



## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of Mega Sound and Music Private Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Mega Sound and Music Private Limited (the Company), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its loss for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. This report does not include a statement on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2015 (the Order), issued by the Central Government in terms of Section 143 (11) of the Act, since in our opinion and according to the information and explanation given to us, the said Order is not applicable to the Company.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our 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 those books;



- (c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Dharmesh J Sheth and Associates  
Chartered Accountants  
(Firm's Registration No.120998W)



Dharmesh J Sheth  
Proprietor  
Membership Number 103709  
Place : Mumbai  
Date : April 24, 2015



## Mega Sound and Music Private Limited

Balance Sheet as at March 31, 2015

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
		Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	3	100,000	100,000
(b) Reserves and surplus	4	(8,805)	(5,458)
		91,195	94,542
<b>Current liabilities</b>			
(a) Trade payables	10	3,934	1,687
		3,934	1,687
<b>TOTAL</b>		<b>95,129</b>	<b>96,229</b>
<b>ASSETS</b>			
<b>Current assets</b>			
(a) Cash and cash equivalents	5	95,129	96,229
		95,129	96,229
<b>TOTAL</b>		<b>95,129</b>	<b>96,229</b>
See accompanying notes forming part of the financial statements			

In terms of our report attached  
For Dharmesh J Sheth and Associates  
Chartered Accountants

  
D J Sheth  
Proprietor



Place: Mumbai  
Date: April 24, 2015

For Mega Sound and Music Private Limited

  
Director

  
Director

Place: Mumbai  
Date: April 24, 2015

**Mega Sound and Music Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2015**

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
		Rupees	Rupees
<b>Revenue:</b>			
Other income		-	-
<b>Total Revenue</b>		-	-
<b>Expenses:</b>			
Operating and other expenses	6	3,347	1,686
<b>Total Expenses</b>		<b>3,347</b>	<b>1,686</b>
<b>Loss for the year</b>		<b>(3,347)</b>	<b>(1,686)</b>
<b>Earnings per Equity Share of Rs. 10/- each</b>	7		
Basic and diluted		(0.33)	(0.17)
See accompanying notes forming part of the financial statements			

In terms of our report attached  
 For Dharmesh J Sheth and Associates  
 Chartered Accountants

  
 D J Sheth  
 Proprietor



Place: Mumbai  
 Date: April 24, 2015

For Mega Sound and Music Private Limited

  
 Director

  
 Director

Place: Mumbai  
 Date: April 24, 2015

## **Mega Sound and Music Private Limited**

Notes forming part of the financial statements

### **Note 1: About the Company**

Mega Sound and Music Private Limited (the Company), was incorporated as a private limited company on November 14, 2011 under the provisions of the Companies Act, 1956. The principal activity of the Company is to engage in the business of recording, filming and screening, relaying, producing, distribution of AM and FM Broadcast, Satellite Boardcast at Radio, Television, Internet, Cable Television and Computer etc.

### **Note 2: Significant accounting policies**

#### **a. Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 / Companies Act, 1956, as applicable.

The Company is a Small and Medium Sized Company as defined in the General Instructions in respect of the aforesaid Accounting Standards. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

#### **b. Use of estimates**

The preparation of financial statements, in conformity with Indian GAAP, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialize.

#### **c. Income taxes**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, using the applicable tax rates. Deferred income tax reflect the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years / period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation and losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same (Refer note 9).

#### **d. Revenue recognition**

In appropriate circumstances, revenue (income) is recognised when no significant uncertainty as to determination or realization exists.

#### **e. Provisions and contingencies**

Provision is recognized in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any, are disclosed in the notes to the financial statements.



**Mega Sound and Music Private Limited**  
Notes forming part of the financial statements

**Note 3: Share capital**

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
<b>Authorised:</b> 10,000 Equity Shares of Rs. 10/- each	100,000	100,000
<b>Issued, Subscribed and Paid-up:</b> 10,000 Equity Shares of Rs. 10/- each fully paid-up	100,000	100,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>

**Notes:**

(a) All the Equity Shares have the same dividend and voting rights.

(b) Details of Equity Shares held by each shareholder holding more than 5% Equity Shares:

Name of shareholder	As at March 31, 2015		As at March 31, 2014 (Refer note below)	
	No. of shares held	% holding	No. of shares held	% holding
Music Broadcast Private Limited	9,990	99.90%	10,000	100.00%

Note : All the above Equity Shares were held by Music Broadcast Private Limited, the holding enterprise including one Equity Share held by nominee as on March 31, 2014.

**Note 4: Reserves and surplus**

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
<b>Balance in Statement of Profit and Loss</b>		
As per last balance sheet	(5,458)	(3,772)
Add: Loss for the year	(3,347)	(1,686)
<b>Total</b>	<b>(8,805)</b>	<b>(5,458)</b>

**Note 5: Cash and cash equivalents**

Particulars	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees
Balances with banks in current account	95,119	96,219
Cash in Hand	10	10
<b>Total</b>	<b>95,129</b>	<b>96,229</b>



**Mega Sound and Music Private Limited**  
Notes forming part of the financial statements

**Note 6: Other expenses**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rupees	Rupees
Rates and Taxes	1,100	-
Audit fees (Including service tax)	2,247	1,686
<b>Total</b>	<b>3,347</b>	<b>1,686</b>

**Note 7: Earnings per share**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Rupees	Rupees
Net Loss for the year attributable to the Equity shareholders	(3,347)	(1,686)
Weighted average no. of Equity Shares	10,000	10,000
Par value per share	10	10
Earnings per share - Basic and diluted	(0.33)	(0.17)





**Mega Sound and Music Private Limited**

Notes forming part of the financial statements

**Note 8: Related party transactions****A. Details of related parties**

Names of related parties	Description of relationship
Music Boardcast Private Limited	Holding Enterprise

**B. Related party transactions**

	Holding Enterprise Rupees
Nil	-

**C. Related party balances as at March 31, 2015**

	Holding Enterprise Rupees
Nil	-

**Notes:**

1. Related parties have been identified by the management.
2. Figures in brackets pertain to those of the previous year.

**Note 9: Taxation**

(a) No provision for current income-tax under provisions of Income-tax Act, 1961 is made since in the opinion of the Company, there will be no taxable income for the year, as per the provisions of the Income-tax Act, 1961.

(b) In accordance with the Accounting Standard – 22 on 'Accounting for taxes on income' (AS – 22), deferred tax assets and liability should be recognised for all timing differences. There are no such differences during the year, hence deferred tax asset / liability is not recognised.

**Note 10 : Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

There are no dues to Micro and Small Enterprises as at March 31, 2015. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

**Note 11: Previous year's figures**

The figures of the previous year have been regrouped, wherever necessary, to correspond with those of the current year.

**Signatures to Notes 1 to 11**

In terms of our report attached  
For Dharmesh J Sheth and Associates  
Chartered Accountants



D J Sheth  
Proprietor



Place: Mumbai  
Date: April 24, 2015

For Mega Sound and Music Private Limited



Director



Place: Mumbai  
Date: April 24, 2015