

**SHEMAROO THINK TANK ENTERTAINMENT
LIMITED LIABILITY PARTNERSHIP**

FINANCIAL YEAR 2016-2017



INDEPENDENT AUDITOR'S REPORT

To The Partners of SHEMAROO THINK TANK ENTERTAINMENT LLP

1. Report on the Financial Statements

We have audited the accompanying Financial Statements of **SHEMAROO THINK TANK ENTERTAINMENT 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.

SHEMAROO THINK TANK ENTERTAINMENT 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	(59,690,805)	(22,423,953)
(2) Current Liabilities			
(a) Short-term borrowings	2.3	75,446,016	63,635,408
(cb) Other current liabilities	2.4	9,574,305	719,898
Total		25,429,515	42,031,353
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.5	1,381,796	768,166
(i) Intangible Assets		1,640,625	2,187,500
(b) Long term loans and advances	2.6	807,500	807,500
(1) Current assets			
(a) Inventories	2.7	11,929,169	26,450,000
(b) Trade receivables	2.8	47,115	-
(c) Cash and cash equivalents	2.9	19,689	6,199,568
(d) Short-term loans and advances	2.10	9,603,622	5,618,619
Total		25,429,515	42,031,353
Significant Accounting Policies and Notes to the Financial Statements	1 & 2	-	-
<p>As per our report of even date For Gawande & Associates Sd/- ICAI FRN.: 112880W Partner Membership No. 030916 Sd/- V. VENKATRAO Partner Membership No. 030916 Place :- Mumbai Date :- 05th May, 2017</p>		<p>For and on behalf of Shemaroo Think Tank Entertainment LLP</p> <p>Sd/- Raman Maroo Partner</p> <p>Sd/- Atul Maru Nominee behalf of Shemaroo Entertainment Limited Partner</p> <p>Place :- Mumbai Date :- 05th May, 2017</p>	

SHEMAROO THINK TANK ENTERTAINMENT LLP

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

Particulars	Note	For the period ended March 31, 2017	For the period ended March 31, 2016
INCOME			
Revenue from operations	2.11	28,947,183	-
I. Total Revenue		28,947,183	-
EXPENDITURE			
Direct Operational Expenses	2.12	32,504,661	43,128,533
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		14,520,831	(26,450,000)
Employee Benefit Expense	2.13		
Finance Cost	2.14	1,973,425	974,460
Depreciation and amortization expense	2.15	11,454,903	1,743,787
Other expenses	2.5	1,086,289	419,854
Other expenses	2.16	6,941,196	2,830,049
II. Total Expenses		68,481,305	22,646,683
(Loss) before tax		(39,534,122)	(22,646,683)
III. Tax expense:			
(1) Current Tax		-	-
IV. (Loss) after Tax		(39,534,122)	(22,646,683)
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
Shemaroo Think Tank Entertainment LLP

Sd/-
Raman Maroo
Partner

Sd/-
Atul Maru
Nominee behalf of
Shemaroo Entertainment Limited

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

SHEMAROO THINK TANK ENTERTAINMENT 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 Before Tax	(39,534,122)	(22,646,683)
Adjustments to reconcile profit before tax to cash provided by operating activities:		
Depreciation & Amortisation expense	1,086,289	419,854
Financial Expenses	11,454,903	1,743,787
Operating Profit Before Working Capital Changes	(26,992,930)	(20,483,042)
Adjustments for changes in Working Capital		
(Increase)/Decrease in Inventories	14,520,831	(26,450,000)
(Increase)/Decrease in Trade Receivables	(47,115)	(5,618,619)
Increase/(Decrease) in Trade Payables	2,029,184	46,000
Increase/(Decrease) in Other Current Liabilities	6,825,223	673,898
Inventories		
Cash Generated from Operations	(3,664,807)	(51,831,763)
Taxes Paid	-	-
Cash Flow from Operating Activities	(3,664,807)	(51,831,763)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed assets	(1,153,043)	(3,375,520)
(Increase)/Decrease in Short Term Loans & Advances	(3,985,003)	(807,500)
Partners Fixed Capital Introduced	-	100,000
Partners Current Account	-	222,730
Foreign Exchange (Gain)/Loss transfer to FCTR	-	-
Cash flow from Investing Activities	(5,138,046)	(3,860,290)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase / (Decrease) of Short term Borrowings	11,810,608	63,635,408
(Increase)/Decrease in Short Term Loans & Advances	2,267,270	-
Financial Expenses	(11,454,903)	(1,743,787)
Cash flow from Financing activities	2,622,975	61,891,621
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(6,179,878)	6,199,568
Cash & Cash Equivalents at the beginning of the period	6,199,568	-
Cash & Cash Equivalents at the End of the period	19,689	6,199,568

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
Shemaroo Think Tank Entertainment LLP

Sd/-
Raman Maroo

Partner

Place :- Mumbai

Date :- 05th May, 2017

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

Note 7 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. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost including related internal costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e. Depreciation of Tangible Fixed Assets

Depreciation on fixed assets is calculated on a WDV basis as per rate mentioned in Income Tax Act

f. 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.

g. 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.

h. Impairment 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.

i. Revenue Recognition

i) Revenue in respect of product sale is recognised when all the risks and rewards of ownership of products are passed on to the customers.

ii) Revenue from sale of goods (ACDs/VCDs/DVDs/ACS/BRDs) 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.

iii) 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

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. Provision

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.

Related party disclosures

a. Names of related parties and description of relationship

Key Management Personnel: Mr. Atul H Maru
Mr. Raman H. Maroo

b. Enterprises under significant influence of Key Management Personnel

Shemaroo Entertainment Limited
TTI Media Solutions Private Limited
Triple Com Media Private 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

Sd/-
Raman Maroo
Partner

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

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

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

SHEMAROO THINK TANK ENTERTAINMENT LLP

Partners' Funds

The Partners of Shemaroo Think Tank Entertainment LLP are Shemaroo Entertainment Limited & Raman Hirji Maroo The Interest in the Limited Liability Partnership is as

Details of Partners	Partner's Interest As at 31.03.2017
Shemaroo Entertainment Limited	99.999%
Raman Hirji Maroo	0.001%

Note 2.1: Partner's Fixed Capital Account

Particulars	For the Period Ended 31 March 2017					For the Period Ended 31 March 2016			
	Shemaroo Entertainment Limited	TTI Media Solutions Private Limited	Triple Com Media Private Limited	Raman Hirji Maroo	TOTAL	Shemaroo Entertainment Limited	TTI Media Solutions Private Limited	Triple Com Media Private Limited	TOTAL
Opening Balance	65,000	35,000	-	-	100,000	-	-	-	-
Add: Introduced	45,000	-	10,000	1	55,001	65,000	35,000	-	100,000
Less:Reduced	(10,001)	(35,000)	(10,000)	-	(55,001)	-	-	-	-
Closing Balance	99,999	-	-	1	100,000	65,000	35,000	-	100,000

Note 2.2 : Partners' Current Account

Particulars	For the Period Ended 31 March 2017					For the Period Ended 31 March 2016			
	Shemaroo Entertainment Limited	TTI Media Solutions Private Limited	Triple Com Media Private Limited	Raman Hirji Maroo	TOTAL	Shemaroo Entertainment Limited	TTI Media Solutions Private Limited	Triple Com Media Private Limited	TOTAL
Opening Balance	(14,497,614)	(7,926,339)	-	-	(22,423,953)	-	-	-	-
Add : Introduced	(29,838,938)	(20,680,724)	(3,509,145)	-	(54,028,807)	222,730	-	-	222,730
	(44,336,552)	(28,607,063)	(3,509,145)	-	(76,452,760)	222,730	-	-	222,730
Add : Remuneration Given									
Total	(44,336,552)	(28,607,063)	(3,509,145)	-	(76,452,760)	222,730	-	-	222,730
Less : Share of (Loss) Capital Withdrawn	15,354,058 (30,708,507)	20,680,724 7,926,339	3,499,145 10,000	195	39,534,122 (22,772,167)	(14,720,344)	(7,926,339)	-	(22,646,683)
	(15,354,449)	28,607,063	3,509,145	195	16,761,955	(14,720,344)	(7,926,339)	-	(22,646,683)
Closing Balance	(59,691,000)	-	-	195	(59,690,805)	(14,497,614)	(7,926,339)	-	(22,423,953)

SHEMAROO THINK TANK ENTERTAINMENT LLP

Note 2.3

Short-term borrowings

<u>Particular</u>	As at 31 March 2017	As at 31 March 2016
(a) Loan and advances repayable on demand From Partner	75,446,016	63,635,408
Total	75,446,016	63,635,408

Note 2.4

Trade payables

<u>Particular</u>	As at 31 March 2017	As at 31 March 2016
Trade Payables (refer Note 2.27 with respect to dues to micro and small enterprises)	2,075,184	46,000
Total	2,075,184	46,000

Note 2.4

Other current liabilities

<u>Particular</u>	As at 31 March 2017	As at 31 March 2016
(a) Withholding and other taxes payable	6,277,683	587,248
(b) Creditors for Expenses	1,221,438	86,650
Total	7,499,121	673,898

Note 2.6

Other Current Assets

<u>Particular</u>	As at 31 March 2017	As at 31 March 2016
Loans & Advances	-	211,047
Deposits	807,500	807,500
Total	807,500	1,018,547

Note 2.7

Inventories

<u>Particular</u>	As at 31 March 2017	As at 31 March 2016
Launch Pad	11,929,169	26,450,000
Total	11,929,169	26,450,000

Note 2.8

Trade receivables

<u>Particular</u>	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	47,115	-
b) Others receivables		
Unsecured, considered good < 6 Months	-	-
Total	47,115	-

Note 2.9

Cash and cash equivalents

<u>Particular</u>	As at 31 March 2017	As at 31 March 2016
Cash and cash equivalents		
(a) Balances with Bank		
On Current Accounts	19,639	6,141,096
(b) Cash on Hand	50	58,472
Total	19,689	6,199,568

SHEMAROO THINK TANK ENTERTAINMENT LLP

Note 2.10

Short-term loans and advances

Particular	As at 31 March 2017	As at 31 March 2016
(a) Other loans and advances		
Prepaid Expenses	100,000	-
Prepaid Taxes	9,503,622	5,361,572
Total	9,603,622	5,361,572

Note 2.11

Revenue from operations

Particular	Year Ended 31 March 2017	Year Ended 31 March 2016
(a) Sale of Rights	(27,500,000)	-
(b) Sale of Services	(1,447,183)	-
Total	(28,947,183)	-

Note 2.12

Direct Operational Expenses

Particular	As at 31 March 2017	As at 31 March 2016
(a) Purchases	5,444,055	26,450,000
(b) Works Cost	27,060,606	16,678,533
Total	32,504,661	43,128,533

Note 2.13

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

Particular	As at 31 March 2017	As at 31 March 2016
(a) Inventories at the end of the year		
Launch Pad	11,929,169	26,450,000
	11,929,169	26,450,000
(b) Inventories at the beginning of the year		
Launch Pad	26,450,000	-
	26,450,000	-
Total	14,520,831	(26,450,000)

SHEMAROO THINK TANK ENTERTAINMENT LLP

Note 2.14

Employee benefit expense

Particular	As at 31 March 2017	As at 31 March 2016
Salaries, Bonus and Allowances	1,758,731	825,330
Staff Welfare	214,694	149,130
Total	1,973,425	974,460

Note 2.15

Financial Costs

Particular	As at 31 March 2017	As at 31 March 2016
Interest expense & charges On borrowings	11,454,903	1,743,787
Total	11,454,903	1,743,787

Note 2.16

Other expenses

Particular	As at 31 March 2017	As at 31 March 2016
Communication Expenses	207,881	18,238
Electricity Expenses	398,067	16,890
General Expenses	496,727	785,767
Legal, Professional and Consultancy Fees	334,882	1,190,391
Rents, Rate and Taxes	2,171,500	377,000
Repairs and maintenance	572,807	51,661
Sales & Business Promotion	2,046,998	177,000
Travelling & Conveyance	712,334	213,102
Total	6,941,196	2,830,049

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

For and on behalf of
Shemaroo Think Tank Entertainment LLP

Sd/-
V. VENKATRAO
Partner
Membership No. 030916

Sd/-
Raman Maroo
Partner

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

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

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

Schedule 2.5
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 Mar-2017	31- Mar-2016	As on Mar-2016	31-
<u>Tangible Assets</u>												
Plant & Machinery	690,235	211,314	700	900,849	51,768	298,569	171,207	179,130	721,719	638,467		
Motor Vehicle	-	-	-	-	-	-	-	-	-	-		
Data Processing Equipment	185,285	511,564	31,585	665,264	55,586	365,807	-	421,393	243,871	129,699		
Furniture & Fixture	-	462,450	-	462,450	-	72,864	26,619	46,245	416,205	-		
Total Tangible Assets	875,520	1,185,328	32,285	2,028,564	107,354	737,240	197,826	646,768	1,381,796	768,166		
<u>Intangible Assets</u>												
Software	-	-	-	-	-	-	-	-	-	-		
Trade Mark	2,500,000	-	-	2,500,000	312,500	546,875	-	859,375	1,640,625	2,187,500		
Total In-Tangible Assets (B)	2,500,000	-	-	2,500,000	312,500	546,875	-	859,375	1,640,625	2,187,500		
Total Assets (A) + (B)	3,375,520	1,185,328	32,285	4,528,564	419,854	1,284,115	197,826	1,506,143	3,022,421	2,955,666		

Note 2.17**a) Related Party Transactions****(Figures in Rs.)****i. Balances with related parties were as follows: -**

Particulars	Key Management Personnel As on		Enterprise under significant influence of Key Management Personnel or their relatives As on		Total As on	
	Mar 2017	Mar 2016	Mar 2017	Mar 2016	Mar 2017	Mar 2016
Dues to Related Parties (Unsecured Loans)	-	-	75,446,016	63,635,408	75,446,016	63,635,408
Shemaroo Entertainment Limited			75,446,016	63,635,408	75,446,016	63,635,408