

LODHA & CO

Chartered Accountants

GURU KIRPA NIWAS, GROUND FLOOR,
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(Opp. SREE GOUDIYA MUTT),
ROYAPETTAH, CHENNAI- 600 014. India.
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The Shareholders
MUSIC WORLD RETAIL LIMITED,
KOLKATA

AUDITORS' REPORT

We have audited the accompanying Financial Statements of **M/s MUSIC WORLD RETAIL LIMITED**, Kolkata, (hereinafter called the COMPANY), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other Explanatory Information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

- 1 The Company's Board of Directors is responsible for the matters 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. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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

- 2 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.

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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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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.

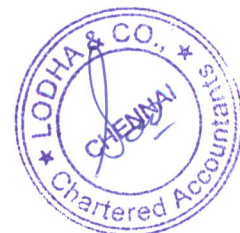
OPINION

- 4.1 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 require by the Companies Act, 2013, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016
 - (ii) In the case of Statement of Profit and Loss, of the PROFIT for the period ended on that date. and
 - (iii) In the case of the Statement of cash flows of the cash flows for the year ended on that date

EMPHASIS OF MATTER

- 5 We draw your attention to Para number 9 of Note Number 21, which explains that the company has discontinued the business operations and has not conducted any operations during the year and the accounts have been prepared **NOT ON GOING CONCERN BASIS** but on the basis of realization of assets and liabilities. Our opinion is not qualified in respect of this matter.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 6 As required by Section 143(3) of the Act, we report that
- 6.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit
- 6.2 In our opinion, proper books of accounts as required by law, have been kept by the company so far as it appears from the examination of those books
- 6.3 The Balance sheet, Statement of Profit and Loss and the Cash flow statement dealt with by this report in agreement with the books of account
- 6.4 We have relied on the representations given by the management in respect of transactions including values thereof and their appropriateness between the company and its holding (including ultimate holding company) / fellow subsidiary companies relating to provision for services rendered and received
- 6.5 The going concern matter described in sub- Para 5 under Emphasis of Matters above, in our opinion may have an adverse effect on the functioning of the Company.
- 6.6 In our opinion, the Balance Sheet, Statement of Profit and Loss and the cash flow statement dealt with by this report comply with the Accounting Standards specified under section 133 of the Companies Act 2013, read with rule 7 of the Companies (Account) Rules, 2014
- 6.7 On the basis of the written representations received from the directors of the company as on 31.03.2016 and taken on record by the Board of Directors of the company, we are of the opinion that none of the directors of the company are disqualified from being appointed as directors in terms of 164(2) of the Companies Act, 2013

OTHER MATTERS

- 6.8 According to the information and explanations given to us and based on our review of the systems and procedures followed by the company, we report that the company has adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016
- 6.9 According to the information and explanations given to us, there are no pending litigation against the company which would impact its financial position
- 6.10 According to the information and explanations given to us, the company is not required to provide any Loss on long term contracts including derivative contracts

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- 6.11 According to the information and explanations given to us, the company does not have any funds that are required to be transferred to Investor Education and Protection Fund and hence the question of reporting on delay does not arise

COMPANIES AUDITORS REPORT ORDER 2016

As required by the Companies [Auditors' Report] Order 2016 issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 and on the basis of such checks as we considered appropriate and information and explanation given to us, we further report that:

FIXED ASSETS

- a. The Company does not have any fixed assets at the year end and hence reporting on points covering fixed assets does not arise

INVENTORIES

- b. The company does not have any inventories at the yearend or at any time during the year. Hence reporting on the points covering inventories does not arise

LOANS TAKEN AND GIVEN

- c. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies firms, LLps or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence the question of reporting on the terms and conditions on which loans have been granted and receipt of principal and interest and overdue amount thereon, does not arise
- d. The company has not granted any loans nor having any investments and hence the question of complying the provisions of section 185 and 186 of the Companies Act, 2013 does not arise.
- e. The Company has not accepted any deposits from the public.
- f. In our opinion and according to the information and explanations given to us, the Company has not taken any loan from the banks or financial institutions, Government or issued debentures and hence the reporting on the defaults in repayment does not arise
- g. In our opinion and according to the information and explanations given to us, the Company has not taken any term loans or raised moneys through public offer (including debt instruments) and hence question on the utilization of the term loans or other moneys raised does not arise

STATUTORY DUES

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- h. The Company is generally regular, **wherever required**, in depositing with appropriate authorities, 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, cess and other statutory dues applicable to it with the appropriate authorities and according to the information and explanations given to us, there are no undisputed dues of statutory dues which are outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.
- i. According to the information and explanations given to us, there are no dues of Sales Tax/Income Tax/ Service Tax,/ duties of Custom, Excise/value added tax/Cess which have not been deposited on account of any dispute.

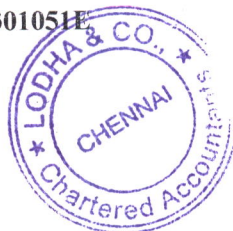
OTHERS

- j. According to the information and explanations given to us, the transactions with related parties are in compliance with the provisions of Section 188 of the Companies Act, 2013 and the same have been disclosed in the financial statements.
- k. On the basis of the books and records of the Company verified by us in the normal course of audit and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported by/to us during the course of our audit.
- l. The provisions contained in clauses (vi – maintenance of Cost records), (xi – regarding payment of managerial remuneration),(xii – provisions relating to Nidhi Company), (xiv – private placement of shares and preferential allotment),(xv- entering into non cash transactions with directors), (xvi- registration under section 45-IA of Reserve Bank of India Act, 1934) are not applicable and hence not commented upon.

For LODHA & CO
Chartered Accountants,
Firm Registration Number FRN 301051E



G.SUBRAMANIA SARMA
Partner
Membership No. 021756
Firm Registration Number FRN 301051E



Chennai

Dated 05-05-2016

LCO, Chennai

MUSIC WORLD RETAIL LIMITED

Balance Sheet as at March 31st,	Notes	Rs. Lakhs	Rs. Lakhs
		2016	2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	500.00	500.00
(b) Reserves and surplus	4	-2,603.61	-2,648.76
2 Non-current liabilities			
(a) Long-term borrowings	5	2,039.15	2,039.15
(b) Long-term provisions	6	0.00	0.00
3 Current liabilities			
(a) Trade payables	7	64.47	112.49
(b) Other current liabilities	8	0.00	0.00
(c) Short-term provisions	6	0.00	0.00
TOTAL		0.01	2.88
II. ASSETS			
1 Non-current assets			
(a) Deferred tax assets (net)	9	-	-
(b) Long-term loans and advances	10	0.00	0.19
2 Current assets			
(a) Inventories	11	0.00	0.00
(b) Trade receivables	12	0.00	0.00
(c) Cash and Bank balances	13	0.01	2.69
(d) Short-term loans and advances	14	0.00	0.00
TOTAL		0.01	2.88
About the Company	1		
Significant Accounting Policies	2		
Other Notes	21		

The Notes referred to above form an integral part of the Balance Sheet
As per our report of even date

For Lodha & Co
Chartered Accountants

For and on behalf of the Board of
Music World Retail Limited

G. Subramania Sarma

G Subramania Sarma
Partner
Membership No 021756
Firm Regn No FRN: 301051E



Swagansis

Director

Rajendra Bera

Director

Place : Kolkata
Date : 5th May 2016


MUSIC WORLD RETAIL LIMITED

Statement of Profit & Loss for the year ended Mar 31st,	Notes	Rs. Lakhs	Rs. Lakhs
		2016	2015
I. Revenue from operations	15	0.00	0.00
II. Other income	16	47.54	12.16
III. Total Revenue (I + II)		<u>47.54</u>	<u>12.16</u>
Expenses:			
Purchase of Stock In Trade	17	0.00	0.00
(Increase)/Decrease in Stock In Trade	17	0.00	0.00
Employee benefits expense	18	0.00	0.00
Finance costs	19	0.00	0.00
Depreciation & Amortization expense		0.00	0.00
Other expenses	20	<u>2.39</u>	<u>12.21</u>
IV. Total expenses		<u>2.39</u>	<u>12.21</u>
V. (Loss) before exceptional items and tax (III-IV)		45.15	(0.05)
VI. Exceptional items			
VII. (Loss) for the period (V-VI)		<u>45.15</u>	<u>-0.05</u>
VIII. Earnings per equity share: (In Rupees)			
(Face Value of Rs 10 per Share)			
(1) Basic & Diluted before Exceptional Item	22/9	0.90	(0.00)
(2) Basic & Diluted after Exceptional Item	22/9	0.90	(0.00)
About the Company	1		
Significant Accounting Policies	2		
Other Notes	21		

The Notes referred to above form an integral part of the Statement of Profit and Loss
As per our report of even date

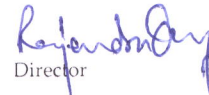
For Lodha & Co
Chartered Accountants

For and on behalf of the Board of
Music World Retail Limited


G Subramania Sarma
Partner
Membership No 021756
Firm Regn No FRN: 301051E




Director


Director

Place : Kolkata
Date : 5th May 2016

MUSIC WORLD RETAIL LIMITED

Cash Flow Statement for the year ended March 31st, 2016

Rs. Lakhs

	<u>31-03-2016</u>	<u>31-03-2015</u>
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	45.15	-0.05
	<u>45.15</u>	<u>-0.05</u>
Adjustments for :		
Depreciation	0.00	0.00
Bad Debts written off		
Rental deposits written off		
Interest expense		
Profit on sale of Investments		
Interest Income	-0.01	-0.21
(Profit)/ Loss on sale of Assets (net)	0.00	0.00
Provision for Lease equalisation		
Non Cash Cost of Good sold adjustment		
Provision for Service Tax on Rent		
Provision for Doubtful advances and deposits		
Provision for Obsolete stocks/Shrinkage		
Liability written back	-47.53	
	<u>-47.54</u>	<u>-0.21</u>
Operating Loss before working capital changes	-2.39	-0.26
Movement in Working Capital		
Decrease/(Increase) in Inventories	0.00	0.00
Decrease/(Increase) in Sundry Debtors	0.00	0.00
Decrease/(Increase) in Loans & Advances and Other Current Assets	0.00	20.26
(Decrease)/Increase Current Liabilities & Provisions	-0.49	-21.29
	<u>-0.49</u>	<u>-1.03</u>
Cash Generated from Operations	(2.88)	(1.29)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	0.00	0.00
Proceeds from Sale of fixed assets	0.00	0.00
Investments in Subsidiary Company	-	-
Sale of Mutual Fund Units	-	-
Purchase of Mutual Fund Units	0.00	0.00
Deposits made with the Bank		
Interest received & TDS Refund	0.20	1.40
Net cash used in Investing activities	0.20	1.40
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest free loan from holding company	0.00	0.00
Repayment of Secured Loans	-	-
Repayment of Unsecured Loans	-	-
Taxes paid	-	-
Proceeds from Unsecured Loans	-	-
Proceeds from Term Loan	-	-
Maturity of Fixed Deposit	0.00	0.00
Interest paid	-	-
Net Cash Flow from Financing activities	0.00	0.00
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	(2.68)	0.11
Cash and cash equivalents as at 1st April	2.69	2.58
Cash and cash equivalents as at 31st March	0.01	2.69
Represented by :		
Cash on Hand	0.00	0.02
Balances with Banks	0.01	2.67
	<u>0.01</u>	<u>2.69</u>

As per our report of even date.

For Lodha & Co
Chartered Accountants

For and on behalf of the Board of
Music World Retail Limited

G. Subramania Sarma

G Subramania Sarma
Partner
Membership No 021756
Firm Regn No FRN: 301051E



S. Rangonmi
Director

Rajendra Jay
Director

Place : Kolkata
Date : 5th May 2016