

**CONTENTINO MEDIA
LIMITED LIABILITY PARTNERSHIP**

FINANCIAL YEAR 2016-2017



INDEPENDENT AUDITOR'S REPORT

To The Partners of CONTENTINO MEDIA LLP

1. Report on the Financial Statements

We have audited the accompanying Financial Statements of **CONTENTINO MEDIA LLP**, which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss and the Cash Flow Statement for the period ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the LLP in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI). This responsibility includes design, implementation and maintenance of adequate internal financial controls 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). 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 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 LLP's preparation and fair presentation of the Financial in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements 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 LLP as at 31st March, 2017;
- ii) In the case of the Profit and Loss Account, of the Loss for the period ended on that date and,
- iii) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

5. Report on Other Legal and Regulatory Requirements We Report that:

- i) 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.
- ii) In our opinion, proper books of account as required by law have been kept by the LLP so far as it appears from our examination of those books.
- iii) 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.
- iv) In our opinion, the aforesaid financial statements comply with the Accounting Standards by the Institute of Chartered Accountants of India.

**For GAWANDE & ASSOCIATES
Chartered Accountants
ICAI FRN : 112880W**

Sd/-

V VENKATRAO

Partner

M.No. 030916

Date: 05th May, 2017.

CONTENTINO MEDIA LLP

Balance Sheet as at 31st March, 2017

Particulars	Note	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
(1) Partners Fund			
(a) Partners Fixed Capital Account	2.1	100,000	100,000
(b) Partners Current Account	2.2	(5,619,640)	(362,475)
(3) Current Liabilities			
(a) Short-term borrowings	2.3	36,660,615	13,902,471
(b) Trade payables	2.4	4,290,430	3,155,298
(c) Other current liabilities	2.5	524,898	549,329
Total		35,956,304	17,344,623
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	2.6		
(i) Tangible assets		31,805	-
(2) Current assets			
(a) Inventories	2.7	19,261,730	4,228,077
(b) Trade receivables	2.8	5,505,137	3,523,339
(c) Cash and cash equivalents	2.9	3,015,142	374,127
(d) Short-term loans and advances	2.10	8,142,490	9,219,081
Total		35,956,304	17,344,623
Significant Accounting Policies and Notes to the Financial Statements	1 & 2	-	-

As per our report of even date
For Gawande & Associates
Chartered Accountants
ICAI FRN.: 112880W

V. VENKATRAO
Partner
Membership No. 030916
Place :- Mumbai
Date :- 05th May, 2017

For and on behalf of Contentino Media LLP

Sd/-
Murtuza Kagalwala
Partner

Sd/-
Atul Maru
Nominee behalf of
Shemaroo
Entertainment Limited
Partner

Place :- Mumbai
Date :- 05th May, 2017

CONTENTINO MEDIA LLP

Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Revenue from operations	2.11	38,717,642	3,543,373
Other Income	2.12	380	-
I. Total Revenue		38,718,022	3,543,373
EXPENDITURE			
Direct Operational Expenses	2.13	50,539,682	6,675,716
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.14	(15,033,654)	(4,228,077)
Employee benefit expense	2.15	2,400,000	1,000,000
Financial costs	2.16	2,918,617	230,523
Depreciation and amortization expense	2.6	40,624	-
Other expenses	2.17	2,985,077	552,526
II. Total Expenses		43,850,346	4,230,688
Profit/(Loss) before tax		(5,132,325)	(687,315)
III. Tax expense:			
(1) Current tax		-	-
IV. Profit/(Loss) after Tax		(5,132,325)	(687,315)
Significant Accounting Policies and Notes to the Financial Statements	1 & 2		

As per our report of even date
For Gawande & Associates
Chartered Accountants
ICAI FRN.: 112880W

Sd/-
V. VENKATRAO

Partner
Membership No. 030916
Place :- Mumbai
Date :- 05th May, 2017

For and on behalf of Contentino Media LLP

Sd/-
Atul Maru
Nominee behalf of
Shemaroo
Entertainment Limited
Partner

Place :- Mumbai
Date :- 05th May, 2017

CONTENTINO MEDIA LLP

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Figures in Rs.)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) Before Tax	(5,132,325)	(687,315)
Adjustments to reconcile profit /(Loss) before tax to cash provided by operating activities:		
Depreciation & Amortisation expense	40,624	-
Financial Expenses	2,918,617	230,523
Interest Income	(380)	-
Operating Profit /(Loss) Before Working Capital Changes	(2,173,464)	(456,792)
Adjustments for changes in Working Capital		
(Increase)/Decrease in Inventories	(15,033,654)	(4,228,077)
(Increase)/Decrease in Trade Receivables	(1,981,797)	(3,523,339)
Increase/(Decrease) in Trade Payables	1,135,132	3,155,298
Increase/(Decrease) in Other Current Liabilities	(24,431)	549,329
Cash Generated from Operations	(18,078,214)	(4,503,581)
Taxes Paid	-	-
Cash Flow from Operating Activities	(18,078,214)	(4,503,581)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed assets	(72,429)	-
(Increase)/Decrease in Short Term Loans & Advances	1,076,591	(9,219,081)
Interest Income	380	-
Cash flow from Investing Activities	1,004,542	(9,219,081)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase / (Decrease) of Short term Borrowings	22,758,144	13,902,471
Partners Capital Introduced	-	100,000
Partners Capital Withdrawn	(124,840)	324,840
Financial Expenses	(2,918,617)	(230,523)
Cash flow from Financing activities	19,714,687	14,096,788
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	2,641,016	374,127
Cash & Cash Equivalents at the beginning of the period	374,127	-
Cash & Cash Equivalents at the End of the period	3,015,142	374,127

As per our report of even date
For Gawande & Associates
Chartered Accountants
ICAI FRN.: 112880W

Sd/-
V. VENKATRAO
Partner

Membership No. 030916
Place :- Mumbai
Date :- 05th May, 2017

For and on behalf of Contentino Media LLP

Sd/-
Murtuza Kagalwala
Partner

Sd/-
Atul Maru
Nominee behalf of
Shemaroo Entertainment
Limited
Partner

CONTENTINO MEDIA LLP

Note 1 & 2 Significant Accounting Policies

a. Basis of preparation

The financial statements of the LLP have been prepared in accordance with generally accepted accounting principles in India (GAAP) under the historical cost convention on the accrual basis. GAAP the accounting standards issued by the Institute of Chartered Accountants of India and the Provision of the Limited Liability Partnership Act, 2008

b. Presentation and disclosure of financial statements

The preparation and presentation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised prospectively in the period in which results are known or materialised.

c. Use of estimates

The preparation and presentation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised prospectively in the period in which results are known or materialised.

d. Intangible assets

Intangible Assets are recorded at acquisition cost and in case of assets acquired on merger at their carrying values. Websites/Brands are recognised as Intangible Asset if it is expected that such assets will generate future economic benefits and amortised over their useful life not exceeding four/ten years or estimated useful life whichever is lower.

e. Depreciation on Tangible Fixed Assets

Depreciation on fixed assets is calculated on a written down value basis using the prescribed rates as per Income Tax Act, 1961. Depreciation for assets purchased/sold during a period is proportionately charged. Fixed assets individually costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

f. Borrowing costs

Borrowing Costs that are directly attributable to the acquisition of qualifying assets are capitalized as a part of the cost of the respective assets up to the date, when such asset is ready for its intended use. Other borrowing costs are charged to the statement of profit and loss in the year in which they are incurred.

g. Impairments of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

h. Foreign currency transactions

Transactions in foreign currency are recorded at the rates prevailing on the date of the transaction. Exchange gain losses are recognized in the statement of profit and loss.

i. Revenue Recognition

ii) Revenue from sale of goods (Airborne rights) is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods; net of returns, trade discounts and rebates. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

ii) Revenue in respect of Services is recognised as per the terms of the contracts with the Customers and to the extent it is probable that the economic benefit will flow to the company and the revenue can be reliably measured.

j. Inventories

i) The copyrights are valued at a certain percentage of cost based on the nature of rights. The Company evaluates the realisable value and/or revenue potential of inventory based on management estimate of market conditions and future demand and appropriate write down is made in cases where accelerated write down is warranted.

k. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and deposits with banks.

l. Income tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

m. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

n. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never realise.

2.18 Related party disclosures

a Names of related parties and description of relationship

Key Management Personnel:

Mr. Rajesh Kumar Das

Mr. Murtuza Kagalwala

b Enterprises under significant influence of Key Management Personnel

Shemaroo Entertainment Limited

As per our report of even date

For Gawande & Associates

Chartered Accountants

ICAI FRN.: 112880W

For and on behalf of the board

Sd/-
V. VENKATRAO

Partner
Membership No. 030916
Place :- Mumbai
Date :- 05th May, 2017

Sd/-
Murtuza Kagalwala
Partner

Sd/-
Atul Maru
Nominee behalf of
Shemaroo Entertainment
Limited
Partner

Place :- Mumbai
Date :- 05th May, 2017

CONTENTINO MEDIA LLP

Partners' Funds

The Partners of Contentino Media LLP are Shemaroo Entertainment Limited, Murtuza Kagalwala and Rajesh Das The Interest in the Limited Liability Partnership is as follows

Details of Partners	Partner's Interest As at 31.03.2017
Shemaroo Entertainment Limited	65.00%
Murtuza Fakhruddin Kagalwala	17.50%
Rajesh Kumar Das	17.50%

Particulars	For the Year Ended 31 March 2017				For the Year Ended 31 March 2016			
	Shemaroo Entertainment Limited	Murtuza Fakhruddin Kagalwala	Rajesh Kumar Das	TOTAL	Shemaroo Entertainment Limited	Murtuza Fakhruddin Kagalwala	Rajesh Kumar Das	TOTAL
Opening Balance	65,000	17,500	17,500	100,000	-	-	-	-
Add: Introduced	-	-	-	-	65,000	17,500	17,500	100,000
Closing Balance	65,000	17,500	17,500	100,000	65,000	17,500	17,500	100,000

Particulars	For the Year Ended 31 March 2017				For the Year Ended 31 March 2016			
	Shemaroo Entertainment Limited	Murtuza Fakhruddin Kagalwala	Rajesh Kumar Das	TOTAL	Shemaroo Entertainment Limited	Murtuza Fakhruddin Kagalwala	Rajesh Kumar Das	TOTAL
Opening Balance	(344,005)	101,810	(120,280)	(362,475)	-	-	-	-
Add : Introduced	(102,750)	(22,090)	-	(124,840)	-	-	-	-
	(446,755)	79,720	(120,280)	(487,315)	-	-	-	-
Add : Remuneration Given		2,400,000	-	2,400,000	102,750	1,022,090	-	1,124,840
Total	(446,755)	2,479,720	(120,280)	1,912,685	102,750	1,022,090	-	1,124,840
Less : Share of (Loss)	(3,336,011)	(898,157)	(898,157)	(5,132,325)	(446,755)	(120,280)	(120,280)	(687,315)
Capital Withdrawn	-	(2,400,000)	-	(2,400,000)	(0)	(800,000)	0	(800,000)
	(3,336,011)	(3,298,157)	(898,157)	(7,532,325)	(446,755)	(920,280)	(120,280)	(1,487,315)
Closing Balance	(3,782,766)	(818,437)	(1,018,437)	(5,619,640)	(344,005)	101,810	(120,280)	(362,475)

CONTENTINO MEDIA LLP

Note 2.3
Short-term borrowings

Particular	As at 31 March 2017	As at 31 March 2016
(a) Loan and advances repayable on demand (Un-Secured) From Partner	36,660,615	13,902,471
Total	36,660,615	13,902,471

Note 2.4
Trade payables

Particular	As at 31 March 2017	As at 31 March 2016
Trade Payables	4,290,430	3,155,298
Total	4,290,430	3,155,298

Note 2.5
Other current liabilities

Particular	As at 31 March 2017	As at 31 March 2016
(a) Withholding and other taxes payable	457,117	538,039
(b) Creditors for Expenses	67,781	11,290
Total	524,898	549,329

Note 2.7
Inventories

Particular	As at 31 March 2017	As at 31 March 2016
Airborne Rights	19,261,730	4,228,077
Total	19,261,730	4,228,077

Note 2.8
Trade receivables

Particular	As at 31 March 2017	As at 31 March 2016
Unsecured, Considered good unless stated otherwise		
a) Outstanding for a period exceeding six months from the date they are due		
Unsecured, considered good > 6 Months	-	-
b) Others receivables		
Unsecured, considered good < 6 Months	5,505,137	3,523,339
Total	5,505,137	3,523,339

CONTENTINO MEDIA LLP

Note 2.9

Cash and cash equivalents

Particular	As at 31 March 2017	As at 31 March 2016
Cash and cash equivalents		
(a) Balances with Bank On Current Accounts	3,000,844	340,729
(b) Cash on Hand	14,298	33,398
Total	3,015,142	374,127

Note 2.10

Short-term loans and advances

Particular	As at 31 March 2017	As at 31 March 2016
(a) Other loans and advances		
Advance to Vendors	35,601	8,126,000
Prepaid Taxes	8,106,889	1,093,081
Total	8,142,490	9,219,081

Note 2.11

Revenue from operations

Particular	Year Ended 31 March 2017	Year Ended 31 March 2016
(a) Revenue from operations	38,717,642	3,543,373
Total	38,717,642	3,543,373

Note 2.12

Other Income

Particular	Year Ended 31 March 2017	Year Ended 31 March 2016
(a) Interest Income		
Interest Income- Income Tax Refund	380	-
Total	380	-

Note 2.13

Direct Operational Expenses

Particular	Year Ended 31 March 2017	Year Ended 31 March 2016
(a) Airborne Rights	49,824,038	6,593,916
(b) Technical Fees	715,644	81,800
Total	50,539,682	6,675,716

Note 2.14

Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

Particular	Year Ended 31 March 2017	Year Ended 31 March 2016
(a) Inventories at the end of the year		
Airborne Rights	19,261,730	4,228,077
	19,261,730	4,228,077
(b) Inventories at the beginning of the year		
Airborne Rights	4,228,077	-
	4,228,077	-
Total	(15,033,654)	(4,228,077)

CONTENTINO MEDIA LLP

Note 2.15

Employee benefit expense

Particular	Year Ended 31 March 2017	Year Ended 31 March 2016
Remuneration to Partner	2,400,000	1,000,000
Total	2,400,000	1,000,000

Note 2.16

Financial costs

Particular	Year Ended 31 March 2017	Year Ended 31 March 2016
Interest expense & charges		
On borrowings	2,918,617	230,523
Total	2,918,617	230,523

Note 2.17

Other expenses

Particular	Year Ended 31 March 2017	Year Ended 31 March 2016
Communication Expenses	17,046	-
General Expenses	701,717	212,831
Foreign Exchange Fluctuation	426,387	68,949
Legal, Professional and Consultancy Fees	97,000	111,290
Advertisement and Sales Promotion	1,418,544	-
Travelling & Conveyance	324,383	159,455
Total	2,985,077	552,526

As per our report of even date
For Gawande & Associates
Chartered Accountants
ICAI FRN.: 112880W

For and on behalf of
Contentino Media LLP

Sd/-
V. VENKATRAO

Sd/-
Murtuza Kagalwala

Sd/-
Atul Maru
Nominee behalf of
Shemaroo
Entertainment Limited

Partner
Membership No. 030916
Place :- Mumbai
Date :- 05th May, 2017

Partner
Place :- Mumbai
Date :- 05th May, 2017

CONTENTINO MEDIA LLP

Schedule 2.6
FIXED ASSETS

(Figures in Rs.)

DESCRIPTION	Gross Block				Depreciation				Net Block	
	As on 01-Apr-2016	Additions	Deductions	As on 31-Mar-2017	As on 01-Apr-2016	For the Period	Deductions	As on 31-Mar-2017	As on 31-Mar-2017	As on 31-Mar-2016
<u>Tangible Assets</u>										
Data Processing Equipment	-	72,429	-	72,429	-	40,624	-	40,624	31,805	-
Total Tangible Assets	-	72,429	-	72,429	-	40,624	-	40,624	31,805	-
<u>Intangible Assets</u>	-	-	-	-	-	-	-	-	-	-
Total In-Tangible Assets (B)	-	-	-	-	-	-	-	-	-	-
Total Assets (A) + (B)	-	72,429	-	72,429	-	40,624	-	40,624	31,805	-

Note 2.18**a) Related Party Transactions**

ii. The Nature of significant related party transactions and the amounts involved are as follows: -

(Figures in Rs.)

Particulars	Key Management		Enterprise under significant		Total As on	
	Mar 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016
Loan Given	-	-	22,758,144	13,902,471	22,758,144	13,902,471
Shemaroo Entertainment Ltd.		-	20,131,390	13,695,000	20,131,390	13,695,000
Interest on Loan			2,626,754	207,471	2,626,754	207,471
Remuneration to Partner	2,400,000	1,000,000	-	-	2,400,000	1,000,000
Murtuza Kagalwala	2,400,000	1,000,000	-	-	2,400,000	1,000,000

b) Related Party Transactions

(Figures in Rs.)

i. Balances with related parties were as follows: -

Particulars	Key Management		Enterprise under significant		Total As on	
	Mar 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016
Dues to Related Parties (Unsecured Loans)	-	-	36,660,615	13,902,471	36,660,615	13,902,471
Shemaroo Entertainment Limited			36,660,615	13,902,471	36,660,615	13,902,471