Agrawal Jain & Gupta
Chartered Accountants

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF K SERA SERA BOX OFFICE PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **K SERA SERA BOX OFFICE PRIVATE LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the 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

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.

Auditor's Responsibility

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.

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.

AGRAWAL JAIN & GUPTA
MUMBAI
FRN : 013538C
CHARTERED ACCOUNTANT

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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;

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

The reports should be read together with the Notes to the financial statements and attention to following matters be given:

a) Notes to the financial statements which describe the uncertainty related to the outcome of the pendencies of appeals and legal matters if any filed by the company as well as against the company.

Our opinion is not modified in respect of these matters.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. 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 appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, 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 control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' and

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g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;

ii. The Company does not have any long-term contracts including derivatives contracts for which any provision is required;

iii. The Company is not required to transfer amounts to the Investor Education and Protection Fund.

iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 3.20 to the standalone financial statements.

For Agrawal Jain and Gupta
Chartered Accountants
Firm Reg. No. 013538C

CA Narayan Swami
PARTNER
Membership No. 409759
Place: Mumbai
Dated: 30.05.2017

AGRAWAL JAIN & GUPTA
MUMBAI
FRN : 013538C
CHARTERED ACCOUNTANT

Annexure A to the Auditors' Report :-

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has regular programme of physical verification of its fixed assets at reasonable intervals; no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company is a service company. Accordingly, does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is 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 Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The Company has not accepted any deposits from the public.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanation given to us and records examined by us, the company is regular in depositing 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 any other statutory dues to the appropriate authorities. According to the information and explanation given to us, there were no undisputed amounts payable in respect of Income Tax, Excise Duty, cess and any other statutory dues outstanding as on 31st March, 2016 for a period more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no any dues in respect of income tax or sales tax or duty of customs or duty of excise or value added tax that have not been deposited with the appropriate authorities on account of dispute.

(viii) The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

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(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of our records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Agrawal Jain and Gupta
Chartered Accountants
Firm Reg. No. 013538C

AGRAWAL JAIN & GUPTA
MUMBAI
FRN : 013538C
CHARTERED ACCOUNTANT

CA Narayan Swami
PARTNER
Membership No. 409759
Place: Mumbai
Dated: 30.05.2017

Annexure B to the Auditors' Report :-

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **K SERA SERA BOX OFFICE PRIVATE LIMITED** ("the Company") as of March 31, 2017 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

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 Companies Act, 2013.

Auditors' Responsibility

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 was established and maintained and if such controls operated effectively in all material respects.

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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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.

AGRAWAL JAIN & GUPTA
MUMBAI
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CHARTERED ACCOUNTANT

Meaning of Internal Financial Controls over Financial Reporting

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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

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, 2017, 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 Agrawal Jain and Gupta
Chartered Accountants
Firm Reg. No. 013538C

AGRAWAL JAIN & GUPTA
MUMBAI
FRN : 013538C
CHARTERED ACCOUNTANT

CA Narayan Swami
PARTNER
Membership No. 409759
Place: Mumbai
Dated: 30.05.2017

K Sera Sera Box Office Private Limited
Balance Sheet As At 31St March, 2017

(Amount in Rupees)

Particulars	Note No	31-Mar-17	31-Mar-16
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3.1	300,000,000	300,000,000
(b) Reserves and Surplus	3.2	(33,257,092)	(33,198,448)
(2) Current Liabilities			
(a) Short-Term Borrowings	3.3	7,965,439	7,786,826
(b) Trade Payables	3.4	54,634	430,139
(c) Other Current Liabilities	3.5	-	2,500
Total Equity & Liabilities		**274,762,981**	**275,021,017**
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Intangible Assets	3.6	3,489,492	3,489,492
Gross Block		**3,489,492**	**3,489,492**
Depreciation		-	-
Net Block		**3,489,492**	**3,489,492**
(b) Non-current investments	3.7	271,150,000	271,150,000
(c) Long term loans and advances	3.8	77,798	314,280
(2) Current Assets			
(a) Trade receivables	3.9	45,245	45,245
(b) Cash and cash equivalents	3.10	446	22,000
(c) Other current assets	3.11	-	-
Total Assets		**274,762,981**	**275,021,017**

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our Report of even date.

FOR Agrawal Jain & Gupta
Chartered Accountants

AGRAWAL JAIN & GUPTA MUMBAI FRN : 013538C CHARTERED ACCOUNTANT

(CA Narayan Swami)
Partner
Membership No. : 409759
Firm Reg. No.: 013538C
Mumbai
Date: 30.05.2017

For K Sera Sera Box Office Private Limited

Satish R. Panchariya
Director
DIN: 00042934

Harsh Upadhyay
Director
DIN:7263779

AGRAWAL JAIN & GUPTA MUMBAI FRN : 013538C CHARTERED ACCOUNTANT

K Sera Sera Box Office Private Limited

Profit & Loss Statement for the year ended on 31st March, 2017

(Amount in Rupees)

Particulars	Note No	31-Mar-16	31-Mar-16
Revenue from operations		-	-
Other Income		-	-
Total Revenue		-	-
Expenses:			
Financial Costs	3.12	-	500
Depreciation and Amortization Expenses	3.13	-	345,409
Other Administrative Expenses	3.14	58,644	72,428
Total Expenses		**58,644**	**418,337**
Profit before tax		**(58,644)**	**(418,337)**
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit/(Loss) for the period		**(58,644)**	**(418,337)**
Earning per equity share:			
(1) Basic		(0.00)	(0.01)
(2) Diluted		(0.00)	(0.01)

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

FOR Agrawal Jain & Gupta
Chartered Accountants

(CA Narayan Swami)
Partner
Membership No. : 409759
Firm Reg. No.: 013538C
Mumbai
Date: 30.05.2017

AGRAWAL JAIN & GUPTA MUMBAI FRN : 013538C CHARTERED ACCOUNTANT

For K Sera Sera Box Office Private Limited

Satish R. Panchariya
Director
DIN: 00042934

Harsh Upadhyay
Director
DIN:7263779

AGRAWAL JAIN & GUPTA MUMBAI FRN : 013538C CHARTERED ACCOUNTANT

K Sera Sera Box office Private Limited

Cash Flow Statement for the year ended 31st March, 2017

(Amount in Rupees)

Sr. No	Particulars	31-Mar-17	31-Mar-16
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax	**(58,644)**	**(418,337)**
	Adjustments For:		
	Depreciation/Amortisation	-	345,409
	Provision For Income Tax	-	-
	Interest Cost	-	500
		-	345,909
	Operating Cash Flow Before Changes In Working Capital	**(58,644)**	**(72,428)**
	Adjustments For:		
	(Increase)/Decrease In Sundry Debtors	-	10,889
	(Increase)/Decrease In Loans And Advances	236,482	-
	Increase/(Decrease) In Current Liabilities And Provisions	(378,005)	45,479
	Net Changes In Working Capital	(200,167)	(16,060)
	Taxes Paid	-	-
	Extraordinary Items	-	-
	Cash Generated From/(Used In) Operations	**(200,167)**	**(16,060)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Cash Generated /(Used In) From Investing Activities	-	-
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest Paid	-	(500)
	Share Application Money Pending On Allotment	-	-
	Proceeds From Issue Of Equity Share Capital		
	Proceeds From Borrowings	178,613	16,560
	Repayment Of Borrowings		
	Cash Generated /(Used In) From Financing Activities	**178,613**	**16,060**
	Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	**(21,554)**	-
	Cash And Cash Equivalents At The Beginning Of The Year	22,000	22,000
	Cash And Cash Equivalents At The End Of The Year	446	22,000
	Note:		
1	**Cash and cash equivalents at the year end comprise:**		
	Cash On Hand	446	22,000
	Balance With Scheduled Banks In		
	- Current Accounts	-	-
	- Deposit Accounts	-	-
		446	**22,000**
2	The Cash Flow Statement Has Been Prepared Under Indirect Method As Set Out In Accounting Standard 3, 'Cash Flow Statement' Issued By The Institute Of Chartered Accountants Of India		

As per our report of even date attached

For Agrawal Jain and Gupta

Chartered Accountants

Firm Registration No. 013538C

(CA Narayan Swami)

Partner

Membership No. : 409759

Mumbai

Date: 30.05.2017

For K Sera Sera Box Office Private Limited

Satish R. Panchariya
Director
DIN: 00042934

Harsh Upadhyay
Director
DIN:7263779

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K Sera Sera Box office Private Limited

Note Forming Integral Part of the Balance Sheet as at 31St March, 2017

Note : 3.1 Share Capital

Particulars	31-Mar-17	31-Mar-16
AUTHORIZED CAPITAL		
30,000,000 Equity Shares of Rs. 10/- each.	300,000,000	300,000,000
	300,000,000	300,000,000
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
To the Subscribers of the Memorandum		
310,000 Equity Shares of Rs. 10/- each, Fully Paid up Share capital allotment to K sera sera limited	3,100,000	3,100,000
575,000 Equity Shares of Rs. 10/- each, Fully Paid up Share capital allotment to K.T. Afzal	5,750,000	5,750,000
2,000,000 Equity Shares of Rs. 10/- each, Fully Paid up Share capital allotment to Asahi Infrastructure and Projects Limited	20,000,000	20,000,000
Issued Shares other than cash		
27,115,000 Equity Shares of Rs. 10/- each, Fully Paid up Share capital allotment to K sera sera limited	271,150,000	271,150,000
	300,000,000	**300,000,000**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	31 March 2017		31 March 2016	
	Nos.	Amount	Nos.	Amount
Number of shares outstanding at the beginning of the year	30,000,000	300,000,000	30,000,000	300,000,000
Number of shares Outstanding at the end of the year	**30,000,000**	**300,000,000**	**30,000,000**	**300,000,000**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having per value of ` 10/- per share. Each holder of equity shares having par value of ` 1/- per equity share is entitled to one vote per equity share. n the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	31 March 2017		31 March 2016	
	Nos.	% holding in the class	Nos.	% holding in the class
AAsahi Infrastructure and Projects Limited	20,000,000	6.67%	20,000,000	6.67%
KSS Limited	274,250,000	91.42%	274,250,000	91.42%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Note : 3.2 Reserves & Surplus

Particulars	31-Mar-17	31-Mar-16
Balance brought forward from previous year	(33,198,448)	(32,780,111)
Less: Tax on Regular Assessment Paid	-	-
Add: Profit for the period	(58,644)	(418,337)
	(33,257,092)	**(33,198,448)**

Note : 3.3 Short Term Borrowings

Particulars	31-Mar-17	31-Mar-16
Loan Repayable on Demand		

AGRAWAL JAIN & GUPTA
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Interest free advance from related parties repayable on demand (unsecured)	7,965,439	7,786,826
	7,965,439	**7,786,826**

AGRAWAL JAIN & GUPTA
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CHARTERED ACCOUNTANT

Note : 3.4 Trades Payables

Particulars	31-Mar-17	31-Mar-16
Sundry Creditors	28,750	184,627
Sundry Creditors-More than 1 year	25,884	245,512
	54,634	**430,139**

Note : 3.5 Other Current Liabilities

Particulars	31-Mar-17	31-Mar-16
Statutory Payable	-	2,500
	-	**2,500**

Note :3.7 Non Current Investment

Particulars	31-Mar-17	31-Mar-16
Investment in Equity Instrument-Unquoted	271,150,000	271,150,000
	271,150,000	**271,150,000**

Current investments are carried in the financial statements at cost and Long-term investments are also carried at cost. However, provision for diminution in value is not recognize other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Note : 3.8 Long Term Loans and Advances

Particulars	31-Mar-17	31-Mar-16
Security Deposit		
a) Secured, Considered Good :		
Other Deposit	14,280	14,280
b) Unsecured, Considered Good :	-	-
c) Doubtful	63,518	300,000
	77,798	**314,280**

Note : 3.9 Trade Recievables

Particulars	31-Mar-17	31-Mar-16
Sundry Debtors-Doubtful More than 6 Months	45,245	45,245
	45,245	**45,245**

Note : 3.10 Cash & Cash Equivalent

Particulars	31-Mar-17	31-Mar-16
Cash-in-Hand		
Cash Balance	-	21,554
Petty Cash Balance	446	446
Sub Total (A)	**446**	**22,000**
Bank Balance		
In current accounts with bank In India with Noted banks	-	-
Sub Total (B)	-	-
	446	**22,000**

AGRAWAL JAIN & GUPTA
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CHARTERED ACCOUNTANT

Note : 3.11 Other Current assets

Particulars	31-Mar-17	31-Mar-16
Miscellaneous expenditure	-	345,409
Add: Expenses During the year	-	-
Less: Misc. Expenses w/off	-	345,409
Less: Transfer to expenses a/c	-	-
	-	-

(Misc. expenses are written off over a perod of 5 years)

Note : 3.12 Financial Cost

Particulars	31-Mar-17	31-Mar-16
Bank Charges	-	500
	-	**500**

Note : 3.13 Depreciation & Amortization Expenses

Particulars	31-Mar-17	31-Mar-16
Preliminary Expenses W/O	-	345,409
	-	**345,409**

Note : 3.14 Other Administrative Expenses

Particulars	31-Mar-17	31-Mar-16
Audit Fees	28,750	28,625
Filling Fees	3,600	8,500
Legal Expenses	2,040	-
Membership & Subscription	-	1,560
Profession Tax Company	2,500	-
Professional Fees	-	22,854
Other Expenses	21,754	10,889
	58,644	**72,428**

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K Sera Sera Box Office Private Limited

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Note: 3.6 Fixed Asset

Sr. No	Particulars	Rate	Gross block				Depreciation/amortization				Net block	
			As at	Adjustments		As at	As at	For the period	Deletion/	As at	As at	As at
II			April 1, 2016	Additions	Deductions	March 31, 2017	April 1, 2016		Adjustments	March 31, 2017	March 31, 2017	April 1, 2016
	Intangible Assets											
1	Patent /Copyright other IPRs											
	IPRs 332 Mumbai to India		1,409,366	-	-	1,409,366	-	-	-	-	1,409,366	1,409,366
	IPRs - LKLG		2,080,126	-	-	2,080,126	-	-	-	-	2,080,126	2,080,126
	Total		3,489,492	-	-	3,489,492	-	-	-	-	3,489,492	3,489,492
	(Previous Year)		3,489,492	-	-	3,489,492	-	-	-	-	3,489,492	3,489,492

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K SERA SERA BOX OFFICE PRIVATE LIMITED

Notes forming part of accounts for the year ended March 31, 2017

1. Summary of significant accounting policies

a. Basis of preparation of financial statements

The financial statements of the company have been prepared under historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act 2013 and comply in all material aspects with the accounting principles generally accepted in under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

The accounting policies have been consistently applied unless otherwise stated. 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 Act. The Company considers 12 months to be its normal operating cycle.

b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods

c. Fixed assets

<u>Tangible assets</u>

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 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 changed to the statement of profit and loss for the period during which such expenses are incurred.

d. Depreciation/amortization

<u>Tangible assets</u>

Depreciation on fixed assets is calculated on a written down value method at based on the useful lives estimated by the management, or those prescribed under the Schedule II of the Companies Act, 2013.

<u>Intangible assets</u>

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized

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development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

The Company recognizes / creates rights in motion pictures as intangible asset in the form of Intellectual Property Rights (IPR's). The same is in consideration of the future economic benefits and availability of the aforesaid rights for re-distribution after the expiry of initial period of distribution agreement. The recognition / creation of IPR's are made at a fixed proportion of the production cost depending on the date of release of the motion picture on the following basis:

i. At 30% of the production cost of the motion picture in case the picture is released within 90 days before the year end.

ii. At 10% of the production cost of the motion picture in case the picture is released more than 90 days before the year end.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de recognition of an intangible asset 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.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

1. The technical feasibility of completing the intangible asset so that it will be available for use or sale
2. Its intention to complete the asset
3. Its ability to use or sell the asset
4. How the asset will generate future economic benefits
5. The availability of adequate resources to complete the development and to use or sell the asset
6. The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of depreciation/ amortization policies applied to the company's intangible assets is as below:

The amortization of motion picture rights is made taking into consideration the following factors:

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The date of release/ sale of the respective motion picture as referred above and the tenure of the distribution agreement. Based on above, the amortization of Intellectual Property Rights is carried out on the following basis:

Particulars	Picture is released within 90 days before the year end	Picture is released more than 90 days before the year end
In the immediately succeeding year of release/sale *	2/3rd	-
Over the balance period of distribution agreement*	1/3rd	1/3rd
*The above amortization of Intellectual Property rights is subject to the management estimate of future revenue potential.		

e. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

f. Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

g. Investments

Investments are classified as current investments and long-term investments as per information and explanation given by the management.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at cost or FMV whichever is lower and Long-term investments are carried at cost. However, provision for diminution in value is not recognizing other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

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h. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

i. Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

j. Inventories

Company is not having any inventories.

k. Accounting for taxes on income

Current Tax

Tax expense comprises of current and deferred taxes. 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. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

l. Retirement benefits

Company doesn't have any employee who has completed 5 year of continues services for provision for gratuity and other benefits. And Contributions payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and employee state insurance are charged to the profit and loss account if any.

m. Foreign currency transactions

i. Foreign currency transactions are recorded at exchange rates prevailing on the date of respective transactions.

ii. Current assets and current liabilities in foreign currencies existing at balance sheet date are translated at year-end rates.

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n. **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.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

o. **Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

p. **Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expenses.

q. **Contingent liabilities**

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 doesn't have any contingent liability.

r. **Preliminary Expenses**

Preliminary expenses, if any, will be written off over a period of Five years.

3.15 Earnings per share

(Amount in Rupees)

Particulars	**March 31, 2017**	**March 31, 2016**
Net profit / (loss) after tax for the year	**(58,644)**	**(4,18,337)**
Weighted equity shares outstanding as at the year end	30,000,000	30,000,000
Nominal value per share (Rs.)	10	10
Earnings per share(Weighted Average)		
– Basic	**(0.00)**	**(0.01)**
– Diluted	**(0.00)**	**(0.01)**

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3.16 Related Party Disclosures

Related parties are classified as:

Sr. No.	Company:
1.	K Sera Sera Miniplex Limited
2.	K Sera Sera Ltd.

Particulars	March 31, 2017	March 31, 2016
Opening Balance		
K Sera Sera Miniplex Limited	44,505	36,005
KSS Limited	77,42,321	77,34,261
Advances/ loan repayment paid		
K Sera Sera Miniplex Limited	-	8,500
KSS Limited	2,23,118	8,060
Advances/ loan repayment received		
K Sera Sera Miniplex Limited	44,505	-
KSS Limited	-	-
Closing Balance		
K Sera Sera Miniplex Limited	-	44,505
KSS Limited	79,65,439	77,42,321

3.17 Auditor's remuneration [including service tax] **(Amount in Rupees)**

Particulars	March 31, 2017	March 31, 2016
Statutory Audit Fees	28,750	28,625
Total	28,750	28,625

3.18 The Company did not have any transactions with Small Scale Industrial ('SME's') Undertakings during the year ended March 31, 2017 and hence there are no amounts due to such undertakings. The identification of SME's undertakings is based on the management's knowledge of their status.

The Company has not received any information from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with interest paid / payable as required under the said Act have not been furnished.

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3.19 Balances in respect of sundry debtors, sundry creditors and loans and advances. If any are taken as shown by books of accounts and are subject to confirmation and consequent adjustments and reconciliations, if any.

3.20 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017, on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in Rupees)

Particular	**Specified Bank notes (SBNs)**	**Other denomination notes**	**Total**
Closing cash in hand as on 8th November, 2016	-	446	446
Add: Permitted receipts	-	-	-
Less: Permitted Payments	-	-	-
Less: Amount deposited in banks	-	-	-
Closing Cash in hand as on 30th December,2016	-	446	446

For and on behalf of directors

Satish R. Panchariya
Director
DIN: 00042934

Harsh Upadhyay
Director
DIN: 7263779

Place: Mumbai
Date: 30.05.2017

For Agrawal Jain & Gupta
Chartered Accountants
FRN - 013538C

CA Narayan Swami
Partner
M. No - 409759

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