

## INDEPENDENT AUDITORS' REPORT

**To the Members of Mukta Tele Media Limited,**

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

1. We have audited the accompanying financial statements of Mukta Tele Media Limited (the 'Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of 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.

### **Auditors' Responsibility**

3. 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 there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. 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.

5. 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**

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying 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, 2016, and its profit and its cash flows for the year ended on that date.

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

7. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. 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 it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the accompanying financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014;

- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company does not have any pending litigations which may have impact of on its financial position ;
  - (ii) The Company does not have has long-term contracts including derivative contracts as at March 31,2016, as such the question of commenting on any material foreseeable losses thereon does not arise;
  - (iii) There has not been an occasion in case of the Company during the year under the report to transfer any sum to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

**For MVK Associates**  
**Chartered Accountants**  
**Firm Registration Number: 120222 W**

**Place : Mumbai**  
**Date : May 13, 2016**

**Vishnu Garg**  
**Partner**  
**Mem. No. : 045560**

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

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Mukta Tele Media Limited on the standalone financial statements as of and for the year ended March 31, 2016.

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- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over the year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.
  - (c) The title deeds of immovable properties, as disclosed in Note 2.8 on fixed assets to the financial statements are held in the name of the company.
- ii. Company does not have any inventory hence information under this clause is not required.
- iii. The Company has not granted any unsecured loan, to any company covered in the register maintained under Section 189 of the Companies Act, 2013. Also, the company has not granted any secured or unsecured loans to firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, paragraph iii (a), (b) & (c) of the Order are not applicable to the Company.
- iv. In our opinion, the Company has not given any loan, guarantee or security in respect of loans or made investments, as per the provisions of section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution, bank, government or dues to debenture holders as at the balance sheet date.
- ix. According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer and term loans during the year. Accordingly, provisions of Clause 3(ix) of the Order are not applicable to the company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the

**Annexure to Independent Auditors' Report**

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Mukta Tele Media Limited on the standalone financial statements as of and for the year ended March 31, 2016.

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Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

- xi. During the year under consideration no remuneration has been paid/ provided to any director by the company, the clause XI of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and as per information and explanations provided to us by management all the transactions with the related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013, where applicable. And the details have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review except conversion of share warrants into equity shares during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the records of the Company examined by us and the information and explanation given to us, the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For MVK Associates**  
**Chartered Accountants**  
**Firm Registration Number: 120222 W**

**Place: Mumbai**  
**Date: May 13, 2016**

**Vishnu Garg**  
**Partner**  
**Mem. No. : 045560**

## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 8(f) of the Independent Auditors' Report of even date to the members of Mukta Tele Media Limited on the financial statements as of and for the year ended March 31, 2016.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of Mukta Tele Media Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included operating and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 8(f) of the Independent Auditors' Report of even date to the members of Mukta Tele Media Limited on the financial statements as of and for the year ended March 31, 2016.

### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Generally Accepted Accounting Principles. A company's internal financial controls over financial reporting includes those policies and procedures that :
- i. pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transaction and dispositions of the assets of the company;
  - ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
  - iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

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

**For MVK Associates**  
Chartered Accountants  
**Firm Registration Number: 120222 W**

**Place: Mumbai**  
**Date: May 13, 2016**

**Vishnu Garg**  
**Partner**  
**Mem. No. : 045560**

<b>MUKTA TELE MEDIA LIMITED</b>					
<b>Balance Sheet as at 31st March, 2016</b>					
(Currency: Indian Rupees)					
<b>Particulars</b>	<b>Note No.</b>	<b>As At 31st March 2016</b>		<b>As At 31st March 2015</b>	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	2.1	5,00,000		5,00,000	
Reserves and surplus	2.2	(101,29,201)		(101,34,584)	
Money received against share warrants		-	(96,29,201)	-	(96,34,584)
<b>Share application money pending allotment</b>					
		-		-	
<b>Non-current liabilities</b>					
Long-term borrowings		-		-	
Deferred tax liabilities (Net)		-		-	
Other Long term liabilities	2.3	2,37,846		2,30,105	
Long-term provisions		-	2,37,846	-	2,30,105
<b>Current liabilities</b>					
Short-term borrowings	2.4	124,05,000		126,62,984	
Trade payables	2.5	-		-	
Other current liabilities	2.6	29,580		11,236	
Short-term provisions	2.7	-	124,34,580	-	126,74,220
<b>TOTAL</b>			<b>30,43,225</b>		<b>32,69,741</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
<b>Fixed assets</b>					
Tangible assets	2.8	21,03,042		22,91,627	
Intangible assets		-		-	
Capital work-in-progress		-		-	
Intangible assets under development		-		-	
Non-current investments	2.9	250		250	
Deferred tax assets (net)		-		-	
Long-term loans and advances	2.10	3,800		3,800	
Other non-current assets	2.11	8,90,835	29,97,927	8,90,835	31,86,512
<b>Current assets</b>					
Current investments		-		-	
Inventories		-		-	
Trade receivables	2.12	-		-	
Cash and cash equivalents	2.12	9,048		20,141	
Short-term loans and advances	2.13	36,249		63,088	
Other current assets		-	45,297	-	83,229
<b>TOTAL</b>			<b>30,43,224</b>		<b>32,69,741</b>
<b>Summary of significant accounting policies</b>					
	1				
The accompanying notes are an integral part of the financial statements.2.1 to 2.19					
<b>For and on behalf of the Board of Directors</b>					
As per our report of even date attached.					
<b>For MVK ASSOCIATES</b>					
<b>CHAITANYA ASHOK CHINCHLIKAR</b>					
Chartered Accountants					
Director					
Firm Registration No. 120222 W					
DIN no.:					
<b>Vishnu Garg</b>					
Partner					
<b>SANJEEV KUMAR BINDRA</b>					
Membership No. 045560					
Director					
DIN no.:					
Mumbai					
<b>RAJENDRA KAPILRAI DOSHI</b>					
Director					
DIN no.:					
Date: 13th May 2016			Date: 13th May 2016		



<b>MUKTA TELE MEDIA LIMITED</b>			
<b>Profit and loss statement for the year ended on 31st March, 2016</b>			
		(Currency: Indian Rupees)	
Particulars	Note No.	for the year ended on 31st March 2016	for the year ended on 31st March 2015
<b>Income</b>			
Revenue from operations		-	-
Other income	2.14	3,00,000	1,03,666
<b>Total Revenue</b>		<b>3,00,000</b>	<b>1,03,666</b>
<b>Expenses:</b>			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
Employee benefits expense Finance costs		-	-
Depreciation and amortization expense	2.8	1,88,585	2,05,804
Other expenses	2.15	55,886	41,199
<b>Total expenses</b>		<b>2,44,471</b>	<b>2,47,003</b>
Profit before exceptional, prior period items, extraordinary and tax		55,529	(1,43,337)
Exceptional items		-	-
Prior period Items	2.16	8,403	-
Profit before extraordinary items and tax		47,126	(1,43,337)
Extraordinary items	2.17	-	-
Profit before tax		47,126	(1,43,337)
<b>Tax expenses:</b>			
(1) Current tax		-	-
(2) Prior Period Tax		41,744	-
(3) Deferred tax		-	-
<b>Profit (Loss) for the Year</b>		<b>5,382</b>	<b>(1,43,337)</b>
<b>Earnings per equity share of face value of Rs 10 each</b>			
(1) Basic	2.17	1.08	(28.67)
(2) Diluted		1.08	(28.67)
<b>Summary of significant accounting policies</b>			
The accompanying notes are an integral part of the financial statements. 2.1 to 2.19			
		<b>For and on behalf of the Board of Directors</b>	
As per our report of even date attached.			
<b>For MVK ASSOCIATES</b>		<b>CHAITANYA ASHOK CHINCHLIKAR</b>	
<i>Chartered Accountants</i>		<i>Director</i>	
Firm Registration No. 120222 W		DIN no.:	
<b>Vishnu Garg</b>		<b>SANJEEV KUMAR BINDRA</b>	
<i>Partner</i>		<i>Director</i>	
Membership No. 045560		DIN no.:	
Mumbai		<b>RAJENDRA KAPILRAI DOSHI</b>	
		<i>Director</i>	
		DIN no.:	
Date: 13th May 2016		Date: 13th May 2016	

<b>MUKTA TELE MEDIA LIMITED</b>			
<b>Cash Flow Statement For The Year Ended 31st March, 2016</b>			
			(Currency: Indian Rupees)
		<b>Current Year</b>	<b>Previous Year</b>
		<b>31.03.2016</b>	<b>31.03.2015</b>
<b>A. CASH FROM OPERATING ACTIVITIES</b>			
Net Profit / (Loss) before tax and extraordinary items :		<b>47,126</b>	(1,43,337)
<b>Adjustments for :</b>			
Depreciation		<b>1,88,585</b>	2,05,804
Provision for Income Tax		<b>(41,744)</b>	-
<b>Operating profit before working capital changes</b>		<b>1,93,967</b>	62,467
<b>Adjustments for :</b>			
(Increase)/ Decrease in Inventories		-	-
(Increase)/ Decrease in Trade Receivable		-	-
(Increase)/ Decrease in Short Term Loan & Advances		<b>26,839</b>	4,01,200
Increase/(Decrease) in Trade Payables		<b>7,741</b>	2,34,601
Increase/(Decrease) in Other Current Liabilities		<b>18,344</b>	(3,05,531)
<b>Cash generated from/(used in) operations</b>		<b>2,46,891</b>	<b>3,92,737</b>
Direct Taxes paid		-	-
<b>Cash flow before extraordinary items</b>		<b>2,46,891</b>	3,92,737
<b>Net Cash Generated from/(used in) Operating Activities</b>		<b>2,46,891</b>	3,92,737
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Less: change in Fixed assets see note no . 2.6		-	-
<b>Net cash generated from/(used in) investing activities</b>		-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Decrease/(Increase) in Other Long Term Assets		-	-
(Increase)/ Decrease in Short Term Borrowings		<b>(2,57,984)</b>	(4,50,000)
<b>Net cash recovered from/(used in) financing activities</b>		<b>(2,57,984)</b>	(4,50,000)
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(11,093)</b>	(57,263)
<b>Cash and cash equivalents (opening)</b>		<b>20,141</b>	77,404
<b>Cash and cash equivalents (closing)</b>		<b>9,048</b>	20,141
As per our report of even date attached.		<b>For and on behalf of the Board of Directors</b>	
<b>For MVK ASSOCIATES</b>		<b>CHATTANYA ASHOK CHINCHLIKAR</b>	
<i>Chartered Accountants</i>		<i>Director</i>	
Firm Registration No. 120222 W		DIN no.:	
<b>Vishnu Garg</b>		<b>SANJEEV KUMAR BINDRA</b>	
<i>Partner</i>		<i>Director</i>	
Membership No. 045560		DIN no.:	
Mumbai		<b>RAJENDRA KAPILRAI DOSHI</b>	
		<i>Director</i>	
		DIN no.:	
Date: 13th May 2016		Date: 13th May 2016	

## **MUKTA TELE MEDIA LIMITED**

### **Notes To The Accounts For The Year Ended 31st March, 2016**

#### **1 Summary of Significant Accounting Policies**

##### **1.1 Basis of Preparation of Accounts**

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting, in accordance with the provisions of the Companies Act, 2013 and accounting principles generally accepted in India ('Indian GAAP') and comply with the accounting standards notified under the relevant provisions of the Act. The financial statements are presented in Indian Rupees, except where mentioned otherwise.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. The Company has identified its operating cycle as twelve months.

##### **1.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that the estimates and assumptions made in the preparation of financial statements are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

##### **1.3 Fixed assets**

###### **Tangible assets**

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation and any provision for impairment. Cost includes freight, duties, taxes (other than those recoverable from tax authorities) and other expenses directly attributable to the acquisition/ construction and installation of the fixed assets for bringing the asset to its working condition for its intended use. Cost incurred on fixed assets not ready for their intended use is disclosed under capital work-in-progress. Capital work-in-progress includes estimates of work completed, as certified by the management.

## **1 Summary of Significant Accounting Policies (Continued)**

### **1.4 Depreciation/ amortisation**

#### **Tangible assets**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

### **1.5 Impairment**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired.

### **1.6 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company, revenue can be reliably measured and recoverability is reasonably certain. The amount recognized as income is exclusive of value added tax, service tax and net of trade discounts. Unbilled revenue represents costs incurred and revenues recognized on contracts to be billed in subsequent periods as per the terms of the contract.

#### **Film/content Sales Assignment and related income**

Revenue is recognized to the extent that it is probable that economic benefit will flow to the company, revenue can be reliably measured and recoverability is reasonably certain. The amount recognized as income is exclusive of Value Added Tax, service tax etc. and net of trade discount.

Revenue From sale of contents/ motion picture is recognized on assignment/sale of the right in the concerned content/ motion picture from the date of their availability for the exploitation.

During the year under consideration company has no revenue from operating activities

### **1.7 Inventory**

Inventories of under production of serials are valued at actual cost after providing for obsolescence, if any. Company does not hold any inventory during the year under consideration.

### **1.8 Investments**

Long-term investments and current maturities of long term investments are stated at cost less any provision for diminution, which is other than temporary, in value.

## **1.9 Employee benefits**

There are no employees earning salary from the Company, hence there are no benefit plans defined or cost to be accounted in account during the year.

### ***1 Summary of Significant Accounting Policies (Continued)***

## **1.10 Taxation**

Income-tax expense comprises current tax expense and deferred tax charge or credit.

### ***Current tax***

Provision for current tax is recognised in accordance with the provisions of the Income-tax Act, 1961 and is made based on the tax liability after taking credit for tax allowances and exemptions.

### ***Minimum Alternative Tax Credit entitlement***

Minimum Alternative Tax ('MAT') credit is recognised only to the extent there is convincing evidence that the Company will pay normal income tax in excess of MAT during the specified period.

MAT credit entitlement is reviewed as at each Balance sheet date and written down to the extent there is no longer convincing evidence that the Company will pay normal income tax during the specified period.

### ***Deferred tax***

Deferred tax liability or asset is recognised for timing differences between the profits or losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities and the corresponding deferred tax credit or charge are measured using the tax rates and tax laws that have been enacted or substantively enacted as at the Balance sheet date.

Due to lack of virtual certainty, no deferred tax asset has been recognized.

## **1.11 Provisions and contingencies**

A provision is made when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

**As per our report of even date attached.**

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

**For MVK ASSOCIATES**  
*Chartered Accountants*  
Firm Registration No. 120222 W

**Chaitanya Ashok Chinchlikar**  
Chairman  
DIN No. 03530105

**Vishnu Garg**  
Membership No. 045560

**Rajendra Kapilrai Doshi**  
Director  
DIN No. 07499476

Mumbai  
13<sup>th</sup> May 2016

<b>MUKTA TELE MEDIA LIMITED</b>						
<b>Notes to Accounts</b>						
						(Currency: Indian Rupees)
				<b>Current year</b>		<b>Previous Year</b>
				<b>As at</b>		<b>As at</b>
				<b>March 31, 2016</b>		<b>March 31, 2015</b>
<b>2.1</b>	<b>Share capital</b>	<b>Face value per share</b>	<b>No. of Shares</b>	<b>Amount in Rs.</b>	<b>No. of Shares</b>	<b>Amount in Rs.</b>
	<b>Authorised capital</b>					
	Equity shares	100	50,000	50,00,000	50,000	50,00,000
	Total	<b>100</b>	<b>50,000</b>	<b>50,00,000</b>	<b>50,000</b>	<b>50,00,000</b>
	<b>Issued, subscribed and paid-up share capital</b>					
	<b>Equity shares</b>					
	Issued	100	5,000	5,00,000	5,000	5,00,000
	Total	<b>100</b>	<b>5,000</b>	<b>5,00,000</b>	<b>5,000</b>	<b>5,00,000</b>
	<b>Subscribed paid up</b>					
	Fully paid up	100	5,000	5,00,000	5,000	5,00,000
	Total	<b>100</b>	<b>5,000</b>	<b>5,00,000</b>	<b>5,000</b>	<b>5,00,000</b>
<b>A</b>	<b>Reconciliation of shares</b>					
	Shares outstanding at beginning	100	5,000	5,00,000	5,000	5,00,000
	Add : Issued during the year	-	-	-	-	-
	Less: Reduction in shares during the year	-	-	-	-	-
	Shares outstanding at year end	<b>100</b>	<b>5,000</b>	<b>5,00,000</b>	<b>5,000</b>	<b>5,00,000</b>
<b>B</b>	<b>Rights, Preferences and restrictions attached to Equity Shares</b>					
	The Company has only one class of equity shares having par value of Rs. 100 per share. Each equity share holder is entitled to one vote per share. The voting rights of an equity shares are in proportion to its share of the paid-up equity capital of the Company.					
	In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.					
<b>C</b>	<b>Shareholders holding more than 5% of paid -up share capital</b>					
	M/s Mukta Arts Limited (Holding Company)	99.92	4,996	4,99,600	4,996	4,99,600
			<b>4,996</b>	<b>4,99,600</b>	<b>4,996</b>	<b>4,99,600</b>
<b>2.2</b>	<b>Reserves and surplus</b>			<b>As at</b>	<b>As at</b>	
				<b>March 31, 2016</b>	<b>March 31, 2015</b>	
	<b>Surplus/(deficit) in the statement of profit and loss</b>					
	At the beginning of the period			(101,34,584)	(98,19,118)	
	Adjustment related to Fixed assets refer Note 2.8			-	(1,72,129)	
	Profit/(loss) for the year			5,382	(1,43,337)	
				<b>(101,29,201)</b>	<b>(101,34,584)</b>	
<b>2.3</b>	<b>Other Long Term Liabilities</b>					
	Trade Payables			2,37,846	2,30,105	
				<b>2,37,846</b>	<b>2,30,105</b>	
<b>2.4</b>	<b>Short Term Borrowings</b>					
	Amount due (to Holding Company ) (Mukta Arts Limited)			124,05,000	126,62,984	
				<b>124,05,000</b>	<b>126,62,984</b>	
<b>2.5</b>	<b>Trade payables</b>					
	Trade payable			-	-	
				<b>-</b>	<b>-</b>	

<b>MUKTA TELE MEDIA LIMITED</b>					
<b>Notes to Accounts</b>					
					(Currency: Indian Rupees)
<b>2.6</b>	<b>Other current liabilities</b>				
	Audit Fees Payable		11,450	11,236	
	Other Payables		18,130		
			29,580	11,236	
<b>2.7</b>	<b>Short-term Provisions</b>				
	Provision for taxation		-	-	
			-	-	
			As at March 31, 2016	As at March 31, 2015	
<b>2.9</b>	<b>Non - current investment</b>				
	<b>Investment in unquoted equity instruments in others</b>				
	Bait-Ush-Sharaf Co. Op. Housing Society Limited 5 Shares (2011: 5) of Rs. 50 each		250	250	
			250	250	
<b>2.10</b>	<b>Long term loans &amp; advances</b>				
	Deposit with Reliance Energy Limited		3,800	3,800	
			3,800	3,800	
<b>2.11</b>	<b>Other non-current assets</b>				
	<b>Trade Receivables</b>				
	Considered good		-	-	
	Considered doubtful		8,90,835	8,90,835	
	Provision for doubtful receivables		-	-	
			8,90,835	8,90,835	
<b>2.12</b>	<b>Cash &amp; bank balances</b>				
	<b>Cash and cash equivalents</b>				
	<b>Balance with banks</b>				
	-On current accounts		6,542	17,123	
	Cash in hand		2,506	3,018	
			9,048	20,141	
<b>2.13</b>	<b>Short term loans &amp; advances</b>				
	<b>Other loans &amp; advances</b>				
	<b>Advance Taxes</b>				
	(a) Secured, considered good;				
	(b) Unsecured, considered good;		36,249	63,088	
	(c) Doubtful.				
			36,249	63,088	



<b>MUKTA TELE MEDIA LIMITED</b>					
<b>Notes to Accounts</b>					
					(Currency: Indian Rupees)
			<b>As at</b>	<b>As at</b>	
			<b>March 31, 2016</b>	<b>March 31, 2015</b>	
<b>2.14</b>	<b>Other income</b>				
	Interest on IT Refund		-	28,242	
	Sundry Balances Written Back		-	75,424	
	Rent Income		3,00,000	-	
			<b>3,00,000</b>	<b>1,03,666</b>	
<b>2.15</b>	<b>Other expenses</b>				
	Bank Charges		282	509	
	Insurance		1,450	1,424	
	Filing Fees		1,512	7,335	
	Payment to auditor		11,450	11,236	
	Professional fees		6,000	20,695	
	Rates & Taxes		14,000	-	
	Water Charges		5,192	-	
	Sundry Balances Written Off		16,000	-	
			<b>55,886</b>	<b>41,199</b>	
	<b>Payment to Auditors</b>				
	Statutory Audit Fees		<b>11,450</b>	<b>11,236</b>	
			<b>11,450</b>	<b>11,236</b>	
<b>2.16</b>	<b>Expenditure on Prior Period Items:</b>				
	Water Charges		<b>8,403</b>	-	
			<b>8,403</b>	-	
<b>2.17</b>	<b>Earning per equity share:</b>				
a)	Net profit/(loss) after tax		<b>5,382</b>	(1,43,337)	
b)	Weighted average number of equity shares outstanding during the year for basic EPS		<b>5,000</b>	5,000	
c)	Weighted average number of equity shares outstanding during the year for dilutive EPS		<b>5,000</b>	5,000	
d)	Basic EPS		<b>1.08</b>	(28.67)	
e)	Dilutive EPS		<b>1.08</b>	(28.67)	
f)	Nominal value per share		<b>100</b>	100	

<b>MUKTA TELE MEDIA LIMITED</b>				
<b>Notes to Accounts</b>				
				(Currency: Indian Rupees)
<b>2.18</b>	<b>Related Party Disclosure</b>			
As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:				
a)	List of related parties where control exists and related parties with whom transactions have taken place and relationships:			
<b>S.no</b>	<b>Name of Related Party</b>	<b>Relationship</b>		
1	Mukta Arts Limited	Holding Company		
b)	<b>Transactions during the year with related parties :</b>	Relation	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>1</b>	<b>Mukta Arts Limited</b>	Holding Company		
	Rental Income		<b>3,00,000</b>	-
	Short Term Borrowings Taken		<b>12,016</b>	-
	Short Term Borrowings (Repaid)		<b>(2,70,000)</b>	(4,50,000.00)
c)	<b>Balances as at 31st March, 2016</b>			
<b>1</b>	<b>Mukta Arts Limited</b>	Holding Company		
	Current Liabilities : Short-term borrowings		<b>124,05,000</b>	126,62,984
<b>2.19</b>	<b>Others</b>			
1 There are no contingent liabilities to the company as at the balance sheet date, except as otherwise disclosed.				
2 Previous Year figures have been regrouped wherever necessary.				
The accompanying notes are an integral part of the financial statements.				
<b>For and on behalf of the Board of Directors</b>				
As per our report of even date attached.				
<b>For MVK ASSOCIATES</b>			<b>CHAITANYA ASHOK CHINCHLIKAR</b>	
<i>Chartered Accountants</i>			<i>Director</i>	
Firm Registration No. 120222 W			DIN no.:	
<b>Vishnu Garg</b>			<b>SANJEEV KUMAR BINDRA</b>	
<i>Partner</i>			<i>Director</i>	
Membership No. 045560			DIN no.:	
Mumbai				
			<b>RAJENDRA KAPILRAI DOSHI</b>	
			<i>Director</i>	
			DIN no.:	
Date: 13th May 2016			Date: 13th May 2016	

<b>MUKTA TELE MEDIA LIMITED</b>					
<b>Schedules to the financial statements (Continued)</b>					
<i>as at 31 March 2016</i>					
<b>2.8</b> <span style="float: right;">(Currency: Indian Rupees)</span>					
<b>Fixed Assets</b>		<b>Tangible assets</b>			
<b>Particular</b>	<b>Air Conditioners</b>	<b>Ownership premises</b>	<b>Furniture fixtures</b>	<b>Computers</b>	<b>TOTAL</b>
<b>Gross Block</b>					
<i>At 31 March 2015</i>	<b>29,100</b>	<b>42,60,063</b>	<b>10,800</b>	<b>7,12,950</b>	<b>50,12,913</b>
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Other adjustment	-	-	-	-	-
<i>At 31 March 2016</i>	<b>29,100</b>	<b>42,60,063</b>	<b>10,800</b>	<b>7,12,950</b>	<b>50,12,913</b>
<b>Depreciation/Amortisation</b>					
<i>At 31 March 2015</i>	<b>27,645</b>	<b>20,06,079</b>	<b>10,260</b>	<b>6,77,302</b>	<b>27,21,286</b>
Charges for the year	-	1,88,585	-	-	<b>1,88,585</b>
Disposals	-	-	-	-	-
Other adjustment	-	-	-	-	-
<i>At 31 March 2016</i>	<b>27,645</b>	<b>21,94,664</b>	<b>10,260</b>	<b>6,77,302</b>	<b>29,09,871</b>
<b>Net block</b>					
<i>As at 31 March 2016</i>	<b>1,455</b>	<b>20,65,399</b>	<b>540</b>	<b>35,648</b>	<b>21,03,042</b>
<i>As At 31 March 2015</i>	<b>1,455</b>	<b>22,53,984</b>	<b>540</b>	<b>35,648</b>	<b>22,91,627</b>
<b>Note:</b>					
During the previous financial year ended on 31st March 2015, pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, from the balance of Profit and Loss Account of 31st March 2015, amounting to 1,72,128.					