



**NEXT RADIO LIMITED**

**CIN: U32201MH1999PLC122233**

**Registered Office:** Unit 701 A, 7<sup>th</sup> Floor, Tower – 2, Indiabulls Finance Centre, Senapati Bapat Marg  
Elphinstone Road, Mumbai – 400 013

**Tel:** +91 22 44104104

**E-mail:** [udit.jain@radioone.in](mailto:udit.jain@radioone.in) **Website:** [www.radioone.in](http://www.radioone.in)

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**Notice of Extraordinary General Meeting**

**NOTICE** is hereby given that an **EXTRA-ORDINARY GENERAL MEETING** of members of **NEXT RADIO LIMITED** will be held on Thursday, May 14, 2020 at 10:00 AM via Video-Conferencing (VC) on Microsoft Teams Application, at a shorter notice, to transact the following business:

**SPECIAL BUSINESS:**

**ITEM NO. 1**

To waive recovery of excess remuneration paid to Shri Harshad Jain, Chief Executive Officer (designated as Managing Director under the Companies Act, 2013) during the period April 22, 2020 to March 31, 2020 and in the said connection, to consider and, if thought fit, to pass following resolution(s) as **SPECIAL RESOLUTION:**

*“RESOLVED THAT pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to due recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, consent of the Members be and is hereby accorded to ratify and confirm waiver of recovery of remuneration of Rs.222.39 Lac paid to Shri Harshad Jain (DIN: 08191390) as Chief Executive Officer (designated as Managing Director under the Companies Act, 2013) during the period April 22, 2019 to March 31, 2020, which is in excess of the limits prescribed under Section II (A) of Part II of Schedule V to the Companies Act, 2013 (i.e. Rs. 79 lac, on pro-rata basis), due to loss incurred by the Company during financial year 2019-20.*

***RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolution, the Board of Directors (which term shall be deemed to include any Committee of the Board authorized in the said behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”*

**ITEM NO. 2**

To approve payment of remuneration to Shri Harshad Jain, Chief Executive Officer (designated as Managing Director under the Companies Act, 2013) for FY 21 and FY 22.

To consider and, if thought fit, to pass the following resolution(s) as **SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to due recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the Members be and is hereby accorded for payment of following remuneration to Shri Harshad Jain (DIN: 08191390) as Chief Executive Officer (designated as Managing Director under the Companies Act, 2013) (who was appointed at the Annual General Meeting of the Company held on September 12, 2019 for a period of 3 years w.e.f April 22, 2019) for FY 21 and FY 22.

1.	Salary	Upto Rs.314.69 Lac per annum or such other amount as may be determined by the Board of Directors of the Company subject to applicable provisions of the Companies Act or any other law including obtaining necessary approvals as may be required in this regard
2.	Perquisites	Upto Rs. 0.42 Lac per annum or such other amount as may be determined by the Board of Directors of the Company subject to applicable provisions of the Companies Act or any other law including obtaining necessary approvals as may be required in this regard
3.	Others	Upto Rs. 10.96 Lac per annum or such other amount as may be determined by the Board of Directors of the Company subject to applicable provisions of the Companies Act or any other law including obtaining necessary approvals as may be required in this regard

**RESOLVED FURTHER THAT** all terms and condition of appointment of Shri Harshad Jain including his remuneration tabulated in the foregoing resolution, as approved by the members at their Annual General Meeting held on September 12, 2019, remains unchanged,

**RESOLVED FURTHER THAT** so long as Shri Harshad Jain functions as Chief Executive Officer (Designated as Managing Director under the Companies Act, 2013) of the Company, and draws the remuneration as mentioned in the foregoing resolution, he will not be entitled to any fees for attending the meetings of the Board of Directors or any Committee thereof.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolutions, the Board of Directors (which term shall be deemed to include any Committee of the Board authorized in the said behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

By Order of the Board of Directors  
For Next Radio Limited

Date: May 12, 2020  
Place: New Delhi

(Udit Jain)  
Company Secretary

## **NOTES**

1. **Considering the countrywide lockdown due to Covid-19 outbreak, this meeting is called via VC facility on Microsoft Teams application pursuant to General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 issued by Ministry of Corporate Affairs ('MCA Circular').**

**In terms of the MCA Circular, a Member entitled to attend and vote at this Extraordinary General Meeting ('Meeting' or 'EGM') shall not be allowed to appoint a proxy to attend the Meeting. Hence, Members are requested to kindly join the meeting personally via VC on Microsoft Teams application.**

2. Link to join the meeting via VC will be provided to all the members via separate email. Members may join the meeting 15 minutes before the time scheduled for the meeting.
3. Corporate Members intending to depute their authorized representative(s) to attend the Meeting are requested to forward to the Company (via e-mail at [udit.jain@radioone.in](mailto:udit.jain@radioone.in)) before the commencement of Meeting, a scanned image of the certified copy of the Board Resolution/ Power of Attorney authorizing the said person to attend and vote on their behalf at the Meeting.
4. The Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") relating to the business to be transacted under Item Nos. 1 & 2 of the Notice, is annexed hereto.
5. Pursuant to Clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, details of Shri Harshad Jain, are annexed herewith.
6. Pursuant to Section 101 read with the Rules framed thereunder and MCA Circular, the Notice calling the EGM is being sent via email to all the Members.
7. The designated email id for all purposes, in relation to this EGM shall be [udit.jain@radioone.in](mailto:udit.jain@radioone.in).
8. In case of any query/grievance, in respect of attending the meeting via VC, Members may contact the Company Secretary @ +91-8077789127.
9. The copy of this notice is also available on the website of the Company viz. [www.radioone.in](http://www.radioone.in).

## **STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NOS. 1& 2**

Members may kindly recall, at the 19<sup>th</sup> Annual General Meeting (AGM) held on September 12, 2019 approval was accorded for appointment/ payment of remuneration of Shri Harshad Jain as Chief Executive Officer (*designated as Managing Director & Key Managerial Personnel u/s 203 of the Companies Act, 2013*) for a term of 3 (three) years w.e.f. April 22, 2019.

During FY-20, FM Radio business faced challenges on account of increase in operating costs, substantially due to manifold increase in Radio license fees paid to Government under FM Radio Phase III Policy regime, as compared to the Phase II regime, and increase in rental cost of Prasar Bharati under Phase III renewal agreement. The FM Radio industry is also struggling with lower than expected growth, due to intense competition on operationalization of new Radio stations under Phase III regime. All these developments have adversely impacted the revenue and profitability of the Company during FY-20, and this situation is likely to persist in the next few years as well. This has given rise to a situation of inadequacy of profits during FY-20 (computed in the manner prescribed u/s 198 r/w 197 of the Act in FY-20) for payment of managerial remuneration to Shri Harshad Jain. Thus, the remuneration paid to Shri Harshad Jain during FY 20 exceeds the limits specified u/s 197 of the Act r/w Schedule V thereto.

In terms of Section 197(10) of the Act, members of the Company can waive the recovery of excess remuneration paid to managerial personnel by way of passing a special resolution.

Since, there is a possibility of inadequacy of profit for payment of remuneration to Shri Harshad Jain during FY-21 and FY-22 also, accordingly, in terms of Section 197 of the Act r/w Schedule V of the Act, it is proposed to seek members' approval by way of special resolution for payment of remuneration to Shri Harshad Jain even in case of no profits/inadequacy of profits for payment of the said remuneration.

It is clarified that no increase in remuneration of Shri Harshad Jain is envisaged/proposed in terms of the resolutions set out at Item no. 2 of this Notice, and the same is in line with the remuneration already approved by the Members at their Annual General Meeting held on September 12, 2019.

The Written Memorandum under Section 190 of the Act setting out the terms of payment of remuneration of Shri Harshad Jain is available for inspection by the Members without any fee. Any members interested to get a copy of the said Written Memorandum may write to the Company Secretary at [udit.jain@radioone.in](mailto:udit.jain@radioone.in) upto the date of this EGM.

The Company, as on date, is not in default in payment of dues to any bank or public financial institution or to non-convertible debenture holders or to any other secured creditor, and accordingly their prior approval is not required, for approval of the proposed special resolutions. The Nomination and Remuneration Committee and Board of Directors via respective resolutions passed on May 11, 2020, have considered this proposal and recommended/ approved the waiver of excess remuneration paid for FY-20 and remuneration payable/ paid to Shri Harshad Jain for FY-21 and FY-22, subject to the approval of Members by Special Resolution.

Shri Harshad Jain is interested in the resolutions set out at Item Nos. 1 and 2 of this Notice. His relatives may also be deemed to be interested in the respective resolutions, to the extent of their shareholding interest, *if any*, in the Company. Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board of Directors commends the Special Resolution(s) set out at Item nos.1 to 2 of the Notice for approval of the Members.

## **ANNEXURE**

### **(A) Disclosure(s) in terms of Section 197 read with Schedule V to the Companies Act, 2013 & applicable Rules thereunder**

#### **I. General Information**

- 1) **Nature of Industry:** Radio Broadcasting
- 2) **Date or expected date of commencement of commercial production:** May 9, 2002
- 3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not applicable
- 4) **Financial performance based on the given indicators:** The financial and operating performance of the Company during last three financial years is as under:

(Rs. in Lac)

<b>Particulars</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20 (provisional)</b>
Revenue from continuing operations	7,498.90	6,864.90	5,620.99
Total income of continuing operations	7,823.82	7,162.31	5,786.00
Earnings before interest, tax, depreciation and amortization (EBIDTA) before exceptional items (from continuing operations)	1,539.00	665.68	447.35
Profit/ (Loss) before tax from continuing operations	(533.04)	(1,221.24)	(1,799.83)
Profit/ (Loss) before tax from continuing operations	(533.04)	(1,221.24)	(1,799.83)
Profit/ (Loss) before tax (continuing & discontinued operations)	(533.04)	(1,221.24)	(1,799.83)
Profit/ (Loss) for the year after tax (before other comprehensive income)	(533.04)	(1,221.24)	(1,799.83)

5) **Foreign Investments or Collaborators, if any:** Nil

**II. Information about the Appointee:**

- 1) **Details of background, recognition or awards, job profile and suitability thereof:** Shri Harshad Jain is Chief Executive Officer (*designated as Managing Director under the Companies Act, 2013*) and has vast experience in FMCG and media & entertainment spaces. On completion of his business studies in Sales and Marketing he joined PepsiCo and was associated for 14 years in various roles across sales, marketing and business at regional and corporate level. In his last stint, he worked with HT Media Limited as Business Head of FM Radio business and handled the radio and entertainment business – ‘Fever’ & ‘Nasha’ and Fever Entertainment. He also played a critical role in transforming ‘Fever’ into a profitable and formidable business, with leadership in key markets and segments.
- 2) **Past remuneration:** Not applicable as Shri Harshad Jain was appointed as Chief Executive Officer (*designated as Managing Director under the Companies Act, 2013*) w.e.f. April 22, 2019, during FY 20 itself.
- 3) **Remuneration proposed:** As set out in item no. 2 of the Notice.
- 4) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** Shri Harshad Jain was appointed as Chief Executive Officer (*designated as Managing Director under the Companies Act, 2013*) w.e.f. April 22, 2019 and his appointment and remuneration was duly recommended by the Nomination & Remuneration Committee, and approved by the Board of Directors and Shareholders of the Company.

The remuneration paid to CEO of Entertainment (Network) India Limited (Radio Mirchi) and Music Broadcast Limited (Radio City) for FY-19, companies in the same genre as Next Radio Limited, was Rs.294.54 Lac and Rs.242.50 Lac respectively, which is more than 24% and 2% (approx.) respectively, of the remuneration paid to Shri Harshad Jain for FY-20 by your Company.

Taking into consideration the size of the Company, the profile of CEO, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior levels in other companies.

- 5) **Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel:** Shri Harshad Jain has pecuniary relationship with the Company in terms of the remuneration proposed in Item No. 1 & 2 of this Notice.

### **III. Other Information:**

- 1) **Reasons of loss/ inadequate profits:** In the recent past, FM Radio business is facing challenges on account of increase in cost, substantially due to manifold increase in Radio license fees by Government in Phase III as compared to Phase II and increase in the rental cost by Prasar Bharati under Phase III renewal agreements. Further, FM Radio industry is struggling with lower than expected growth due to increase in competition on account of introduction of new Radio stations in Phase III. All these developments have adversely impacted the revenue and profitability of the Company during FY-20 and it is likely that this situation will persist in the coming years.
- 2) **Steps taken or proposed to be taken for improvement:** The Company believes that it is well positioned to capture opportunities for growth and profitability, basis its competitive strengths. Following factors/ steps are contributing to further improvements in this regard:
  - Revenue ramp up plans deployed backed by significant improvement in the product and programming format
  - Go to Market redefined with Digital enablement
  - Cost Synergies backed by syndication and networking
- 3) **Expected increase in productivity and profits in measureable terms:** The Company has taken numerous initiatives to improve its financial and operational position, and will continue to pursue its endeavor in this regard. The Company expects to increase its Revenue by a CAGR of 19% over next 3 years resulting in an EBITDA of Rs.40 Crore by FY 2022-23.

### **(B) Other parameters under Section 200 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- 1) **Financial and operating performance of the Company during the three preceding financial years:** Details provided in para A (I) (4) above.
- 2) **Remuneration or commission drawn by individual concerned in any other capacity from the Company:** Nil
- 3) **Remuneration or Commission drawn by Managerial Personnel from any other Company:** During the currency of tenure of Shri Harshad Jain as CEO of the Company, he has received a grant of 5,00,000 Employee Stock Options (ESOPs) from HT Media Limited (HTML), the holding company, pursuant to HTML's ESOP Scheme duly approved by its shareholders.
- 4) **Professional qualification and experience:** Please refer para A (II) (1) above.

- 5) **Relationship between remuneration and performance:** The remuneration is directly linked to the increase in performance.
- 6) **The principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company:** Your Company has a strong performance management culture. Every employee undergoes evaluation of his or her performance against the goals and objectives for the year, and increase in compensation and reward by way of variable bonuses is linked to the evaluation of individual's performance. All employees of the Company, including Managing Director, are governed by the Company's Performance Management System, in addition to the Board approved Remuneration Policy.
- 7) **Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference:** Your Company has a clearly laid out Board approved Remuneration Policy. This policy includes, inter alia, separate remuneration parameters for Board of Directors, Key Managerial Personnel and Senior Management.

The perspective that governs the remuneration of Directors goes beyond the Company and the Industry, especially in terms of benchmarks. The philosophy of reward for performance however, is applicable to all three domains.

- 8) **Securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year:** None
- 9) **Reasons and justification for payment of remuneration:** In his earlier stint/tenure with HT Media Limited (holding company), Shri Harshad Jain was heading the FM Radio and entertainment business comprising of 'Fever' & 'Nasha' and Fever Entertainment. He played a critical role in transforming 'Fever' into a profitable business, with leadership in key markets and segments. Keeping in view the impeccable credentials and expertise of Shri Harshad Jain and his deep understanding of the business, as also his ability to turnaround a business on the path to its phenomenal growth, his association with Next Radio Limited is likely to be of immense benefit to all the stakeholders. The instant proposal to approve the remuneration paid/ payable to Shri Harshad Jain during financial years 2019-20, 2020-21 and 2021-22 as set out in the resolutions in item nos. 1 & 2 of this Notice (as already approved by the members at their Annual General Meeting held on September 12, 2019) commensurate with his responsibility as MD & CEO of NRL.

By Order of the Board of Directors  
**For Next Radio Limited**

**Date:** May 12, 2020  
**Place:** New Delhi

**(Udit Jain)**  
**Company Secretary**

**Details of the Director pursuant to the provisions of Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India**

<b>Name of Director</b>	<b>Shri Harshad Jain</b>
<b>Age (years)</b>	52
<b>Relationship with other Directors inter-se and Key Managerial Personnel</b>	None
<b>Date of Appointment</b>	April 18, 2019
<b>Expertise in specific functional areas</b>	Strategic leadership in FMCG and Media & Entertainment spaces
<b>Qualification</b>	Bachelor's Degree in Commerce from Delhi University and Diploma in Sales; and Marketing from Bhartiya Vidhya Bhavan
<b>Terms and conditions of appointment</b>	Director, liable to retire by rotation, and appointed as Chief Executive Officer (Designated as Managing Director under the Companies Act, 2013) for a period of 3 years w.e.f. April 22, 2019.
<b>No.of equity shares of Rs. 10/- each held in the Company</b>	1
<b>Remuneration last drawn (during FY 20)</b>	Rs.2,22,39,148/-
<b>Directorship held in other companies (excluding foreign companies and Section 8 companies) #</b>	i. Next Mediaworks Limited ( <i>Listed Entity</i> ) ii. HT Music and Entertainment Company Limited
<b>List of the Committees of Board of Directors (across all companies) in which Chairmanship/Membership is held *#</b>	Nil
<b>No. of Board Meetings attended during FY 20</b>	4

# As per latest disclosure(s) received from Shri Harshad Jain

\* Only two Committees viz. Audit Committee and Stakeholders' Relationship have been considered