

32nd ANNUAL REPORT 2016-2017



MILLITOONS ENTERTAINMENT LIMITED



NETWORK CHANNELS



<https://www.youtube.com/TVNXT>

CONTENTS

- ❖ Corporate Information
- ❖ Notice
- ❖ Directors Report
- ❖ MGT 9
- ❖ Auditors Report
- ❖ Financial Statement
- ❖ Proxy Form and Map for Venue of AGM



CORPORATE INFORMATION

Board of Directors

Mr. Ramabhotla Srinivasa Sudhish	: Chairman and Managing Director
Mr. Srinivasa Murthy Banda	: Independent Director
Mr. Kotturi Ravi Kumar	: Independent Director (Resigned on May 29, 2017)
Ms. Krishnapriya Vincent	: Independent Director
Mr. Yerra Srinivasa	: Additional Director
Mr. Vivek Kalyan	: Additional Director

KMP

Monica ShrikantGehlot	: Company Secretary and Compliance Officer
RLVN Kishore Siram	: Chief Financial Officer

Registered Office

8-2-268/K/7&8, Ground Floor, Sagar Society,
Road No. 2, Banjara Hills, Hyderabad – 500 034, T.S.
Email ID: info@millitoons.com | **website:** www.millitoons.com

Statutory Auditors

M/s. S N Murthy & Co.,
Chartered Accountants
1-8-30, Upstairs, Chikkadapally,
Hyderabad – 500 020, T.S.

Corporate Consultants

M/s. Tapasvilal Deora & Associates
Practising Company Secretaries
Plot No. 3-6-677, 2nd Floor, Street No. 11,
Himayat Nagar, Hyderabad-500029, T.S.
Email ID: cstapasvideora@gmail.com

Bankers

Allahabad Bank
HDFC Bank

Registrar & Share Transfer Agents:

Karvy Computershare Private Limited
Karvy Selenium, Tower- B, Plot No 31 & 32.,
Financial district, Nanakramguda, Serilingampally Mandal,
Hyderabad, Telangana 500032.

Listed at:

BSE Limited

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF MILLITOONS ENTERTAINMENT LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 29, 2017 AT 09:00 A.M. AT HOTEL CELEBRATIONS PLOT NO. 66A, ROAD NO.1, JUBILEE HILLS, HYDERABAD – 500 033, TELANGANA

Ordinary Business

1. To receive, consider and adopt the standalone and consolidated financial statements as at March 31, 2017 along with the Reports of the Auditors and Directors thereon.
2. To confirm the interim dividend of 2% as the final dividend for FY 2016-17
3. To appoint a Director in place of Mr. Ramabhotla Srinivasa Sudhish (DIN: 00027816) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder and pursuant to the resolution passed by the members at the 29th Annual General Meeting, the appointment of M/s. S N Murthy & Co., Chartered Accountants (FRN: 002217S) as the statutory auditors of the Company for the financial year ending March 31, 2018 be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix the remuneration payable to them in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company.”

Special Business

- 5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:***

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, read with Schedule IV to the Companies Act, 2013, Mr. Vivek Kalyan, (DIN 01719658) who was appointed as an Additional director on August 26, 2017 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013

proposing his candidature, be and is hereby appointed as an Independent Director of the

Company not liable to retire by rotation and to hold office for a term of one year upto August 25, 2018.

RESOLVED FURTHER THAT Directors of the Company, be and are hereby severally authorised to file relevant forms with the Registrar of companies, and to do such other acts, deeds and things as may be considered necessary in connection with the above appointment”

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, Mr. Yerra Srinivas, DIN(07834798) who was appointed as an Additional Director of the Company with effect from May 29,2017 by the board of directors and who holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT Directors of the Company, be and are hereby severally authorised to file relevant forms with the Registrar of companies, and to do such other acts, deeds and things as may be considered necessary in connection with the above appointment”

**By order of the Board
for MILLITOONS ENTERTAINMENT LIMITED**

**Sd/-
MONICA SHRIKANT GEHLOT
COMPANY SECRETARY**

September 04, 2017
Hyderabad

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXY(IES) IN ORDER TO BE EFFECTIVE MUST SUBMIT PROXY FORM AT THE COMPANY’S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

3. EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE ACT IS ATTACHED HEREWITH
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. Members holding shares in dematerialized form are advised to inform the particulars of their bank account, change of address and Email ids to their respective Depository Participants only. The Company or its Registrar and Transfer Agents cannot act on any request received directly from the members holding shares in dematerialized mode for changes in any bank mandates or other particulars etc., and such instructions shall be given directly to the Depository Participants by the members.
6. Copies of notice and annual report are being sent by electronic mode to those members whose email ids are available with our Registrar and Transfer Agents, unless members have requested for physical copy specifically. For members whose e-mail ids are not available, physical copy is being sent by permitted mode. The notice of the AGM is also available on the website of the company: www.millitoons.com.
7. The detailed profile of the directors seeking appointment, as required in terms of Regulation 36(3) of the SEBI(LODR) Regulations, 2015 is annexed to this notice.
8. The Company pursuant to Section 108 of Companies Act, 2013 read with rules made thereunder and Regulation 44 of the SEBI (LODR) Regulations, 2015, is providing

e-voting facility to its Members to exercise their votes electronically on the items of business given in the Notice through the electronic voting service facility provided by Karvy Computershare Private Limited.
9. Members can opt for only one mode of voting i.e. either by physical ballot paper or remote e-voting. However, if members cast their vote through both mode of voting, then the voting through remote e-voting shall prevail. The members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.

10. Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed at the annual general meeting of the Company. The result declared, along with the Scrutinizer's Report, will be placed on the Company's website after the result is declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to BSE Ltd.

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

Item No 5:

Mr. Vivek Kalyan (DIN 01719658) was appointed as an Additional Director under Non Executive Category of the Company with effect from August 26, 2017 by the Board under section 161 of the companies Act, 2013. In terms of section 161 of the Act, Mr. Vivek Kalyan (DIN 01719658) holds office only upto the date of forthcoming Annual General Meeting (AGM) but is eligible for appointment as a Director.

A notice under section 160 of the Act has been received from a member signifying its intention to propose appointment of Mr. Vivek Kalyan (DIN 01719658) as a director.

The Board is of the view that the appointment of Mr. Vivek Kalyan (DIN 01719658) will be beneficial to the Company and that the Company should receive the benefit of valuable experience and advice. Thus, it is proposed to appoint him as an Independent Director, not liable to retire by rotation for a term of one year from 26 August, 2017.

The Company has received a certificate from Mr. Vivek Kalyan (DIN 01719658) confirming that he meets the criteria of independence as prescribed under section 149(6) of the Act as well as relevant regulations of SEBI (Listing Obligations and Disclosure requirements) Regulations 2015. Mr. Vivek Kalyan (DIN 01719658) is independent of the management and in the opinion of the Board fulfills the conditions specified in the Act and rules made thereunder for appointment as independent director of the Company. A copy of the draft letter of appointment as an independent director setting out the terms and conditions would be available for inspection without any fee to the members at the registered office of the Company during normal business hours on any working day upto the date of the AGM.

The aforementioned resolution is recommended for your approval as Ordinary Resolution.

The Brief Profile of Director being appointed is as follows:

Mr. Vivek born on January 09, 1973 is an MBA and an IIFT Alumni has supported IT & Media Companies through critical start up, or turnaround situations and co-ordinated rapid growth market expansions. Been working in the media business for fifteen plus years and has worked on five hundred plus titles and eight feature films till date. Vivek carries extensive knowledge in TV /film production, distribution, co-production and film and tv series deal structuring in

European and North American markets. He is a natural networker and a very well known name in the animation and VFX business worldwide.

Mr. Vivek Kalyan is not connected to the Company Directors in any manner.

None of the directors or key managerial personnel and their relatives except Mr. Vivek Kalyan is concerned or interested (financially or otherwise) in this resolution.

Item No. 6:

Yerra Srinivas (DIN 07834798) was appointed as an Additional Director under Non Executive Category of the Company with effect from May 29, 2017 by the Board under section 161 of the companies Act, 2013. In terms of section 161 of the Act, Yerra Srinivas (DIN 07834798) holds office only upto the date of forthcoming Annual General Meeting but is eligible for appointment as a Director. A notice under section 160 of the Act has been received from a member signifying its intention to propose appointment of Yerra Srinivas (DIN 07834798) as a director.

The directors are of the view that the appointment of Yerra Srinivas (DIN 07834798) will be beneficial to the Company and that the Company should receive the benefit of valuable experience and advice.

The Brief Profile of Director is as follows:

Born on 3rd July 1969, Mr. Yerra Srinivas is a B.Com graduate from Nagarjuna University and an animation professional holding Diploma in Animation from Heart Animation Academy, Hyderabad. Mr. Srinivas Yerra is having diversified work experience since the year 2000 he has served as Animation Incharge, Production Manager, Training Head, Associate Editor in the fields of Animation and Publishing Fields.

Mr. Yerra Srinivas is not connected to any Directors in any manner. Except that he worked with a Company in which the Promoter R.S. Sudhish has also associated as Managing Director over a decade ago.

Accordingly, the Board recommends the appointment of Mr. Yerra Srinivas as Director. The aforementioned resolution is recommended for your approval as Ordinary Resolution.

None of the directors or key managerial personnel and their relatives except Mr. Yerra Srinivas is concerned or interested (financially or otherwise) in this resolution.

**By order of the Board
for MILLITOONS ENTERTAINMENT LIMITED**

**Sd/-
MONICA SHRIKANT GEHLOT
COMPANY SECRETARY**

September 04, 2017
Hyderabad

ADDITIONAL INFORMATION

(Pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure requirements) Regulation, 2015- Information of directors proposed to be appointed/ re-appointed)

Name of Director	Yerra Srinivas	Vivek Kalyan
Date of Birth	03/07/1969	09/01/1973
Date of Appointment	29/05/2017	26/08/2017
Relationship with Directors	NIL	NIL
Qualification	B.COM, Diploma in Animation	MBA and an IIFT Alumni
Experience and expertise in Specific functional area	Expert in animation sector	Has supported IT & Media companies through critical start-up, or turnaround situation, and co-ordinated rapid growth market expansions. Been working in the media business for fifteen plus years and has worked on 500 plus titles and eight features films till date. He is natural networker and a very well known name in the animation & VFX business worldwide.
Board Membership of Companies as on March 31, 2017	NIL	2
Number of Shares held in the Company as on March 31, 2017	NIL	NIL

**By order of the Board
for MILLITOONS ENTERTAINMENT LIMITED**

**Sd/-
MONICA SHRIKANT GEHLOT
COMPANY SECRETARY**

September 04, 2017
Hyderabad

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

1. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
2. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Authorized Agency to provide e-voting facilities. The e-voting particulars are set out below:
3. EVENT (e-voting event number) USER ID PASSWORD/ PIN - - -
4. The e-voting facility will be available during the following voting period:
5. Commencement of e-voting: From 26th September, 2017 (09.00 AM onwards)
6. End of e-voting: Up to 28th September, 2017 (05.00 PM)
7. The cut-off date (i.e. the record date) for the purpose of e-voting is 23rd September, 2017.
8. Please read the procedure and instructions for e-voting given below before exercising the vote.
9. This communication forms an integral part of the Notice for the AGM scheduled to be held on 29th September, 2017, which is enclosed herewith and is also made available on the website of the Company. Attention is invited to the statement on the accompanying notice that the Company is pleased to provide e-voting facility through Karvy for all shareholders of the Company to enable them to cast their votes electronically on the resolution mentioned in the Notice of the Annual General Meeting of the Company.

A. Procedure and instructions for e-voting

- i. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii. Enter the login credentials (i.e., user-id & password). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. User – ID For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 digit Client ID b) For CDSL :- 16 digits Beneficiary ID / Client ID For Members holding shares in Physical Form:- Event No. (EVENT) followed by Folio No. registered with the Company.

Password Your unique password will be mailed separately before the commencement of e-voting.

iv. After entering these details appropriately, click on “LOGIN”.

v. You will now reach Password Change Menu wherein they are required to mandatorily change their password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc on first login. You may also enter a secret question of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

vi. After changing password, you need to login again with the new credentials.

vii. On successful login, the system will prompt to select the “Event” i.e. Millitoons Entertainment Limited.

viii. On the voting page, enter the number of shares (which represents number of votes) as on the cut-off date under “FOR/ AGAINST/ABSTAIN” against the resolution or alternatively you may partially enter any number in “FOR”, partially in “AGAINST” and partially in “ABSTAIN” but the total number in “FOR/AGAINST/ABSTAIN” taken together should not exceed your total shareholding.

ix. You may then cast your vote by selecting an appropriate option and click on “Submit”. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.

x. Corporate/Institutional Members (Corporate / Fls / Flls / Trust / Mutual Funds / Companies, etc) are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc. together with the attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID:cstapasvideora@gmail.com in with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_ Event No.”

B. In case of Members receiving the Notice by post:

A. Please use the User ID and initial password as provided above.

B. Please follow all steps from Sr. No. (i) to (ix) as mentioned in (A) above, to cast your vote.

C. The e- voting period commences on 26th September, 2017 at 09.00 A.M and ends on 28th September, 2017 at 05.00 P.M. In case of any query pertaining to e-voting, please visit Help & FAQs section of Karvy e-voting website.

D. Once the vote on the resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently. Further, the shareholders who have cast their vote electronically shall not be allowed to vote again at the AGM.

E. Mr. Tapasvilal Deora, Practicing Company Secretary (Membership No.32529 and COP No 13087) has been appointed as Scrutinizer for conducting the e-voting process in accordance with the Act. The Scrutinizer's decision on the validity of e-voting shall be final. The e-mail ID of the Scrutinizer is cstapasvideora@gmail.com.

F. The Scrutinizer shall, on the date of the AGM unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favor or against, if any, and submit it to the Chairman.

G. The result of voting will be announced by the Chairman of the AGM, or any of the Director / CS at or after the AGM to be held on 29th September, 2017 and the resolution will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favor of the resolution.

H. The result of the voting along with the Scrutinizer's Report will be communicated to the stock exchanges and will also be hosted on the website of the Company (www.millitoons.com) and on Karvy's website (<https://evoting.karvy.com>) within 48 hours of completion of voting.

I. The voting rights for the shares are one vote per equity share, registered in the name of the shareholders / beneficial owners as on 23rd September, 2017. Shareholders holding shares either in physical form or dematerialized form may cast their vote electronically.

J. Shareholders / proxies may also vote at the venue of the meeting physically by using the ballot papers that will be provided at the venue. Shareholders / proxies who have cast their votes through e-voting will not be allowed to cast their votes physically at the venue of the AGM.

K. In case of any grievances connected with the voting by electronic means, shareholders are requested to contact Karvy, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E mail: einward.ris@karvy.com, Phone: 040-67162222.

L. Members who have acquired shares after the dispatch of the Notice and before the Cut-off date may obtain the user ID by approaching Karvy, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail: einward.ris@karvy.com, Phone: 040-67162222, for issuance of the user ID and password for exercising their right to vote by electronic means.

for MILLITOONS ENTERTAINMENT LIMITED

**Sd/-
MONICA SHRIKANT GEHLOT
COMPANY SECRETARY**

September 04, 2017
Hyderabad

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting herewith the 32nd Annual Report on the business of the Company together with the Financial Statements for the financial year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

(Amount in Rs.)

PARTICULARS	STANDALONE		CONSOLIDATED
	31.03.2017	31.03.2016	31.03.2017
Total Revenue	14,83,90,339	1,10,90,662	14,83,90,339
Total Expenses	14,64,91,519	1,19,19,061	14,64,91,519
Profit before Tax	40,40,931	96,857	40,40,931
Tax Expense	11,87,106	29,057	11,87,106
Deferred Tax	--	--	--
Profit after Tax	28,53,825	67,800	28,53,825

DIVIDEND

Considering the business needs of the Company, your Directors do not propose any final dividend for FY 2016-17. The Board recommends ratification of Interim Dividend of 2% as the final dividend for FY 2016-17.

CHANGES IN SHARE CAPITAL

Pursuant to approval of the shareholders in their meeting held on November 30, 2016, the Company allotted 40,00,000 equity share warrants of Re. 1/- each at a premium of Rs. 62.32/- on December 08, 2016 on preferential basis. Subsequently, these equity share warrants were converted into 40,00,000 equity shares of Re. 1/- each in multiple tranches.

The Company allotted 8,50,49,500 fully paid up bonus equity shares of face value Re. 1/- each in the proportion of 1:1 to the equity shareholders of the Company on March 15, 2017.

TRANSFER TO RESERVES

No amount has been transferred to the general reserves during the year under review. The Company has created a reserve in lieu of revaluation of assets of the Company. The details of the same are disclosed in the financial statements.

DEPOSITS

The Company has neither accepted nor renewed any deposits from public as defined under the provisions of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014.

DETAILS OF DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Ramabhotla Srinivasa Sudhish (DIN: 00027816), Chairman and Managing Director of the Company is liable to retire by rotation, being eligible offers himself for re-appointment.

During the year under review, there were no changes in the Composition of the Board of the Company. Subsequently, the following changes took place on the Board of the Company:

S. No	Name of the Director DIN	Type of Change	Date of Change
1	Mr. Yerra Srinivas DIN 07834798	Appointment as Additional Director	May 29, 2017
2	Mr. Kotturi Ravi Kumar DIN 06363981	Resignation as Director	May 29, 2017
3	Mr. Vivek Kalyan DIN 01719658	Appointment as Additional Director	August 26, 2017

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013.

BOARD EVALUATION

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee Governance.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfillment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings. The Chairman of the Board had one-on-one meetings with the Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of Board/ Committee processes. Further, the Independent Directors at their meeting, reviewed the performance of Board, Chairman of the Board and of Non Executive Directors.

STATUTORY AUDITORS

M/s. S N Murthy & Co., Chartered Accountants (FRN:002217S)., Chartered Accountants, Hyderabad the statutory auditors of the Company were appointed in the 29th annual general meeting of the Company for a term of 5 years, subject to ratification by the members of the Company each year. In this regard, the Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013. The Board proposes their ratification as the Statutory Auditors of the Company for the FY 2017-18.

AUDITORS' REPORT

The Auditors' Report does not contain any disqualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

SECRETARIAL AUDIT REPORT:

Sarada Putcha, Practicing Company Secretary, (C.P. No. 8735) conducted the secretarial audit of the Company for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 and rules there-under. The secretarial audit report for FY 2016-17 forms part of this Annual Report as **Annexure - I**. The report contains certain qualifications/observations as follows:

Management response to qualifications/observations of Secretarial Auditor:

1. The said delays were due to technical and procedural difficulties faced by the Company at the time of filing necessary applications/ corporate actions with concerned authorities as the preferential allotment and bonus issue of equity shares occurred simultaneously.
2. Due to technical issues, there was a delay of 1 day in filing of shareholding pattern for the quarter ended September 30, 2016 with the BSE Limited. The requisite penalty was paid to the BSE Limited for the said delay. Necessary explanations have been given and required steps have been taken to resolve the matter. , Both the matters have been resolved.

The Board is acutely conscious of its compliance obligations under various laws and due care will be taken to avoid such instances in future.

MATERIAL EVENTS**Listing on BSE Ltd.**

The equity shares of the Company were listed on Delhi Stock Exchange which is now derecognized. The Company made an application before BSE Ltd. for direct listing of its equity shares on exchange platform. The application was approved and BSE Ltd. has accorded their listing and trading approval vide letters dated July 26, 2016.

Change of RTA

The Company has changed its Registrar and Share Transfer Agent from CIL Securities Limited to Karvy Computershare Private Limited. The Company has executed Tripartite Agreements with the newly appointed RTA - Karvy Computershare Private Limited and depositories namely CDSL & NSDL on June 13, 2017 and June 09, 2017 respectively.

Incorporation of Wholly Owned Subsidiary

The Company has incorporated a Wholly Owned Subsidiary in the name and style "MIENT Hospitality LLC", Utah, USA on December 19, 2016. The LLC is formed with the object of

carrying the business of acquiring & running hotels and related businesses in line with the diversification plans of the parent company.

This being the first year of Incorporation of the Foreign Subsidiary, there were no operations in the Company.

AUDIT COMMITTEE

The Audit Committee of the Company is duly constituted. The following are the members:

Ms. Krishnapriya Vincent	: Chairman and Member
Mr. Srinivasa Murthy Banda	: Member
Mr. Ramabhotla Srinivasa Sudhish	: Member

NOMINATION AND REMUNERATION POLICY

A committee of the Board has been formed which is named as "Nomination and Remuneration Committee" which has been entrusted with the task to recommend a policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters and to frame proper systems for identification, appointment of Directors & KMPs, Payment of Remuneration to them and evaluation of their performance and to recommend the same to the Board from time to time. Nomination and Remuneration Policy of the Company is enclosed herewith as **Annexure – II**.

The following is the composition of the Nomination and Remuneration Committee:

Mr. Srinivasa Murthy Banda	: Chairperson and Member
Ms. Krishnapriya Vincent	: Member
Mr. Yerra Srinivas	: Member

INVESTOR GRIEVANCE COMMITTEE

The following is the composition of the Investor Grievance Committee

Mr. Yerra Srinivas	: Chairperson and Member
Mr. Srinivasa Murthy Banda	: Member
Mr. Ramabhotla Srinivasa Sudhish	: Member

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 in connection with corporate social responsibility are not applicable to the Company.

VIGIL MECHANISM

A vigil mechanism for directors and employees to report genuine concerns has been established. The vigil mechanism policy has been uploaded on the website of the Company.

RISK MANAGEMENT POLICY

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to

established levels. There are no material risks which threaten the very existence of the company.

INTERNAL FINANCIAL CONTROLS

The Company has adequate internal financial controls which commensurate with the size of the business of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013 Your Directors' confirm that:

- i. in preparation of annual accounts for the financial year ended 31st March, 2017 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2017 and of the profit and loss of the Company for the year;
- iii. the Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors had prepared the annual accounts on a going concern basis;
- v. the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed herewith as **Annexure-III**.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure -IV**.

OTHER DISCLOSURES:

BOARD MEETINGS

During the year under review, twelve (12) board meetings were held on 30.05.2016, 22.06.2016, 11.07.2016, 16.08.2016, 01.09.2016, 08.09.2016, 03.11.2016, 14.11.2016, 08.12.2016, 14.02.2017, 18.02.2017 and 15.03.2017. All the Directors of the Company attended all the Board Meetings.

Audit Committee meetings were held on 30.05.2016, 11.07.2016, 14.11.2016 and 14.02.2017. Nomination and Remuneration Committee meeting was held on 01.09.2016. Stakeholders Committee meeting was held on 30.05.2016. All the members of the respective committees attended all the committee meetings

PARTICULARS OF EMPLOYEES

Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the financial year no employee was in receipt of remuneration of Rs. 1.02 Crore or more, or where employed for part of the year was in receipt of Rs. 8.5 Lakh or more a month.

Disclosure under Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure - V**.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report is enclosed as **Annexure - VI** to this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of investment made by the Company are given in the Notes to the Financial Statements.

During the year under review, the Company has not granted any Loans or given guarantees covered under Section 186 of the Companies Act, 2013.

CORPORATE GOVERNANCE

A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations. A Certificate of the MD and CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee is also annexed.

RELATED PARTY TRANSACTIONS

There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company.

DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, the Company has incorporated a Wholly Owned Subsidiary in the name and style "MIENT Hospitality LLC", USA on December 19, 2016. The LLC is formed with the object of carrying the business of acquiring & running hotels and related businesses which is in line with the diversification plans of the parent company.

The Company does not have any associate and joint ventures as on March 31, 2017.

There are no companies which have ceased to be its Subsidiaries and/or which have become or ceased to be its joint ventures or associate companies during the financial year 2016-2017. Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of your Company's Subsidiary in Form AOC-1 is attached to the Financial Statements of your Company as **Annexure - VII**

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and date of report.
5. No change in the nature of business of the Company.

Your Directors further state that during the year under review, there were no cases filed/registered pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the continued patronage extended to the Company by bankers, dealers, customers, suppliers, employees and shareholders. The trust reposed in your Company by its esteemed customers helped stabilized growth during the year review.

Your Company also acknowledges the support and guidance received from its Bankers, other government agencies during the year under review and look forward to continuing support.

For and on behalf of the Board

Sd/-

Ramabhotla Srinivasa Sudhish
Chairman & Managing Director
DIN: 00027816

September 4, 2017
Hyderabad

Annexure – I**FORM No. MR-3
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017****(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)****To
The Members
Millitoons Entertainment Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Millitoons Entertainment Limited bearing CIN: L74110TG1985PLC051404 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on March 31, 2017 according to the applicable provisions of:

- i. The Companies Act, 1956 and the Companies Act, 2013 ('the Act') and the rules made there under,
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable during the audit period)
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable during the audit period)
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealings with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable during the audit period)
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable during the audit period) and
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India

The above laws as may be applicable to the Company are based on the Compliance Certificate issued by the Managing Director and submitted to the Board of Directors of the Company. During the Audit Period under review and as per the explanation and clarifications given to me and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except that

- *the Bonus Issue of shares was completed after the prescribed period of 15 days as provided in Regulation 95(1) of SEBI (ICDR) Regulations, 2009.*
- *the shareholding pattern for the quarter ended September 2016 was submitted to BSE Ltd. with a delay of 1 day after the prescribed time period as mentioned in the SEBI (LODR) Regulations, 2015.*

I further report that, during the year under review:

- a) The Company had filed certain forms after the due date by payment of additional fee.
- b) The compliance by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same has been subject to review by statutory financial audit and other designated professionals;

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non -Executive Directors and Independent Directors. The changes in the

composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Whenever required, the Board has also met with a notice shorter than seven days.

Decisions at the Board Meetings, as represented by the management, were taken by majority and recorded as part of the minutes.

As per the explanations given to me and the representations made by the Management and relied upon by me, I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that:

- The equity shares of the Company were earlier listed on Delhi Stock Exchange which is now derecognized. The Company made an application to BSE Ltd. for direct listing of its equity shares on their exchange platform. In this connection, BSE Ltd. has accorded the listing and trading approval vide their letters dated July 26, 2016 and the equity shares of the Company commenced trading on BSE Ltd. w.e.f August 02, 2016.
- The Company has allotted 40,00,000 equity shares of Re. 1/- each on preferential basis in multiple tranches pursuant to conversion of equivalent equity share warrants. The shareholders of the Company in their EGM held on November 30, 2016 approved the said preferential offer
- The Company has allotted 8,50,49,500 bonus equity shares of Re. 1/- each to the shareholders of the Company on March 15, 2017.

for Sarada Putcha
Company Secretary in practice

Sd/-
Sarada Putcha
M. No.: 21717
C.P. No.: 8735

September 04, 2017
Hyderabad

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Encl:
Annexure A

Annexure A

To
The Members
Millitoons Entertainment Limited

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

for Sarada Putcha
Company Secretary in practice

Sd/-
Sarada Putcha
M. No.: 21717
C.P. No.: 8735

September 04, 2017
Hyderabad

Remuneration Policy for Directors, Key Managerial Personnel and Other Employees**1. INTRODUCTION:**

1.1 Millitoons Entertainment Limited (MEL) recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- 1.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- 1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 1.1.3 Ensuring that remuneration involves a balance between fixed and incentives pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. SCOPE AND EXCLUSION:

2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. TERMS AND REFERENCES:

In this Policy, the following terms shall have the following meanings:

3.1 “**Director**” means a director appointed to the Board of a Company.

3.2 “**Key Managerial Personnel**” means

- i. the Chief Executive Officer or the managing director or the manager;
- ii. the company secretary;
- iii. the whole-time director;
- iv. the Chief Financial Officer; and
- v. such other officer as may be prescribed under the Companies Act, 2013

3.3 “**Nomination and Remuneration Committee**” means the committee constituted by EML’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

4. POLICY:

4.1 Remuneration to Executive Directors and Key Managerial Personnel

- 4.1.1 The Board, on the recommendation of the Nomination and Remuneration (NAR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- 4.1.2 The Board, on the recommendation of the Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- 4.1.3 The Annual Plan and Objectives for Executive Directors and Senior Executives (Management Committee) shall be reviewed by the Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

4.2 Remuneration to Non-Executive Directors

- 4.2.1 The Board, on the recommendation of the Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.
- 4.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

4.3 Remuneration to other employees

- 4.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skillsets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Annexure – III

**STATEMENT PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ
WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014**

(A) Conservation of energy-

- (i) the steps taken or impact on conservation of energy: Nil
- (ii) the steps taken by the company for utilizing alternate sources of energy: Nil
- (iii) the capital investment on energy conservation equipments: Nil

(B) Technology absorption-

- (i) the efforts made towards technology absorption: Nil
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - (a) the details of technology imported: Nil
 - (b) the year of import: Nil
 - (c) whether the technology been fully absorbed: Nil
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Nil
- (iv) the expenditure incurred on Research and Development: Nil

(C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows: Nil

For and on behalf of the Board

Sd/-

Ramabhotla Srinivasa Sudhish
Chairman & Managing Director
DIN: 00027816

September 04, 2017
Hyderabad

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31-03-2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L52110TG1985PLC051404
Registration Date	May 10, 1985
Name of the Company	Millitoons Entertainment Limited
Category/Sub-Category of the Company	Company limited by Shares/ Indian Non-Government Company
Address of the Registered office and contact details	8-2-268/K/7&8, Ground Floor, Sagar Society, Road No.2, Banjara Hills, Hyderabad- 500034, Telangana Contact: 040 6535 9666 Email id: info@millitoons.com
Whether listed company	Yes – listed on BSE
Name, Address and Contact details of Registrar and Transfer Agent, if any	CIL Securities Limited limited is the RTA of the Company. 212 & 214, Raghava Ratna Towers Chirag Ali Lane, Abids, Hyderabad - 500 001, T.S. Contact No. : 040 - 23203155 E-Mail : advisors@cilsecurities.com

* The Company has changed its Registrar and Share Transfer Agent from CIL Securities Limited to Karvy Computershare Private Limited. The Company has executed Tripartite Agreements with the newly appointed RTA - Karvy Computershare Private Limited and depositories namely CDSL & NSDL on June 13, 2017 and June 09, 2017 respectively.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10 % or more of the total turnover of the company

S.No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Entertainment	5911	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	Name and Address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1.	MIENT Hospitality, LLC USA 221 Historic 25th Street, Ogden, UT 84401.	-	Subsidiary	100%	179

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	79349368		79349368	46.65	39274684	-	39274684	48.46	(1.81)
b) Central Govt					-	-	-	-	-
c) State Govt(s)					-	-	-	-	-
d) Bodies Corp.	48121412		48121412	28.29	20960706	-	20960706	25.86	2.43
e) Banks / FI					-	-	-	-	-
f) Any other					-	-	-	-	-
Sub Total (A) (1)	127470780		127470780	74.94	60235390		60235390	74.32	0.62
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total (A)	127470780	-	127470780	74.94	60235390	-	60235390	74.32	0.62
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-

MILLITOONS ENTERTAINMENT LIMITED

Sub-total (B)(1):-									
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	32632095	-	32632095	19.18	-	-	-	-	19.18
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1396748	2190 9	1418657	0.83	0	10,950	10,950	0.01	0.82
ii) Individual Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	6305298	1659 500	7964798	4.68	11112160	9691000	20803160	25.67	(20.99)
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	2697	-	2697	0.00	-	-	-	-	0.00
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	609973	-	609973	0.36	-	-	-	-	0.36
Trusts		-	-	-	-	-	-	-	-
Foreign Bodies - D R		-	-	-	-	-	-	-	-
Sub-total (B)(2):-	40946811		13259334	25.05	11112160	9701950	20814110	25.68	(0.63)
Total Public (B)			13259334	25.05	11112160	9701950	20814110	25.68	(0.63)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	16841759 1	1681 409	170099000	100	71347550	9701950	81049500	100	

MILLITOONS ENTERTAINMENT LIMITED

(ii) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ramabhotla Srinivasa Sudhish	35928234	44.33	-	71856468	42.24	-	(2.09)
2	Sree Lakshmi Ramabhotla	3346450	4.13	-	7492900	4.41	-	0.28
3	Ravikaanth Portfolio Services Private Limited	20960706	25.86	-	48121412	28.29	-	2.43
TOTAL		60235390	74.32	-	127470780	74.94	-	

(iii) Change in Promoters' Shareholding:

Name Of The Company : MILLITOONS ENTERTAINMENT LIMITED									
Date	Shareholder		Shareholding					Cumulative Shareholding	
			at the beginning of the year					during the year	
			Purchase	Bonus Issue (1:1)	Preferential allotment	Sale	Perc %	No. of Shares	percentage
			(P)	(Q)	(R)	(S)		(Tot)	
R S SUDHISH									
01/04/2016	*	R S SUDHISH						35928234	44.33%
15/03/2017				35928234				71856468	
31/03/2017								71856468	42.24%
RAVIKAANTH PORTFOLIO SERVICES PRIVATE LIMITED									
01/04/2016	*	RAVIKAANTH PORTFOLIO SERVICES PRIVATE LIMITED						20960706	25.86%
24/02/2017	*		3100000				3.82%	24060706	29.69%
15/03/2017	*			24060706				48121412	
31/03/2017	*							48121412	28.29%
SREE LAKSHMI RAMABHOTLA									
1/4/2016	*	SREE LAKSHMI RAMABHOTLA						3346450	4.13%
25/7/2016	*		400000				0.49%	3746450	4.62%
15/03/2017	*			3746450				7492900	
31/03/2017	*							7492900	4.40%

Vii) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S No.	Name	Shareholding at the beginning of the year	% of total shares of Company	Shareholding at the end of the year	% of total shares of the Company
1	Tranello Info Solutions Private Limited	--	--	15744595	9.26
2	Locero Media and Consulting Private Limited	--	--	8,447,545	4.97
3	Viniato Advisors Private Limited	--	--	8233000	4.84
4	A S Kameshwar Rao	3507160	4.33	7481620	4.4
5	Prabhakar Rao mandava	--	--	483178	0.28
6	Lanka V N Murlidhar	--	--	74652	0.04
7	Iqbal Habib	--	--	32900	0.02
8	B P Equities Private Limited	--	--	32488	0.02
9	Alluri Peddi Raju	--	--	25604	0.02
10	Motilal Oswal Securities Limited	--	--	23115	0.01
	Total Shares of the Company	81059500	100	170099000	100

* The Company has issued Bonus shares as on 15/03/2017 in (1:1) ratio.

**Preferential allotment to Viniato Advisors Private Limited was made as on 12.08.2016 ; 14.02.2017 & 18.02.2017 for 5,00,000; 20,00,000 & 15,00,000 equity shares.

Note:

1. The shares of the Company are traded on a daily basis on the stock exchanges (BSE) and hence data wise increase/decrease in shareholding is not provided.
2. The details of date-wise increase/decrease can be provided upon request.

(vii) Shareholding of Directors and Key Managerial Personnel:

S. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Ramabhotla Srinivasa Sudhish At the beginning of the year	3,59,28,234	44.33	3,59,28,234	44.33
	Changes during the year (Bonus shares issued) 1:1	3,59,28,234	*-	7,18,56,468	42.24
	At the end of the year	7,18,56,468	42.24	7,18,56,468	42.24
2	Srinivasa Murthy Banda At the beginning of the year	-	-	-	-
	Changes during the year				
	At the end of the year				
3	Kotturi Ravi Kumar (Resigned as on 29/05/17) At the beginning of the year	-	-	-	-
	Changes during the year				
	At the end of the year				
4	Krishnapriya Vincent At the beginning of the year	-	-	-	-
	Changes during the year				
	At the end of the year				
5	Monica ShrikantGehlot At the beginning of the year	-	-	-	-
	Changes during the year				
	At the end of the year				
6	RLVN Kishore Siram At the beginning of the year	-	-	-	-
	Changes during the year				
	At the end of the year				
TOTAL		7,18,56,468	42.24	7,18,56,468	42.24

* No change in percentage since Bonus Issue.

V. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	1,15,35,116	NIL	1,15,35,116
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)	NIL	1,15,35,116	NIL	1,15,35,116
Change in Indebtedness during the financial year				
• Addition	NIL		NIL	
• Reduction		(1,15,35,116)		(1,15,35,116)
Net Change	NIL	(1,15,35,116)	NIL	(1,15,35,116)
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

Indebtedness of the Company including interest outstanding/accrued but not due for payment
Amount in INR

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S.No	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
Total (A)		-	-
Ceiling as per the Act		N.A.	

B. Remuneration to other directors:

S.No	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	- - - -	-
2.	Total (1)	-	-
	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify (Salary)	- - - -	-
	Total (2)	-	-
	Total (B)=(1+2)	-	-
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act	N.A.	-

C. Remuneration to KMP Other Than MD/Manager/WTB

S.No	Particulars of Remuneration	KMP		Total Amount
		Monica Shrikant Gehlot	RLVN Kishore Siram	
		CS	CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1,80,000	60,000	2,40,000
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	1,80,000	60,000	2,40,000
	Ceiling as per the Act	N.A.		-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Sd/-

Ramabhotla Srinivasa Sudhish
Chairman & Managing Director
DIN:00027816

September 04, 2017
Hyderabad

Annexure - V

Disclosures under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company:

No remuneration was paid to directors during the year under review.

- ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive officer, Company Secretary or manager, if any, in the Financial Year:

No Remuneration was paid to directors during the year under review.

There were no increase in remuneration paid to Company Secretary and Chief financial officer.

- iii. The percentage increase in the median remuneration of the employees in the financial year:

There has not been any increase in the remuneration of the employees in the financial year.

- iv. There were 13 Permanent employees on the rolls of the Company as on March 31, 2017.

- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The Company had not paid any salaries to managerial personnel. There was no increase in the salaries of employees.

- vi. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company has not paid any remuneration to directors during the year under review.

viii. Top 10 Employees in terms of remuneration:

Name	Age	Qualification	Designation	Date of commencement of employment	Experience Gross (years)	Nature of employment	Remuneration Per annum	Previous Employment	Relative of Director If any
Monica Gehlot	26	ACS	Company Secretary and Compliance Officer	February, 2016	-	Full Time	1,80,000	Nil	N.A.
RLVN Kishore Siram	30	MBA	CFO	February, 2016	3 years	Full Time	60,000	Hampsa KPO	N.A.
S. Srivastav	35	B.Com	Manager Admin	Since 2000	16 years	Full Time	1,50,000	NIL	N.A.
G. Raju	30	B.Com	Accounts Manager	Since 2000	16 years	Full Time	1,50,000	Sphere Globe Services Limited	N.A.
A.S.R. Murthy	42	B.Com	Programming	February 2015	20 years	Full Time	1,20,000	Vaaritha	N.A.
CH. Shekhar	31	B.Com	Programming	January 2016	10 years	Full Time	1,20,000	NIL	N.A.
S.K. Aslam	28	B.Sc	Programming	January 2016	5 years	Full Time	1,20,000	NIL	N.A.
V. Kumara Chari	31	B.Sc	Animator	January 2016	7 years	Full Time	1,20,000	NIL	N.A.
T.N.M Reddy	35	B. Com	3D	January 2016	10 years	Full Time	1,20,000	NIL	N.A.
T.V.V.S.M Manohar	36	B.Com	Accounts	January 2016	10 years	Full Time	1,20,000	NIL	N.A.

For and on behalf of the Board

Sd/-

Ramabhotla Srinivas
Chairman & Managing Director
DIN: 00027816

September 04, 2017
 Hyderabad

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Industry Structure and Developments:**

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making high growth strides. Proving its resilience to the world, the Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenues.

The industry has been largely driven by increasing digitisation and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people.

The Indian media & entertainment sector is expected to grow at a Compound Annual Growth Rate (CAGR) of 14.3 per cent to touch Rs 2.26 trillion (US\$ 33.9 billion) by 2020, while revenues from advertising is expected to grow at 15.9 per cent to Rs. 99,400 crore (US\$ 14.91 billion).

Films grew at a crawling pace of 3 per cent in 2016. The segment was impacted by decline in core revenue streams of domestic theatricals and satellite rights, augmented by poor box office performance of Bollywood and Tamil films. Expansion of overseas markets, increase of depth in regional content and rise in acquisitions of digital content by over-the-top platforms are expected to be the future growth drivers that would help the segment bounce back at a forecasted CAGR of 7.7 per cent. However, factors such as dwindling screen count and inconsistent content quality could prove to be limiting factors.

The industry grew at 16.4 per cent, driven majorly by a 31 per cent growth in VFX due to increase in outsourcing work, growing use of VFX in domestic film productions and increase in demand for domestic animated content on television. The industry is estimated to grow at a CAGR of 17.2 per cent over 2017–21.

The Media and Entertainment Industry is a key growth driver for the Indian economy. According to the FICCI-KPMG Report 2017, : The Indian media and entertainment industry in 2016 was able to sustain a healthy growth on the back of strong economic fundamentals and steady growth in domestic consumption coupled with growing contribution of rural markets across key segments. These factors aided the industry to grow at 9.1 per cent on the back of advertising growth of 11.2 per cent, despite demonetisation shaving off 150 to 250 basis points in terms of growth across all sub-segments at the end of the year.

India also improved its position on the ease of doing business ranking of the World Bank, which reaffirms global recognition of the country's business-friendly environment. India's drive to adopt digital technologies across all walks of life is also ushering in major transformation in the way businesses operate and approach their target customers.

Outlook:

The animation services market in 2016 continued to be dominated by outsourced projects from television and film sectors, which accounted for around 85 per cent of the total animation services turnover in India. Going ahead, digital advertising and films are likely to see a larger share of the animation services pie, albeit, the domestic contribution to the same is likely to remain tepid.

The animation IP production segment grew at a faster rate in 2016 on the back of

increasing demand for localised animation content and characters developed for the Indian market across TV and Over the top (OTT) providers.

Broadcasters are partnering with animation studios for original content, with channels like Sonic and Nick having 50 per cent of their content localised with shows such as 'Motu Patlu', 'Shiva', etc. The digital space, too, saw a spurt in demand for kids content with the introduction of channels such as ChuChu TV, CVS 3D Rhyme on Youtube and global players such as Amazon Prime and Netflix signing exclusive content licensing deals with various studios in India.

The VFX outlook looks promising with the 'Baahubali 2' impact likely to usher in a new wave of VFX adoption in Indian cinema, and India's prowess in execution of cutting edge outsourced VFX projects is only expected to get stronger. Although nascent, the coming of age of Augmented Reality / Virtual Reality (AR/VR) technologies could be the key trigger for an even better-than-estimated growth of the animation and VFX industry.

With these upcoming and constantly growing key trends, it is quite explanatory that the animation and VFX industry in India has gained considerable impetus in the past years and definitely there is an ever increasing graph ahead in the future. Growth and progress are always marked with milestones thus, if the existing challenges are tackled with wise measures then the pace of growth can be fastened with no paramount hurdle in its way.

Internal Control System and their adequacy:

The Company through its management is responsible for establishing and maintaining adequate internal control over financial reporting commensurate with its size and nature of business. Our internal control systems are effective to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with the generally accepted principles of accounting. The internal control systems provide for well-defined policies, guidelines, authorizations and approval procedures.

Opportunities:

The way in which we consume news and entertainment has changed dramatically over the past decade, creating both challenges and opportunities for traditional broadcasters. Think about it: Millennials spend more time streaming content than watching it on television, and more than 20 percent of them are viewing shows on their mobile devices. Streaming services are growing rapidly, with around 60 percent of consumers using them monthly. Video-on-demand viewers are expected to reach 209 million by 2021.

The following are the opportunities:

- The rising interest in shorter forms of content such as serialized web and YouTube segments that are a mere six to ten minutes in length,
- Content creators have a relationship with the end consumer like never before and derived insights about users allow for content and ads to be more personalized.
- Companies that can figure out how to push discovery of their content to consumers or help them discover it for themselves will have a leg up in this competitive space.
- Future trends like Colour 3D printing can help generate millions of facial expressions for the characters which stop-motion and CGI experts use. 3D printing is going to be an

invaluable tool to stop-motion animators, who will be able to leverage its possibilities to create bigger, better and more complex animations.

- VR and AR are emerging as important tools for technology companies, content providers and animation/VFX players. Currently, this tech is mostly used in the gaming community as the companies are hesitant towards non-gaming VR due to lack of demand for such media.

Threats:

1. Competition from other countries like Taiwan, Philippines, Korea and China
2. Ever changing technology
3. Lack of awareness in foreign countries
4. Inadequate funding for capex and investment in manpower
5. Lack of support from government.

Challenges, Risks and Concerns:

Animation is a new industry to the Indian Business Environment. Hence, the functioning of the Industry, its risks, the payoffs and the time taken to achieve the payoffs, are not very well understood. The company has been able to develop a strong track record of successful deliveries and has established a strong foundation for a robust growth in the years to come.

Over the years, one distinguishing factor about Millitoons has been the quality of the manpower and low attrition rate, which is much below the industry levels. Particularly, in the 3D animation business, the animators have seen Millitoons as a destination of choice due to training and high quality work opportunities, and a culture best suited for creative talents. This franchise is of utmost importance to this risk reduces progressively with the increase in trained manpower base but nevertheless is an inherent part of the business and needs to be managed actively at all times. Quality computer animation talent is in short supply and also takes time to develop and hence the other major challenges are to successfully increase the talented manpower base of the company.

Discussion on Financial Performance with respect to Operational Performance:

During the year under review the Company has achieved a turnover of Rs. 14.83 Crores as compared Rs. 1.10 Crores in the previous year, profit after tax for the current financial year was Rs. 28,53,825/-.

The paid-up capital of the Company as on March 31,2017 is Rs. 17,00,99,000/- comprising of 17,00,99,000 equity shares of Re. 1/- each.

Human Resources Development and Industrial Relations:

Millitoons Entertainment Limited firmly believes that Human Assets are more critical than physical and financial assets as they are the ones who manage and sustain the growth of physical and financial assets of the company. The Company is well on its way in establishing an integrated system of workforce, which endeavors to develop the capability of its employees that clearly aligns with the business objectives and performance.

Further, we also encourage individual and team awards to sustain and institutionalize the various workforce practices. This helped in giving lots of encouragement to the workforce who have been striving hard to achieve various goals.

Cautionary Statement:

Statements in this Management Discussion and Analysis describing the Company's objective, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Certain observations made on the industry and other players also reflect on opinion by the management and the management accepts no liability on such opinions. Actual results might differ materially from those either expressed or implied.

For and on behalf of the Board**Sd/-****Ramabhotla Srinivasa Sudhish
Chairman & Managing Director****DIN: 00027816**

September 04, 2017

Hyderabad

MILLITOONS ENTERTAINMENT LIMITED

FormAOC-1

(Pursuant to first proviso to sub-section(3) of section129 read with rule5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Sl. No. 1
2. Name of the subsidiary: MIENT Hospitality, LLC
3. The date since when subsidiary was acquired: 19th December, 2016
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries: Dollar, 66.2555 INR.
6. Share capital: 100%
7. Reserves and surplus: 0
8. Total assets: 0
9. Total Liabilities: 0
10. Investments: 0
11. Turnover: 0
12. Profit before taxation: 0
13. Provision for taxation: 0
14. Profit after taxation: 0
15. Proposed Dividend: 0
16. Extent of shareholding (in percentage) : 100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: MIENT Hospitality, LLC
2. Names of subsidiaries which have been liquidated or sold during the year: N.A

****Part B of AOC 1 is not applicable.**

For S N Murthy & Co.
Chartered Accountants
FRN: 002217S

Sd/-
P V S N Murthy
Partner
Membership No. 021862

for and on behalf of Board of Directors
Millitoons Entertainment Limited

Sd/-
R.S. Sudhish
Managing Director
DIN: 00027816

Sd/-
K. Ravi Kumar
Director
DIN: 06363981

Sd/-
Monica Shrikant Gehlot
Company Secretary

Sd/-
RLVN Kishore Siram
CFO

Place: Hyderabad
Date: 29.05.2017

REPORT ON CORPORATE GOVERNANCE**Company's philosophy on Code of Governance:**

Over the years, Millitoons Entertainment Limited (**"Millitoons" and/or "Company"**) has shown a commitment towards effective corporate governance and has always been at the forefront of benchmarking its internal systems and policies with global practices. Millitoons believes in showing a greater degree of responsibility and accountability. It is committed to provide fair, transparent and equitable treatment to all its stakeholders.

At Millitoons, we have always sought to be a value driven organisation, where our growth and success is directed by our values. A report on Corporate Governance as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

Board of Directors**Size of the Board**

The composition of Board is in consonance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March, 2017, Board of Millitoons consisted of 4 members. Out of the four directors, three are Independent Directors and one Promoter director of the Company.

COMPOSITION AND CATEGORY OF DIRECTORS

Name of the Director	Category	Designation	No. of Shares held in the Company as on March 31, 2017
Mr.Ramabhotla Srinivasa Sudhish (DIN: 00027816)	Promoter	Chairman and Managing Director	7,18,56,468
Mr. Srinivasa Murthy Banda (DIN 03165686)	Non Executive - Independent	Director	NIL
Ms.Krishnapriya Vincent (DIN 07443638)	Non Executive - Independent	Director	NIL
Mr.Kotturi Ravi Kumar (DIN : 06363981)	Non Executive - Independent	Director	NIL

Mr. Kotturi Ravi Kumar (DIN: 06363981) has resigned from the Board w.e.f May 29, 2017. Mr. Yerra Srinivasa (DIN 07834798) and Mr. Vivek Kalyan (DIN 01719658) were appointed as additional directors in non-executive category w.e.f. May 29, 2017 and August 26, 2017 on respectively.

RELATIONSHIP AMONG DIRECTORS

None of the board of directors of the Company are related to each other.

Details of attendance of Directors at the AGM, Board Meetings with particulars of their Directorship and Chairmanship /Membership of Board /Committees in other Companies are as under:

Name	Attendance at AGM held on 30th September, 2016	Attendance In Board Meeting		Others	
		Held	Present	Directorships*	Committee Memberships
Mr. Ramabhotla Srinivasa Sudhish (DIN: 00027816)	Present	12	12	1	0
Mr.Srinivasa Murthy Banda (DIN 03165686)	Present	12	12	3	0
Ms.Krishnapriya Vincent (DIN 07443638)	Present	12	12	0	0
Mr.Kotturi Ravi Kumar (DIN : 06363981)	Present	12	12	0	0

*The Directorships held by Directors in other Companies as mentioned above do not include Directorships in Foreign Companies.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are Directors. None of the Directors serve as Independent Director in more than seven listed companies.

DATES OF BOARD MEETINGS:

The Board met 12 times in the financial year 2016-17 on the following dates with a gap not exceeding one hundred and twenty days between any two meetings:

30.05.2016, 22.06.2016 11.07.2016, 16.08.2016, 01.09.2016, 08.09.2016, 03.11.2016, 14.11.2016, 08.12.2016, 14.02.2017, 18.02.2017 and 15.03.2017.

Committees of the Board:

Currently, there are three Board Committees – Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board, Committee are convened by the Chairman of the respective Committees.

The role and composition of these Committees are provided below:

Audit Committee:

The Company has a Qualified and Independent Audit Committee comprising of 2 Independent Directors and 1 Executive Director, constituted in accordance with of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee is empowered with the powers as prescribed under the said Regulations and Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions if any given by the Board from time to time.

The Audit Committee of the Company is duly constituted. The following are the members:

Ms. Krishnapriya Vincent : Chairman and Member

Mr. Srinivasa Murthy Banda : Member

Mr. Ramabhotla Srinivasa Sudhish : Member

All the members of the Audit Committee are financially literate and have expertise in accounting/ financial management. Mr. RLVN Kishore Siram, Chief Financial Officer of the Company. The Company Secretary of the Company acts as the Secretary of the said Committee.

Audit Committee meetings were held on 30.05.2016, 11.07.2016, 14.11.2016 and 14.02.2017. All the members attended all the meetings.

Terms of reference: The terms of reference of the Audit Committee are as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, read with Section 177 of the Companies Act, 2013 and includes such other functions as may be assigned to it by the Board from time to time.

(i) Powers of the Audit Committee include:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

(ii) Role of the Audit Committee includes:

- Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.
 - Approval of payment to statutory auditors for any other services rendered by them.
 - Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to: - matters

required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013. - changes, if any, in accounting policies and practices and reasons for the same. - major accounting entries involving estimates based on the exercise of judgment by management - significant adjustments made in the financial statements arising out of audit findings - compliance with listing and other legal requirements relating to financial statements - disclosure of any related party transactions - review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements - Management Discussion and Analysis of financial conditions and results of operations

- Review of Statement of significant related party transactions submitted by the management.
- Review of management letters/letters of internal control weaknesses issued by the statutory auditors.
- Review of internal audit reports relating to internal control weaknesses.
- Review of appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
 - Review of the financial statements of subsidiary Companies
 - Review and monitor the auditor's independence and performance and effectiveness of audit process
 - Approval or any subsequent modification of transactions of the company with related parties
 - Scrutiny of inter-corporate loans and investments
 - Valuation of undertakings or assets of the Company, wherever it is necessary
 - Evaluation of internal financial controls and risk management systems
 - To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors
 - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors of any significant findings and follow up there on
- Reviewing the risk management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To review the functioning of the Whistle Blower Mechanism
- Approval of appointment / reappointment / remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee
- statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7). The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee has been formed in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013.

The following is the composition of the Nomination and Remuneration Committee:

Mr. Srinivasa Murthy Banda	: Chairperson and Member
Mr. Yerra Srinivas	: Member
Ms. Krishnapriya Vincent	: Member

The main object of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management of the Company, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance, recommend the remuneration package of both the Executive and the Non-Executive Directors on the Board and also the remuneration of Senior Management, one level below the Board. The Committee reviews the remuneration package payable to

Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board from time to time.

No remuneration was paid to any of the directors of the Company. There were no pecuniary relationship or transactions with the non-executive directors during the year under review.

Nomination and Remuneration Committee meeting was held on 01.09.2016. All the members attended all the meetings.

The remuneration policy of the company is available on the company website at the following link:

www.millitoons.com/investors

Terms of reference

The terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To recommend/review remuneration of Key Managerial personnel based on their performance and defined assessment criteria.
- To decide on the elements of remuneration package of all the Key Managerial personnel i.e. salary, benefits, bonus, stock options, pensions, etc.
- Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
- Payment / revision of remuneration payable to Managerial Personnel.
- While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.

- The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
- Any other functions / powers / duties as may be entrusted by the Board from time to time.

The Company has adopted a Policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the Company www.millitoons.com.

Investor Grievance Committee

The Investor Grievance Committee has been formed in compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013.

The following is the composition of the Investor Grievance Committee

Mr. Yerra Srinivas	: Chairperson and Member
Mr. Srinivasa Murthy Banda	: Member
Mr. Ramabhotla Srinivasa Sudhish	: Member

The Committee reviews the security transfers/transmissions, process of dematerialization and the investors' grievances and the systems dealing with these issues.

The Board has authorised the Mrs. Monica Gehlot, Company Secretary, who is also the Compliance Officer, to approve share transfers / transmissions and comply with other formalities in relation thereto.

All investor complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement.

During the year under review, the Company has received zero (0) complaints. There were no complaints pending for redressal during the year under review. There were no pending transfers as on 31st March, 2017.

The Committee, along with the Registrars and Share Transfer Agents of the Company follows the policy of attending to the complaints, if any, within seven days from the date of its receipt.

Stakeholders Committee meeting was held on 30.05.2016. All the members attended all the meetings.

As mandated by SEBI, the Quarterly Reconciliation of Share Capital Audit, highlighting the reconciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-à-vis the total issued and listed capital is being carried out by a Practicing Company Secretary. This Audit confirms that the total issued and paid up capital is in agreement with the total number of shares held in physical and dematerialized form with NSDL and CDSL.

As on 31st March, 2017, 16,84,17,591 Equity Shares of Re. 1/- each representing 99.01% of the total no. of shares are in dematerialized form.

Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 in connection with corporate social responsibility are not applicable to the Company.

Risk Management Policy

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. There are no material risks which threaten the very existence of the company.

Vigil Mechanism

A vigil mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company. The Board affirms that the person has been denied access to the Audit Committee.

Familiarization Programme for Board Members

A formal familiarization programme for the Board Members was conducted. The details of the same are available on our website at the following link: www.millitoons.com.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

General Body Meetings:

Last 3 Annual General Meetings (AGMs) were held at:

Financial Year Ended	Date	Day	Venue	Time	Special Resolutions passed at the AGMs by the Shareholders
March 31, 2016	30th September, 2016	Friday	Hotel Vinflora, No. 157, Kamalapuri, Srinagar Colony Main Road, Hyderabad 500073, Telangana.	9:00 am	Appointment of Mr. Ramabhotla Srinivasa Sudhish as Managing Director and Chairman
March 31, 2015	30th September, 2015	Wednesday	Plot No.91, Road No.7-B, Women's Co-operative Society Jubilee Hills, Hyderabad – 500 033, Telangana	2:30 pm	--
March 31, 2014	30th September, 2014	Tuesday	Plot No.91, Road No.7-B, Women's Co-operative Society Jubilee Hills, Hyderabad – 500 033, Telangana	10:00 am	--

Special resolution moved at the AGM conducted on 30th September, 2016 was passed through e-voting and poll.

Certain Special Resolutions were passed postal ballot on July 22, 2016. Sarada Putcha, PCS, conducted the Postal Ballot exercise. The following are the details of voting pattern:

No of resolutions: 6

Valid Postal Ballots received for all 6 items: 15

Total No of votes: 6,22,35,390

Total No of votes in favour: 6,22,35,390

Total No of Votes – Against and Invalid: NIL

No Special Resolution is proposed to be conducted through postal ballot.

Other Disclosures:

There are no materially significant related party transactions that may likely to have any conflict with the Company's interest.

There were no non-compliances during the last three years except that the Bonus Issue of shares was completed after the prescribed period of 15 days as provided in Regulation 95(1) of SEBI (ICDR) Regulations, 2009 by the Company on any matter related to Capital Market.

There were no penalties imposed during the last three years except that a penalty was paid to BSE Ltd. for submission of shareholding pattern with a delay of 1 day after the prescribed time period as mentioned in the SEBI (LODR) Regulations, 2015.

The policy for related party transactions is posted on Company's website: www.millitoons.com
Material subsidiary policy is hosted in our website www.millitoons.com.

Pursuant to Regulation 34 read Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Regulations), 2015, the Company confirms that it has complied with all mandatory requirements prescribed.

The Company has posted the Code of Conduct for Directors and Senior Management on its website. The Company has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has made compliance with the Disclosures of corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

There was no need for creation of demat suspense account for the Company.

There was no suspension of trading of securities in any Stock Exchanges during the year.

Means of communication:

The quarterly results, financial results, official news releases and other information are displayed in the Investor Relations section on the Company's website: www.millitoons.com and are also disseminated to BSE Ltd. for general public.

The Company generally publishes its financial results in Financial Express Newspaper and Nava Telangana.

Management Discussion and Analysis Report forms part of Annual Report as an annexure to the Directors' Report.

General Shareholder Information

The 32nd Annual General Meeting of the Company will be held on 29th September, 2017 at 09.00 A.M. at the Hotel Celebrations Plot No. 66a, Road No.1, Jubilee Hills, Hyderabad – 500 033, Telangana.

Financial Calendar	1st April, 2016 to 31st March, 2017
Date of Book Closure	September 24, 2017 to September 28, 2017
Dividend Payment Date	October – November, 2016
Listing on Stock Exchanges	BSE Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400001
Name of the Stock Exchange	BSE Ltd
Stock Code	540023
ISIN no. for both NSDL and CDSL	INE621I01018

The Listing fees for the year 2017-18 has been paid to BSE Ltd.

Market Price Data

High, low during each month and trading volumes of the Company's equity shares during the last financial year 2016-17 at the BSE Limited (BSE) are as under:

Date	BSE	
	High	Low
August 2016	22.9	12.5
September 2016	38.1	22.15
October 2016	68.6	38.35
November 2016	94.25	71
December 2016	111.95	75.25
January 2017	99.9	59
February 2017	104.8	62.25
March 2017	116.3	51.5

Distribution Schedule as on 31st March 2017

S. No.	Nominal Value	Amount in Rs.	% of Total Capital	No. of Shareholders	% of total Holders
1.	Upto 5000	1281417	0.75	5114	99.108
2.	5001 to 10000	128308	0.08	18	0.34
3.	10001 to 20000	130705	0.08	9	0.17
4.	20001 to 30000	70843	0.04	3	0.06
5.	30001 to 40000	104831	0.06	3	0.06
6.	40001 to 50000	NA	NA	NA	NA
7.	50001 to 500000	1005356	0.07	4	0.07
8.	500001 and above	167377540	98.4	9	0.17
Total		1770099000	100	5160	100

Performance in comparison to broad based indices such as BSE Sensex:

S. No.	Month	Millitoons Share Price	Sensex Price
	August 31, 2016	11.28	28452.17
	September 30, 2016	11.28	27865.96

	October, 2016	34.3	27930.21
	November, 2016	40.03	26652.81
	December, 2016	48.98	26626.46
	January, 2017	31.25	27655.96
	February, 2017	47.98	28743.82
	March 31, 2017	53.35	29620.50

Categories of Shareholders as on 31st March, 2017:

S No.	Category of Shareholders	No. of Shares	Percentage
1	Promoter & Promoter Group	12,74,70,780	74.94
2	Individuals	93,83,455	5.51
3	Non Resident Indian	2,697	0.00
4	Clearing members	6,09,973	0.36
5	Bodies corporate	3,26,32,095	19.81
	Total	17,00,99,000	100

Dematerialization of shares and liquidity:

The Company has made necessary arrangements with NSDL and CDSL for demat facility. 99.01% of the Company's Shares are dematerialised as on 31st March, 2017.

Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity:

Nil

Address for Correspondence & any query on Annual Report – Compliance Officer:

The Company Secretary
Millitoons Entertainment Ltd
8-2-268/K/7&8, Ground Floor, Sagar Society Road No. 2, Banjara Hills, Hyderabad – 500 034

Registrar and Transfer Agents:

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032

Contact Person:

Praveen Chaturvedi
General Manager
Direct : +91 040 6716 1751

Share Transfer System:

The Share transfers are effected within one month from the date of lodgment for transfer, transmission, sub-division consolidation, renewal etc. or in accordance

Transfer of unpaid/unclaimed dividend amounts to Investor Education and Protection Fund:	with the applicable laws. Such modified share certificates are delivered to the shareholders immediately. There are no unclaimed dividends during the year under review that has to be credited to Investor Education & Protection Fund (IEPF) pursuant to Section 124(5) of the Companies Act, 2013 read with the rules prescribed thereunder.
Compliance Certificate:	Certificate from the Statutory Auditors of the Company M/s S.N Murthy & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Directors' Report and forms part of this 32nd Annual Report.
Commodity Price Risk or Foreign Exchange Risk and hedging activities	The company is engaged in providing services in Power Infrastructure sector and not exposed to any commodity price risk. The Foreign Exchange exposure of the Company is minimal compared to the total domestic operations of the company, further the operations of the company in International Geographies act as natural exchange hedge.
Plant Location	The Company owns 3 acres (i.e., 1,30,680 sqft.) of land in IT SEZ, Vizag.

CMD/CFO Certification

We, Ramabhotla Srinivasa Sudhish, Managing Director and R L V N Kishore Siram, Chief Financial Officer, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended March 31, 2017 and to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
- i. significant changes in the internal control over financial reporting during the year;
 - ii. significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. that there are no instances of significant fraud of which they have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Millitoons Entertainment Limited

Sd/-

Ramabhotla Srinivasa Sudhish
Chairman and Managing Director

DIN: 00027816

Sd/-

R L V N Kishore Siram
CFO

Place: Hyderabad

Date :September 04, 2017

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended 31st March, 2017.

For Millitoons Entertainment Limited

Sd/-

Ramabhotla Srinivasa Sudhish
Chairman and Managing Director

DIN: 00027816

Place: Hyderabad

Date : September 04, 2017

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Millitoons Entertainment Limited

We have examined the compliance of conditions of Corporate Governance by Millitoons Entertainment Limited ('the Company') for the year ended 31st March, 2017, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of condition of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S.N. Murthy & Co.,
Chartered Accountants
(Firm Regn No. 002217S)**

**Sd/-
(P V S N Murthy)
Proprietor**

Place: Hyderabad
Date : September 04, 2017

INDEPENDENT AUDITOR'S REPORT

To
The Members
M/s Millitoons Entertainment Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s. Millitoons Entertainment Limited**, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and 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, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting of the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal control 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 provision 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 thereunder. We conducted our audit in accordance with the Standards on Auditing 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 control relevant to the Company's preparation of the financial statements that give true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Profit and Loss Account, of the **Profit** for the period 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the order.
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 purpose of our audit;
 - (b) In our opinion proper books of accounts 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 & Loss, and 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) On the basis of the written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013;
 - (f) With respect to adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and

- (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 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 they were any material foreseeable losses.
 - (iii) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) Company had provided requisites disclosure in financial statement as to holding as well as dealing in specified Bank Notes during the period from 8th November 2016 to 30th December 2016. These are in accordance with the books of accounts maintained by the company.

**For S N Murthy & Co
Chartered Accountants
FRN No. 002217S**

Sd/-

**P V S N Murthy
(Proprietor)
M. No. 21862**

**Place: Hyderabad
Date: 29.05.2017**

Annexure – A to the Auditors' Report

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of Millitoons Entertainment Limited)

1. (a) The Company has generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of the Immovable property were held in the name of the Company.
2. As explained to us, the stock of finished goods in the Company's custody has been physically verified by the management as at the end of the Financial Year and no material discrepancies were noticed on such physical verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the act.
4. The Company has not granted loans falling within the purview of the provisions of section 185 of Companies Act 2013
5. The Company has not made investments falling within the purview of the provisions of section 186 of the Companies Act, 2013.
5. According to the information and explanation given to us, the Company has not accepted any deposits from the public during the year within the meaning of Section 73 and 76 of the Act and the rules framed there under.
6. Clause (vi) of Paragraph 3 of the Companies (Auditor's Report) Order, 2016, relating to maintenance of cost records is not applicable to the Company.
7. According to the information and explanations given to us and records of the Company examined by us, in our opinion:
 - (a) There was no undisputed amounts payable in respect of Provident Fund, ESI, Income-tax, Sales Tax, Wealth Tax, service tax, customs duty, Excise duty, VAT, Cess and statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
 - (b) There were no dues outstanding in respect of Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or VAT or Cess on account of any dispute.

8. Clause (viii) of Companies (Auditor's Report) Order, 2016 i.e., CARO, 2016 relating to repayment of loans or borrowings to financial institutions, bank, Government and debenture holders is not applicable to the Company.
9. The Company has not raised any money by way of IPO or FPO (including debt instruments). The Company has not availed any term loans.
10. There is no fraud by the Company or any fraud on the Company by its officers and employees has been noticed or reported during the year.
11. The Company has not paid any managerial remuneration under section 197 of the Companies Act, 2013.
12. The Company is not a Nidhi Company.
13. All transactions with the related parties are in compliance with the section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable Accounting Standards.
14. The Company has made preferential allotment of warrants and has duly complied with the provisions of Section 42 and 62 of the Companies Act, 2013 and the amounts have been raised for the purposes for which the funds were raised.
15. The Company has not entered into any non-cash transactions with directors or persons connected with directors during the year.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For S N Murthy & Co
Chartered Accountants
FRN No. 002217S

(P V S N Murthy)
Proprietor
M. No. 21862

Place: Hyderabad
Date: 29.05.2017

Annexure – B to the Independent Auditor’s 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 M/s Millitoons Entertainment Limited (“the Company”) as of 31 March 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 (‘the 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 auditor’s 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.

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 31 March 2016, 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 S N Murthy & Co
Chartered Accountants
FRN No. 002217S

Sd/-
(P V S N Murthy)
Proprietor
M. No. 21862

Place: Hyderabad
Date: 29.05.2017

MILLITOONS ENTERTAINMENT LIMITED

MILLITOONS ENTERTAINMENT LIMITED

Registered Office: 8-2-268/K/7&8, Ground Floor, Sagar Society, Road No. 2, Banjara Hills, Hyderabad - 500 034, T.S.

Phone: 040-3192 3239 | CIN: L74110TG1985PLC051404 | Email: info@millitoons.com | Website: www.millitoons.com

Balance Sheet as at 31.03.2017

Particulars	Note No.	As on 31.03.2017	As on 31.03.2016
I EQUITY AND LIABILITIES			
(1) Share Holders Funds			
a) Share Capital	2-1	170,099,000	81,049,500
b) Reserves & Surplus	2-2	1,337,263,642	6,234,952
c) Money received against Share Warrants		-	-
Sub-Total (1)		1,507,362,642	87,284,452
(2) Share Application Money Pending for Allotment		-	-
(3) Non Current Liabilities			
a) Long Term Borrowings	2-3	-	-
b) Deferred Tax Liability (Net)	2-4	-	-
c) Other Long Term Liabilities		-	-
d) Long Term Provisions		-	-
Sub-Total (2)		-	-
(4) Current Liabilities			
a) Short Term Borrowings	2-5	-	11,535,116
b) Trade Payables	2-5	11,890,470	-
c) Other Current Liabilities	2-5	-	-
d) Short Term Provisions	2-5	369,587	1,148,871
Sub-Total (3)		12,260,057	12,683,987
Total (1 + 2 + 3)		1,519,622,699	99,968,439
II ASSETS			
(1) Non Current Assets			
a) Fixed Assets			
(i) Tangible Assets	2-6	1,178,536,838	10,764,885
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		97,637,969	48,664,029
(iv) Intangible Assets under Development		-	-
b) Non-Current Investments	2-7	37,891,843	-
c) Long Term Loans and Advances		-	-
d) Other Non Current assets		-	-
Deferred Tax Asset		80,471	80,471
Sub-Total (1)		1,314,147,121	59,509,385
(2) Current Assets			
a) Current Investments		-	-
b) Inventories	2-8	131,502,831	22,124,060
c) Trade Receivables	2-8	47,242,358	11,521,565
d) Cash and Cash Equivalents	2-8	21,990,867	3,548,083
e) Short Term Loans and Advances	2-8	-	-
f) Other Current Assets	2-8	4,739,522	3,265,346
Sub-Total (2)		205,475,578	40,459,054
Total (1 + 2)		1,519,622,699	99,968,439
Significant Accounting Policies	1		
<div style="display: flex; justify-content: space-between;"> <div> <p>For S N Murthy & Co., Chartered Accountants FRN No. 002217S</p> <p>Sd/- PVS N Murthy Proprietor Membership No. 21862</p> </div> <div> <p>For on behalf of the board Millitoons Entertainment Limited</p> <p>Sd/- R.S. Sudhish (Managing Director) DIN: 00027816</p> <p>Sd/- Y Srinivas (Director) DIN: 07834798</p> <p>Sd/- Monica Shrikant Gehlot (Company Secretary)</p> <p>Sd/- RLVN Kishore Siram (CFO)</p> </div> </div> <p>Place : Hyderabad Date : 29.05.2017</p>			

MILLITOONS ENTERTAINMENT LIMITED

Registered Office: 8-2-268/K/7&8, Ground Floor, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500 034, T.S.
Phone: 040-3192 3239 | CIN: L74110TG1985PLC051404 | Email: info@millitoons.com | Website: www.millitoons.com

Profit and Loss statement for the year 31.03.2017

Particulars	Note No.	As on 31.03.2017	As on 31.03.2016
I Revenue from Operations		148,390,339	11,090,662
II Other Income		2,142,111	925,256
III Total Revenue (I + II)		150,532,450	12,015,918
IV Expenses			
a) Cost of Materials Consumed		-	-
b) Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	2-9	138,952,430	9,498,965
c) Employee Benefits Expense	2-10	2,042,901	1,141,532
d) Finance Costs	2-11	5,820	13,515
e) Depreciation and Amortization Expense	2-6	979,956	78,960
f) Other Expenses	2-12	4,510,412	1,186,089
Total Expenses		146,491,519	11,919,061
V Profit Before Taxes		4,040,931	96,857
VI Extra-Ordinary Items			
VII Tax Expense			
(a) Current Tax		1,187,106	29,057
(b) Deferred Tax		-	-
VIII Profit & (Loss) for the Period (V - VI)		2,853,825	67,800
IX Earning Per Equity Share:			
1 Basic (Rs.)		0.0168	0.0008
2 Diluted (Rs.)		0.0168	0.0008
<div> <div> For S N Murthy & Co., Chartered Accountants FRN No. 002217S Sd/- PVS N Murthy Proprietor Membership No. 21862 </div> <div> For on behalf of the Board of Millitoons Entertainment Limited </div> </div>			
<div> <div> Sd/- R.S. Sudhish (Managing Director) DIN: 00027816 </div> <div> Sd/- Y Srinivas (Director) DIN: 07834798 </div> </div>			
<div> <div> Sd/- Monica Shrikant Gehlot (Company Secretary) </div> <div> Sd/- RLVN Kishore Siram (CFO) </div> </div>			
Place : Hyderabad Date : 29.05.2017			

MILLITOONS ENTERTAINMENT LIMITED

MILLITOONS ENTERTAINMENT LIMITED

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Phone: 040-3192 3239 | CIN: L74110TG1985PLC051404 | Email: info@millitoons.com | Website: www.millitoons.com

Notes to the Accounts for the year ended 2017

		Amount in Rs.	
Particulars	As on 31.03.2017	As on 31.03.2016	
2(1) Share Capital			
I Authorised Capital			
18,50,00,000 Equity Shares of face value of Re. 1/- each	185,000,000	100,000,000	
II Issued, Subscribed and paidup Capital			
a) 17,00,99,000 Equity Shares of Face Value of Re. 1/- each - Fully Paid Up	170,099,000	81,049,500	
b) Less: Calls in arrears	-	-	
c) Paid up Equity Capital	170,099,000	81,049,500	
Total	170,099,000	81,049,500	
III Reconciliation of the shares outstanding at the beginning and end the reporting period			
a) At the Beginning of the year	81,049,500	81,049,500	
b) Add: Shares Issued during the reporting period	89,049,500	-	
c) Outstanding at the end of the year	170,099,000	81,049,500	
IV Details of Share Holders holding more than 5% shares			
	In Nos.	In Nos.	
a) Promoter Groups	122,470,780	60,235,390	
% of Holding	72.00%	74.32%	
(i) <u>Individuals</u>			
(a) Ramabhotla Srinivasa Sudhish	71,856,468	35,928,234	
(b) Sree Lakshmi Ramabhotla	7,492,900	3,346,450	
% of Holding	79,349,368	39,274,684	
(ii) <u>Any Other</u>	46.65%	48.46%	
(a) Ravikaanth Portfolio Services Private Limited	48,121,412	20,960,706	
% of Holding	28.29%	25.86%	
b) Non Promoter Group			
% of Holding	9.26%	0.00%	
(i) <u>Individuals</u>			
	0	0	
% of Holding	0.00%	0.00%	
(ii) <u>Any Others</u>			
(a) Tranello Info Solutions Private Limited	15,744,595	0	
% of Holding	9.26%	0.00%	
Rights, preferences and restrictions attached to shares			
Equity shares			
The Company has one class of equity shares having a par value of Re. 1/- each. Each shareholder is eligible for one vote per share held. The Company has declared an interim dividend of 2%.			
Total Dividend payable to Equity shareholders is Rs. 16,20,991 and per share is Re. 0.02			
2(2) Reserves & Surplus			
I Share Premium			
a) Opening Balance	1,307,250	1,307,250	
b) Add: Current year Appropriation	249,280,000	-	
c) Less: Used for Bonus issue	85,049,500		
d) Closing Balance	165,537,750	1,307,250	
II Profit and Loss Surplus			
a) Opening Balance	4,927,702	4,928,187	
b) Add: Current year Profit	2,853,825	67,800	
c) Less: Appropriations			
i) Proposed final dividend on equity shares	1,620,991	56,735	
ii) Dividend Distribution Tax	341,603	11,550	
c) Closing Balance	5,818,933	4,927,702	
III Revaluation Reserve			
a) Opening Balance	-	-	
b) Add: Additions	1,165,906,959	-	
c) Closing Balance	1,165,906,959	-	
Total Reserves and Surplus (I + II)	1,337,263,642	6,234,952	

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Notes to the Accounts for the year ended 2017

		Amount in Rs.	
Particulars		As on 31.03.2017	As on 31.03.2016
<u>2(5) Current Liabilities</u>			
I	Short Term Borrowings		
	a) From Related Parties		
	Ramabhotla Srinivasa Sudhish	-	100,000
	Sub-total (a)	-	100,000
	b) From Other Parties		-
	Sphere Global Services Limited	-	11,435,116
	Sub-total (b)	-	11,435,116
	Total Short Term Borrowings - I = (a + b)	-	11,535,116
II	Trade Payables	11,890,470	-
	Total Trade Payables - II	11,890,470	-
III	Short Term Provisions		
	Provisions	369,587	1,080,586
	Dividend Distribution Tax Payable		11,550
	Dividend Payable	-	56,735
	Total - III	369,587	1,148,871
	Total Current Liabilities (I + II + III)	369,587	12,683,987
<u>2(7)Non- Current Assets</u>			
	I) Franklin Temple MF	19,375,755	
	II) ICICI Prudential MF	18,516,089	
		37,891,843	-

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Notes to the Accounts for the year ended 2017

Particulars		Amount in Rs.	
		As on 31.03.2017	As on 31.03.2016
2(8) Current Assets			
I) Inventories		131,502,831	22,124,060
Sub-Total (I)		131,502,831	22,124,060
II) Trade Receivable - Unsecured			
More Than Six Months			
a) Considered Good		47,242,358	11,521,565
b) Considered Doubtful		-	-
		47,242,358	11,521,565
Less: Provision for doubtful receivables		-	-
Sub- total (II)		47,242,358	11,521,565
NON CURRENT ASSET			
Deferred Tax Asset-Net			
a) Balance at the Beginning		80,471	80,471
b) Less: Current Year Provision		-	-
c) Closing Balance		80,471	80,471
III) Cash and Cash Equivalents			
a) Balances with Banks		21,056,553	3,518,390
b) Cash on Hand		934,314	29,693
Sub- total (III)		21,990,867	3,548,083
Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-			
Particulars	SBNs	Other Denomination Notes	Total
Rs.100 Notes	NIL	4973	497300
Rs.10 Notes	NIL	2	20
Re.Coin	NIL	3	3
Total	NIL	4978	497323
NIL			
Explanation : For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.			
IV) Short Term Advances		-	-
Sub- total (IV)		-	-
V) Other Current Assets			
Trade Advances		3,218,176	1,744,000
Deposits		1,521,346	1,521,346
Sub- total (V)		4,739,522	3,265,346
Total (I + II + III + IV + V)		4,819,993	3,265,346
2(9) Changes in Inventories			
a) Opening Balance		22,124,060	-
b) Add: Purchases		248,331,201	31623025
c) Less: Consumed		138,952,430	9,498,965
d) Closing Balance		131,502,831	22,124,060
2(10) Employee Cost			
Salaries & Wages		1,912,352	1,141,532
Staff Welfare Expenses		130,549	-
Security charges		0	-
Total		2,042,901	1,141,532

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Notes to the Accounts for the year ended 2017

		Amount in Rs.	
Particulars		As on 31.03.2017	As on 31.03.2016
2(11) Finance Cost			
Bank Charges		5,820	13,515
Total		5,820	13,515
2(12) Other Expenses			
BSE Fee, Listing charges and Processing Fee		3,345,650	-
Electricity Charges		39,853	48,520
Telephone & Internet Expenses		7,852	5,140
NSDL Charges		54,743	51,526
Register Fee		-	51,530
Printing & Stationary		47,852	65,230
Postage & Stamps		5,470	8,630
Office Maintenance		95,820	235,600
Audit Fee		25,000	20,000
Professional Charges		360,000	200,000
Car Insurance		19,087	-
CDSL Charges		93,222	-
ROC Charges		153,090	-
Penal Interest		7,618	-
Corp Action Fee		12,650	-
Travelling and Conveyance		237,989	-
Consultation Charges		-	-
Other Expenses		4,516	499,913
Total		4,510,412	1,186,089
For S N Murthy & Co., Chartered Accountants FRN No. 002217S Sd/- PVSN Murthy Proprietor Membership No. 21862		For on behalf of the Board of Millitoons Entertainment Limited	
		Sd/- R.S. Sudhish (Managing Director) DIN: 00027816 Sd/- Monica Shrikant Gehlot (Company Secretary)	Sd/- Y Srinivas (Director) DIN: 07834798 Sd/- RLVN Kishore Siram (CFO)
Place : Hyderabad Date : 29.05.2017			

2(6) DEPRECIATION

Depreciation Chart 31.03.2017							
Particulars	Opening Gross Block	Additions	Deletions	Total	Rate of depreciation	Opening Depreciation	Dep for the yr.
Tangible Fixed assets							
Land - Vizag	10,193,041	1,165,906,959	-	1,176,100,000	0.00%	-	-
Electrical Equipment	165,425	-	-	165,425	4.75%	92,147	92,147
Furniture and Fittings	745,642	-	-	745,642	6.33%	530,705	47,199
Plant and Machinery - Computers	1,834,963	2,844,950	-	4,679,913	32.00%	1,834,963	908,854
Office Equipment	503,226	-	-	503,226	4.75%	219,597	23,903
Plant and Machinery	438,000	-	-	438,000	16.21%	438,000	-
Total	13,880,297	1,168,751,909	-	1,182,632,206		3,115,412	979,956
							4,095,369
							1,178,536,838

For on behalf of the board
Millitoons Entertainment Limited

For S N Murthy & Co.,
Chartered Accountants
FRN No. 002217S

Sd/-	Sd/-	Sd/-
PVSN Murthy	R.S. Sudhish	Y Srinivas
Proprietor	(Managing Director)	(Director)
Membership No. 21862	DIN: 00027816	DIN: 07834798
	Sd/-	Sd/-
	Monica Shrikant Gehlot	RLVN Kishore Siram
	(Company Secretary)	(CFO)

Place : Hyderabad
Date : 29.05.2017

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Cash Flow Statement for the period ended by 31st March,2017

Particulars	As on 31st March 2017	As on 31st March 2016						
I Cash flow from Operating Activities								
a) Profit Before tax	4,040,931	96,857						
b) Adjustments for non-cash eliments								
i) Depreciation/Amortization	979,956	78,960						
ii) Loss on Sales of Assets								
iii) Loss on Sale of Investments								
c) Cash flow before change in the working capital	5,020,887	175,817						
d) Changes in working capital								
i) (Increase) or Decrease in Inventories	(109,378,771)	(22,124,060)						
ii) (Increase) or Decrease in Trade Receivables	(35,720,793)	31,623,025						
iii) (Increase) or Decrease in Other Adavaces and Loans	-	-						
iv) (Increase) or Decrease in current liabilities	11,890,470	-						
v) (increase) or Decrease in other Assets	(1,474,176)	(2,850,000)						
vi) Increase or (Decrease) in Current Liabilities and Provisions	(11,535,116)	(12,746,223)						
vii) Increase or (Decrease) in Other Liabilities	(779,284)	55,994						
Cash Flow from Operating Activities	(141,976,783)	(5,865,447)						
Less: Taxes Paid	1,187,106	29,057						
Net Cash Flow from Operating Activities	(143,163,889)	(5,894,504)						
II Cash Flow from Investment Activities								
a) Sale of Fixed Assets								
b) Work in progress	(48,973,940)	9,481,867						
c) Purchase of Investments	(37,891,843)							
d) Deffered tax Asset	(80,471)							
e) Purchase of Fixed Assets	(1,166,791,997)							
Net Cash Flow from Investment Activities	(1,253,738,251)	9,481,867						
III Cash Flow from Financing Activities								
a) Repayment of Term Loan	-	-						
b) Issue of Shares	89,049,500	-						
c) Reserves & Surpluses	1,326,295,424	-						
d) Provision for Dividend		-56735						
e) Dividend Distribution tax		(11,550)						
Net Cash Flow from Financing Activities	1415344924	(68,285)						
IV Net surplus or (Deficiet) of Cash and Cash equivalents during the year	18,442,784	3,519,078						
V Balance at the beging of the year	3,548,083	29,005						
VII Balance at the end of the year	21,990,867	3,548,083						
<table><tr><td>For S N Murthy & Co. Chartered Accountants FRN No. 002217S Sd/- P V S N Murthy Proprietor Membership No. 21862</td><td>For on behalf of the Board of Millitoons Entertainment Limited Sd/- R.S. Sudhish (Managing Director) DIN: 00027816</td><td>Sd/- Y Srinivas (Director) DIN: 07834798</td></tr><tr><td></td><td>Sd/- Monica Shrikant Gehlot (Company Secretary)</td><td>Sd/- RLVN Kishore Siram (CFO)</td></tr></table>			For S N Murthy & Co. Chartered Accountants FRN No. 002217S Sd/- P V S N Murthy Proprietor Membership No. 21862	For on behalf of the Board of Millitoons Entertainment Limited Sd/- R.S. Sudhish (Managing Director) DIN: 00027816	Sd/- Y Srinivas (Director) DIN: 07834798		Sd/- Monica Shrikant Gehlot (Company Secretary)	Sd/- RLVN Kishore Siram (CFO)
For S N Murthy & Co. Chartered Accountants FRN No. 002217S Sd/- P V S N Murthy Proprietor Membership No. 21862	For on behalf of the Board of Millitoons Entertainment Limited Sd/- R.S. Sudhish (Managing Director) DIN: 00027816	Sd/- Y Srinivas (Director) DIN: 07834798						
	Sd/- Monica Shrikant Gehlot (Company Secretary)	Sd/- RLVN Kishore Siram (CFO)						
Place : Hyderabad Date : 29.05.2017								

1. BACKGROUND

Millitoons Entertainment Limited was incorporated on May 10, 1985. The registered office of the Company is presently situated in the State of Telangana. The Company is engaged in Providing Animated Services.

2. SIGNIFICANT ACCOUNTING POLICIES – Note No. 1**(i) Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the historical cost and going concern convention and on accrual basis in accordance with the Indian Generally Accepted Accounting Principles ('GAAP') in India and the pronouncements of the Institute of Chartered Accountants of India and provisions of the Companies Act, 2013 to the extent applicable. The financial statements are presented in Indian rupees.

(ii) Revenue Recognition

Revenue from Animation services consists primarily of revenue earned from services performed on time basis. The related revenue is recognized as and when services are performed. Revenue from sale of goods are recognised on the basis of invoices raised on the customers

(iii) Expenditure

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities.

(iv) Fixed Assets

Fixed assets are stated at Original Cost. Cost of the asset includes the original cost of acquisition including taxes, duties (other than those subsequently recoverable from the tax authorities), freight and other incidental expenses related to acquisition and installation of the concerned assets. Fixed assets are capitalized on the date on which they are ready for use.

(v) Depreciation

Depreciation on Fixed assets is provided on pro-rata basis on Straight Line Method (SLM) at the rates prescribed in Schedule II to the Companies Act, 2013. Individual Assets costing less than Rs. 5,000/- are fully depreciated during the period

(vi) Inventories

Inventories are valued at lower of cost or net realizable value after providing for obsolescence, If any. Cost comprises of cost of purchase, cost of conversion, and

other costs incurred in bringing the inventories to the present location and condition.

(vii) Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction and exchange differences arising from current transactions are recognized in the profit and loss account. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the balance sheet date and resultant gain or loss is recognized in the profit and loss account. Non-monetary assets and liabilities are translated at the rate prevailing on the date of transaction.

(viii) Impairment

The Carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(ix) Taxes on income

Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arise. A Provision is made for income tax annually, based on the tax liability computed after considering tax allowances and exemptions.

The differences that result between the profit offered for income tax and profit as per the financial statements are identified, and thereafter a deferred tax asset or liability is recorded for timing differences, namely the differences that originate in one accounting period and get reversed in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantively enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(x) Retirement Benefits

Provident Fund:

The Company has Defined Contribution Plan in respect of Employees Provident Fund and Pension Fund and accordingly has made contributions to the respective funds and charged off the same on accrual basis if any.

Gratuity & Leave Encashment:

The Company has not made any provision for retirement benefits of employees in respect of Gratuity and Leave Encashment if any.

(xi) Borrowing Costs:

Borrowing Costs relating to Acquisition of Fixed Assets which takes substantial period of time to get ready for its intended use are included to the extent they are relate to the period till such assets are ready for use. All other borrowing costs are charged to revenue. Borrowing costs consists of interest and other cost that the company incurs in connection with borrowing of funds.

(xii) Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

3. Earnings per Share

Basic Earnings per Share is calculated by dividing the Net Profit for the period attributable to equity shareholders divided by weighted average number of equity shares outstanding during the period.

The Total Earning available to Equity Share holders are considered after deducting all expenses including Prior period expenditure as per AS 5 and also tax expense (Current Tax + Deferred Tax)

Sl. No.	Particulars	FY 2016-17	FY 2015-16
01	Profit After Tax	28,53,825	67,800
02	Number Shares Outstanding	17,00,99,000	8,10,49,500
03	Nominal Value Per Share	1	1
04	Basic Earnings Per Share (BEPS) in Rupees	0.0168	0.0008
05	Diluted Earnings Per Share (DEPS) in Rupees	0.0168	0.0008

4. Auditor's remuneration

Particulars	FY 2016-17	FY 2015-16
Statutory Audit Fees	25000	20,000
Total	0.00	20,000

5. Managerial Remuneration:

Particulars	FY 2016-17	FY 2015-16
Managerial Remuneration included in Salaries & Wages	NIL	NIL
Total	NIL	NIL

6. Related party Disclosures:

(a) Name and relationship of related parties:

Name of Related party	Relationship with the Company
Ravikaanth Portfolio Services Pvt. Ltd	Group Company

(b) Related Party Transactions

Name of Related party	Salary
Monica Gehlot (Company Secretary)	1,80,000
Siram RLVN Kishore (CFO)	60,000

7. Foreign Currency Earnings & Outgo

Particulars	FY 2016-17	FY 2015-16
Foreign Currency Earnings	NIL	NIL
Foreign Currency Expenditure	NIL	NIL

8. Contingent Liabilities – NIL**9. The details of deferred tax asset / (liability) are as under:**

Particulars	As at march 31,2017	As at march 31,2016
Deferred tax Asset/(Liability)		-
Opening Balance of Deferred Tax Assets	80,471	80,471
Addition on Account of deprecation during the year	0	0
Closing Balance of Deferred Tax Assets	80,471	80,471

10. Sundry creditors include Rs. Nil due to suppliers covered under the "Small, Micro and Medium Enterprises Development Act, 2006". The Company has not received any claim for interest from any supplier under the said Act. This is based on the information available with the Company.
11. All the figures have been rounded off to nearest rupee.
12. The company is operating in one segment i.e Animation business . Hence there are no reportable segment as per Accounting standard 17 – Segment Reporting.
13. Previous Year figures are regrouped or reclassified where ever necessary to conform to current year classification and presentation.

Schedules form an integral part of financial statements

As per our report of even date

For S N Murthy & Co.
Chartered Accountants
FRN: 002217S

Sd/-
P V S N Murthy
Partner
Membership No. 021862

for and on behalf of Board of Directors
Millitoons Entertainment Limited

Sd/-
R.S. Sudhish
Managing Director
DIN: 00027816

Sd/-
Y.Srinivas
Director
DIN: 07834798

Sd/-
Monica Shrikant Gehlot
Company Secretary

Sd/-
RLVN Kishore Siram
CFO

Place: Hyderabad
Date: 29.05.2017

INDEPENDENT AUDITOR’S REPORT

To
The Members
M/s Millitoons Entertainment Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s. Millitoons Entertainment Limited (hereinafter referred to as “the Holding Company”) and its subsidiary, MIENT Hospitality LLC (the Holding Company and its subsidiaries together referred to as “the Group”), comprising of the consolidated Balance Sheet as at 31 March 2017, the consolidated statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as, the Consolidated Financial Statements”).

Management’s Responsibility for the Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated Cash Flows of the Group in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting of the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provision 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 thereunder. We conducted our audit in accordance with the Standards on Auditing 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 consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated financial statements that give 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 Holding 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at 31 March 2017, and their consolidated profit, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

3. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the order.
4. As required by section 143(3) of the Act, we report that:
 - (h) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (i) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
 - (j) The consolidated balance sheet, consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (k) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (l) 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.

- (m) On the basis of the written representations received from the directors of the Holding Company and subsidiary companies incorporated in India as on 31 March 2017 and taken on record by the Board of Directors of the Holding Company and of its subsidiaries respectively none of the directors of the Group's companies incorporated in India, is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (n) With respect to adequacy of internal consolidated financial controls over consolidated financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
- (o) 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 :
- (v) The Group does not have any pending litigations which would impact its consolidated financial position.
- (vi) The Group did not have any long-term contracts including derivative contracts for which they were any material foreseeable losses.
- (vii) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
- (viii) Company had provided requisite disclosure in financial statement as to holding as well as dealing in specified Bank Notes during the period from 8th November 2016 to 30th December 2016. These are in accordance with the books of accounts maintained by the company.

For S N Murthy & Co
Chartered Accountants
FRN No. 002217S

Sd/-
P V S N Murthy
(Proprietor)
M. No. 21862

Place: Hyderabad
Date: 29.05.2017

Annexure – A to the Auditors’ Report

(Referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of our report of even date to the members of Millitoons Entertainment Limited)

6. (a) The Group has generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(d) The fixed assets were physically verified during the year by the Group’s Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(e) The title deeds of the Immovable property were held in the name of the Holding company.
7. As explained to us, the stock of finished goods in the Group’s custody has been physically verified by the management of respective companies as at the end of the Financial Year and no material discrepancies were noticed on such physical verification.
8. The holding company or its subsidiary company have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the act.
9. The Group has not granted loans falling within the purview of the provisions of section 185 of Companies Act 2013
10. The Company has made investments falling within the purview of the provisions of section 186 of the Companies Act, 2013.
9. According to the information and explanation given to us, the Company has not accepted any deposits from the public during the year within the meaning of Section 73 and 76 of the Act and the rules framed there under.
10. Clause (vi) of Paragraph 3 of the Companies (Auditor’s Report) Order, 2016, relating to maintenance of cost records is not applicable to the Company.
11. According to the information and explanations given to us and records of the Company examined by us, in our opinion:

(c) There was no undisputed amounts payable in respect of Provident Fund, ESI, Income-tax, Sales Tax, Wealth Tax, service tax, customs duty, Excise duty, VAT, Cess and statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(d) There were no dues outstanding in respect of Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or VAT or Cess on account of any dispute.

12. Clause (viii) of Companies (Auditor's Report) Order, 2016 i.e., CARO, 2016 relating to repayment of loans or borrowings to financial institutions, bank, Government and debenture holders is not applicable to the Company.
17. The Company has not raised any money by way of IPO or FPO (including debt instruments). The Company has not availed any term loans. However, the company has issued bonus shares during the year.
18. There is no fraud by the Company or any fraud on the Company by its officers and employees has been noticed or reported during the year.
19. The Company has not paid any managerial remuneration under section 197 of the Companies Act, 2013.
20. The Company is not a Nidhi Company.
21. All transactions with the related parties are in compliance with the section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable Accounting Standards.
22. The Company has made preferential allotment of shares and has duly complied with the provisions of Section 42 and 62 of the Companies Act, 2013 and the amounts have been raised for the purposes for which the funds were raised.
23. The Company has not entered into any non-cash transactions with directors or persons connected with directors during the year.
24. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

**For S N Murthy & Co
Chartered Accountants
FRN No. 002217S**

**Sd/-
(P V S N Murthy)
Proprietor
M. No. 21862**

**Place: Hyderabad
Date: 29.05.2017**

Annexure – B to the Independent Auditor’s 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 M/s Millitoons Entertainment Limited (“the Company”) and its subsidiary company (Herein after called as “Group”) as of 31 March 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 (‘the 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 auditor’s 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.

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 31 March 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 SN Murthy & Co.
Chartered Accountants
FRN No. 002217S**

**Place: Hyderabad
Date: 29/05/2017**

**Sd/-
(PVSN Murthy)
Proprietor
M. No. 21862**

MILLITOONS ENTERTAINMENT LIMITED

MILLITOONS GROUP

(Millitoons Entertainment Limited and its subsidiary company MIENT Hospitality LLC)

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Phone: 040-3192 3239 | CIN: L74110TG1985PLC051404 | Email: info@millitoons.com | Website: www.millitoons.com

Consolidated Balance Sheet as at 31.03.2017

		(Amount in Rs.)	
Particulars	Note No.	As on 31.03.2017	As on 31.03.2016
I EQUITY AND LIABILITIES			
(1) Share Holders Funds			
a) Share Capital	2-1	170,099,000	81,049,500
b) Reserves & Surplus	2-2	1,337,263,642	6,234,952
c) Money received against Share Warrants		-	-
Sub-Total (1)		1,507,362,642	87,284,452
(2) Share Application Money Pending for Allotment			
		-	-
(3) Non Current Liabilities			
a) Long Term Borrowings	2-3	-	-
b) Deferred Tax Liability (Net)	2-4	-	-
c) Other Long Term Liabilities		-	-
d) Long Term Provisions		-	-
Sub-Total (2)		-	-
(4) Current Liabilities			
a) Short Term Borrowings	2-5	-	11,535,116
b) Trade Payables	2-5	11,890,470	-
c) Other Current Liabilities	2-5	-	-
d) Short Term Provisions	2-5	369,587	1,148,871
Sub-Total (3)		12,260,057	12,683,987
Total (1 + 2 + 3)		1,519,622,699	99,968,439
II ASSETS			
(1) Non Current Assets			
a) Fixed Assets			
(i) Tangible Assets	2-6	1,178,536,838	10,764,885
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		97,637,969	48,664,029
(iv) Intangible Assets under Development		-	-
b) Non-Current Investments	2-7	37,891,843	-
c) Long Term Loans and Advances		-	-
d) Other Non Current assets		-	-
Deferred Tax Asset		80,471	80,471
Sub-Total (1)		1,314,147,121	59,509,385
(2) Current Assets			
a) Current Investments		-	-
b) Inventories	2-8	131,502,831	22,124,060
c) Trade Receivables	2-8	47,242,358	11,521,565
d) Cash and Cash Equivelants	2-8	21,990,867	3,548,083
e) Short Term Loans and Advances	2-8	-	-
f) Other Current Assets	2-8	4,739,522	3,265,346
Sub-Total (2)		205,475,578	40,459,054
Total (1 + 2)		1,519,622,699	99,968,439
Significant Accounting Policies		1	
<div><div><div>For S N Murthy & Co., Chartered Accountants FRN No. 002217S</div><div>Sd/- PVSN Murthy Proprietor Membership No. 21862</div></div><div><div>For on behalf of the board of Directors</div><div><div>Sd/- R.S. Sudhish (Managing Director) DIN: 00027816</div><div>Sd/- Y Srinivas (Director) DIN: 07834798</div></div><div><div>Sd/- Monica Shrikant Gehlot (Company Secretary)</div><div>Sd/- RLVN Kishore Siram (CFO)</div></div></div><div>Place : Hyderabad Date : 29.05.2017</div></div>			

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Consolidated Statement of Profit and Loss for the year ended 31.03.2017

(Amount in Rs.)			
Particulars	Note No.	As on 31.03.2017	As on 31.03.2016
I Revenue from Operations		148,390,339	11,090,662
II Other Income		2,142,111	925,256
III Total Revenue (I + II)		150,532,450	12,015,918
IV Expenses			
a) Cost of Materials Consumed		-	-
b) Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	2-9	138,952,430	9,498,965
c) Employee Benefits Expense	2-10	2,042,901	1,141,532
d) Finance Costs	2-11	5,820	13,515
e) Depreciation and Amortization Expense	2-6	979,956	78,960
f) Other Expenses	2-12	4,510,412	1,186,089
Total Expenses		146,491,519	11,919,061
V Profit Before Taxes		4,040,931	96,857
VI Extra-Ordinary Items			
VII Tax Expense			
(a) Current Tax		1,187,106	29,057
(b) Deferred Tax		-	-
VIII Profit & (Loss) for the Period (V - VI)		2,853,825	67,800
IX Earning Per Equity Share:			
1 Basic (Rs.)		0.0168	0.0008
2 Diluted (Rs.)		0.0168	0.0008
For on behalf of the Board of Directors			
<div> <div> For S N Murthy & Co., Chartered Accountants FRN No. 002217S Sd/- PVSN Murthy Proprietor Membership No. 21862 </div> <div> Sd/- R.S. Sudhish (Managing Director) DIN: 00027816 </div> <div> Sd/- Y Srinivas (Director) DIN: 07834798 </div> </div>			
<div> <div> Sd/- Monica Shrikant Gehlot (Company Secretary) </div> <div> Sd/- RLVN Kishore (CFO) </div> </div>			
Place : Hyderabad Date : 29.05.2017			

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Notes to the Consolidated Financial Statements for the year ended 2017

		Amount in Rs.	
Particulars	As on 31.03.2017	As on 31.03.2016	
2(1)Share Capital			
I Authorised Capital			
18,50,00,000 Equity Shares of face value of Re. 1/- each	185,000,000	100,000,000	
II Issued, Subscribed and paidup Capital			
a) 17,00,99,000 Equity Shares of Face Value of Re. 1/- each - Fully Paid Up	170,099,000	81,049,500	
b) Less: Calls in arrears	-	-	
c) Paid up Equity Capital	170,099,000	81,049,500	
Total	170,099,000	81,049,500	
III Reconciliation of the shares outstanding at the beginning and end the reporting period			
a) At the Beginning of the year	81,049,500	81,049,500	
b) Add: Shares Issued during the reporting period	89,049,500	-	
c) Outstanding at the end of the year	170,099,000	81,049,500	
IV Details of Share Holders holding more than 5% shares			
a) Promoter Groups	In Nos.	In Nos.	
	122,470,780	60,235,390	
% of Holding	72.00%	74.32%	
(i) Individuals			
(a) Ramabhotla Srinivasa Sudhish	71,856,468	35,928,234	
(b) Sree Lakshmi Ramabhotla	7,492,900	3,346,450	
	79,349,368	39,274,684	
% of Holding	46.65%	48.46%	
(ii) Any Other			
(a) Ravikaanth Portfolio Services Private Limited	48,121,412	20,960,706	
% of Holding	28.29%	25.86%	
b) Non Promoter Group			
% of Holding	9.26%	0.00%	
(i) Individuals			
	0	0	
	0.00%	0.00%	
(ii) Any Others			
(a) Tranello Info Solutions Private Limited	15,744,595	0	
	9.26%	0.00%	
Rights, preferences and restrictions attached to shares			
Equity shares			
The Company has one class of equity shares having a par value of Re. 1/- each. Each shareholder is eligible for one vote per share held. The Company has declared an interim dividend of 2%.			
Total Dividend payable to Equity shareholders is Rs. 16,20,991 and per share is Re. 0.02			
2(2)Reserves & Surplus			
I Share Premium			
a) Opening Balance	1,307,250	1,307,250	
b) Add: Current year Appropriation	249,280,000	-	
c) Less: Used for Bonus issue	85,049,500		
d) Closing Balance	165,537,750	1,307,250	
II Profit and Loss Surplus			
a) Opening Balance	4,927,702	4,928,187	
b) Add: Current year Profit	2,853,825	67,800	
c) Less: Appropriations			
i) Proposed final dividend on equity shares	1,620,991	56,735	
ii) Dividend Distribution Tax	341,603	11,550	
c) Closing Balance	5,818,933	4,927,702	
III Revaluation Reserve			
a) Opening Balance	-	-	
b) Add: Additions	1,165,906,959	-	
c) Closing Balance	1,165,906,959	-	
Total Reserves and Surplus (I + II)	1,337,263,642	6,234,952	

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Notes to the Consolidated Financial Statements for the year ended 2017

		Amount in Rs.	
Particulars	As on 31.03.2017	As on 31.03.2016	
2(5) Current Liabilities			
I Short Term Borrowings			
a) From Related Parties			
Ramabhotla Srinivasa Sudhish	-	100,000	
Sub-total (a)	-	100,000	
b) From Other Parties		-	
Sphere Global Services Limited	-	11,435,116	
Sub-total (b)	-	11,435,116	
Total Short Term Borrowings - I = (a + b)	-	11,535,116	
II Trade Payables	11,890,470	-	
Total Trade Payables - II	11,890,470	-	
III Short Term Provisions			
Provisions	369,587	1,080,586	
Dividend Distribution Tax Payable		11,550	
Dividend Payable	-	56,735	
Total - III	369,587	1,148,871	
Total Current Liabilities (I + II + III)	369,587	12,683,987	
2(7)Non- Current Assets			
I) Franklin Temple MF	19,375,755		
II) ICICI Prudential MF	18,516,089		
	37,891,843	-	

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Notes to the Consolidated Financial Statements for the year ended 2017

		Amount in Rs.	
Particulars		As on 31.03.2017	As on 31.03.2016
2(8) Current Assets			
I) Inventories			
	Sub-Total (I)	131,502,831	22,124,060
II) Trade Receivable - Unsecured			
More Than Six Months			
a) Considered Good		47,242,358	11,521,565
b) Considered Doubtful		-	-
		47,242,358	11,521,565
Less: Provision for doubtful receivables		-	-
	Sub- total (II)	47,242,358	11,521,565
NON CURRENT ASSET			
Deferred Tax Asset-Net			
a) Balance at the Beginning		80,471	80,471
b) Less: Current Year Provision		-	-
c) Closing Balance		80,471	80,471
III) Cash and Cash Equivalents			
a) Balances with Banks		21,056,553	3,518,390
b) Cash on Hand		934,314	29,693
	Sub- total (III)	21,990,867	3,548,083
Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-			
Particulars	SBNs	Other Denomination Notes	Total
Rs.100Notes	NIL	4973	497300
Rs.10 Notes	NIL	2	20
Re. Coin	NIL	3	3
Total	NIL	4978	497323
Explanation : For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.			
IV) Short Term Advances		-	-
	Sub- total (IV)	-	-
V) Other Current Assets			
Trade Advances		3,218,176	1,744,000
Deposits		1,521,346	1,521,346
	Sub- total (V)	4,739,522	3,265,346
Total (I + II + III + IV + V)		4,819,993	3,265,346
2(9) Changes in Inventories			
a) Opening Balance		22,124,060	-
b) Add: Purchases		248,331,201	31623025
c) Less: Consumed		138,952,430	9,498,965
d) Closing Balance		131,502,831	22,124,060
2(10) Employee Cost			
Salaries & Wages		1,912,352	1,141,532
Staff Welfare Expenses		130,549	-
Security charges		0	-
Total		2,042,901	1,141,532

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Notes to the Consolidated Financial Statements for the year ended 2017

		Amount in Rs.	
Particulars		As on 31.03.2017	As on 31.03.2016
2(11) Finance Cost			
Bank Charges		5,820	13,515
Total		5,820	13,515
2(12) Other Expenses			
BSE Fee, Listing charges and Processing Fee		3,345,650	-
Electricity Charges		39,853	48,520
Telephone & Internet Expenses		7,852	5,140
NSDL Charges		54,743	51,526
Register Fee		-	51,530
Printing & Stationary		47,852	65,230
Postage & Stamps		5,470	8,630
Office Maintenance		95,820	235,600
Audit Fee		25,000	20,000
Professional Charges		360,000	200,000
Car Insurance		19,087	-
CDSL Charges		93,222	-
ROC Charges		153,090	-
Penal Interest		7,618	-
Corp Action Fee		12,650	-
Travelling and Conveyance		237,989	-
Consultation Charges		-	-
Other Expenses		4,516	499,913
Total		4,510,412	1,186,089
For S N Murthy & Co., Chartered Accountants FRN No. 002217S		For on behalf of the Board of Directors	
Sd/- PVS N Murthy Proprietor Membership No. 21862		Sd/- R.S. Sudhish (Managing Director) DIN: 00027816	Sd/- Y Srinivas (Director) DIN: 07834798
		Sd/- Monica Shrikant Gehlot (Company Secretary)	Sd/- RLVN Kishore Siram (CFO)
Place : Hyderabad Date : 29.05.2017			

Depreciation Chart 31.03.2017										
2(6) Depreciation	Particulars	Opening Gross Block 1-4-2016	Additions 2016-2017	Deletions	Total as on 31-3-2017	Rate of depreciation	Opening Depreciation	Dep for the yr.2016-2017	Total Depreciation	WDV at 31.03.2017
	Tangible Fixed assets									
	Land - Vizag	10,193,041	1,165,906,959	-	1,176,100,000	0.00%	-	-	-	1,176,100,000
	Electrical Equipment	165,425	-	-	165,425	4.75%	92,147	-	92,147	73,278
	Furniture and Fittings	745,642	-	-	745,642	6.33%	530,705	47,199	577,904	167,739
	Plant and Machinery - Computers	1,834,963	2,844,950	-	4,679,913	32.00%	1,834,963	908,854	2,743,817	1,936,096
	Office Equipment	503,226	-	-	503,226	4.75%	219,597	23,903	243,501	259,725
	Plant and Machinery	438,000	-	-	438,000	16.21%	438,000	-	438,000	-
	Total	13,880,297	1,168,751,909	-	1,182,632,206		3,115,412	979,956	4,095,369	1,178,536,838

For on behalf of the Board of Directors

For S N Murthy & Co.,
Chartered Accountants
FRN No. 002217S

Sd/-
P V S N Murthy
Proprietor
Membership No. 21862

Sd/-
R.S. Sudhish
(Managing Director)
DIN: 00027816

Sd/-
Y Srinivas
(Director)
DIN: 07834798

Sd/-
Monica Shrikant Gehlot
(Company Secretary)

RLVN Kishore Siram
(CFO)

Place : Hyderabad
Date : 29.05.2017

MILLITOONS ENTERTAINMENT LIMITED

MILLITOONS GROUP

(Millitoons Entertainment Limited and its subsidiary company MIENT Hospitality LLC)

Registered Office: 8-2-268/K/7&8, Ground Floor, Sagar Society, Road No. 2, Banjara Hills, Hyderabad - 500 034, T.S.

Phone: 040-3192 3239 | CIN: L74110TG1985PLC051404 | Email: info@millitoons.com | Website: www.millitoons.com

Consolidated Cash Flow Statement for the period ended by 31st March,2017

Particulars	As on 31st March 2017	As on 31st March 2016
I Cash flow from Operating Activities		
a) Profit Before tax	4,040,931	96,857
b) Adjustments for non-cash eliments		
i) Depreciation/Amortization	979,956	78,960
ii) Loss on Sales of Assets		
iii) Loss on Sale of Investments		
c) Cash flow before change in the working capital	5,020,887	175,817
d) Changes in working capital		
i) (Increase) or Decrease in Inventories	(109,378,771)	(22,124,060)
ii) (Increase) or Decrease in Trade Receivables	(35,720,793)	31,623,025
iii) (Increase) or Decrease in Other Advances and Loans	-	-
iv) (Increase) or Decrease in current liabilities	11,890,470	-
v) (increase) or Decrease in other Assets	(1,474,176)	(2,850,000)
vi) Increase or (Decrease) in Current Liabilities and Provisions	(11,535,116)	(12,746,223)
vii) Increase or (Decrease) in Other Liabilities	(779,284)	55,994
Cash Flow from Operating Activities	(141,976,783)	(5,865,447)
Less: Taxes Paid	1,187,106	29,057
Net Cash Flow from Operating Activities	(143,163,889)	(5,894,504)
II Cash Flow from Investment Activities		
a) Sale of Fixed Assets		
b) Work in progress	(48,973,940)	9,481,867
c) Purchase of Investments	(37,891,843)	
d) Deferred tax Asset	(80,471)	
e) Purchase of Fixed Assets	(1,166,791,997)	
Net Cash Flow from Investment Activities	(1,253,738,251)	9,481,867
III Cash Flow from Financing Activities		
a) Repayment of Term Loan	-	-
b) Issue of Shares	89,049,500	-
c) Reserves & Surpluses	1,326,295,424	-
d) Provision for Dividend		-56735
e) Dividend Distribution tax		(11,550)
Net Cash Flow from Financing Activities	1415344924	(68,285)
IV Net surplus or (Deficiet) of Cash and Cash equivalents during the year	18,442,784	3,519,078
V Balance at the beging of the year	3,548,083	29,005
VII Balance at the end of the year	21,990,867	3,548,083
<div> <div> For S N Murthy & Co. Chartered Accountants FRN No. 002217S Sd/- P V S N Murthy Proprietor Membership No. 21862 Place : Hyderabad Date : 29.05.2017 </div> <div> For on behalf of the Board of Directors Sd/- R.S. Sudhish (Managing Director) DIN: 00027816 Sd/- Monica Shrikant Gehlot (Company Secretary) </div> <div> Sd/- Y Srinivas (Director) DIN: 07834798 Sd/- RLVN Kishore Siram (CFO) </div> </div>		

1. BACKGROUND – BASIS OF CONSOLIDATION AND ACCOUNTING POLICIES

Millitoons Entertainment Limited was incorporated on May10, 1985. The registered office of the Company is presently situated in the State of Telangana. The Company is engaged in Providing Animated Services. MIENT Hospitality LLC was incorporated as on 19th December, 2016 at ogden and its principal office at Frisco , Texas, USA and engaged in the business of Maintaining Hotels in USA.

The consolidated statements relates Millitoons Entertainment Limited and its wholly owned subsidiary, Mient Hospitality LLC. The company and its subsidiary constitutes “Group”.

2. SIGNIFICANT ACCOUNTING POLICIES –Note No. 1**i) Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the historical cost and going concern convention and on accrual basis in accordance with the Indian Generally Accepted Accounting Principles (‘GAAP’) in India and the pronouncements of the Institute of Chartered Accountants of India and provisions of the Companies Act, 2013 to the extent applicable. The financial statements are presented in Indian rupees.

- i. The Financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2017.
- ii. The Financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.
- iii. The consolidated Financial statements include the share of profit / loss of the associate companies which has been accounted as per the ‘Equity method’, and accordingly, the share of profit / loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments

ii) Revenue Recognition

Revenue from Animation services consists primarily of revenue earned from services performed on time basis. The related revenue is recognized as and when services are performed. Revenue from sale of goods are recognised on the basis of invoices raised on the customers

iii) Expenditure

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities.

iv) Fixed Assets

Fixed assets are stated at Original Cost. Cost of the asset includes the original cost of acquisition including taxes, duties (other than those subsequently recoverable from the tax authorities), freight and other incidental expenses related to acquisition and installation of the concerned assets. Fixed assets are capitalized on the date on which they are ready for use. Fixed Assets are revalued as and when the management assumes that there is material variance between actual cost of acquisition and market value of asset and supported by valuation of the assets by third parties.

v) Depreciation

Depreciation on Fixed assets is provided on pro-rata basis on Straight Line Method (SLM) at the rates prescribed in Schedule II to the Companies Act, 2013. Individual Assets costing less than Rs. 5,000/- are fully depreciated during the period

vi) Inventories

Inventories are valued at lower of cost or net realizable value after providing for obsolescence, If any. Cost comprises of cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to the present location and condition.

vii) Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction and exchange differences arising from current transactions are recognized in the profit and loss account. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the balance sheet date and resultant gain or loss is recognized in the profit and loss account. Non-monetary assets and liabilities are translated at the rate prevailing on the date of transaction.

(xiii) Impairment

The Carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

viii) Taxes on income

Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arise. A Provision is made for income tax annually, based on the tax liability computed after considering tax allowances and exemptions.

The differences that result between the profit offered for income tax and profit as per the financial statements are identified, and thereafter a deferred tax asset or liability is recorded for timing differences, namely the differences that originate in one accounting period and get reversed in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantively enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

ix) Retirement Benefits

Provident Fund:

The Company has Defined Contribution Plan in respect of Employees Provident Fund and Pension Fund and accordingly has made contributions to the respective funds and charged off the same on accrual basis if any.

Gratuity & Leave Encashment:

The Company has not made any provision for retirement benefits of employees in respect of Gratuity and Leave Encashment if any.

x) Borrowing Costs:

Borrowing Costs relating to Acquisition of Fixed Assets which takes substantial period of time to get ready for its intended use are included to the extent they are relate to the period till such assets are ready for use. All other borrowing costs are charged to revenue. Borrowing costs consists of interest and other cost that the company incurs in connection with borrowing of funds.

xi) Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

7. Earnings per Share

Basic Earnings per Share is calculated by dividing the Net Profit for the period attributable to equity shareholders divided by weighted average number of equity shares outstanding during the period.

The Total Earning available to Equity Share holders are considered after deducting all expenses including Prior period expenditure as per AS 5 and also tax expense (Current Tax + Deferred Tax)

Sl. No.	Particulars	FY 2016-17	FY 2015-16
01	Profit After Tax	28,53,825	67,800
02	Number Shares Outstanding	17,00,99,000	8,10,49,500
03	Nominal Value Per Share	1	1
04	Basic Earnings Per Share (BEPS) in Rupees	0.0168	0.0008
05	Diluted Earnings Per Share (DEPS) in Rupees	0.0168	0.0008

8. Auditor's remuneration

Particulars	FY 2016-17	FY 2015-16
Statutory Audit Fees	25000	20,000
Total	0.00	20,000

9. Managerial Remuneration:

Particulars	FY 2016-17	FY 2015-16
Managerial Remuneration included in Salaries & Wages	NIL	NIL
Total	NIL	NIL

10. Related party Disclosures:

(c) Name and relationship of related parties:

Name of Related party	Relationship with the Company
Ravikaanth Portfolio Services Pvt. Ltd	Group Company

(B) Related Party Transactions

Name of Related party	Salary
Monica Gehlot (Company Secretary)	1,80,000
Siram RLVN Kishore (CFO)	60,000

7. Foreign Currency Earnings & Outgo

Particulars	FY 2016-17	FY 2015-16
Foreign Currency Earnings	NIL	NIL
Foreign Currency Expenditure	NIL	NIL

14. Contingent Liabilities – NIL

15. The details of deferred tax asset / (liability) are as under:

Particulars	As at march 31,2017	As at march 31,2016
Deferred tax Asset/(Liability)		-
Opening Balance of Deferred Tax Assets	80,471	80,471
Addition on Account of depreciation during the year	0	0
Closing Balance of Deferred Tax Assets	80,471	80,471

16. Sundry creditors include Rs. Nil due to suppliers covered under the “Small, Micro and Medium Enterprises Development Act, 2006”. The Company has not received any claim for interest from any supplier under the said Act. This is based on the information available with the Company.

17. All the figures have been rounded off to nearest rupee.

- 18.** The company is operating in one segment i.e Animation business . Hence there are no reportable segment as per Accounting standard 17 – Segment Reporting.
- 19.** Previous Year figures are regrouped or reclassified where ever necessary to conform to current year classification and presentation.

Schedules form an integral part of financial statements

As per our report of even date

For S N Murthy & Co.
Chartered Accountants
FRN: 002217S

Sd/-
P V S N Murthy
Partner
Membership No. 021862

for and on behalf of Board of Directors
Millitoons Entertainment Limited

Sd/-
R.S. Sudhish
Managing Director
DIN: 00027816

Sd/-
Y.Srinivas
Director
DIN: 07834798

Sd/-
Monica Shrikant Gehlot
Company Secretary

Sd/-
RLVN Kishore Siram
CFO

Place: Hyderabad
Date: 29.05.2017

MILLITOONS ENTERTAINMENT LIMITED

Form No.MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID
I/We, being the member(s) of _____ shares of the above named company. Hereby appoint		
Name :	E-mail Id:	
Address:		
Signature , or failing him		
Name :	E-mail Id:	
Address:		
Signature , or failing him		
Name :	E-mail Id:	
Address:		
Signature , or failing him		

as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the company, to be held on Friday the 29th day of September, 2017 at 09:00a.m.at Hotel Celebrations, Plot No66a, Road No.1, Jubilee Hills, Hyderabad – 500 033, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution(S)	Vote	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the standalone and consolidated financial statements as at March 31, 2017 along with the Reports of the Auditors and Directors thereon.		
2.	To confirm the interim dividend of 2% as the final dividend for FY 2016-17		
3.	To appoint a Director in place of Mr. Ramabhotla Srinivasa Sudhish (DIN: 00027816) who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:		
Special Business			
5.	Appointment of Mr. Vivek Kalyan , (DIN 01719658) as Director		
6.	Appointment of Mr. Yerra Srinivas, DIN(07834798) as Director		

Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. If a member leaves the “FOR” or “Against” column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write “Abstain” across the boxes against the Resolutions.

Signed this _____ day of September, 2017

Signature of Member

Affix Revenue
Stamp

MILLITOONS ENTERTAINMENT LIMITED

CIN: L74110TG1985PLC051404

Address: 8-2-268/K/7&8, Ground Floor, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034.

Tel No.: 040 – 31923239, **Email ID:** info@millitoons.com

ATTENDANCE SLIP

32nd ANNUAL GENERAL MEETING

(Please complete this attendance slip and hand it over at the entrance of the registered office)

I/ We hereby record my/ our presence at the 32nd Annual General Meeting of the Company held on Friday, September 30, 2017 at 09:00 A.M. at Hotel Celebrations, Plot No. 66a, Road No.1, Jubilee Hills, Hyderabad – 500 033, Telangana

Name of the Member/Proxy _____ Signature _____

Folio No. _____ No. of Shares Held _____

*DP ID _____ *Client ID _____

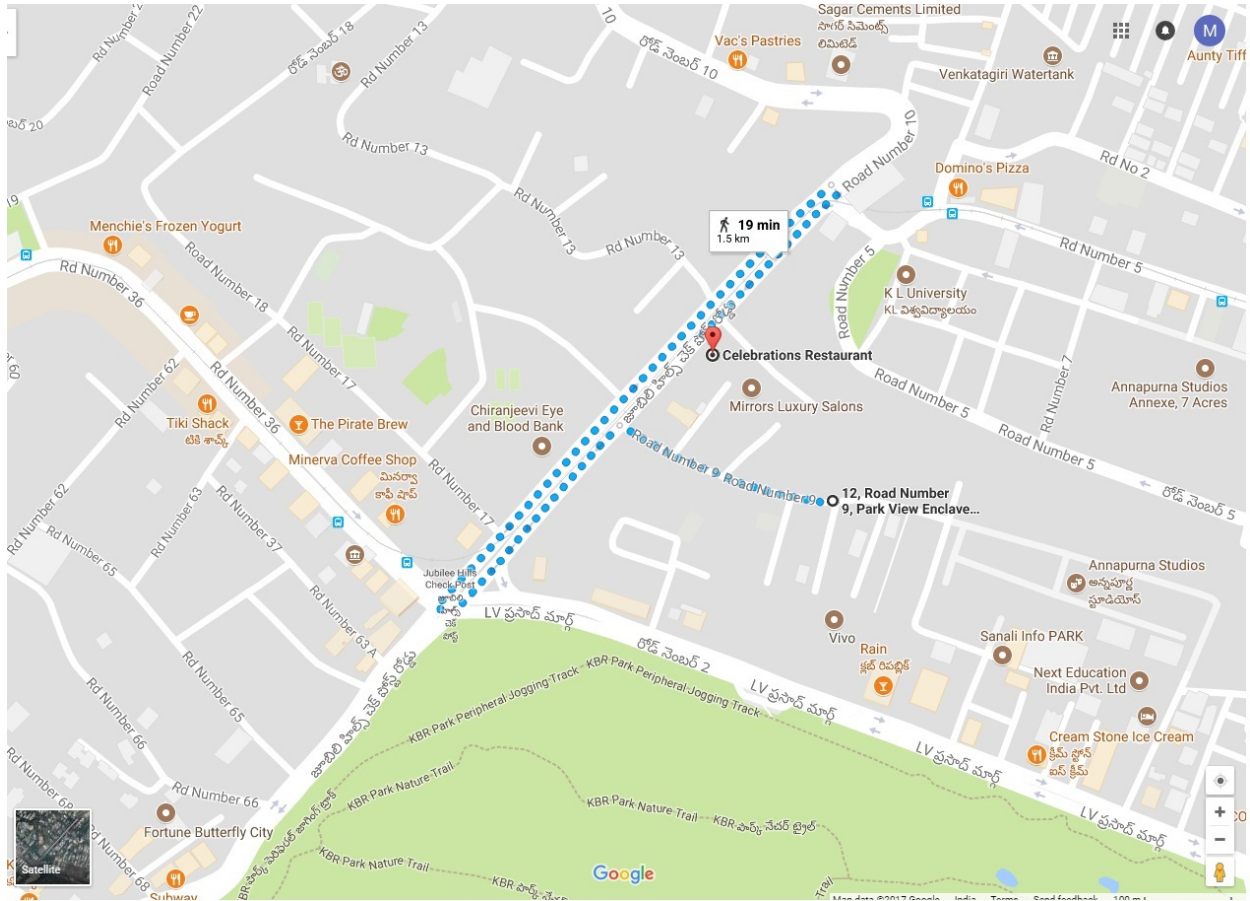
*Applicable to investors holding shares in Electronic Form

Notes:

1. Electronic copy of the Annual Report for 2017 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.
 2. Physical copy of the Annual Report for 2017 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email ids are not registered with the Company or have requested for a hard copy.
-



Map for Venue of AGM:





MILLITOONS ENTERTAINMENT LIMITED

**502, Ground Floor, Sagar Society, Road No.2,
Banjara Hills, Hyderabad - 500034 (Telangana) INDIA**

