdoor Limited

**Rukya Ansari**

Director

**Tarique Ansari**

Director

Place : Mumbai

Date : May 05, 2011

## Next Outdoor Limited (formerly MID-DAY OUTDOOR LIMITED)

### Balance -Sheet Abstract And Company's General Business Profile

#### I Registration Details

Registration No          State Code

Balance Sheet Date :- Date Month Year

CIN Number

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

Public Issue           Rights Issue

Bonus Issue           Private Placements

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

Total Liabilities          Total Assets

Sources of Funds  
 Paid-up Capital          Reserves and Surplus

Secured Loans           Unsecured Loans

Application of Funds  
 Net Fixed Assets / Investments

Net Current Assets / Misc . Expenditure

Accumulated Losses

#### IV Performance of Company ( Amount in Rs. Thousands)

Turnover           Total Expenditure

Profit / Loss before Tax               Profit / Loss after Tax

Earning per share (Rs.)                 Dividend rate %

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

Item Code No. (ITC Code)

Product Description : Outdoor Advertising

**For T.R.Chadha & Co.**  
Chartered Accountants

For and on behalf of the Board of  
**Next Outdoor Limited**

**Rukya Ansari**  
Director

**Tarique Ansari**  
Director

Place : Mumbai  
Date : May 05, 2011

# Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

## Directors' Report

### TO THE MEMBERS OF RADIO ONE LIMITED

The Directors have pleasure in presenting the Eleventh Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2011.

### Financial Results

(Rs. in Lakhs)

Particulars	2010-11	2009-10
<b>Profit / (Loss) before Depreciation, Interest and Tax</b>	<b>405.92</b>	(168.99)
Less: Depreciation	<b>1159.50</b>	1152.53
Interest	<b>687.53</b>	859.67
<b>Profit Before Exceptional Item</b>	<b>(1441.11)</b>	(2181.19)
Exceptional Item	<b>(933.10)</b>	-
<b>Profit Before Tax</b>	<b>(508.01)</b>	(2181.19)
Add: Deferred Tax Adjustments	<b>(103.20)</b>	659.19
<b>Profit After Tax</b>	<b>(611.21)</b>	(1522.00)
Add: Balance brought forward from previous year	<b>(9140.03)</b>	(7618.03)
<b>Balance carried forward</b>	<b>(9751.24)</b>	(9140.03)

### Business Operations and Future Prospects

All the 7 (seven) stations of the Company across the country were operational during the year under review as per the Licence granted by the Ministry of Information & Broadcasting.

On successful implementation of Phase II policy of the Ministry of Information and Broadcasting, the Government invited bids for 93 vacant slots, which are yet under examination. The Government has further prepared Phase III policy of the Ministry of Information and Broadcasting which is awaited for formal declaration by the Ministry.

### Change in Name of the Company

Pursuant to the Scheme of Arrangement between the Holding Company, Mid-Day Multimedia Limited ("MML") and Jagran Prakashan Limited ("JPL"), the entire print and publishing business of MML, along with all the related licences, trade marks, logos etc were also 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 has been changed to "Radio One Ltd" w.e.f 27th April 2011.

### Dividend

In view of the carry forward losses, the Board of Directors of your Company do not recommend any Dividend for the year ending 31st March 2011.

### Fixed Deposits

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

### Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of association of the Company, Mr. Dilip Cherian retires by rotation and is eligible for reappointment.

### Auditors

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

## **Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)**

### **Directors' Report**

#### **Auditors' Observation in their Report**

As on March 31, 2011, the Company has accounted for Rs. 4,38,107,900/- Lakhs as Deferred Tax Asset. The Board reviews the carrying amount of Deferred Tax Assets at each Balance Sheet date and reviews the performance of the Company vis-à-vis the plan to arrive at a conclusion for carrying forward and creating a further Deferred Tax Asset.

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

#### **Particulars of Employees: -**

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

#### **Directors' Responsibility Statement :-**

The Directors confirm that: -

1. In the preparation of the annual accounts, the applicable Accounting Standards have been followed;
2. The selected and applied accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts are prepared on a going concern basis.

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

- |                             |               |
|-----------------------------|---------------|
| a) Conservation of Energy   | : NIL         |
| b) Technology Absorption    | : NIL         |
| c) Foreign Exchange Earning | : NIL         |
| d) Foreign Exchange Outgo   | : Rs. 189,543 |

#### **Acknowledgement: -**

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

**For Radio One Limited**

**Vineet Singh Hukmani**  
Managing Director

**Dilip Cherian**  
Director

Place : Mumbai

Date : May 5, 2011

## Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

### Annexure to Directors' Report

Disclosures pursuant to the (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Rules, 2002 are as under :

#### RMW Stock Option Scheme – 2007

a)	Options outstanding during the year	4,25,000
	Options granted during the year	NIL
b)	The Pricing formula	At Fair Value
c)	Options Vested	NIL
d)	Options Exercised	NIL
e)	The total no. of shares arising as a result of exercise of options	NIL
f)	Options lapsed	NIL
g)	Variation of terms of options	NIL
h)	Money realised by exercise of options	NIL
i)	Total number of options in force	4,25,000
j)	Employee wise details of options granted to :	
	(i) Senior managerial personnel	NIL
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year	NIL
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	NIL
k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option	N.A.
l)	Weighted-average fair value of options granted during the year	N.A

#### Fair Value:

Since the shares are not listed, the Fair Value of the options has been estimated on the date of grant using the Weighted Average Price of Shares issued till the date of first grant.

#### The various assumptions considered in the pricing model are:

	March 31, 2011
Risk-free interest rate	8.25%
Expected life of options	N.A.
Expected volatility	N.A.
Expected dividends	N.A.
The fair value of the underlying share at the time of option grant.	<b>Rs. 13/-</b>

## **Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)**

### **Auditor's Report**

#### **To the Members of Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)**

1. We have audited the attached Balance Sheet of Radio One Limited, as at 31st March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. Attention is drawn to Note no. 2(h) of Schedule 16 of the Profit and Loss Account. The management has considered factors like expected profits in future, to recognize deferred tax assets of Rs. 3,85,53,048 during the year and Rs. 44,78,27,667 as on the Balance Sheet date on account of unabsorbed tax losses and depreciation. We are unable to comment whether these can be considered as 'virtual certainty' prescribed under Accounting Standard 22 - Accounting for Taxes on Income, to recognize such assets.
  - (v) Without qualifying our report we draw attention to
    - (a) Note 2 (f) of Schedule 16 regarding provision against certain debts due for over three years.
    - (b) Note 2 (e) of Schedule 16 regarding contribution towards capital work in progress.
  - (vi) Based on the written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

## **Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)**

### **Auditors' Report**

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

- (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2011;
- (b) in the case of the Profit & Loss account, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date

For **Haribhakti & Co.**

Chartered Accountants

Firm Reg. No. 103523W

**Chetan Desai**

Partner

Membership No. 17000

Place : Mumbai

Date : 5th May, 2011

## **Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)**

### **Annexures to Auditors' Report**

**[Referred to in paragraph 3 of the Auditors' Report of even date to the Members' of Radio One Limited (formerly known as Radio Mid-Day West India Limited) on the financial statements of the year ended March 31, 2011]**

- (i) (a) The Company have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- (ii) The company does not hold any inventory and hence Clause 4(ii) is not applicable to the Company.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Companies (Auditor's Report) Order 2003 as amended are not applicable to the Company.
- (b) According to the information and explanation given to us, the company has not taken any loan, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956 except loan of Rs. 1308.00 lakhs from the holding company. The yearend balance is 1324.08 lakhs.
- (c) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (d) In respect of the aforesaid loans, the company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the Company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company have an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- (ix) (a) Except for delays in payment of service tax during the year, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, customs duty, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

# Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

## Annexures to Auditor's Report

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

As regards Service Tax, the Company has not been recovering and paying to the authorities such taxes in respect of relevant transactions with related parties the amount of which is not quantifiable.

- (c) According to the records of the Company, the dues outstanding of income-tax, wealth-tax, service tax, customs duty, and cess as at March 31, 2011 which have not been deposited with respective authorities on account of any dispute, are as follows:

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

- (x) In our opinion, the accumulated losses of the company exceed fifty percent of its net worth. Further, the company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the Company have not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has utilized the term loans for the purposes for which it was obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis to the tune of 8.56 lakhs have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the prices at which shares have been issued is not prejudicial to the interest of the company.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company did not raise any money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

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

**Chetan Desai**  
Partner  
Membership No. 17000

Place : Mumbai  
Date : 5th May, 2011

## Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

### Balance Sheet as at 31st March, 2011

	SCHEDULE	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
<b>Share capital</b>			
Share capital	1	1,472,099,100	1,265,197,610
<b>Reserves &amp; Surplus</b>			
Securities Premium	2	326,524,757	282,926,247
<b>Loan funds</b>			
Secured loan	3	280,849,901	357,766,692
Unsecured loan	4	132,408,836	252,908,835
		<b>2,211,882,594</b>	<b>2,158,799,384</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	5	1,210,870,851	1,206,773,495
Less: Depreciation		541,694,951	425,957,925
Net Block		669,175,900	780,815,570
Add: Capital Work in Progress including Capital Advances		73,517,155	73,517,155
		<b>742,693,055</b>	<b>854,332,725</b>
<b>Deferred tax asset</b>		<b>438,107,900</b>	<b>448,427,724</b>
<b>Current assets, loans and advances</b>			
Sundry debtors	6	154,482,008	145,508,404
Cash and bank balances	7	48,943,419	18,302,450
Loans and advances	8	70,402,574	63,713,642
		<b>273,828,001</b>	<b>227,524,496</b>
<b>Less:- Current liabilities</b>			
Current liabilities	9	215,488,266	283,479,741
Provisions	10	2,382,152	2,009,235
		<b>217,870,418</b>	<b>285,488,976</b>
<b>Net current assets</b>		<b>55,957,583</b>	<b>(57,964,480)</b>
<b>Profit and loss account</b>		<b>975,124,055</b>	<b>914,003,415</b>
		<b>2,211,882,594</b>	<b>2,158,799,384</b>
Notes to the Accounts	16		

Schedules 1 to 16 form integral part of the Accounts

As per our report of even date attached

**For Haribhakti & Co.**  
Chartered Accountants

For and on behalf of the Board of Directors

**For Radio One Limited**

**Chetan Desai**  
(Partner)  
Membership No.: 17000

**Vineet Singh Hukmani**  
Managing Director

**Dilip Cherian**  
Director

**Aarti Kathariya**  
Company Secretary

Place : Mumbai  
Date : May 5, 2011

## Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

### Profit & Loss Account for the year ended 31st March, 2011

	SCHEDULE	Year ended March 31, 2011 Rs.	Year ended March 31, 2010 Rs.
<b>INCOME</b>			
Airtime sales		<b>441,316,965</b>	303,113,921
Other income	11	<b>48,551</b>	553,261
		<b>441,365,516</b>	303,667,182
<b>EXPENDITURE</b>			
Radio license fees		<b>34,080,596</b>	33,751,440
Employee cost	12	<b>94,231,452</b>	83,706,781
Operating expenses	13	<b>127,988,886</b>	138,867,923
General & Administration Expenses	14	<b>144,472,253</b>	64,239,765
Finance charges (Net)	15	<b>68,752,766</b>	85,966,804
Depreciation & Amortisation		<b>115,950,350</b>	115,253,520
		<b>585,476,303</b>	521,786,233
<b>Net Profit / (Loss) Before Exceptional Items</b>		<b>(144,110,787)</b>	(218,119,051)
Exceptional Items*		<b>93,309,971</b>	-
Net Profit / (Loss) Before Tax		<b>(50,800,816)</b>	(218,119,051)
Deferred tax Adjustment		<b>(10,319,824)</b>	65,919,148
<b>Net Loss For the Year</b>		<b>(61,120,640)</b>	(152,199,903)
Add Loss brought forward		<b>(914,003,415)</b>	(761,803,511)
Net loss carried to the Balance Sheet		<b>(975,124,055)</b>	(914,003,414)
Earning Per Share ( Basic & Diluted ) ( F.V. per share Rs. 10/- )		<b>(0.83)</b>	(1.60)

Notes to the Accounts

16

\* Refer Note No. 'g' of Notes to Accounts in schedule 16

As per our report of even date attached

**For Haribhakti & Co.**

Chartered Accountants

For and on behalf of the Board of Directors

**For Radio One Limited**

**Chetan Desai**

(Partner)

Membership No.: 17000

**Vineet Singh Hukmani**

Managing Director

**Dilip Cherian**

Director

**Aarti Kathariya**

Company Secretary

Place : Mumbai

Date : May 5, 2011

# Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

## Cash Flow Statement

	Year Ended March 2011 Rs.	Year Ended March 2010 Rs.
<b>A. Net Cashflow from operating Activities</b>		
Net Profit / (Loss) before tax	(50,800,816)	(218,119,052)
Depreciation	115,950,350	115,256,793
Interest	67,846,163	85,022,685
Loss/(profit) on sale of fixed assets (net)	(23,297)	(25,000)
Interest Income	(25,254)	(528,261)
Provision for Doubtful Debt	14,826,339	6,062,278
<b>Operational Profit before Working Capital</b>	<b>147,773,485</b>	<b>(12,330,557)</b>
<b>Adjustments for changes in Working Capital</b>		
Sundry Debtors	(23,799,944)	(1,210,278)
Loans & Advances	(5,391,003)	7,391,977
Current Liabilities	(67,618,559)	76,594,490
<b>Sub-Total</b>	<b>(96,809,506)</b>	<b>82,776,189</b>
<b>Cash generated from operations</b>	<b>50,963,979</b>	<b>70,445,632</b>
Income Tax	(1,297,929)	(12,547)
<b>Sub-Total</b>	<b>(1,297,929)</b>	<b>(12,547)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>(A) 49,666,050</b>	<b>70,433,085</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase fixed Assets (net)	(4,287,382)	(5,108,407)
Capital work in progress	-	(627,443)
<b>Net Cash Flow from Investing Activities</b>	<b>(B) (4,287,382)</b>	<b>(5,735,850)</b>
<b>C. Cash Flow from financing Activities</b>		
Capital	-	257,700,000
Borrowings	53,083,210	(276,414,618)
Interest	(67,820,909)	(84,494,424)
<b>Net Cash Flow from Financing Activities</b>	<b>(C) (14,737,699)</b>	<b>(103,209,042)</b>
<b>Net Increase/decrease in Cash &amp; Cash Equivalents</b>	<b>(A+B+C) 30,640,969</b>	<b>(38,511,806)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>18,302,450</b>	<b>56,814,256</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>48,943,419</b>	<b>18,302,450</b>

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

For and on behalf of the Board of Directors  
**For Radio One Limited**

**Chetan Desai**  
(Partner)  
Membership No.: 17000

**Vineet Singh Hukmani**  
Managing Director

**Dilip Cherian**  
Director

**Aarti Kathariya**  
Company Secretary

Place : Mumbai  
Date : May 5, 2011

## Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

### Schedules forming part of Balance Sheet

	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>1. Share capital</b>		
<b>Authorised capital</b>		
12,17,30,000 Equity shares of Rs.10/- each (10,42,30,000 Equity shares of Rs 10/- each)	<b>1,217,300,000</b>	1,042,300,000
2,57,70,000 Preference shares of Rs.10/- each (2,57,70,000 Preference shares of Rs.10/- each)	<b>257,700,000</b>	257,700,000
	<b>1,475,000,000</b>	1,300,000,000
<b>Issued, subscribed and paid-up capital</b>		
12,14,39,910 Equity shares of Rs.10/- each fully paid-up (10,07,49,761 Equity shares of Rs 10/- each) Of the above 8,43,76,928 (7,04,60,261) shares are held by the Holding Company Next Mediaworks Ltd. (formerly known as Mid-Day Multimedia Ltd.) Of the above 69,50,694 (1,77,212) Equity Shares have been issued as Bonus by capitalisation of Securities Premium.	<b>1,214,399,100</b>	1,007,497,610
2,57,70,000 (2,57,70,000) 11.5% Optionally Convertible Cumulative Preference shares of Rs.10/- each fully paid up. Convertible at the option of the holder at the premium of Rs.8/ share or to be redeemed at the completion of 20 years i.e. in the year 2029-30	<b>257,700,000</b>	257,700,000
	<b>1,472,099,100</b>	1,265,197,610
<b>2 Reserves and Surplus</b>		
Share Premium		
Balance as per last Balance Sheet	<b>282,926,247</b>	282,926,247
Add: Additions during the year	<b>111,333,330</b>	-
Less: Utilised towards bonus shares	<b>67,734,820</b>	-
	<b>326,524,757</b>	282,926,247
<b>3 Secured loans</b>		
<b>Cash Credit</b>	<b>56,849,901</b>	57,766,692
(Secured against hypothecation of Book Debts and further secured by pari-passu charge on movable and immovable assets of the company, present and future, as well as that of Next Mediaworks Ltd.(formerly known as Mid-Day Multimedia Ltd) and further secured by personal guarantee of Managing Director of the Next Mediaworks Ltd. (formerly known as Mid-Day Multimedia Ltd) respectively and Corporate guarantee of Next Mediaworks Ltd. (formerly known as Mid-Day Multimedia Ltd))		
<b>Term loan</b>	<b>224,000,000</b>	300,000,000
(Secured against movable and immovable assets of the company, present and future, having pari-passu charge on such assets of the Company and further secured by pledge of certain shares held by promoters of Next Mediaworks Ltd. (formerly known as Mid-Day Multimedia Ltd.) and by personal guarantee of Managing Director of Next Mediaworks Ltd.(formerly known as Mid-Day Multimedia Ltd) and also secured by Corporate guarantee of Next Mediaworks Ltd. (formerly known as Mid-Day Multimedia Ltd) Instalment due within a year Rs.10,00,00,000 (Rs.10,00,00,000).		
	<b>280,849,901</b>	357,766,692
<b>4 Unsecured loan</b>		
Inter Corporate Deposit	<b>132,408,836</b>	252,908,835
	<b>132,408,836</b>	252,908,835

## Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

### Schedules forming part of Balance Sheet

**SCHEDULE - 5****FIXED ASSETS SCHEDULE AS AT MARCH 31, 2011**

Rs.

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2010	Additions	Deductions	As at March 31, 2011	As at April 1, 2010	For the period	Deductions	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
<b>TANGIBLE ASSETS</b>										
<b>OWN ASSETS:</b>										
Building	6,468,176	-	-	6,468,176	763,498	385,825	-	1,149,323	5,318,853	5,704,678
Studio equipment	45,594,973	542,165	347,027	45,790,111	18,668,097	4,412,056	213,324	22,866,829	22,923,282	26,926,876
Transmitter	66,960,064	624,334	-	67,584,398	14,758,104	2,554,466	-	17,312,570	50,271,828	52,201,960
Furniture and fixtures	62,897,965	1,437,792	-	64,335,757	13,684,211	4,033,923	-	17,718,134	46,617,623	49,213,754
Office Equipments	4,879,239	88,558	-	4,967,797	655,785	549,961	-	1,205,746	3,762,051	4,223,454
Computers	31,858,277	993,198	-	32,851,475	15,984,528	5,040,850	-	21,025,378	11,826,097	15,873,748
Air-conditioners	8,595,505	758,334	-	9,353,839	1,378,970	434,831	-	1,813,801	7,540,038	7,216,535
Audio-visual equipments	262,636	-	-	262,636	55,390	12,470	-	67,860	194,776	207,246
Computer software	6,002,964	-	-	6,002,964	3,818,616	1,200,592	-	5,019,208	983,756	2,184,348
<b>INTANGIBLE ASSETS</b>										
One Time Entry Fees	973,253,698	-	-	973,253,698	356,190,726	97,325,376	-	453,516,102	519,737,596	617,062,972
<b>Total</b>	<b>1,206,773,497</b>	<b>4,444,381</b>	<b>347,027</b>	<b>1,210,870,851</b>	<b>425,957,925</b>	<b>115,950,350</b>	<b>213,324</b>	<b>541,694,951</b>	<b>669,175,900</b>	<b>780,815,571</b>
Previous Year	1,203,086,737	5,223,407	1,536,649	1,206,773,495	312,147,782	115,253,521	1,443,378	425,957,925	780,815,570	

**6. Sundry Debtors**

(unsecured and considered good, unless otherwise stated)

Debts outstanding for a period exceeding six months

Good

Considered Doubtful

Debts outstanding for a period less than six months

Less Provision for doubtful debts

**7 Cash and bank balances**

Cash on hand

Balances with scheduled banks in

-current accounts

Deposit Account - (under lien with bank)

Margin money deposit on bank guarantee

(under lien with bank)

	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
	<b>34,894,603</b>	49,483,219
	<b>27,203,195</b>	12,376,856
	<b>62,097,798</b>	61,860,075
	<b>119,587,405</b>	96,025,185
	<b>181,685,203</b>	157,885,260
	<b>27,203,195</b>	12,376,856
	<b>154,482,008</b>	145,508,404
	<b>1,044,484</b>	698,742
	<b>20,239,365</b>	3,652,945
	<b>14,289,570</b>	650,763
	<b>13,370,000</b>	13,300,000
	<b>48,943,419</b>	18,302,450

## **Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)**

### **Schedules forming part of Balance Sheet**

	<b>As at March 31, 2011 Rs.</b>	<b>As at March 31, 2010 Rs.</b>
<b>8 Loans and advances</b>		
(unsecured and considered good)		
Deposits	<b>37,487,854</b>	40,099,351
Staff loans	<b>545,837</b>	526,725
Tax deducted at source	<b>14,592,580</b>	13,294,651
Advances recoverable in cash or in kind or for value to be received	<b>12,684,327</b>	6,064,788
Other Current Assets	<b>5,091,976</b>	3,728,128
	<b>70,402,574</b>	63,713,642
<b>9 Current liabilities</b>		
Lease arrangement	-	93,979,907
Sundry creditors for expenses	<b>193,714,399</b>	150,491,334
Other liabilities	<b>21,773,867</b>	39,008,500
	<b>215,488,266</b>	283,479,741
<b>10 Provisions</b>		
Provision for Leave Encashment	<b>2,382,152</b>	2,009,235
	<b>2,382,152</b>	2,009,235

## Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

### Schedules forming part of the Profit & Loss Account

	Year ended March 31, 2011 Rs.	Year ended March 31, 2010 Rs.
<b>11. Other Income</b>		
Interest Income	25,254	528,261
Profit on sale of Assets	23,297	25,000
	<b>48,551</b>	<b>553,261</b>
<b>12 Employee Cost</b>		
Salary & Wages	82,904,406	74,737,363
Contribution to PF and other funds	2,991,660	2,932,274
Staff Welfare expenses & Other Employee cost	8,335,386	6,037,144
	<b>94,231,452</b>	<b>83,706,781</b>
<b>13 Operating expenses</b>		
Royalty	39,022,960	39,780,823
Radio programme creation and studio hire	30,155,331	30,655,267
Repairs & Maintainance - Equipment	8,732,400	10,200,236
Repairs & Maintainance - Others	5,673,431	6,250,529
Electricity charges	15,465,956	15,899,562
Rent	28,938,808	36,081,506
	<b>127,988,886</b>	<b>138,867,923</b>
<b>14 General &amp; administration expenses</b>		
Telephone charges	7,270,783	7,020,043
Travelling	4,720,891	2,098,269
Conveyance	5,579,625	4,477,834
Directors sitting fees	280,000	220,000
Business Promotion	9,021,148	2,690,971
Auditors remuneration :-		
- Statutory Audit	150,000	150,000
- Tax Audit	50,000	50,000
- Others	60,000	60,000
Employees recruitment & training expenses		
Miscellaneous Expenses	1,979,783	1,733,497
Discounts & Credits	2,852,294	-
Advertisement Expenses	73,974,676	25,810,374
Provision for bad and doubtful debts	14,826,339	6,062,278
Balances Written Off	4,005,026	-
Legal & Professional Charges	15,890,120	10,791,766
Printing and stationery	1,179,251	857,413
Insurance	1,035,057	570,277
Rates and Taxes	1,597,260	1,647,043
	<b>144,472,253</b>	<b>64,239,765</b>
<b>15 Finance Charges</b>		
Interest		
- On Term Loans	37,726,638	44,044,457
- On Others	30,119,525	40,978,228
Bank charges & commission	906,603	944,119
	<b>68,752,766</b>	<b>85,966,804</b>

# Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

## Notes on Accounts

### SCHEDULE 16 :-

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011:

#### 1) Significant Accounting Policies:

##### i) Accounting system

The financial statements have been prepared under the historical cost convention, on accrual basis of accounting and in compliance with the applicable accounting standards prescribed under Section 211 (3C) of the Companies Act and other accepted accounting principles.

##### ii) Use of Estimates

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

##### iii) Revenue Recognition

Revenue from radio broadcasting is recognized on accrual basis. Interest income is recognized on time proportion basis, taking into account the amount outstanding and the rate applicable.

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

##### iv) Fixed Assets

- a) Fixed Assets are stated at cost less accumulated depreciation
- b) The original cost of Fixed Assets is inclusive of freight, duties, taxes, incidental expenses relating to the acquisition, cost of installation / erection.
- c) As per AS-26 "Intangible Assets", pronounced by the ICAI, the One Time Entry Fees paid by the Company during the year has been classified as an intangible asset. The benefit of this will be derived over a period of 10 years, and hence it is being amortized accordingly.

##### v) Leased Assets

The company capitalizes Assets taken on finance lease at the inception of the lease at the lower of fair value or present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

The lease rental for operating leases is recognized on accrual basis.

##### vi) Depreciation

- a) Depreciation on fixed assets is provided on Straight Line Method as per the useful lives of the assets as estimated by the management or at rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher.
- b) Depreciation on additions during the year is provided on a pro-rata basis from the date of addition.

##### vii) Foreign Exchange Transaction

- a) Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate. 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 or reported in previous financial statements are recognised in the Profit & Loss account.

## **Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)**

### **Notes on Accounts**

#### **viii) Provision for Taxation**

Provision for 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.

#### **ix) Employee Benefits**

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

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

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

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

#### **x) Impairment of Assets**

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 profit and loss account. If at the balance sheet date there is an indication that previously assessed impairment loss no longer exist, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

#### **xi) Provisions, Contingent Assets and Contingent Liabilities**

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation. Provisions are recognized at the estimated values of probable outflows.

Contingent liabilities are disclosed in case of a present obligation arising from past event when it is not probable that an outflow of resources will be required to settle the obligation or in case of a possible obligation, unless the probability of outflow of resources is remote.

#### **xii) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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

#### **xiii) Cash & 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.

## Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

### Notes on Accounts

#### 2) Notes to Accounts :-

##### a) Expenditure in Foreign Currency

Particulars	Current year (in Rs)	Previous year (in Rs)
i) Capital Expenditure	1,89,543	6,78,121
ii) Lease Rentals	Nil	Nil
iii) Professional and Consultancy fees	Nil	4,89,693

##### b) Contingent Liabilities

- i) In respect of guarantees issued by the Company's bankers Rs. 3.33 Crores. (Previous year Rs.3.32 Crores).
- ii) In respect of Service Tax claim under litigation is Rs. 596,537 (Previous Year Rs. Nil)
- iii) In respect of royalties payable to Phonographic Performance limited (PPL), the Copyright Board has, vide its Order dated 25.08.10, laid down the rate of royalty as 2 % of net revenues. PPL has filed an appeal against the said order in the Chennai High Court, which is pending for adjudication on merits.

Further, litigations on account of royalty payment to Indian Performing Rights Society are pending for final adjudication by the appropriate court.

- iv) The company's lease agreement at Pune and Kolkata has a lock-in-period of 3 years. In the event of company terminating the agreement before the lock-in-period, further payment of lease rent for the balance period of lock-in, will be payable by the company, except where the company has to compulsorily shift to the Common Transmission Infrastructure to be built and completed by Broadcast Engineering Consultants India Ltd (BECIL). The amount payable in case of such termination comes to Rs. 39,78,285/- as on the balance sheet date.

##### c) Disclosure pertaining to Micro, Small and Medium Enterprises:

Sr. No.	Particulars	2010-11	2009-10
1	Principal amount outstanding as at 31st March	-	-
2	Interest due on (1) above and unpaid as 31st March	-	-
3	Interest paid to the supplier	-	-
4	Payments made to the supplier beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay	-	-
6	Interest accrued and remaining unpaid as at 31st March	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-

##### d) Licensed and installed capacity:

The Company is primarily engaged in broadcasting of radio programmes. It is not subject to capacity licensing requirements, and due to the nature of the business it is not possible to determine installed capacity.

- e) Capital work in progress represents amounts contributed by company to Broadcast Engineering Consultants India Limited (BECIL) a government agency, towards creation of infrastructure for radio companies. The company has started using such facility at Bangalore, Delhi, Pune & Ahmadabad. However in absence of relevant details/ documents from BECIL, no amount has been capitalized.

## Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

### Notes on Accounts

- f) Sundry debtors include debts outstanding for over 3 years aggregating Rs. 3.60 crores, against which company has provided Rs. 2.72 crores as provision for doubtful debts. As per the management based on internal assessment done, the provision amount of Rs. 2.72 crore is sufficient.

**g) Exceptional item represents**

Particulars	Amount (Rs.)
Royalty	16,378,544
Waiver of Lease Liability	(93,979,907)
Waiver of interest due on above lease	(15,708,608)
<b>Total</b>	<b>(93,309,971)</b>

Royalty amount is differential amount of royalty payable to Indian Performing Rights Society (IPRS) as per the rate specified by court in the interim order and amount provided in books from inception of the respective stations till the date of interim order.

- h) In view of the standard on accounting for taxes on income, the company has provided Rs 105,802 as deferred tax asset as on March 31, 2011. The calculation of deferred tax assets / liability is shown below:

**Deferred Tax Asset/(Liability) for the year ended March, 2011**

Particulars	Opening Balance	For the year	Closing Balance
Unabsorbed Losses	459,488,013	<b>(11,660,345)</b>	447,827,668
Unabsorbed Depreciation on Fixed Assets	(11,291,894)	<b>1,206,316</b>	(10,085,578)
Leave Encashment	399,856	<b>120,993</b>	520,849
Gratuity	(168,251)	<b>13,212</b>	(155,039)
<b>Total</b>	<b>448,427,724</b>	<b>(10,319,824)</b>	<b>438,107,900</b>

- i) Estimated amount of contracts remaining to be executed on capital account (Net of Advances) and not provided for is Rs. Nil. (Previous year Nil.)

## Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

### Notes on Accounts

j) Disclosure with regard to related party transactions as per Accounting Standard AS-18 is as under:

Name of the party	Relationship	Nature of transaction during the year	Amount of Transaction (Rs. )	Closing balance due to / (from)
Next Mediaworks Ltd. (Formerly known as Mid-Day Multimedia Limited)	Holding Company	Interest	20,238,978	71,937,689
		Loans repaid	251,300,000	Nil
		Rent paid	308,790	Nil
		Loans Accepted	130,800,000	132,408,836
		Issue of Equity Shares	250,500,000	Nil
Mid-Day Infomedia Limited	Fellow Subsidiary	Interest paid	4,960,000	1,081,480
		Loans Repaid	70,000,000	Nil
		Rent Paid	2,670,711	Nil
		Rent Received	3,050,098	Nil
		Expenses Sharing charges Paid	11,377,928	2,082,238
		Expenses Sharring Received	8,679,964	1,087,170
		Advertisement Charges Paid	3,539,399	755,878
		Advertisement Charges Received	406,511	406,511
Meridian Holding & Leasing Co.	Associate Company	Rent paid	193,290	Nil
Vineet Singh Hukmani	Managing Director	Managerial Remuneration	3,302,481	Nil

During the year there were no transactions with the following related parties:

Name of the Party	Relationship
Digital One Private Limited (formerly known as Mid-Day Broadcasting South (India) Pvt. Ltd)	Fellow Subsidiary
Mid-Day Radio North (India) Ltd.	Fellow Subsidiary
Next Outdoor Limited (formerly known as Mid-Day Outdoor Limited)	Fellow Subsidiary
Next Publishing Services Private Limited (formerly known as Mid-Day Publishing Services Pvt. Ltd)	Associate Company
Mid-Day Exports Pvt. Ltd.	Associate Company
M.C. Media Pvt. Ltd.	Associate Company
Inquilab Offset Printers Pvt. Ltd.	Associate Company
Ferari Investments and Trading Co Pvt. Ltd	Associate Company
Mr. Khalid Ansari	Key Management Personnel

## Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

### Notes on Accounts

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

➤ For Non cancelable Operating Lease :-

Particulars	Minimum Lease Payment (Rs.)
Not later than one Year	3,978,285
Later than one year and not later than five year	Nil
Later than five year	Nil

l) **Employee Benefits :**

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

**I. Defined Contribution Plans**

a. Provident Fund

The Company has recognised the following amounts in Profit and Loss Account:

Rs. In Lakhs

	Year Ended March 31, 2011
Employer's contribution to Provident Fund	27.02

**II. Defined Benefit Plans**

a. Contribution to Gratuity Fund (Funded Scheme)

b. Leave Encashment (Non - Funded Scheme)

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

#### For Gratuity

Discount Rate (per annum)	8.25%
Rate of increase in compensation levels (per annum)	6%
Rate of return on Plan Assets (for Funded Scheme)	8.25%

## Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

### Notes on Accounts

#### A. Change in the Present Value of Obligation

	Year Ended March 31, 2011	
	Funded Scheme	Gratuity (Rs.)
Present Value of Defined Benefit Obligation as at beginning of the period	2,014,103	
Interest Cost	161,128	
Current Service Cost	735,525	
Benefits Paid	(65,568)	
Actuarial (gain) / Loss on Obligation	(238,193)	
Present Value of Defined Benefir Obligation as at end of the period	26,06,994	

#### B. Fair Value of Plan Assets ( For Funded Scheme - Gratuity)

	Year Ended March 31, 2011 (Rs.)
Present Value of Plan Assets as at beginning of the period	2,722,361
Expected Return on Plan Assets	163,342
Actuarial gain/(loss)on Plan Assets	4,396
Contributions	450,000
Benefits Paid	(65,568)
Fair Value of Plan Assets as at end of the period *	3,274,531

\* All the funds under the Plan assets are insurer managed

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

	Year Ended March 31, 2011	
	Gratuity (Rs. )	
Present Value of Funded Obligation as at end of the period	2,606,994	
Fair Value of Plan Assets as at end of the period	3,274,531	
<b>Funded Asset recognised in the Balance Sheet</b>	<b>667,537</b>	
Included in provision (Schedule )	Nil	
Present Value of Unfunded Obligation as at end of the period	Nil	
Unrecognised Actuarial gains / (losses)	Nil	
Unfunded Liability recognised in the Balance Sheet	Nil	
Included in provision (Schedule )	Nil	

## Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

### Notes on Accounts

#### 1. Amount recognised in the Balance Sheet

	Year Ended March 31, 2011
	Gratuity (Rs.)
Present Value of Defined Benefit Obligation as at the end of the period	2,606,994
Fair Value of Plan Assets As at the end of the period	3,274,531
Liability / (Net Asset) recognised in the Balance Sheet	<b>(667,537)</b>

#### 2. Expenses recognised in Profit and Loss Account

	Year Ended March 31, 2011
	Gratuity (Rs.)
Current Service Cost	735,525
Past Service Cost	Nil
Interest Cost	161,128
Expected Return on Plan Assets	(163,342)
Curtailment Cost / (Credit)	Nil
Settlement Cost / (Credit)	Nil
Net Actuarial (gain) / Loss recognised in the Period	(242,590)
Total Expenses recognised in the Profit and Loss Account	<b>490,722</b>

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

The company has based on actuarial valuations charged an amount of Rs. 372,917 as expenses on account of Leave encashment payable to the employee.

- m) The company has only one segment namely Radio broadcasting, hence no separate disclosure of segment-wise information has been made.

#### l) Earnings per share

Particulars	March 31, 2011	March 31, 2010
Net loss for the year attributable to equity shareholders	<b>61,084,580</b>	152,199,904
<b>Calculation of weighted average number of equity shares</b>		
Number of shares at the beginning of the year	<b>100,749,761</b>	100,749,761
Weighted average number of Shares issued during the year	<b>8,106,004</b>	-
Weighted average number of equity shares at the end of the period	<b>108,855,765</b>	100,749,761
Basic and diluted earnings / (loss) (in Rupees) per share	<b>(0.83)</b>	(1.60)

## **Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)**

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### **Notes on Accounts**

- o)** Arrears of cumulative preference dividend for the year amounts to Rs. 491.21 lakhs.
- p)** Previous years figures have been re-grouped / recast wherever necessary, to make them comparable with the current year's figures.
- q)** Additional information required under Part II of Schedule VI of the Companies Act, 1956 has been furnished to the extent applicable.
- r)** The Company has seven radio stations on air as on the date of the Balance Sheet.

#### **For Radio One Limited**

**Vineet Singh Hukmani**  
Managing Director

**Dilip Cherian**  
Director

# Radio One Limited (formerly known as Radio Mid-Day West (India) Limited)

## Balance -Sheet Abstract And Company's General Business Profile

### I Registration Details

Registration No	1 1 - 1 2 2 2 3 3	State Code					
Balance Sheet Date :-	Date	Month	Year				
	3 1 0 3 2 0 1 1						
CIN Number	U 3 2 2 0 1 M H 1 9 9 9 P L C 1 2 2 2 3 3						

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

Public Issue		N I L	Rights Issue	
Bonus Issue	6 7 7 3 5	Private Placements	2 5 0 5 0 0	

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

Total Liabilities	2 4 2 9 7 5 3	Total Assets	2 4 2 9 7 5 3
Sources of Funds			
Paid-up Capital	1 4 7 2 0 9 9	Reserves and Surplus	3 2 6 5 2 5
Secured Loans	2 8 0 8 5 0	Unsecured Loans	1 3 2 4 0 9

#### Application of Funds

Net Fixed Assets /	7 4 2 6 9 3	Investments	N I L
Incidental Expenditure		Net Current Asset	5 5 9 5 8
During the Construction Period			
Pending Allocation to Capital /			
Other Accounts	N I L	Misc . Expenditure	N I L
Deferred Tax Assets	4 3 8 1 0 8	Accumulated Losses	9 7 5 1 2 4

### IV Performance of Company ( Amount in Rs. Thousands)

Turnover	4 4 1 3 6 6	Total Expenditure	6 7 8 7 8 6
Profit / Loss before Tax	5 0 8 0 1	Profit / Loss after Tax	6 1 1 2 1
Earning per share (Rs.)	( 0 . 8 3 )	Dividend rate %	N A

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

Item Code No. (ITC Code)	N A
Service Description	Radio Broadcasting Services

For and behalf of the Board of Directors

**Radio One Limited**

Place: Mumbai  
Date: May 5, 2011

**Vineet Singh Hukmani**  
Managing Director

**Dilip Cherian**  
Director

**Aarti Kathariya**  
Company Secretary

## **NEXT MEDIAWORKS LIMITED**

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

### **NOTICE**

**NOTICE** is hereby given that the 30th ANNUAL GENERAL MEETING of the Company will be held on Thursday, 8th day of September, 2011 at 4.00 p.m. at Kamalnayan Bajaj Hall Auditorium, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021 to transact the following business:

#### **ORDINARY BUSINESS**

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the financial year ended on that date together with the Directors' Report and the Auditors' Report thereon.
- 2) To appoint a Director in place of Mr. Narayan Varma, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. Nana Chudasama, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
- 4) To appoint Auditors and to fix their remuneration.

#### **SPECIAL BUSINESS**

- 5) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“**RESOLVED that** Ms. Monisha Shah, who was appointed as an Additional Director with effect from May 5, 2011 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting, and in respect of whom a Notice has been received from a Member in writing, under Section 257 of the said Act, proposing her candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

#### **NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**
2. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, August 31, 2011 to Thursday, September 8, 2011 (both days inclusive) for annual closure as per the Listing Agreements.
3. Members desiring any information on the accounts at the annual general meeting are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready at the meeting.
4. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays and holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
5. As a measure of economy, copies of annual report will not be distributed at the annual general meeting. Members are requested to bring their copies of the annual report to the meeting.
6. Members are requested to notify immediately any change in their address and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents for shares held in physical form and to their respective Depository Participants for shares held in electronic form.

By Order of the Board of Directors

**For Next Mediaworks Limited**

**Tarique Ansari**

Chairman & Managing Director

#### **Registered Office:**

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

Mumbai, May 5, 2011

## **NEXT MEDIAWORKS LIMITED**

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

#### **ITEM NO. 5**

Ms. Monish Shah was appointed as an Additional Director of the Company with effect from May 5, 2011, in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 129 of the Articles of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956, the above Director hold office upto the date of the ensuing Annual General Meeting. The Company has received Notice from a Member of the Company under Section 257 of the Companies Act, 1956, proposing her respective candidature for the office of the Director.

Keeping in view the experience and qualification of the aforesaid person, your Directors considered it to be in the interest of the Company, if she is appointed as a Director of the Company, liable to retire by rotation as per the provisions of the Companies Act, 1956.

The Directors recommend the Resolution to the Members for their acceptance.

The aforesaid Director may be deemed to be concerned or interested in the resolution relating to her respective appointment.

None of the other Directors of the Company are in any way interested.

**For Next Mediaworks Limited**

**Tarique Ansari**  
Chairman & Managing Director

**NEXT MEDIAWORKS LIMITED  
(formerly Mid-Day Multimedia Limited)**

**ATTENDANCE SLIP**

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

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

Joint Shareholders may obtain additional Attendance Slip on request.

DP. Id*	
---------	--

Regd. Folio No.	
-----------------	--

Client Id*	
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NAME AND ADDRESS OF THE SHAREHOLDER

No. of Share(s) held:

I hereby record my presence at the **30th ANNUAL GENERAL MEETING** of the Company held on Thursday, 8th day of September, 2011 at 4.00 p.m. at Kamalnayan Bajaj Hall Auditorium, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021.

Signature of the Shareholder or proxy

\*Applicable for investors holding shares in electronic form.

TEAR HERE

**NEXT MEDIAWORKS LIMITED  
(formerly Mid-Day Multimedia Limited)**

**PROXY FORM**

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

DP. Id*	
---------	--

Regd. Folio No.	
-----------------	--

Client Id*	
------------	--

I/We.....of  
 ..... being a member/members of Next  
 Mediaworks Limited (formerly Mid-Day Multimedia Limited) hereby appoint..... of  
 .....or failing him  
 ..... of ..... as my/our proxy to vote for me/us and on my/our  
 behalf at the **30th ANNUAL GENERAL MEETING** of the Company to be held on Thursday, 8th day of September, 2011 at 4.00  
 p.m. at Kamalnayan Bajaj Hall Auditorium, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021 or at any  
 adjournment thereof.

Signed this ..... day of ..... 2011.

Affix Re. 1 Revenue Stamp
------------------------------------

\*Applicable for investors holding shares in electronic form.

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



Registered Office: 117/5, Kowloon  
Road, Mumbai-400010  
[www.nextmediaworks.com](http://www.nextmediaworks.com)