

SHEMAROO ENTERTAINMENT INC

FINANCIAL YEAR 2016-2017

M.K. DANDEKER & CO.,

Chartered Accountants

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Wellington Estate,,
No. 53, Ethiraj Salai, Egmore,
CHENNAI – 600 008.

INDEPENDENT AUDITOR'S REPORT To the Members of Shemaroo Entertainment Inc.

Report on the Financial Statements

The financial statements of **Shemaroo Entertainment Inc.** for the year ended March 31, 2017, being a Company registered in United States of America, was prepared by the Management and we have been furnished with their representation, on which we have placed reliance for the purpose of giving our opinion.

We are presented with the financial statements in Indian Rupees prepared on the basis of the aforesaid financial statements in USD to comply with the requirements of section 133 of the Companies Act, 2013 for the preparation of Consolidated Financial Statements. We give our report hereunder:

The attached Indian GAAP Balance Sheet of **Shemaroo Entertainment Inc.** as at March 31, 2017 and the cash flow statement for the year ended on that date and the statement of profit and loss for the year ended March 31, 2017 annexed thereto have been prepared by the Management from the unaudited US GAAP financial statements.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on the US GAAP financial statements provided by the management and our audit of the conversion of US GAAP financial statements into Indian GAAP financial statements.

We have arrived at our opinion taking into consideration the representation provided by the management, the notes to the financial statements disclosed as per the US GAAP and based on audit of the conversion process. Our audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our reliance on the representation issued by the management and audit of the conversion process provides a reasonable basis for our opinion.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. 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

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 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 31st March, 2017, and its **Loss** and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 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) No reporting is required on the disqualification of Directors u/s 164 (2) of the Indian Companies Act, 2013, since the Company is registered in USA.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and based on our reliance on representation by management:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For M.K.Dandeker & Co.,
(ICAI Regn. No.000679S)**

Sd/-

S.Poosaidurai

Partner

Chartered Accountants

Membership No.223754

Date: May 5, 2017

Place: Mumbai

SHEMAROO ENTERTAINMENT INC
C/o 29, Meadow Bluff Road, Morris Plains, NJ 07950,USA

Balance Sheet as at 31st March, 2017

Particulars	Note	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	648,386	663,375
(b) Reserves and Surplus	2.2	(1,491,262)	(1,109,188)
(2) Current Liabilities			
(a) Short-term borrowings	2.3	736,539	520,239
(b) Trade payables	2.4	134,078	137,177
(c) Other current liabilities	2.5	162,096	-
Total		189,837	211,603
II. ASSETS			
(1) Current assets			
(a) Cash and cash equivalents	2.6	189,837	211,603
Total		189,837	211,603
		-	-

As per our report of even date attached.
For M K Dandekar & Co.
Chartered Accountants
(ICAI FRN.: 000679S)

For and on behalf of
Shemaroo Entertainment Inc

Sd/-
S. Poosaidurai
Partner
Membership No. 223754
Place :- Mumbai
Date :- 05th May, 2017

Sd/- Hiren Gada Director DIN 01108194 Place :- Mumbai Date :- 05th May, 2017	Sd/- Jai Maroo Director DIN 00169399 Date :- 05th May, 2017
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SHEMAROO ENTERTAINMENT INC
C/o 29, Meadow Bluff Road, Morris Plains, NJ 07950,USA

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			
Other Income		-	-
I. Total Revenue		-	-
EXPENDITURE			
Financial costs	2.7	68,136	55,328
Other expenses	2.8	352,637	9,787
II. Total Expenses		420,773	65,115
III. Profit/(Loss) for the period /Year		(420,773)	(65,115)
IV. Earning per equity share :			
(1) Basic		(2,103.87)	(325.58)
(2) Diluted		(2,103.87)	(325.58)

As per our report of even date attached.
For M K Dandekar & Co.
Chartered Accountants
(ICAI FRN.: 000679S)

For and on behalf of
Shemaroo Entertainment Inc

Sd/-
S. Poosaidurai
Partner
Membership No. 223754
Place :- Mumbai
Date :- 05th May, 2017

Sd/- Hiren Gada Director DIN 01108194 Place :- Mumbai Date :- 05th May, 2017	Sd/- Jai Maroo Director DIN 00169399
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SHEMAROO ENTERTAINMENT INC

C/o 29, Meadow Bluff Road, Morris Plains, NJ 07950,USA

Cash Flow Statement For the year ended 31st March 2017

(Figures in INR)

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	(420,773)	(65,115)
Adjustments for:		
Unrealised Foreign Exchange (Gain)/Loss	23,711	(22,111)
Interest Expenses	68,136	55,328
Operating Profit Before Working Capital Changes	(328,926)	(31,898)
Adjustments for changes in Working Capital		
Trade & Other Payables	(3,099)	(148,730)
Other Current Liabilities	162,096	-
Cash used in Operations	(169,929)	(180,628)
Taxes Paid	-	-
Net Cash used in Operating Activities (A)	(169,929)	(180,628)
B. CASH FLOW FROM INVESTING ACTIVITIES (B)	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Expenses		
Increase / (Decrease) of Short term Borrowings	148,163	26,775
Cash flow from Financing activities (C)	148,163	26,775
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(21,766)	(153,852)
Cash & Cash Equivalents at the beginning	211,603	365,455
Cash & Cash Equivalents at the End	189,837	211,603

Cash and cash equivalents consists of cash and bank balances. The components of Cash and cash equivalents are:

S. No.	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a)	Balances with Bank		
	On Current Accounts	189,837	211,603
	Total	189,837	211,603

As per our report of even date attached.

For M K Dandekar & Co

Chartered Accountants

(ICAI FRN.: 000679S)

Sd/-

S. Poosaidurai

Partner

Membership No. 223754

Place :- Mumbai

Date :- 05th May, 2017

For and on behalf of
Shemaroo Entertainment Inc.

Sd/-

Hiren Gada

Director

DIN 01108194

Sd/-

Jai Maroo

Director

DIN 00169399

SHEMAROO ENTERTAINMENT INC

2. Notes to Accounts

Note 2.1

Share Capital

<u>Share Capital</u>	As at 31 March 2017	As at 31 March 2016
	RS.	RS.
Authorised, Issued, Subscribed and Paid-up		
Equity shares, No Par Value 200 (Prev. Year 200) Equity Shares at No Par Value.	648,386	663,375
Total	648,386	663,375

(i) Terms / Rights attached to Equity Shares

The Company has only one class of shares referred to as equity shares having No par value . Each holder of equity shares is entitled to one vote per share.

(ii) A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares	
	As at 31 March 2017	As at 31 March 2016
	Number	Number
Shares outstanding at the beginning of the Period / Year	200	200
Add: Fresh issued during the year	-	-
Shares outstanding at the end of the Period /Year	200	200

(iii) The Details of shareholders holding more than 5 percent shares as at 31st March of the period is set out below

Name of Shareholder	Equity Shares		Equity Shares	
	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% held	No. of Shares held	% held
Shemaroo Entertainment Ltd.	200	100%	200	100%
Total Shareholding	200	100.00%	200	100.00%

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
Equity Shares :	
Shares allotted for consideration other than cash	NIL
Fully Paid up by way of bonus shares	NIL
Shares bought back	NIL

Note 2.2

Reserves & Surplus

<u>Reserves & Surplus</u>	As at 31 March 2017	As at 31 March 2016
	RS.	RS.
a. Foreign Currency Translation Reserve	(246,199)	(284,898)
b. Surplus		
As per last Balance Sheet	(824,290)	(759,175)
(+) Net Profit For the current Period/year	(420,773)	(65,115)
Closing Balance	(1,245,063)	(824,290)
Total	(1,491,262)	(1,109,188)

Note 2.3

Trade Payables

<u>Trade Payables</u>	As at 31 March 2017	As at 31 March 2016
	RS.	RS.
(a) Loan and advances repayable on demand (Unsecured)		
From Holding Company	736,539	520,239
Total	736,539	520,239

SHEMAROO ENTERTAINMENT INC

Note 2.4

Trade payables

<u>Trade payables</u>	As at 31 March 2017	As at 31 March 2016
	RS.	RS.
Trade Payables Holding Company	134,078	137,177
Total	134,078	137,177

Note 2.5

Other current liabilities

<u>Other current liabilities</u>	As at 31 March 2017	As at 31 March 2016
	RS.	RS.
(a) Withholding and other taxes payable	32,419	-
(b) Creditors for Expenses	129,677	-
Total	162,096	-

Note 2.6

Cash and cash equivalents

<u>Cash and cash equivalents</u>	As at 31 March 2017	As at 31 March 2016
	RS.	RS.
Cash and cash equivalents Balance in Bank On Current Accounts	189,837	211,603
Total	189,837	211,603

Note 2.7

Financial costs

<u>Financial costs</u>	As at 31 March 2017	As at 31 March 2016
	RS.	RS.
Interest: On borrowings	68,136	55,328
Total	68,136	55,328

Note 2.8

Other expenses

<u>Other expenses</u>	As at 31 March 2017	As at 31 March 2016
	RS.	RS.
General Expenses	83,901	9,787
Legal, Professional Fees	268,736	-
Total	352,637	9,787

As per our report of even date attached
For M K Dandekar & Co.
Chartered Accountants
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Sd/-
S. Poosaidurai
Partner
Membership No. 223754
Place :- Mumbai
Date :- 05th May, 2017

For and on behalf of
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Sd/- Sd/-
Hiren Gada Jai Maroo
Director Director
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