



**INDEPENDENT AUDITOR'S REPORT**

To the members of,  
**COLOUR YELLOW PRODUCTIONS PRIVATE LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **COLOUR YELLOW PRODUCTIONS PRIVATE LIMITED** ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss 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 stated 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 of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and



perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015; and (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date;

### **Report on Other Legal and Regulatory Requirements**

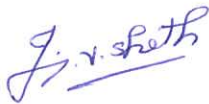
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet and the Statement of Profit and Loss 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 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations.
  - ii) The Company did not have any long term contracts including derivatives contract for which there were any material foreseeable losses.

For JIMMY SHETH & Co  
Chartered Accountants  
FRN 126957W



Jimmy Sheth  
M No: 122280  
Proprietor



Place: Mumbai  
Date: 26<sup>th</sup> May, 2015

## COLOUR YELLOW PRODUCTIONS PRIVATE LIMITED

### Annexure to Independent Auditors' Report

The Annexure referred to in our report to the members of **COLOUR YELLOW PRODUCTIONS PRIVATE LIMITED** ('the Company') for the year Ended on 31<sup>st</sup> March, 2015.

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Management of the Company has physically verified the fixed assets in accordance with its policy of physical verification at reasonable intervals. The discrepancies, if any noticed during such verification have been suitably adjusted in the books of account.
- ii) a) According to the information and explanations given to us, the management has conducted physical verification of the inventories at reasonable intervals.
- b) In our opinion and according to the information and explanations given to us, the procedures followed by the management for physical verification of inventory are reasonable and adequate in relation to the size of the Company and the nature of the business.
- c) No material discrepancies have been noticed on physical verification of the stocks as compared to book records in so far as it appears from our examination of the books.
- iii) a) The company has not granted any loans to parties covered in the register maintained under section 189 of the Act.
- \* b&c) Since no loans have been granted to parties covered in the register maintained under section 189 of the Act, the question of receipt of principle and interest, and overdue amounts does not arise.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control system.



- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 148 of the Act, for the company.
- vii) a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employee's State Insurance, Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Sales Tax, Income Tax, Excise duty, Wealth Tax, Service Tax, Custom Duty, Value Added Tax or Cess which have not been deposited on account of any dispute.
- c) There were no amounts which were required to be transferred to Investor Education & Protection Fund by the Company.
- viii) The Company has accumulated losses as at the end of the financial year. The Company has incurred a cash loss of Rs. 18,51,190/- during the year. The same does not affect the going concern of the Company.
- ix) On the basis of our examination of the books and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders as at the Balance Sheet date.
- x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other parties from any bank or financial institution.
- xi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed during the year by the Company were, prima facie, applied for the purposes for which the loans were obtained.



- xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For JIMMY SHETH & Co  
Chartered Accountants  
FRN 126957W

*J. v. Sheth*

Jimmy Sheth  
M No: 122280  
Proprietor



Place: Mumbai  
Date: 26<sup>th</sup> May, 2015



**NOTICE**

THE SECOND ANNUAL GENERAL MEETING OF COLOUR YELLOW PRODUCTIONS PRIVATE LIMITED will be held at the registered office at Flat No. 3402, B Wing, Oberoi Spring CHSL, Off New Link Road, Andheri (West), Mumbai- 400 053 on Thursday, 25<sup>th</sup> June 2015 at 11:00 a. m. to transact the following business:

**Ordinary Business**

1. To receive, consider and adopt the financial statements of the Company for the year ended 31<sup>st</sup> March, 2015, including the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ("the Board") and Auditor thereon.
2. Appointment of the Auditors

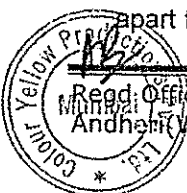
To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

Resolved that, pursuant to Section 139, 142 and other applicable provision of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the resolution passed by the members at the AGM held on September 30<sup>th</sup>, 2014, the appointment of M/s. Jimmy Sheth and Company, Chartered Accountants (ICAI Firm Registration No. 126957W) as the auditors of the Company to hold the office till the conclusion of the AGM to be held in the calendar year 2019 be and hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be determined by them in the consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors.

**Special Business:**

3. To consider and , if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other provisions, applicable, if any, of the Companies Act, 2013 including any statutory modifications or re-enactments thereof ("the Act"), the consent of the Members of the Company be and is hereby accorded to authorise Board of Directors including any Committee(s) of the Board of Directors constituted or to be constituted from time to time (the 'Board') to borrow any sum or sums of money from time to time from any one or more of the Company's Bankers and/or from any one or more other persons, firms, bodies corporate or financial institutions, and whether by way of cash credit, advance or deposits, loans, debentures or bill discounting, and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets, licenses and properties, whether immovable or movable or stock-in-trade and work-in-progress and all or any of the undertaking of the Company, notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company which (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, so that the total amount up to which the moneys may be borrowed



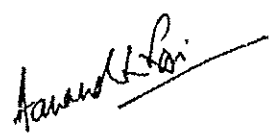
by the Board and outstanding at any time shall not exceed the sum of Rs 25,00,00,000/- (Rupees Twenty Five Crores only).

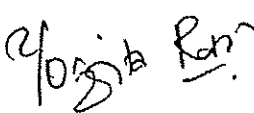
"RESOLVED FURTHER THAT the Board be and is hereby authorised to finalize, settle and execute such documents/deeds/writings/papers/agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage/charge as aforesaid and also to delegate all or any of the above powers to the Committee of the Board and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved That Mr. Sunil Lulla who was appointed as an Additional Director with effect from 1<sup>st</sup> August, 2014 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and who is eligible for appointment as a Director of the Company, be and is hereby appointed as Director on the Board of Directors of the Company with effect from 1<sup>st</sup> August, 2014"

For and on behalf of the Board of Directors

  
**Anand L Raisinghani**  
Director  
DIN : 002203127

  
**Yogita Raisinghani**  
Director  
DIN : 02592884



Date : 25<sup>th</sup> May, 2015  
Place : Mumbai

Notes:

1. A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.



Annexure to the Notice

**EXPLANATORY STATEMENT  
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)  
ITEM NO. 3**

The Board may be required to borrow funds from various entities from time to time for meeting Company's operational and/or short/long term fund requirements, and the aggregate of such borrowings, apart from the temporary loans borrowed from bankers of the Company in ordinary course of business, may exceed the aggregate of the paid up capital and free reserve of the Company, for the time being. Hence, it is proposed to obtain approval of the members of the Company for borrowing funds up to Rs 25,00,00,000/- (Rupees Twenty Five Crores only) and necessary delegation of authority to the Board for this purpose.

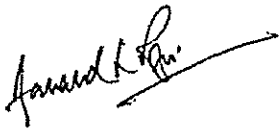
Section 180(1)(c) of the Companies Act, 2013 provides that the Board of Directors of a Company may borrow funds in excess of the aggregate of the paid up share capital and free reserves, subject to the approval of the members of the Company by a special resolution.

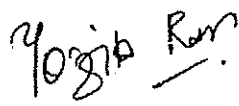
The Board may be required to create mortgage, charge, hypothecate on all or any of the assets/ properties of the Company, both present and future, for securing borrowings (in whatsoever form), hence the approval of members is sought for this purpose.

Your Directors, recommend the said resolutions to be passed as a special resolution by the members.

None of the Directors, Key managerial personnel of the Company or their respective relatives are deemed to be concerned or interested otherwise in the said resolutions.

For and on behalf of the Board of Directors

  
**Anand L Raisinghani**  
Director  
DIN : 002203127

  
**Yogita Raisinghani**  
Director  
DIN : 02592884



Date : 25<sup>th</sup> May, 2015  
Place : Mumbai

**DIRECTORS' REPORT**

To the members,

We are delighted to present the report on our business and operations for the year ended March 31<sup>st</sup>, 2015.

**Financial Results**

The summarized financial results of the Company for the period ended 31<sup>st</sup> March, 2015 are presented below:

Particulars	Current Period
Total Income	NIL
Total Expenditure	19,96,377/-
Profit/(Loss) before tax	(19,96,377/-)
Provision for deferred tax	(13,021/-)
Profit after tax	(19,83,356/-)

**Operations**

During the period under review, your Company has started work on various feature film projects.

**Dividend**

In view of losses, your Director expresses their inability to recommend payment of any Dividend.

**Director**

The Board appointed Mr. Sunil Lilla as an Additional Director in accordance with Section 161(1) of the Companies Act, 2013 with effect from 1<sup>st</sup> August, 2014

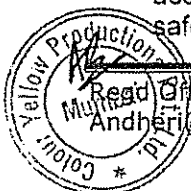
**Shareholder**

Your Company is an Associate Company of EROS International Media Limited with effect from 24-May-2014.

**Directors' Responsibility Statement**

Pursuant to provisions of section 134 (3) (c) of the Companies Act, 2013, the Directors confirm that:

- (i) In the preparation of the annual accounts for the financial year ended March 31<sup>st</sup>, 2015, the applicable accounting standards have been followed;
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit and loss of the Company for that period;
- (iii) The director have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 and for safeguarding the assets of the Company and for preventing and detecting fraud and other



irregularities;

- (iv) The directors have prepared the annual accounts on a going concern basis.
- (v) The directors have laid down internal financial controls, which are adequate and are operating effectively.
- (vi) The directors have devised proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

**Particulars pursuant to conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo:**

The particulars as prescribed under Sub-section (3)(m) of the Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are as follows:


- (i) Conservation of Energy  
The operations of the Company are not energy intensive. However, the Company has taken adequate measures to reduce the energy consumption by using energy efficient hardware and other equipment. Further, the company has spread awareness among the employees on the needs to conserve energy which is well adopted by the employees.
- (ii) Research and Development  
The Company is involved in the business of production of films and TV Software and carries out research and innovative ways in discovering new talent.
- (iii) Technology Absorption, Adaptation and Innovation  
The Company keeps innovating, takes all measures necessary to absorb and adapt latest technologies
- (iv) Foreign Exchange Earning and Outgo

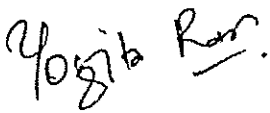
Earnings in foreign exchange	NIL
Outgo in foreign exchange	GBP 45,170

**Auditors**

M/s. Jimmy Sheth & Co, Chartered Accountants (Firm Registration No. 126957W), are to retire at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment as the Auditor of the Company.

For and on behalf of the Board of Directors

  
**Anand L Raisinghani**  
Director  
DIN : 002203127  
Date : 25<sup>th</sup> May, 2015  
Place : Mumbai

  
**Yogita Raisinghani**  
Director  
DIN : 02592884





Balance Sheet as at 31st March, 2015

	Note No.	As at 31st March, 2015 (Rupees)	As at 31st March, 2014 (Rupees)
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders Funds</b>			
Share Capital	3	1,00,000	1,00,000
Reserves and Surplus	4	(23,13,027)	(3,29,671)
		(22,13,027)	(2,29,671)
<b>Non-current Liabilities</b>			
Deferred Tax Liabilities (net)	5	-	5,694
		-	5,694
<b>Current Liabilities</b>			
Short-term Borrowings	6	19,75,00,000	3,25,000
Trade Payables	7	98,53,428	6,17,591
Other Current Liabilities	8	4,38,53,412	1,59,59,526
		25,12,06,840	1,69,02,117
<b>TOTAL</b>		<b>24,89,93,813</b>	<b>1,66,78,140</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets			
-Tangible	9	2,30,978	2,12,515
Deferred Tax Asset (Net)	10	7,327	-
Other Non-current Assets	11	-	20,000
		2,38,305	2,32,515
<b>Current assets</b>			
Inventories	12	23,99,51,707	1,27,13,207
Cash and Bank Balances	13	56,56,437	1,12,418
Short-term Loans and Advances	14	31,47,364	36,20,000
		24,87,55,508	1,64,45,625
<b>TOTAL</b>		<b>24,89,93,813</b>	<b>1,66,78,140</b>


Summary of significant accounting policies

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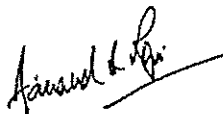
The notes are an integral part of these Financial Statements

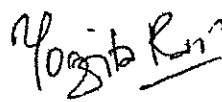
As per our report of even date attached  
For Jimmy Sheth & Company  
Chartered Accountants  
Firm Registration No. 126957W

For and on behalf of the Board of Directors

  
Jimmy Sheth  
Membership No. 122280



  
Anand L. Raisinghani

  
Yogita A. Raisinghani

Date: 25th May, 2015  
Place: Mumbai

Date: 25th May, 2015  
Place: Mumbai

Statement of Profit and Loss for the year ended on 31st March, 2015

	Note No.	Year Ended 31st March, 2015 (Rupees)	Period Ended 31st March, 2014 (Rupees)
<i>Income:</i>		-	-
<i>Expenditure:</i>			
Productions Expenses	15	22,72,38,500	1,27,13,207
(Increase)/Decrease in Inventories	16	(22,72,38,500)	(1,27,13,207)
Depreciation	9	1,45,187	16,285
Other Expenses	17	18,51,190	3,07,692
		<u>19,96,377</u>	<u>3,23,977</u>
(Loss) before tax		(19,96,377)	(3,23,977)
Less : Provision for deferred taxes		(13,021)	5,694
(Loss) after tax		<u>(19,83,356)</u>	<u>(3,29,671)</u>
Earnings Per Share (Nominal Value of Share is Rs. 10/- each)	18		
- Basic		(264.98)	(58.83)
- Diluted		(264.98)	(58.83)
Summary of significant accounting policies	2		

The notes are an integral part of these Financial Statements

As per our report of even date attached

For Jimmy Sheth & Company

Chartered Accountants

Firm Registration No. 126957W

Jimmy Sheth

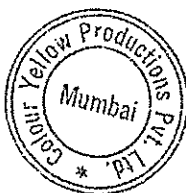
Proprietor

Membership No. 122280

Date: 25th May, 2015

Place: Mumbai

For and on behalf of the Board of Directors



Anand L. Raisinghani  
Director

Date: 25th May, 2015

Place: Mumbai

Yogita A. Raisinghani

Yogita A. Raisinghani  
Director

**Notes to the Financial Statements**

**Note 1 : Corporate Information**

The Company is a private limited company incorporated on 12th September, 2013 under the provisions of the Companies Act, 1956 and domiciled in India. The Company is engaged in the business of production of feature films and other related activities.

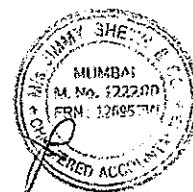
**Note 2 : Summary of Significant Accounting Policies**

**A) Basis of Accounting**

- i) The financial statements are prepared under historical cost convention as a going concern on accrual basis and to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013.
- ii) All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and their realisation in cash or cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.
- iii) The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumption used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognised prospectively in current and future periods.

**B) Fixed Assets**

- i) Fixed Assets are stated at their original cost of acquisition inclusive of duties, taxes, incidental expenses, erection & commissioning expenses and interest, etc. up to the date the asset is ready to be put to use. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.
- ii) Depreciation is provided on a pro-rata basis under Written Down Value method at the rates prescribed under Schedule II to the Companies Act, 2013.
- iii) An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.
- iv) Leasehold Improvements are amortised over the period of lease.





Notes to the Financial Statements

**C) Borrowing Costs**

General and specific borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the year in which they are incurred.

**D) Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provisions for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

**E) Inventories**

- i) Cost of completed pictures is amortised as per the Income Tax Rules. After the cost is fully amortised, no value of it is taken in the accounts.
- ii) Feature film under production is valued at cost.
- iii) Setting materials, make-up materials, costumes, etc purchased for the purpose of production of Feature film, are written off fully in the year of purchase and use.

**F) Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the exchange rate that approximates the actual rate on the date of the transaction. In respect of monetary assets and liabilities denominated in foreign currencies, exchange differences arising out of settlement are recognised in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the exchange rates on that date, the resultant exchange differences are recognized in the Statement of Profit and Loss.

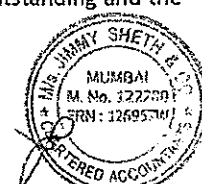
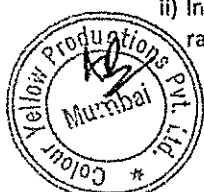
**G) Cost of Production**

Cost of Production includes all direct costs incurred by the company in the production of Feature Film for commercial exploitation till the date of censor. Direct costs are all costs attributable to the production, such as remuneration to artists, shooting expenses, advances paid, recording charges, raw stock expenses, other production expenses, interest cost directly attributable to production of feature film etc.

**H) Revenue Recognition**

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

- i) Revenues from production, distribution of feature films and exploitation of related rights are recognised as per the terms of the agreement or when the tapes and other deliverables of related film(s) are delivered.
- ii) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.



Notes to the Financial Statements

I) Employee Benefits

Employee benefits are recognised as expenditure at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

J) Current and Deferred Tax

i) Provision for current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates relevant to the respective 'Previous Year'. Minimum Alternate Tax (MAT) eligible for set-off in subsequent years (as per tax laws), is recognised as an asset by way of credit to the Statement of Profit and Loss only if there is convincing evidence of its realisation. At each Balance Sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassess realisation.

ii) Deferred tax resulting from 'timing difference' between book and taxable profit for the year is accounted for using the current tax rates. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be adjusted in future. However, in case of deferred tax assets (representing unabsorbed depreciation or carry forward losses) are recognised, if and only if there is virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised, or to the extent of deferred tax liabilities.

K) Provisions and Contingent Liabilities

i) A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

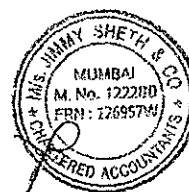
ii) Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

L) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments or receipts are recognized as an expense or income in the Statement of Profit and Loss on a straight-line basis over the lease term.

M) Preliminary Expense

Preliminary expenses have been written-off fully during the financial year as per the Accounting Standard 26.



Notes to the Financial Statements

(Amount in Rupees)

Note: 3 Share Capital

	As at 31st March, 2015		As at 31st March, 2014	
	Number	Amount	Number	Amount
Authorised Equity Shares of Rs 10/- each	10,000	1,00,000	10,000	1,00,000
Issued, subscribed and fully paid up Equity Shares of Rs. 10/- each	10,000	1,00,000	10,000	1,00,000
	10,000	1,00,000	10,000	1,00,000

a. Reconciliation of the number of shares outstanding

	As at 31st March, 2015		As at 31st March, 2014	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the period	10,000	1,00,000	-	-
Shares issued during the period	-	-	10,000	1,00,000
Shares outstanding at the end of the period	10,000	1,00,000	10,000	1,00,000

b. Rights, preferences and restrictions attached to the equity shares

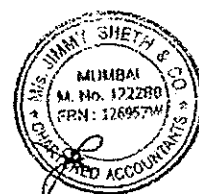
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion of their shareholding.

c. Shareholders holding more than 5 % shares in the Company

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No of Equity shares held	% of holding	No of Equity shares held	% of holding
Anand L. Raisinghani	2,500	25%	5,000	50%
Yogita A. Raisinghani	2,500	25%	5,000	50%
EROS International Media Limited	5,000	50%	-	-

Note: 4 Reserves and Surplus

	As at 31st March, 2015	As at 31st March, 2014
(Deficit) In the Statement of Profit and Loss		
Opening Balance	(3,29,671)	-
(Loss) for the period	(19,83,356)	(3,29,671)
Balance at the end	(23,13,027)	(3,29,671)





## Notes to the Financial Statements

(Amount In Rupees)

## Note: 5 Deferred Tax Liabilities (net)

	As at 31st March, 2015	As at 31st March, 2014
Fixed Assets (Timing Difference)	-	5,694
Deferrex tax arising during the year	-	5,694
Deferrex tax liabilities recognised	-	5,694

1) As a measure of prudence, deferred tax asset is not recognised on carried forward losses.

2) It is the policy of the Company to recognise deferred tax assets/liabilities at the end of the financial year

## Note: 6 Short-term Borrowings

	As at 31st March, 2015	As at 31st March, 2014
<i>Unsecured</i>		
Loans and Advances from a Director	-	2,25,000
Loans and Advances from a Related Party - from a Company in which Directors are interested	25,00,000	1,00,000
Secured loan by Bill Discounting (Secured against hypothecation of the film "Tanu Weds Manu- Returns")	19,50,00,000	-
	19,75,00,000	3,25,000

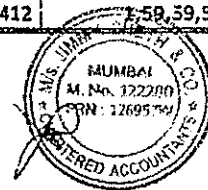
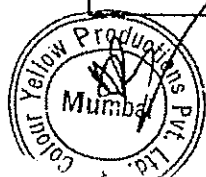
## Note: 7 Trade Payables

	As at 31st March, 2015	As at 31st March, 2014
Trade Payables		
- Due to Micro and Small Enterprises *	-	-
- Other than Micro and Small Enterprises	98,53,428	6,17,591
	98,53,428	6,17,591

\*The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26-Aug-2008 which recommends that Micro and Small Enterprises should mention in their correspondence with its customers the entrepreneurs memorandum number as allocated. Accordingly the disclosure in respect of the amounts payable to such companies has been made in the financial statements based on the information received and available with the Company.

## Note: 8 Other Current Liabilities

	As at 31st March, 2015	As at 31st March, 2014
Advance Received for Projects under production	3,94,35,925	1,58,50,000
Salary payable	14,04,640	
Statutory Dues	30,12,847	1,09,526
	4,38,53,412	1,59,59,526



Notes to the Financial Statements

Note: 9 Fixed Assets

(Amount in Rupees)

Description	Gross Block			Depreciation			Net Block	
	Opening Balance	Additions during the year	As at 31st March, 2015	Opening Balance	For the Year	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
<b>Tangible</b>								
Data Processing Equipments	83,000	1,63,650	2,46,650	9,096	90,588	99,684	1,46,966	73,904
Furniture and Fixtures	45,000	-	45,000	3,950	10,628	14,578	30,422	41,050
Office Equipmetns	1,00,800	-	1,00,800	3,239	43,971	47,210	53,590	97,561
<b>Total</b>	<b>2,28,800</b>	<b>1,63,650</b>	<b>3,92,450</b>	<b>16,285</b>	<b>1,45,187</b>	<b>1,61,472</b>	<b>2,30,978</b>	<b>2,12,515</b>
<b>Previous Period</b>	<b>-</b>	<b>2,28,800</b>	<b>2,28,800</b>	<b>-</b>	<b>16,285</b>	<b>16,285</b>	<b>2,12,515</b>	



## Notes to the Financial Statements

(Amount in Rupees)

## Note: 10 Deferred Tax Asset (Net)

	As at 31st March, 2015	As at 31st March, 2014
On account of Fixed Assets & Preliminary Expenses	7,327	-
Deferrex tax arising during the year	7,327	-
Deferrex tax Asset recognised	7,327	-

1) As a measure of prudence, deferred tax asset is not recognised on carried forward losses.

2) It is the policy of the Company to recognise deferred tax assets/liabilities at the end of the financial year

## Note: 11 Other Non-current Assets

	As at 31st March, 2015	As at 31st March, 2014
Preliminary Expenses (to the extent not written off or adjusted)	-	20,000
	-	20,000

## Note: 12 Inventories

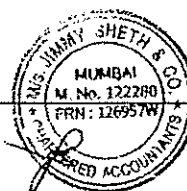
	As at 31st March, 2015	As at 31st March, 2014
Opening Stock of Feature Films	1,27,13,207	-
Add : Production Expenses during the year	22,72,38,500	1,27,13,207
Total Cost of Production	23,99,51,707	1,27,13,207
Less : Cost of Production of Completed Feature Films	-	-
Closing Stock of Feature Films	23,99,51,707	1,27,13,207

## Note: 13 Cash and Bank Balances

	As at 31st March, 2015	As at 31st March, 2014
Cash and Cash Equivalents		
Cash on Hand	12,08,430	1,07,515
Balance with a bank		
- In Current Account	44,48,007	4,904
	56,56,437	1,12,418

## Note: 14 Short-term Loans and Advances

	As at 31st March, 2015	As at 31st March, 2014
Unsecured, considered good		
Advances Recoverable in Cash or In Kind	-	1,500
Other Advances	19,47,364	36,18,500
	12,00,000	-
	31,47,364	36,20,000

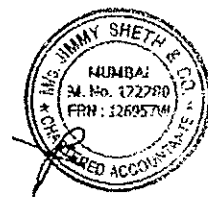




Notes to the Financial Statements

Note: 15 Cost of Production

	Total Current Year (Rupees)	Additions during the Current Year (Rupees)	Total Previous Period (Rupees)	Additions during the Previous Period (Rupees)	Opening Balance for the Previous Year (Rupees)
<b>Cost of Production - Project 1</b>					
Artists & Technicians Remuneration	8,00,000	-	8,00,000	8,00,000	-
	8,00,000	-	8,00,000	8,00,000	-
<b>Cost of Production - 'Tany Weds Manu Returns'</b>					
PR & Advertising Expenses	5,63,105	5,63,105	-	-	-
Art Expenses	1,01,30,415	1,01,30,415	-	-	-
Artists & Technicians Remuneration	5,75,64,402	5,04,68,072	70,96,330	70,96,330	-
Catering Expenses	72,73,904	72,73,904	-	-	-
Foreign Shooting Expenses	87,85,220	87,85,220	-	-	-
Other Expenses of Production	2,89,92,293	2,59,58,079	30,34,214	30,34,214	-
Insurance Charges	7,98,880	7,98,880	-	-	-
Equipment Hire & Purchase	83,25,578	83,13,026	12,552	12,552	-
Hard Drive	9,89,415	9,89,415	-	-	-
Location and Studio Hire Charges	2,16,64,042	2,16,64,042	-	-	-
Travelling, Lodging and Boarding	3,96,40,759	3,94,23,789	2,16,970	2,16,970	-
Ward-Robe and Make Up Expenses	84,83,365	84,33,365	-	-	-
Post Production expenses	9,03,800	9,03,800	-	-	-
other administrative expense	2,25,00,000	2,25,00,000	-	-	-
Finance Cost	78,65,955	78,65,955	-	-	-
	22,44,81,133	21,41,21,067	1,03,60,066	1,03,60,066	-
<b>Cost of Production - Project 2</b>					
Artists & Technicians Remuneration	10,00,000	-	10,00,000	10,00,000	-
Travelling, Lodging and Boarding	1,20,641	-	1,20,641	1,20,641	-
	11,20,641	-	11,20,641	11,20,641	-
<b>Cost of Production - Project 4</b>					
Artists & Technicians Remuneration	13,28,269	10,20,769	3,07,500	3,07,500	-
	13,28,269	10,20,769	3,07,500	3,07,500	-
<b>Cost of Production - Project 5</b>					
Artists & Technicians Remuneration	41,71,333	41,71,333	-	-	-
Recce Expenses	3,13,105	3,13,105	-	-	-
Other office expenses	51,466	51,466	-	-	-
	45,35,904	45,35,904	-	-	-
<b>Cost of Production - Other Projects</b>					
Artists & Technicians Remuneration	65,35,100	64,10,100	1,25,000	1,25,000	-
Travelling, Lodging and Boarding	6,45,160	6,45,160	-	-	-
Suchitra Ralsinghani	5,00,000	5,00,000	-	-	-
Other office Expenses	5,500	5,500	-	-	-
	76,85,760	75,60,760	1,25,000	1,25,000	-
<b>Grand Total</b>	<b>23,99,51,707</b>	<b>22,72,38,500</b>	<b>1,27,13,207</b>	<b>1,27,13,207</b>	<b>-</b>



## Notes to the Financial Statements

(Amount in Rupees)

## Note: 16 (Increase)/Decrease in Inventories

	Year Ended 31st March, 2015	Period Ended 31st March, 2014
Work-in-Progress		
Cost of Inventories at the beginning of the year	1,27,13,277	-
Cost of Inventories at the end of the year	23,99,51,707	1,27,13,207
(Increase)/Decrease in the Inventories	(22,72,38,500)	(1,27,13,207)

## Note: 17 Other Expenses

	Year Ended 31st March, 2015	Period Ended 31st March, 2014
Printing & Stationery	47,682	-
Membership Expenses	18,202	-
Legal & Professional Fees	11,01,240	10,000
Auditors Remuneration		
- Audit Fees	1,12,360	22,472
Service Tax Expense	30,285	-
Donation	2,00,000	5,001
Interest on Late Payment of TDS	2,205	17,083
Conveyance Expenses	12,552	3,287
Office Expenses	3,06,664	42,819
Preliminary Expenses Written Off	20,000	5,000
Wages	-	36,000
Repairs and Maintenance	-	1,26,974
Food and Refreshments	-	31,147
Miscellaneous Expenses	-	7,909
	18,51,190	3,07,692

## Note: 18 Earnings Per Share (EPS)

Earning per share is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of Equity

	Year Ended 31st March, 2015	Period Ended 31st March, 2014
(Loss) before and after tax	(19,96,377)	(3,23,977)
Weighted average number of shares outstanding during the period	7,534	5,507
Earnings Per Share (Basic and Diluted)	(264.98)	(58.83)
Face Value per Share	10	10

## Note 20 : Additional Notes/Information

- (i) The Company is engaged in one primary business i.e. Production of Films and TV Software.
- (ii) The Company was incorporated on 12th Sept, 2013, hence figures as at 31st March, 2014 are for the period of 12th September,
- (iii) The figures for the previous period have been regrouped/reclassified to conform with the current years presentation.

These notes are an integral part of the Financial Statements

As per our report of even date attached

For Jimmy Sheth &amp; Company

Chartered Accountants

Firm Registration No. 190692

MUMBAI

FIRN: 12695744

CHARTERED ACCOUNTANTS

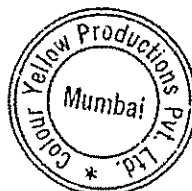
Jimmy Sheth

Proprietor

Membership No. 122280

Date: 25th May, 2015

Place: Mumbai



For and on behalf of the Board of Directors

Anand L. Ralsinghani  
Director

Yogita A. Ralsinghani  
Director

Date: 25th May, 2015

Place: Mumbai