

**Crystal Sound and Music Private Limited  
Statement of accounts for the year ended  
March 31, 2016**

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Crystal Sound & Music Private Limited

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Crystal Sound & Music Private 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 the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone 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 standalone financial statements to 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. 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 auditors' 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. 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.

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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/NS00016 (ICAI registration number before conversion was 012754N).

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

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 loss and its cash flows for the year ended on that date.

**Other Matter**

9. The standalone financial statements of the Company for the year ended March 31, 2015, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated June 9, 2015, expressed an unmodified opinion on those financial statements.

**Report on Other Legal and Regulatory Requirements**

10. As required by 'the Companies (Auditor's Report) Order, 2015', 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 aforesaid standalone 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 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 the 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 A.

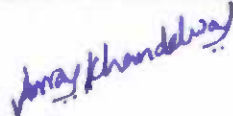


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- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements – Refer Note 23;
  - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2016
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants



Anurag Khandelwal  
Partner  
Membership Number: 078571

New Delhi  
May 30, 2016

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

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Crystal Sound and Music Private Limited on the standalone financial statements for the year ended March 31, 2016

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### **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 Crystal Sound and Music Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone 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 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company'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") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, 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 system over financial reporting.



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

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Crystal Sound and Music Private Limited on the standalone financial statements for the year ended March 31, 2016

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

6. A company's internal financial control 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 generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition 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 periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls 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 Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

Anurag Khandelwal  
Partner  
Membership Number 078571

New Delhi  
May 30, 2016

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Crystal Sound & Music Private Limited on the standalone financial statements as of and for the year ended March 31, 2016

- i. The nature of the Company's activities during the year do not involve the use of fixed assets. Accordingly, the provisions of clause 3(i) of the said Order are not applicable to the Company.
- ii. The nature of Company's activities during the year do not involve the use of inventory. Accordingly, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the 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 generally regular in depositing undisputed statutory dues in respect of professional tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess 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, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Assessment Year to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Interest on Income Tax	0.12	2012-13	Commissioner of Income Tax (Appeals)

- 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 borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.



**Annexure B to Independent Auditors' Report**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Crystal Sound & Music Private Limited on the standalone financial statements for the year ended March 31, 2016

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- 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 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. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(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. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions 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. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. 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 Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N /N500016  
Chartered Accountants



Anurag Khandelwal  
Partner  
Membership Number 078571

New Delhi  
May 30, 2016



## CRYSTAL SOUND &amp; MUSIC PRIVATE LIMITED

## BALANCE SHEET AS AT MARCH 31, 2016

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note No.	As at March 31, 2016	As at March 31, 2015
<b>I EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	7.37	7.37
Reserves and Surplus	3	4,344.37	4,551.73
<b>Non-Current Liabilities</b>			
Long-term Borrowings	4	2,100.00	-
Long-term Provisions	5	-	5.57
<b>Current Liabilities</b>			
Short-term Borrowings	6	-	3,350.08
Trade Payables	7	-	-
- total outstanding dues of micro enterprises and small enterprises, and		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		31.10	1,413.15
Other Current Liabilities	8	1.77	12.32
Short-term Provisions	9	-	6.68
<b>Total</b>		<b>6,484.61</b>	<b>9,346.90</b>
<b>II ASSETS</b>			
<b>Non-Current Assets</b>			
Non-current Investments	10	6,365.88	6,365.88
Long-term Loans and Advances	11	67.42	80.67
<b>Current Assets</b>			
Trade Receivables	12	-	232.13
Cash and Bank Balances	13	51.31	119.60
Short-term Loans and Advances	14	-	2,548.62
<b>Total</b>		<b>6,484.61</b>	<b>9,346.90</b>

**Significant Accounting Policies** 1

The accompanying notes are an integral part of these financial statements.  
This is the Balance Sheet referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number ( 012754N/N500016 )  
Chartered Accountants

*Anurag Khandelwal*  
Anurag Khandelwal  
Partner  
Membership Number 078571

For and on Behalf of the Board of Directors

*[Signature]*  
Director

*[Signature]*  
Director



Place: New Delhi  
Date: May 30, 2016

## CRYSTAL SOUND &amp; MUSIC PRIVATE LIMITED

## STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2016

(All amounts in Rs. Lakhs, unless otherwise stated)

	Note No.	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>Revenue</b>			
I Revenue from Operations	15	91.13	580.38
II Other Income	16	53.22	38.10
<b>III Total Revenue (I + II)</b>		<b>144.35</b>	<b>618.48</b>
<b>IV Expenses:</b>			
Employee Benefits	17	87.09	319.96
Others	18	264.62	695.46
<b>Total Expenses</b>		<b>351.71</b>	<b>1,015.42</b>
<b>V (Loss) Before Tax (III - IV)</b>		<b>(207.36)</b>	<b>(396.94)</b>
<b>VI Tax Expense</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>VII (Loss) for the year (V-VI)</b>		<b>(207.36)</b>	<b>(396.94)</b>
<b>VIII Earnings/(Loss) per Equity Share (in Rupees)</b>			
Nominal value per share	19	10.00	10.00
Basic		(281.33)	(538.52)
Diluted		(281.33)	(538.52)

**Significant Accounting Policies**

1

The accompanying notes are an integral part of these financial statements  
This is the Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number ( 012754N/N500016 )  
Chartered Accountants

*Anurag Khandelwal*  
Anurag Khandelwal  
Partner  
Membership Number 078571

Place: New Delhi  
Date: May 30, 2016

For and on Behalf of the Board of Directors

*[Signature]*  
Director

*[Signature]*  
Director



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>A. Cash Flow From Operating Activities:</b>		
Net (Loss) Before Tax	(207.36)	(396.94)
Adjustments for:		
Excess provisions/liabilities no Longer Required Written-back	(49.96)	(38.10)
Provision for doubtful debts	(9.84)	23.64
<b>Operating (Loss) Before Working Capital Changes</b>	<b>(267.16)</b>	<b>(411.40)</b>
Adjustments for Changes In Working Capital :		
- (Increase)/Decrease in Trade Receivables	241.97	51.74
- Increase/(Decrease) in Trade Payables and Other Current liabilities	(1,342.63)	418.60
- Increase/(Decrease) in Provision for employee benefits	(12.25)	4.04
- (Increase)/Decrease in Short Term Loan and Advances	2,548.62	(35.61)
<b>Cash Generated From/ (Used In) Operations</b>	<b>1,168.55</b>	<b>27.37</b>
- Income tax (paid)/refund	13.24	(11.61)
<b>Net Cash From/(Used In) Operating Activities</b>	<b>1,181.79</b>	<b>15.76</b>
<b>B. Cash Flow From Investing Activities:</b>		
<b>C. Cash Flow From Financing Activities:</b>		
Debentures issued during the period	2,100.00	
Receipt of Inter-corporate deposits given	(3,350.08)	
Repayment of Short term Borrowings		
<b>Net Cash Generated from Financing Activities</b>	<b>(1,250.08)</b>	
<b>Net Increase/(Decrease) In Cash and Cash Equivalents</b>	<b>(68.29)</b>	<b>15.76</b>
<b>Cash and Cash Equivalents at the beginning of the period</b>	<b>119.60</b>	<b>103.84</b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b>51.31</b>	<b>119.60</b>
<b>Cash and Cash Equivalents Comprise:</b>		
Cash on Hand	0.04	0.01
Bank Balances		
- in Current Accounts	51.27	119.59
	<b>51.31</b>	<b>119.60</b>

## Notes :

- Figures in brackets indicate cash outflow.
- The above Cash Flow Statement has been prepared under the indirect method set out in AS 3 - Cash Flow Statement, as notified under Section 211(3C) of the Companies Act 1956 and relevant provision under Companies Act, 2013

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number ( 012754N/N500016 )  
Chartered Accountants

Anurag Khandelwal  
Partner  
Membership Number-078571

For and on Behalf of the Board of Directors

Director

Director



Place: New Delhi  
Date: May 30, 2016

**CRYSTAL SOUND & MUSIC PRIVATE LIMITED**  
**Notes to the financial statements**

**Note 1 (i): General Information**

Crystal Sound & Music Private Limited (the Company), was incorporated as a private limited company on May 24, 2007 under the provisions of the Companies Act, 1956. The principal activity of the Company is to carry out activation and promotional business.

**Note 1 (ii): Summary of Significant accounting policies**

**a. Basis of preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, till the Standards of Accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Finance Reporting Authority, the existing Accounting Standards notified under Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material respects with accounting standards notified under section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules 2006 as amended] and other relevant provisions of the Companies Act, 2013.

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. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has considered its operating cycle as 12 months for the purpose of current and non-current of classification of assets and liabilities.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated March 30, 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. April 1, 2016.

**b. Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Long term investments are stated at cost of acquisition inclusive of expenditure incidental to acquisition. A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments, such reduction being determined and made for each investment individually.

Current investments are stated at lower of cost and fair value determined on an individual basis.

**c. Employee Benefits**

a) **Provident Fund:** Contribution to Provident Fund for employees, to the extent applicable, is made to the regulatory authorities, where the Company has no future obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligation, apart from contribution made on a monthly basis.

b) **Gratuity:** The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's salary and tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

c) **Compensated Absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated Compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

The Company does not have any employees as at March 31, 2016.



**d. Current and deferred tax**

i. Tax expense comprises current tax and deferred tax.

ii. Current tax comprises Company's tax liability for the current financial year as well as additional tax paid/adjusted, if any, during the year in respect of earlier years on receipt of demand from the authorities. For computation of taxable income under the Income Tax Act, 1961, cash basis of accounting has been adopted and consistently followed by the Company.

iii. Deferred tax assets and liabilities are computed on the timing differences at the Balance Sheet date using the tax rate and tax laws that have been enacted or substantively enacted by the Balance sheet date. Deferred tax assets are recognised subject to consideration of prudence based on management estimates of reasonable certainty that sufficient taxable income will be available in the future periods against which such deferred tax assets can be realised. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

iv. Current tax assets and current tax liabilities are offset when there is legal enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set-off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

v. Minimum Alternative tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**e. Revenue Recognition**

Activation and promotional service fees are recognised on an accrual basis, as and when services are rendered. Revenue (income) is recognised when no significant uncertainty as to determination or realisation exists

**f. Provisions and Contingent Liabilities**

The Company creates a provision when there is a present obligation arising as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**g. Earnings per share**

Earnings per Share ("EPS") are computed on the basis of net profit after tax for the year. The number of shares used in computing basic EPS is weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, since there are no dilutive equity shares.

**h. Cash and cash equivalents**

In the cash flow statement, 'cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

**i. Segment information**

The Company is engaged primarily in activation and promotional business. In the context of the Accounting Standard 17 on Segment Reporting is considered to constitute single reportable business segment and single geographical segment. Accordingly, no separate disclosure for primary or secondary segments is given.

**Cash Flow Statement**

j. Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature. The cash flows from operating, investing and financing activities of the Company are segregated.



**CRYSTAL SOUND & MUSIC PRIVATE LIMITED**

Notes to the financial statements

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2016	As at March 31, 2015
<b>2. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
400,000 (March 31, 2015: 400,000) Equity Shares of Rs. 10/- each	40.00	40.00
350,000 (March 31, 2015: 350,000) Preference Shares of Rs. 10/- each	35.00	35.00
	<b>75.00</b>	<b>75.00</b>
<b>ISSUED</b>		
73,708 (March 31, 2015: 73,708) Equity Shares of Rs. 10/- each fully paid-up	7.37	7.37
<b>TOTAL</b>	<b>7.37</b>	<b>7.37</b>
<b>SUBSCRIBED AND FULLY PAID-UP</b>		
73,708 (March 31, 2015: 73,708) Equity Shares of Rs. 10/- each fully paid-up	7.37	7.37
	<b>7.37</b>	<b>7.37</b>

**(a) Reconciliation of Number of Shares**

Equity Shares	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	73,708	7.37	73,708	7.37
Shares outstanding at the end of the year	73,708	7.37	73,708	7.37

**(b) Rights, Preferences and Restrictions attached to Shares**

Equity Shares: The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, in proportion to their shareholding.

**(c) Shares held by holding Company**

	As at March 31, 2016	As at March 31, 2015
73,708 Equity Shares of Rs. 10/- each fully paid-up	7.37	7.37

**(d) Details of Shares Held by Shareholders Holding More than 5% of the Aggregate Shares in the Company**

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	%	Number of Shares	%
Spectrum Holdings Broadcast Private Limited (formerly IVF Holdings Private Limited)	73,707	100%	73,707	100%

**(e) Terms of securities convertible into equity shares - Refer Note 4**

	As at March 31, 2016	As at March 31, 2015
<b>3. RESERVES AND SURPLUS</b>		
(a) Securities Premium Account:	6,364.43	6,364.43
<b>(b) Balance in Statement of Profit and Loss:</b>		
Opening Balance	(1,812.70)	(1,415.76)
Add: (Loss) for the year	(207.36)	(396.94)
Closing Balance	(2,020.06)	(1,812.70)
<b>TOTAL</b>	<b>4,344.37</b>	<b>4,551.73</b>



**CRYSTAL SOUND & MUSIC PRIVATE LIMITED**

**Notes to the financial statements**

(All amounts in Rs. Lakhs, unless otherwise stated)

As at  
March 31, 2016

As at  
March 31, 2015

**4. LONG-TERM BORROWINGS**

**UNSECURED**

**Debentures**

2100 (March 31, 2015: Nil) Zero Coupon Unsecured  
Compulsorily Convertible Debentures of Rs. 1,00,000/- each\*

**TOTAL**

2,100.00

2,100.00

-

\*Zero Coupon Unsecured Compulsorily Convertible Debentures (CCD) are convertible at the option of the holder into One Equity Share of the Company at any time after 3 (three) years but within 5 (five) years from the date of allotment (July 7, 2015) of CCD's and are convertible compulsorily after 5 (five) years if CCD holder does not exercise the option of conversion within the period of 5 years.

**5. LONG-TERM PROVISIONS**

**Provision for Employee Benefits:**

**Provisions for Gratuity**

**TOTAL**

5.57

5.57

**6. SHORT-TERM BORROWINGS**

**UNSECURED**

Loan from India Value Fund Scheme-B (Scheme-B)

**TOTAL**

3,350.08

3,350.08

Note: The above loan was interest free and was repayable on demand, with a maximum period of two years from the date of borrowing. The said loan has been repaid during the year.

**7. TRADE PAYABLES**

(Refer Note a below)

- total outstanding dues of micro enterprises and small enterprises; and
- total outstanding dues of creditors other than micro enterprises and small enterprises

**TOTAL**

31.10

31.10

1,413.15

1,413.15

(a) Based on the information available with the Company, there are no dues to micro and small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2016. Based on the information available with the Company there was neither any interest payable or paid to any supplier under the aforesaid Act and similarly there is no such amount remaining unpaid as at March 31, 2016.

**8. OTHER CURRENT LIABILITIES**

Statutory liabilities

Advance from customers

**TOTAL**

1.77

-

1.77

8.72

3.60

12.32

**9. SHORT-TERM PROVISIONS**

Gratuity

Compensated absences

**TOTAL**

-

-

-

0.08

6.60

6.68



**CRYSTAL SOUND & MUSIC PRIVATE LIMITED**

**Notes to the financial statements**

(All amounts in Rs. Lakhs, unless otherwise stated)  
 As at  
March 31, 2016                      As at  
March 31, 2015

**10. NON-CURRENT INVESTMENTS**

(At cost & fully paid-up unless otherwise stated)

**Unquoted  
 In Equity Shares**

(i) Music Broadcast Limited 9,003,181 (March 31, 2015: 9,003,181) Equity Shares of Rs. 10/- each fully paid-up	6,365.88	6,365.88
(ii) Vibrant Sound and Music Private Limited Nil (March 31, 2015: 1) Equity Shares of Rs. 10/- each fully paid-up.	-	-
	<u>6,365.88</u>	<u>6,365.88</u>

\* below rounding off norm followed by the Company

**11. LONG-TERM LOANS AND ADVANCES**

Unsecured, Considered Good (Unless Otherwise Stated)  
 Income Tax Paid (including Tax Deducted at Source)  
 Net of provision Rs. 0.60 lakhs (March 31, 2015: Rs. 0.60 Lakhs)

**TOTAL**

67.42	80.67
<u>67.42</u>	<u>80.67</u>

**12. TRADE RECEIVABLES**

Outstanding for a Period exceeding Six Months from the date  
 they are due for payment

Unsecured, Considered good	-	23.92	
Unsecured, Considered doubtful	99.46	97.57	
Less: Provision for Doubtful Trade Receivables	<u>99.46</u>	<u>109.29</u>	12.20
Other Receivable			
Unsecured, Considered good	-	208.21	
Unsecured, Considered doubtful	-	11.72	
Less: Provision for Doubtful Trade Receivables	<u>-</u>	<u>-</u>	219.93

**TOTAL**

<u>-</u>	<u>232.13</u>
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**13. CASH AND BANK BALANCES**

Cash and Cash Equivalents

Cash on Hand	0.04	0.01
Bank Balances		
- in Current Accounts	<u>51.27</u>	<u>119.59</u>
<b>TOTAL</b>	<u>51.31</u>	<u>119.60</u>

**14. SHORT-TERM LOANS AND ADVANCES**

Unsecured, Considered Good (Unless Otherwise Stated)

Inter-corporate deposits with Spectrum Broadcast Holdings Private Limited (formerly IVF Holdings Private Limited)	-	2,350.00
Other Loans and Advances		
- Prepaid Expenses	-	0.84
- Service Tax Recoverable (net)	-	150.22
- Advance to Vendors	-	47.56
<b>TOTAL</b>	<u>-</u>	<u>2,548.62</u>





**CRYSTAL SOUND & MUSIC PRIVATE LIMITED****Notes to the financial statements**(All amounts in Rs. Lakhs, unless otherwise stated)  

	Year Ended March 31, 2016	Year Ended March 31, 2015
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**15. REVENUE FROM OPERATIONS**

Activation and promotional service fees	91.13	580.38
<b>TOTAL</b>	<b>91.13</b>	<b>580.38</b>

**16. OTHER INCOME**

Interest on Income-tax refund	3.26	-
Excess provisions/liabilities no Longer Required Written-back	49.96	38.10
Miscellaneous Income		
<b>TOTAL</b>	<b>53.22</b>	<b>38.10</b>

**17. EMPLOYEE BENEFITS**

Salaries	83.65	310.55
Contribution to provident fund	3.44	9.41
<b>TOTAL</b>	<b>87.09</b>	<b>319.96</b>

**18. OTHERS**

Activation cost	62.26	535.71
Facility management charges	29.44	84.36
Travelling and conveyance expenses	3.13	17.44
Rates and taxes	0.41	1.78
Legal and professional fees	6.79	20.70
Auditor's Remuneration		
Statutory Audit fees	9.16	4.00
Printing and stationery	0.01	0.13
Provision for doubtful debts	(9.84)	23.64
Tax deducted at source written off	-	2.62
Bad debts written off	-	4.86
Service Tax written off	163.19	-
Miscellaneous expenses	0.07	0.22
<b>TOTAL</b>	<b>264.62</b>	<b>695.46</b>



**CRYSTAL SOUND & MUSIC PRIVATE LIMITED**

**Notes to the financial statements**

**19 EARNINGS/(LOSS) PER SHARE (EPS)**

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Net (loss) for the year attributable to the Equity shareholders	(207.36)	(396.94)
Weighted Average Number of Equity Shares outstanding during the period	73,708	73,708
Nominal value of each share (in Rs.)	10.00	10.00
Basic (in Rs)	(281.33)	(538.52)
Diluted (in Rs.)	(281.33)	(538.52)

Note:

Compulsorily Convertible debentures issued by the Company are anti dilutive in nature and therefore not considered for the purpose of calculation of diluted earnings/(loss) per share.



**CRYSTAL SOUND & MUSIC PRIVATE LIMITED**

**Notes to the financial statements**

**20 RELATED PARTIES DISCLOSURES**

**A. Names of related parties and nature of relationship :**

**a.** Where Control exists  
Ultimate Holding Company :

Jagran Media Networks India Private Limited (with effect from June 10, 2015)

Intermediary Holding Company :

Jagran Prakashan Limited (with effect from June 10, 2015)  
India Value Fund 2 (upto June 10, 2015)

**b.** Holding Company :

Spectrum Broadcast Holdings Private Limited ( Formerly Know as IVF Holdings Private Limited)

Other Related Parties with whom transactions have taken place during the year:

**i.** Associate Enterprise :

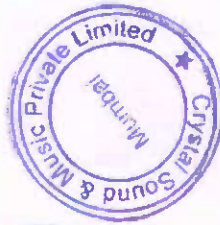
Music Broadcast Limited

**ii.** Key Management Personnel, their Relatives and Hindu Undivided Families of Key Management Personnel and their Relatives :

Santhanaam Rajagopalan  
Sanku Chander  
Sanjay Gupta  
Shailesh Gupta  
Rahul Gupta  
Vikas Joshi  
Director (upto June 09,2015)  
Director (upto June 09,2015)  
Director (with effect from June 10,2015)  
Director (with effect from June 10,2015)  
Director (with effect from June 10,2015)  
Director (with effect from June 10,2015)

Nature of Transaction	PARTIES IN 'a.'		PARTIES IN 'b.'		PARTIES IN 'ii'		PARTIES IN 'iii'		TOTAL
	Intermediary Holding Company		Holding Company		Associate Enterprise		Key Management Personnel		
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	
<b>Transaction with Related Parties</b>									
1. Activation cost	-	-	-	-	36.89	356.58	-	-	36.89
2. Facility Management Charges / RENT PAID	-	-	-	-	29.44	84.35	-	-	29.44
3. Promotional service fees	-	-	-	-	1.67	5.00	-	-	1.67
4. Reimbursement of expenses (net)	-	-	-	-	-	9.20	-	-	9.20
5. Receipt of Inter-corporate Deposits	-	-	2,350.00	-	-	-	-	-	2,350.00
6. Inter-corporate Deposits given	-	-	-	2,350.00	-	-	-	-	2,350.00
7. Debentures issued	2,100.00	-	-	-	-	-	-	-	2,100.00
<b>Balances</b>									
1. 0% Compulsorily Convertible Debentures	2,100.00	-	-	-	-	-	-	-	2,100.00
2. Non-current Investments in Equity Shares	-	-	-	-	6,365.88	6,365.88	-	-	6,365.88
3. Trade Payable	-	-	-	-	1,209.77	1,209.77	-	-	1,209.77
4. Trade Receivable	-	-	-	-	-	15.13	-	-	15.13

1. Related parties have been identified by the management.



**CRYSTAL SOUND & MUSIC PRIVATE LIMITED**

Notes to the financial statements

(All amounts in Rs. Lakhs, unless otherwise stated)

**21 TAXATION**

- a) No provision for current income-tax under the provisions of Income-tax Act, 1961 is made since in the opinion of the Company, there will be no taxable income in view of the losses for the year as well as carry forward losses 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 in accordance with the said standard. However considering the present financial position and requirements of the said AS - 22 regarding certainty / virtual certainty, the same is not provided for as an asset (net). The same will be re-assessed at subsequent balance sheet date and will be accounted for in the year of certainty / virtual certainty in accordance with the aforesaid Accounting Standard.

**22 CONTINGENT LIABILITY**

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Income-tax demand disputed in appeal. The Company in hopeful in succeeding in the matter.	0.12	0.12

**23 SEGMENT INFORMATION**

The principal activity of the Company is to carry out activation and promotional business. All other activities of the Company revolve around / are connected with its main business. Considering this, the Company has only one reportable segment.

24 The Board of Directors of the Company, in its meeting held on October 9, 2015 and October 29, 2015 approved a Composite Scheme of Arrangement wherein its 100% subsidiaries Spectrum Broadcast Holdings Private Limited (SBHPL) and Crystal Sound and Music Private Limited (CSMPL) (referred as "Transferor Companies") shall be merged into the Company and the radio business (Radio Mantra) of Shri Pura Multimedia Limited (SPML) (referred as "Transferor Companies"), a promoter Company, shall be demerged into Music Broadcast Limited (MBL) (referred as "Transferee Companies"), a subsidiary of the Company, subject to requisite approvals. Upon the scheme becoming effective, certain assets and liabilities of SBHPL and CSMPL shall be merged with the assets and liabilities of the transferee Companies w.e.f. 1st January, 2016 (Appointed date).

Also the transferor Companies will carry on business in trust of transferee Company with effect from appointed date for all intent and purposes and shall not be liable or entitled to any loss or profit for the period thereafter.

25 Previous year's figures have been regrouped and reclassified to conform to the current year classification wherever necessary.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number ( 012754/NNS00016 )  
Chartered Accountants

*Anurag Khandelwal*

Anurag Khandelwal  
Partner  
Membership Number-078571

Place: New Delhi  
Date: May 30, 2016

For and on Behalf of the Board of Directors

*[Signature]*  
*[Signature]*

Director

Director

