

HARIBHAKTI & CO.

Chartered Accountants

Consolidated Limited Review Report

Review Report to
The Board of Directors
Next Mediaworks Limited

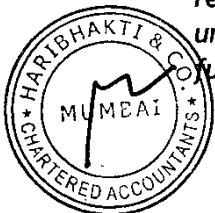
1. We have reviewed the accompanying statement of unaudited consolidated financial results of Next Mediaworks Limited ('the Company'), and its subsidiaries (collectively referred to as "the group") for the quarter ended September 30, 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Financial results also includes figures in respect of 3 subsidiary companies which are as presented by the management and have not been subject to limited review. Aggregate amount of turnover, expenses and loss after tax of these subsidiary companies for the quarter ended on September 30, 2013 are Rs. Nil, Rs. 0.16 Lacs and Rs. 0.16 Lacs respectively.

We have not reviewed the financial statements of these subsidiaries and have relied on unaudited Financial Statements presented by management.

4. QUALIFICATION

- a) *The management of Next Mediaworks Limited has recognized Deferred Tax Assets of Rs. 123.34 Lacs as on September 30, 2013, on unabsorbed Business Losses/unabsorbed Depreciation on the basis of expected profits in future.*

Further the subsidiary Next Radio Limited (formerly known as Radio One Limited) has recognized Deferred Tax Asset of Rs. 4228.43 Lacs as on September 30, 2013, on unabsorbed Business Losses/unabsorbed Depreciation on the basis of expected profits in future.



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The above is not in accordance with Accounting Standard 22 on "Accounting for Taxes on Income" which requires that such assets should be recognized to the extent that there is virtual certainty supported by convincing evidence that the future taxable income will be available against which such assets can be realized. In our opinion such expectation cannot be considered as virtual certainty to recognize such assets. Consequently the relevant consolidated asset and the reserves and surplus are overstated by Rs. 4,351.77 Lacs.

- b) *Further the management of Next Mediaworks Limited has considered that no provision is required against fall in the value of investments aggregating Rs. 15,602.87 Lacs in the subsidiary company Next Radio Limited (formerly known as Radio One limited) even though the networth of the subsidiary has been substantially eroded. Consequently no impairment has been considered necessary by the management on Goodwill on Consolidation amounting to Rs. 5,489.67 Lacs in the Consolidated Accounts.*

Our report for the year ended March 31, 2013 was also qualified for the above two matters.

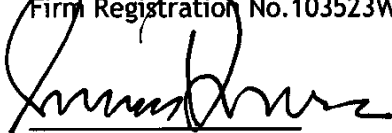
- c) *We draw attention to Note 6 of the unaudited consolidated financial results. The Managerial Remuneration paid by the Company during the period and during the previous year is subject to approval of Central Government.*

5. Based on our review conducted as above, *subject to the effects of our observations given in para 4(a) and 4(b) above*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, which as per General Circular 15/2013 dated September 13, 2013 issued by Ministry of Corporate Affairs continues to apply under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Haribhakti & Co.

Chartered Accountants

Firm Registration No.103523W



Chetan Desai

Partner

Membership No.: 17000

Place : Mumbai

Date : October 31, 2013

