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Board of Directors:

Mr. K. Ravi Kumar	Director (Appointment: 30/07/2014)
Mr. T P Prabhakar	Director (Cessation: 30/01/2015)
Mr. D. Sai Satish Kumar	Director
Mr. R. S. Sudhish	Director (Appointment: 09/01/2015)
Mr. M. Anil Kumar	Director (Cessation: 30/07/2014)

Registered Office:

Plot No.91, Road No.7-B, Women's Co-operative Society
Jubilee Hills, Hyderabad – 500 033
Tel No. 040 – 23550268, 23544862

Audit Committee:

Mr. D. Sai Satish Kumar
Mr. K Ravi Kumar
Mr. T P Prabhakar

Nomination and Remuneration Committee:

Mr. D. Sai Satish Kumar
Mr. K Ravi Kumar
Mr. T P Prabhakar

Stakeholders Relationship Committee:

Mr. D. Sai Satish Kumar
Mr. K Ravi Kumar
Mr. T P Prabhakar

Auditors:

M/s. S N Murthy & Co
Chartered Accountants
Chikkadapally, Hyderabad-500020

Bankers:

Kotak Mahindra Bank Limited
Somajiguda, Hyderabad - 500082
Syndicate Bank
Corporate Finance Branch
Lumbini Towers, Punjagutta, Hyderabad - 500082

Registrars & Share Transfer Agents:

CIL Securities Limited
Flat No.212 & 214, Raghava Ratna Towers, Chirag Ali Lane
Abids, Hyderabad-500001
Ph: 040-23202465/23203028
Fax: 040-23203028

Listed At:

Delhi stock exchange

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of '**Millitoons Entertainment Limited**' (Formerly **Color Chips New Media Limited**) will be held on Wednesday, the 30th day of September 2015 at 2.30 p.m. at Plot No.91, Road No.7-B, Women's Co-operative Society Jubilee Hills, Hyderabad – 500 033, Telangana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and Statement of Profit & Loss for the financial year ended on that date together, with the report of the Board of Directors and Auditors thereof.
2. To appoint Mr. Ramabhotla Srinivasa Sudhish (DIN: 00027816), as a director of the company.
3. To ratify the appointment of statutory auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the 34th Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

“RESOLVED THAT pursuant to Section 139 and Section 141 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the consent of the members of the Company be and is hereby accorded to ratify the appointment of M/s. S N Murthy & Co., Chartered Accountants, from whom a written consent and a certificate satisfying the criteria provided in Section 141 has been received, who have been appointed as Statutory Auditors of the Company to hold office from the 29th Annual General Meeting till the conclusion of 34th Annual General Meeting of the Company to be held in the year 2019, subject to ratification by the members at every Annual General Meeting hereafter, and the Board of Directors be and are hereby authorized to fix their remuneration in consultation with the statutory auditors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT as per the provisions of the companies Act, 2013 Sri. A. Seetarama Murthy (DIN: 02191621) be and is hereby appointed as Non – Executive – Independent Director of the company with effect from 30th day of September 2015.

RESOLVED FUTHER THAT the board of Directors of the company be and is hereby authorised to sign and file all the required returns with registrar of the Companies, Telangana, Hyderabad.

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

“RESOLVED THAT as per the provisions of the companies Act, 2013 Smt. A. Vydehi, (DIN: 06489491) be and is hereby appointed as Non – Executive – Independent Director of the company with effect from 30th day of September 2015

RESOLVED FUTHER THAT the board of Directors of the company be and is hereby authorised to sign and file all the required returns with registrar of the Companies, Telangana, Hyderabad.

By The Order of the Board of Directors

Place: Hyderabad
Date: 14/08/2015

Sd/-
D.S. Satish Kumar
(Director)
DIN - 00853028

Sd/-
K. Ravi Kumar
(Director)
DIN - 06363981

Notes:

- 1 A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and that the Proxy need not be a Member.**
- 2 A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.
- 3 The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday the 24th September 2015 to Wednesday, the 30th September 2015 (both days inclusive).**
- 4 Electronic copy of the Notice for the 30th Annual General Meeting and the Annual Report for 2014-15 are being sent to all the members whose E-Mail IDs are registered with the Company / Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to members for whom the E-Mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website - www.millitoons.co.in for their download.

The Notice along-with the Annual Report is being sent as above to all the Members, whose names appear in the Register of Members / statements of beneficial ownership maintained by the Depositories as on the close of business hours on Friday, 4th September 2015.
- 5 Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members, who have not got their E-Mail IDs recorded, are requested to register their E-Mail address and changes therein with the Company in respect of physical shares and with Depository Participants in respect of dematerialized shares. Members are also requested to provide their Unique Identification Number and PAN (CIN in the case of Corporate Members) to the Company / Depository Participants.

Voting through electronic means

- A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Rules, 2015 and Clause 35B of the Listing Agreement, the Company is providing members a facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through such voting, through e-Voting services provided by Central Depository Services (India) Limited (CDSL).
- B. The facility for voting through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-Voting shall be able to exercise their right at the meeting.
- C. The members who have cast their vote by remote e-Voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The instructions for e-Voting are as under:

- i) To log on to the e-Voting website **www.evotingindia.com**.
- ii) To Click on Shareholders tab.
- iii) Now Select the "MILLITOONS ENTERTAINMENT LIMITED" from the drop down menu and click on "SUBMIT"
- iv) Now enter your User ID as given below:
 - For CDSL: 16 Digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Captcha Code as displayed and Click on Login.
- vi) **PASSWORD**
 - If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
 - If you are first time user follow the steps given below:
- a) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).

Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number * in the PAN field.

* Sequence number is available in the address label pasted in the cover and / or in the e-mail sent to Members. In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter VR00000001 in the PAN Field.

- b) Please enter any one of the following details in order to login:

Date of Birth: Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details: Please enter Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

If both of the above details are not recorded with the depository or Company, please enter the member ID/Folio Number in the Dividend Bank details field.

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- ix) For members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
 - x) Click on the relevant EVSN for 'MILLITOONS ENTERTAINMENT LIMITED' on which you choose to vote.
 - xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or No as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.
 - xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xv) You can also take out print of the voting done by you clicking on "Click here to Print" option on the Voting page. It need not be sent to the Company.
 - xvi) If demat account holder has forgotten the changed password, then Enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.
 - xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- D. The facility for remote e-Voting shall remain open from 9.00 a.m. on Friday, the 25th September, 2015 to 5.00 p.m. on Tuesday, the 29th September, 2015. During this period, the members of the Company, holding shares either in Physical Form or in Dematerialized form, as on the cut-off-date, viz., Friday, the 25th September, 2015, may opt for remote e-Voting.
- E. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- F. The voting rights of shareholders for remote e-voting shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 18-09-2015.
- G. The Chairman shall, at the general meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of scrutinizer, by use of ballot or polling paper or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.

- H. The Scrutinizer shall, immediately after the conclusion of AGM, count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than three days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.

Annexure 1 to the Notice

Details of directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Annexure 2 to the Notice

Explanatory Statement under Section 102 of the Companies Act, 2013

Item No. 4 & 5

Mr. A Seetarama Murthy and Mrs. A Vyedehi, in respect of whom the Company has received respective notices in writing from Members under Section 160 of the Companies Act, 2013, proposing their candidature for the office of the Independent Directors of the Company to hold office for a term of 5 years with effect from September 30, 2015 to September 29, 2020.

As per the provisions of section 149 of the Companies Act, 2013 (“Act”) which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mr. A Seetarama Murthy and Mrs. A Vyedehi have given respective individual declarations to the Board that they meet the criteria of independence as provided under section 149 (6) of the Act. The matter regarding appointment of Mr. A Seetarama Murthy and Mrs. A Vyedehi as Independent Directors were placed before the Nomination and Remuneration Committee, which commends their appointment as Independent Directors up to September 29, 2020.

In the opinion of the Board, Mr. A Seetarama Murthy and Mrs. A Vyedehi fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. A Seetarama Murthy and Mrs. A Vyedehi as Independent Directors are now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

Mr. A Seetarama Murthy and Mrs. A Vyedehi are interested and concerned in the respective Resolutions and no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolutions.

DIRECTORS' REPORT

Your Directors have the pleasure of presenting this 30th Annual Report along with the Audited Financial Statements and the Auditor's Report thereon for the Financial Year ended 31st March 2015.

FINANCIAL PERFORMANCE:

(Rupees in Lakhs)

Particulars	2014-15	2013-14
Gross Total Income from Operations	101.57	86.60
Other Income	9.68	9.02
Expenses	109.46	94.37
Profit before Depreciation, Interest and Taxes	1.79	1.25
Depreciation	0.79	0.79
Interest	0.09	0.11
Profit Before Tax	0.91	0.35
Provision for Tax	0.27	0.10
Deferred Tax	0.89	0.13
Profit After Tax	1.53	0.38
Amount Transferred to Reserves and Surpluses	1.53	0.38

DIVIDEND:

Your Directors do not recommend any dividend for the financial year.

FIXED DEPOSITS:

The Company has neither accepted nor renewed any deposits falling within the provisions of Sections 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 from the its member and public during the Financial Year.

DIRECTORS:

Further, the appointments of Mr. A.S.R. Murthy, and Mrs. A. Vydehi as Independent Directors for a term of five years are placed before the Members in the forthcoming general meeting for their approval.

To re-appoint Mr. Ramabhotla Srinivasa Sudhish (DIN:00027816), as a director of the company.

The Board recommends for the reappointment and appointments as aforesaid.

During the year under review, Mr. T P Prabhakar resigned as Director of the Company with effect from 30th January 2015.

During the year under review, Mr. Moola Anil Kumar resigned as Director of the Company with effect from 30th July 2014, & Mr K. Ravi Kumar appointed.

RECONSTITUTION OF BOARD COMMITTEES:

During the year under review, the Company has reconstituted the Board Committees which are given in the Corporate Governance Report.

BOARD AND COMMITTEE MEETINGS:

The details of Board and Committee meetings held during the year are given in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

Accordingly, pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed and there are no material departures;
- ii. accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the loss of the Company for the year ended on that date
- iii. proper and sufficient care have been taken for the maintenance of accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company, for preventing & detecting fraud and/or other irregularities;
- iv. the annual accounts have been prepared on a going concern basis;
- v. internal financial controls have been laid down by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties,

obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the other Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. S N Murthy & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office up to the conclusion of the 34th Annual General Meeting. However, their appointment as Statutory Auditors of the Company is subject to ratification by the Members at every Annual General Meeting. The Company has received a certificate from the said Auditors that they are eligible to hold office as the Auditors of the Company and are not disqualified for being so appointed.

Necessary resolution for ratification of appointment of the said Auditors is included in the Notice of Annual General Meeting for seeking approval of members.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Sarada Putcha, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **Annexure I** to this Report.

INTERNAL AUDITORS:

The Company has appointed M/s. P K Rao & Co.(FRN:014554S), Chartered Accountants, Hyderabad as Internal Auditors of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS:

Aspects of Management Discussion and Analysis are enclosed as **Annexure - II** to this report

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group. The details of the Policy are explained in the Corporate Governance Report.

RISK MANAGEMENT FRAMEWORK:

The Company has a robust internal business management framework to identify, evaluate business risks and opportunities which seeks to minimize adverse impact on the business objectives and enhance the Company's business prospects.

The Company has an Internal Control System, commensurate with the size and scale of its operations.

RELATED PARTY TRANSACTIONS:

During the year, the Company had not entered into any Contract/Arrangement/Transactions with related parties which would be considered material in accordance with the policy of the Company on materiality of related party transactions. Hence, the disclosure under Form AOC-2 is not applicable.

The Company has developed a Policy on Related Party Transactions in accordance with provisions of all applicable laws and Clause 49 of the Listing Agreement for the purpose of identification and monitoring of such transactions. The Policy on dealing with related party transactions is available on the website of the Company www.millitoons.com

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given any loans or given guarantees or made investments in any other company.

PARTICULARS OF EMPLOYEES:

There are no employees drawing remuneration exceeding the limits as specified under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

The disclosures in terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to remuneration are provided in '**Annexure- III**'.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Energy:

The Company is in the business of development of Animation software sector and does not require large quantities of energy. However, wherever possible energy saving efforts are made.

Technology Absorption:

We firmly believe that technology is the genesis of innovative business practices, which in turn enable the organization to carry out business effectively and efficiently. Even though the Animation industry is technology intensive, we believe that there is an increasing need to mechanize the processes involved in order to minimize costs and increase efficiency. We intend to make investments in innovative techniques for this regard.

Foreign Exchange Earning and outgo:

- a) Foreign Exchange Earnings : Nil
- b) Foreign Exchange Earnings : Nil

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT 9 as required under Section 92 of the Companies Act, 2013, is annexed herewith as '**Annexure IV**' to this report.

CORPORATE GOVERNANCE:

Report on Corporate Governance including Auditor's Certificate on Compliance with the code of Corporate Governance under Clause 49 of the listing agreement is enclosed as '**Annexure – V**' to this report

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

None of the orders passed by the Any Regulator / Courts which would impact the future operations / going concern status of the Company.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to record their appreciation for the continuous support and co-operation extended by the customers and bankers. The Directors also acknowledge the confidence reposed by the investors and shareholders in the Company.

By The Order of the Board of Directors

**Place: Hyderabad
Date: 14/08/2015**

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

**Sd/-
K Ravi Kumar
(Director)
DIN - 06363981**

FORM No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

(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
(formerly known as Color Chips New Media Limited)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **Millitoons Entertainment Limited** bearing CIN: L52110TG1985PLC051404 (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, 2015 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:

1. 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, 2015 according to the applicable provisions of:
 - i. The Companies Act, 1956 and the Companies Act, 2013 ('the Act') and the rules made there under, as applicable;
 - 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;

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under review:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d. 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;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards of The Institute of Company Secretaries of India (Not yet notified hence not applicable to the Company during the Audit Period).
- ii. The Listing Agreement entered into by the Company with Delhi Stock Exchange (however the Company is not required to comply with this listing agreement);

During the 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 *the provisions of Section 203 of the Companies Act, 2013, and that the Company is yet to file certain statutory forms with MCA.*

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, wherever applicable.
- 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.

**For Sarada Putcha
Company Secretary in practice**

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

August 14, 2015
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

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**

August 14, 2015
Hyderabad

MANAGEMENT DISCUSSION AND ANALYSIS

(Forming part of Directors' Report)

Industry Structure and Developments:

The year 2014-15 was extremely challenging. We pulled up our sleeves and re-grouped to strategies our way forward. The services product mix had to have all the three formats viz work for- hire for TV, DVD and Feature. We were successful in converting these prospects to customers.

The animation, gaming and VFX industry will continue to maintain its growth pace and is projected to grow at a CAGR of 22.4% from its current size of INR 42.3 billion to INR 92.6 billion in 2015. Growth in international animation films, especially the 3D productions, and subsequent work for Indian production houses will help in the growth this segment. The Indian gaming industry is projected to grow from an estimated size of INR 9.3 billion in 2014 to an estimated INR 27.3 billion by 2015, translating to a cumulative growth of 24.9% over the next five years.

The Indian Animation industry was worth US\$ 711 million in 2015 and is expected to grow at CAGR of 23% to reach US\$ 1061 million by 2016.

Outlook:

The rising number of TV channels, greater accessibility to Internet, proliferation of mobile devices that leads to the popularity of video and gaming content is set to offer a huge potential for the animation and character licensing in India. Hence, Comics' players are looking to monetize their content libraries through other new media mediums in addition to TV and Film. Recently, Diamond comics joined hands with License India, a licensing solution provider to market its famous characters to be used in animation films marketing campaigns. Indian publishers like Diamond, Raj, Vimanika and Chandamama have announced plans to enter the movie space with their famous comic characters.

The Indian TV advertisement industry size is expected to increase to US\$ 6.3 billion by 2016. This, coupled with growing popularity of animated characters is expected to boost the industry. The reasons can be attributed to making cost effective commercials or doing away with the clutter of celebrity overkill. Animation commercials cost far lower compared to advertisements with celebrities and establish connect with children and adults alike. They relate to audiences irrespective of language and cultural barriers. Further, in some cases animations are also used to increase the visual appeal of the advertisement or as a part of the concept of a commercial.

Segment wise analysis of the Industry:

The Company is proposing to engage engaged in providing 3D/2D Animation i.e. full-service studio specializing in the development and production of digital animated properties for theatrical, television, home entertainment and interactive distribution for the global entertainment industry.

Management believes that the risks and returns from these services are not predominantly different from one another and hence considers the Company to operate in a single business segment. However management has identified geographical segment disclosures based on location of the Company's customers in case of revenue. Further, disclosures of carrying amount of segment assets and cost incurred to acquire segment assets are based on geographical location of segment assets. As per Accounting standard AS (17) on segment

reporting, segment information has been provided under the notes to consolidated financial statements.

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 release of 'Avatar', a movie that is a hybrid of live action and computer generated animated characters became the largest grosser in India indicating that Indian audiences are interested in high quality animated content. The animation film industry sighted the trend and a number of animation films were made and released to capitalize on this interest. However, Indian animation films did not live up to the expectations set by their Hollywood counterparts. As the country moves out of recession and Indian audience matures, animation movies in the pipeline are expected to see execution. (Refer figure 29 for major movies released in 2010 and 2011) a post-production company that offers visual effects services, has worked in globally acclaimed films such as The King's Speech.

There is a rising demand for visual effects in most mainstream films in India today. VFX has been used in live action films to increase the visual content in the screen. Films such as Patiala House, Tees Maar Khan, No One Killed Jessica, and My Name is Khan etc. have used VFX to improve shots. The use of VFX in live action films has seen a steady and significant growth over the years. Many live action films today include a VFX sequence and the sheer duration of these screen shots has also risen substantially. Further, owing to its large domestic film industry India is bound to find increasing opportunities to use VFX in the domestic market. Usage of VFX in broadcast helps in significant reduction of costs. Its usage brings down the set creation costs for a broadcast by almost 60-65%, particularly for mythological shows. It also helps in costs savings of 30-40% for commercials. The whopping success of VFX extensive movies at the box office overseas is expected to drive the VFX usage in other movies as well. This coupled with the cost savings is expected to lead to greater outsourcing. Indian studios are increasingly receiving work for quality western productions. Pixion, a post-production company that offers visual effects services, has worked in globally acclaimed films such as The King's Speech.

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.1.02 Crores as compared Rs.0.87 Crores in the previous year and Profit after tax of Rs.1.53 Lakhs as compared Rs.0.36 Lakhs in the previous year.

The paid-up capital of the Company as on 31-03-2015 is Rs.8,10,49,500/- comprising of 8,10,49,500 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. Color Chips 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:

Statement 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.

By The Order of the Board of Directors

Sd/-
R.S. Sudhish
(Director)

Sd/-
K Ravi Kumar
(Director)

Place: Hyderabad
Date: 14/08/2015

Details pertaining to remuneration as required 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 paid to the Directors and employees of the Company. Hence, Not applicable
- 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 2014-15:
- The Company has not paid any Remuneration to the Directors, Chief Financial Officer, Chief Executive officer and Company Secretary. Hence, Not applicable.
- III. The percentage increase in the median remuneration of the employees in the financial year:
- During the year the Company has not paid any remuneration to the employees. Hence, Not Applicable.
- IV. There were 6 Permanent employees on the rolls of the Company, as on 31st March 2015.
- V. Explanation on the relationship between average increase in remuneration and the Company's performance:
- There was no relationship between increase in remuneration and the Company's performance. The Company has not paid any remuneration to the Directors and Employees, Hence, Not applicable.
- VI. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:
- The Company has not paid any remuneration to the Key Managerial Personnel. Hence, Not Applicable.
- VII. (a) Variations in the market capitalization of the Company: The shares of the Company are listed on Delhi Stock Exchange Limited. But the shares of the company not traded on any stock exchange.
- (c) Percentage increase or decrease in the market quotations of the Shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:
- The Company had not come out with public issue.
- VIII. (a) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year:

The Company had not paid salaries to Managerial Personnel and employees. Hence, Not Applicable.

(b) Its comparison with the percentile increase in the managerial remuneration:

The Company had not paid Managerial remuneration. Hence, Not applicable.

(c) Justification thereof and point out if there is any Managerial Remuneration increased by exceptional circumstances for increase in the managerial remuneration:

The Company had not paid Managerial remuneration. Hence, Not applicable.

IX. Comparison of the each remuneration of the key Managerial Personnel against the performance of the Company:

No Remuneration paid to key managerial personnel of the Company. Hence, Not applicable

X. The key parameters for any variable component of remuneration availed by the directors:

No Remuneration paid to the Directors of the Company. Hence, Not applicable

XI. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

No Remuneration paid to the Directors of the Company. Hence, Not applicable

XII. It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The era of good Corporate Governance came into existence with the insertion of Clause 49 of the listing agreement. Your Company believes in attainment of highest levels of transparency in all facets of its operations. The Company is committed to maximize the shareholder value by adopting the principles of good corporate governance in line with the provisions stipulated in the listing agreement.

II. BOARD OF DIRECTORS:**Composition of Board:**

As on March 31, 2015 Board consists of 3 Members of whom 2 are Independent Directors. The Board meets the stipulated requirement of at least one-half of the Board comprising of Independent Directors.

III. BOARD MEETINGS:

The Board of Directors met 9 times during the year on 30-05-2014, 30-07-2014, 14-08-2014, 14-11-2014, 24-11-2014, 09-01-2015, 30-01-2015, 07-02-2015 and 14-02-2015. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

The details of directors' attendance at Board Meetings, AGM and details of other directorships, committee chairmanships/memberships held by the Directors during the year are as follows:

Name of the Director	Category	No. of meetings Attended	Whether Attended Last AGM	No. of other directorships *	No. of Board Committees of other Companies	
					Chairman	Member
R. S. Sudhish	Promoter & NED	2	NO	-	-	-
T P Prabhakar	Independent Director	7	YES	-	-	-
M. Anil Kumar	Independent Director	2	YES	-	-	-
D. Sai Satish Kumar	Managing Director	8	YES	1	1	2
K Ravi Kumar	Independent Director	6	YES	-	-	-

IV. AUDIT COMMITTEE:**► Terms of Reference:**

The functioning and terms of reference of the Committee are as prescribed and in due compliance with Clause 49 III of the Listing Agreement with the Delhi Stock Exchange Limited and Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

► Meetings during the financial year:

During the Financial year, the Audit Committee met 5 times on 30-05-2014, 14-08-2014, 14-11-2014, 24-11-2014 and 14-02-2015.

Name of Member	Category	Designation	No. of Meetings
Mr. D. Sai Satish Kumar	Managing Director	Chairman	5
Mr. T P Prabhakar	Independent Director	Member	3
Mr. K Ravi Kumar	Independent Director	Member	4

V. NOMINATION AND REMUNERATION COMMITTEE:**► Terms of Reference:**

The functioning and terms of reference of the Committee are as prescribed and in due compliance with Clause 49 of the Listing Agreement with the Delhi Stock Exchange Limited and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

► Meetings during the financial year:

During the Financial year, the Nomination and Remuneration Committee met 3 times on 30-05-2014, 14-11-2014 and 24-11-2014

Composition:

Name of the member	Category	Designation
Mr. K Ravi Kumar	Independent Director	Chairman
Mr. T P Prabhakar	Independent Director	Member
Mr. D. Sai Satish Kumar	Managing Director	Member

No Remuneration paid to Directors during the financial year under review. Further, none of the Independent Directors holds any shares in the Company.

VI. STAKEHOLDERS RELATIONSHIP COMMITTEE:**► Terms of Reference:**

The Stakeholders Relationship Committee was reconstituted in compliance with the requirements of Clause 49 of the Listing Agreement with the Delhi Stock Exchange Limited and Section 178 of the Companies Act, 2013 and includes:

- To look into redressal of shareholder complaints like delay in transfer of shares, non-receipt of Annual Report, non-receipt of dividend declared, etc.
- To review the existing “Investor Redressal System” and suggest measures for improvement.
- To suggest improvements in investor relations.
- To set forth policies relating to and overseeing the implementation of the “Company's Code of Conduct for Prevention of insider trading and Code of Corporate Disclosure Practices”.

Composition:

Name of the member	Category	Designation
Mr. D. Sai Satish Kumar	Managing Director	Chairman
Mr. T.P. Prabhakar	Independent Director	Member
Mr. K Ravi Kumar	Independent Director	Member

► Name and designation of Compliance officer:

Name : D Sai Satish Kumar

Designation : Director

No. of shareholders complaints received during the financial year : 1

No. of complaints solved to the satisfaction of the shareholders : 1

No. of pending Complaints : Nil

The shareholders/investors complaints and other complaints are normally responded to as prescribed by SEBI under general norms for processing documents, transfers etc., except where constrained by disputes or legal impediments.

INDEPENDENT DIRECTORS MEETING:

The Independent Directors met on 14th February 2015 without the presence of Non-Independent Directors and the members of the Management. At this meeting, the IDs inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board

VII. GENERAL BODY MEETINGS:**► Location and time where the last three AGMs held:**

Financial Year	Location	Date and Time
2013-2014	Plot No.91, Road No.7-B, Jubilee Hills, Hyderabad – 500033	30.09.2014 10.00 AM
2012-2013	Plot No.91, Road No.7-B, Jubilee Hills, Hyderabad – 500033	30.09.2013 03.00 AM
2011-2012	Plot No.91, Road No.7-B, Jubilee Hills, Hyderabad – 500033	31.12.2012 04.00 AM

No Special Resolutions passed in the last three Annual General Meetings.

- No Ballots papers were used for voting at above meetings.
 - No Special Resolutions passed last year through postal ballot
- No special resolution is proposed to be passed through postal ballot at the ensuing AGM

VIII. DISCLOSURES:

- a) Materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large. **-Not Applicable-**
- b) Details on non-compliance by the Company, penalties and strictures imposed on the company by stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. **-NIL-**
- c) **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Company has a Whistle Blower Policy (WB Policy) that provides a secured avenue to directors, employees, business associates and all other stakeholders of the company for raising their concerns against the unethical practices, if any and is also posted on the Company's website (www.millitoons.co.in). The WB Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

- d) The Company has complied with the extent applicable with all mandatory requirements Listing Agreement as entered with the Delhi Stock Exchange Limited.

XI. GENERAL SHAREHOLDER INFORMATION:

AGM: The 30th Annual General Meeting of the Company will be held on **WEDNESDAY, 30th SEPTEMBER 2015** at 2.30 P.M. at Plot No.91, Road No.7-B, Women's Co-operative Society, Jubilee Hills, Hyderabad, 500034, Telangana

FINANCIAL YEAR AND FINANCIAL CALENDAR FOR 2015-16:

The Company follows April to March as its Financial Year. The results of every quarter beginning from April are declared within the time specified as per the provisions of Listing Agreement.

Means of Communication:

The un-audited quarterly results and audited results for the year are generally published in one English newspaper (Business Standard) and at least one vernacular newspaper (Visalandhra) shortly after its submission to the Stock Exchanges. The results are also displayed on the Company's website i.e. www.millitoons.co.in

Book Closure:

Thursday, 24th September 2015 to Wednesday, 30th September 2015 (both days inclusive)

Listing on Stock Exchanges:

The equity shares of the Company are listed at Delhi Stock Exchange Limited and the Company has paid listing fees up-to FY 2015-2016.

Market Price Data:

There was no Trading in Shares during the year

Registrar and share transfer Agents: (both Physical and Demat)

M/s. CIL Securities Ltd
Flat No.212 & 214, RaghavaRatna Towers
Chirag Ali Lane, Abids, Hyderabad-500001
Ph: 040- 02465/23203028; Fax: 040-23203028

Share Transfer System:

The Company is taking care to ensure that the Share Transfer work gets completed within the stipulated time of one month. The Board of Directors has delegated the power of approving transfer of Shares severally to Managing Director and one Director. The Board has also constituted a Share Transfer Committee which has been assigned the task of approving splitting of Shares, Issue of duplicate Share Certificates, consolidation of Share Certificates, change of status of a shareholder and other allied matters.

Shareholding Pattern as on 31st March, 2015:

Category	No. of shares	%
Promoters	5,79,05,390	71.44
Mutual Funds and UTI Financial Institutions	Nil	Nil
Private Corporate Bodies	Nil	Nil
Indian Public	2,31,44,110	28.56
NRI's OCB's	Nil	Nil
Others	Nil	Nil
Total	8,10,49,500	100.00

Distribution of Shareholding as on March 31, 2015:

S No	Nominal Value of Shares (Rs.)	No. of Shareholders	Shareholders percentage	Shares	Amount (Rs.)	Amount percentage
1	1 5000	779	80.66	31950	31950	0.04
2	5001 - 10000	5	0.52	50000	50000	0.06
3	10001 - 20000	7	0.72	130000	130000	0.16
4	20001 - 30000	30	3.10	900000	900000	1.11
5	30001 - 40000	21	2.18	815000	815000	1.00
6	40001 - 50000	17	1.73	850000	850000	1.05
7	50001 - 100000	64	6.63	6400000	6400000	7.90
8	100001 & Above	43	4.46	71872550	71872550	88.68
	TOTAL	966	100.00	81049500	81049500	100.00

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants / any convertible instruments.

Dematerialization of Equity Shares:

The equity shares of the Company are in compulsory Demat segment. The Company has already entered into necessary agreements with CDSL for Demat facility. As on 31st March 2015 total number shares held in Demat are 7,13,47,550 equity shares representing 88.02% of total equity share capital of the Company.

Address for Investors Correspondence:

Shareholders may address their communications/suggestions/grievances/queries pertaining to share transfer

requests and other related matters to the Company's Registrar and Share Transfer Agents and/or to the Company at the following address:

Registered Office

Millitoons Entertainment Limited
Plot No.91 Road no.7-B
Jubilee Hills, Hyderabad – 500 033
Tel No. 040 – 23550268, 23544862

Registrar and Transfer Agent

M/S CIL Securities Limited
214, RaghavaRatna Towers
Chirag Ali Lane, Abids
Hyderabad – 500 001
Phone: 040 - 23202465/23203155;
Fax: 040 – 23203028

Managing Director Certification:

As required by the clause 49 of the Listing Agreement, the certificate from Managing Director was placed before the Board of Directors at their meeting held on 31st August, 2015.

Compliance Certificate of the Auditors:

The Statutory Auditor has certified that the company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the listing agreement and the same forms part of the Annual Report. The Certificate from the statutory auditor will be sent to the stock exchange along with the Annual Report of the Company.

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Delhi Stock Exchange Limited, all Board members and Senior Management personnel have affirmed the compliance with Millitoons Entertainments Limited Code of Conduct for the year ended 31st March, 2015.

**Sd/-
(Managing Director)**

**Place : Hyderabad
Date: 14/08/2015**

CERTIFICATE BY MANAGING DIRECTOR:

We have reviewed the financial statements, read with the cash flow statement of Millitoons Entertainment Limited for the year ended March 31, 2015 and that to the best of my knowledge and belief, I state that:

- a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.
(ii) These statements present true and fair view of the company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- b) These are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluating the effectiveness of internal control systems of the Company and have disclosed to the auditors and audit committee deficiencies in the design or operation of internal control, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the auditors and audit committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - (iii) There are no instances of fraud involving the management or an employee.

**Sd/-
(Managing Director)**

**Place: Hyderabad
Date: 14/08/2015**

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

To
The Members
Millitoons Entertainment Limited

We have examined the compliance of conditions of corporate governance by **Millitoons Entertainment Limited (Formerly Color Chips New Media Limited)**, for the year ended on 31st March 2015 as stipulated in clause 49 of the listing agreement of the said Company with concerned Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management, our examination has been limited a review of the procedures and implementation thereof adopted by the company for ensuring the compliance the conditions of corporate governance. It is neither an audit not expression of opinion on the financial statements of the company.

In our opinion and best of our information and according to the explanation given to us and the representations made the Directors and Management, we certify that the company has complied with the conditions of corporate governance as stipulated in the aforesaid listing agreement.

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**

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

MILLITOONS ENTERTAINMENT LIMITED
CIN: L52110TG1985PLC051404

INDEPENDENT AUDITOR'S REPORT

To
The Members of
M/S Millitoons Entertainment Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **M/S Millitoons Entertainment Limited (Formerly Color Chips New Media Limited)**, which comprise the Balance Sheet as at March 31, 2015, 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, 2015;
- (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, 2015 issued by the Central Government of India in terms of Section 143 of the Act, we give in the Annexure 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 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, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013;
 - (f) 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.

**For SN Murthy & Co
Chartered Accountants**

**Sd/-
(P V S N Murthy)
Proprietor
M. No. 21862
FRN NO. 002217S**

**Place: Hyderabad
Date : 14/08/2015**

Annexure to the Auditors' Report

Referred to in Paragraph 5of the Auditors' Report of even date to the members of M/S Millitoons Entertainment Limited on the Financial Statement for the Year ended March 31, 2015.

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.
2. Clauses(ii) (a), (b), and (c) of Paragraph 3 of the Companies (Auditor's Report) Order, 2015, as amended by the Companies (Auditor's Report) (Amendment) Order, 2015 are not applicable to the company.
3. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section189 of the act. As the Company has not granted any loans, secured or unsecured, to companies , firms etc., listed in the register maintained under Section189 of the Act, clauses (iii) (a) and (iii)(b) of paragraph 3 of the Companies (Auditor's Report) Order, 2015, as amended by the Companies (Auditor's Report) (Amendment) Order,2015 are not applicable to the company.
4. 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 the nature of its business for the purchase of fixed assets and for the sale of services. The activities of the company do not involve purchase of inventory and sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
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, 2015, as amended by the Companies (Auditor's Report) (Amendment) Order, 2015 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 Income-tax, service tax, customs duty ,wealth-tax and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - (b) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the company.

8. According to Financial Statements, and in our opinion, the Company has no accumulated losses as at March 31, 2015, and it has not incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
9. According to the information and explanation given to us, and in our opinion the company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet.
10. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
11. In our opinion, and according to the information and explanations given to us, on an overall basis, the company not having any term loans.
12. 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 fraud on or by the company, noticed or reported during the year, not have been informed of such case by the management.

**For S N Murthy & Co
Chartered Accountants**

**Sd/-
(P V S N Murthy)
Proprietor
M. No. 21862
FRN NO. 002217S**

**Place: Hyderabad
Date : 14/08/2015**

MILLITOONS ENTERTAINMENT LIMITED

Millitoons Entertainment Limited Balance Sheet As At 31.03.2015

Amount in Rs.

Particulars	Note No.	As on 31.03.2015	As on 31.03.2014
I EQUITY AND LIABILITIES			
(1) Share Holders Funds			
a) Share Capital	2-1	81,049,500	81,049,500
b) Reserves & Surplus	2-2	6,235,437	6,082,493
c) Money received against Share Warrants		-	-
Sub-Total (1)		87,284,937	87,131,993
(2) Share Application Money Pending for Allotment			
		-	-
(3) Non Current Liabilities			
a) Long Term Borrowings	2-3	-	19,750,064
b) Deferred Tax Liability (Net)	2-4	-	8,729
c) Other Long Term Liabilities		-	-
d) Long Term Provisions		-	-
Sub-Total (2)		-	19,758,793
(4) Current Liabilities			
a) Short Term Borrowings	2-5	21,835,116	22,445,856
b) Trade Payables	2-5	-	-
c) Other Current Liabilities	2-5	-	-
d) Short Term Provisions	2-5	1,092,877	788,594
Sub-Total (3)		22,927,993	23,234,450
Total (1 + 2 + 3)		110,212,930	130,125,236
II ASSETS			
(1) Non Current Assets			
a) Fixed Assets			
(i) Tangible Assets	2-6	10,843,845	10,922,805
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		58,145,896	58,800,696
(iv) Intangible Assets under Development		-	-
b) Non-Current Investments		-	-
c) Deferred Tax Asset - Net			
d) Long Term Loans and Advances			
e) Other Non Current assets			
Sub-Total (1)		69,070,212	69,723,501
(2) Current Assets			
a) Current Investments		-	-
b) Inventories	2-7	-	2,737,721
c) Trade Receivables	2-7	43,144,590	42,394,326
d) Cash and Cash Equivalents	2-7	29,005	50,565
e) Short Term Loans and Advances	2-7	(2,446,223)	14,803,778
f) Other Current Assets	2-7	415,346	415,346
Sub-Total (2)		41,142,718	60,401,736
Total (1 + 2)		110,212,930	130,125,237
Significant Accounting Policies			
1			
<p>For S N Murthy & Co., Chartered Accountants</p> <p>Sd/- PVSN Murthy Proprietor Membership No. 21862</p>		<p style="text-align: center;">For on behalf of the board Millitoons Entertainment Limited</p> <p style="text-align: center;">Sd/- R.S. Sudhish (Director) DIN - 00027816</p> <p style="text-align: center;">Sd/- K. Ravi Kumar (Director) DIN - 06363981</p>	
<p>Place : Hyderabad Date :14/08/2015</p>			

Millitoons Entertainment Limited

Profit and Loss statement for the year 31.03.2015

Amount in Rs.

Particulars	Note No.	As on 31.03.2015	As on 31.03.2014
I Revenue from Operations		10,156,830	8,660,090
II Other Income		968,420	902,440
III Total Revenue (I + II)		11,125,250	9,562,530
IV Expenses			
a) Cost of Materials Consumed			
b) Purchase of Stock in Trade		6,045,210	-
c) Changes in Inventories of Finished Goods,	2-8	2,737,721	7,916,902
d) Employee Benefits Expense	2-9	1,111,220	849,550
e) Finance Costs	2-10	8,882	11,486
f) Depreciation and Amortization Expense	2-6	78,960	78,960
g) Other Expenses	2-11	1,052,195	671,499
Total Expenses		11,034,188	9,528,397
V Profit Before Taxes		91,062	34,133
VI Extra-Ordinary Items			
VII Tax Expense			
(a) Current Tax		27,319	10,240
(b) Deferred Tax		89,200	13,063
VIII Profit & (Loss) for the Period (V - VI)		152,943	36,956
IX Earning Per Equity			
1 Basic		0.0019	0.00046
2 Diluted		0.0019	0.00046
For on behalf of the Board of Millitoons Entertainment Limited			
For S N Murthy & Co., Chartered Accountants			
Sd/- PVSN Murthy Proprietor Membership No. 21862		Sd/- R.S. Sudhish (Director)	Sd/- K. Ravi Kumar (Director)
Place : Hyderabad Date : 14/08/2015			

Millitoons Entertainment Limited

Notes to the Accounts for the year ended 2015

Amount in Rs.

Particulars	As on 31.03.2015	As on 31.03.2014
<u>2(1) Share Capital</u>		
I Authorised Capital		
Equity Shares of 10,00,00,000 nos at face value of Rs.1 each	100,000,000	100,000,000
II Issued, Subscribed and paidup Capital		
a) Equity Shares of 8,10,49,500 Nos at Face Value of Rs.1 each have been Fully Paid Up	81,049,500	81,049,500
b) Less: Calls in arrears	-	-
c) Paidup Equity Capital	81,049,500	81,049,500
Total	81,049,500	81,049,500
III Reconciliation of the shares outstanding at the beging and end the reporting period		
a) At the Beging of the year	81,049,500	81,049,500
b) Add: Shares Issued during the reporting period	-	-
c) Outstanding at the end of the year	81,049,500	81,049,500
IV Details of Share Holders holding more than 5% shares	In Nos	In Nos
a) Pramoter Groups	57,905,390	57,905,390
% of Holding	71%	71%
<u>2(2) Reserves & Suplus</u>		
I Share Premium		
a) Opening Balance	1,307,250	1,307,250
b) Add: Current year Appropriation	-	-
c) Closing Balance	1,307,250	1,307,250
II Profit and Loss Surplus		
a) Opening Balance	4,775,243	4,738,288
b) Add: Current year Appropriation	152,943	36,956
c) Closing Balance	4,928,187	4,775,243
Total Reserves and Surplus (I + II)	6,235,437	6,082,493
<u>2(3) Long-Term Borrowings</u>		
I Secured Loans		
a) From Banks	-	-
Term Loan from Syndicate Bank	-	19,750,064

Millitoons Entertainment Limited

Notes to the Accounts for the year ended 2015

Amount in Rs.

Particulars	As on 31.03.2015	As on 31.03.2014
b) From Others	-	-
Total Long Term Borrowings (a + b)	-	19,750,064
<u>2(4) Deferred Tax Liability-Net</u>		
a) Balance at the Beging	-	21,792
b) Less: Current Year Provision	-	13,063
c) Closing Balance	-	8,729
<u>2(5) Current Liabilities</u>		
I Short Term Borrowings		
a) From Related Parties		
RKPL	-	-
CAPL	-	-
Color Chips India Ltd	16,835,116	17,445,856
K Narasimha rao	5,000,000	5,000,000
Sub-total (a)	21,835,116	22,445,856
b) From Other Parties	-	-
Sub-total (b)	-	-
Total Short Term Borrowings - II = (a + b)	21,835,116	22,445,856
II Trade Payables	-	-
Total Trade Payables - II	-	-
III Other Current Liabilities		
1 TDS Payable	-	-
2 Statutory Liabilities	-	-
3 Professional Tax Payable	-	-
4 Reliable Security Services	-	-
5 Salaries Payable	-	-
6 TDS on Cotractors	-	-
7 Service Tax Payable	-	-
Total Other Current Liabilities - III	-	-
IV Short Term Provisions		
Provisions	1,092,877	788,594
Total - IV	1,092,877	788,594
Total Current Liabilities (I + II + III + IV)	22,927,993	23,234,450

Millitoons Entertainment Limited

Notes to the Accounts for the year ended 2015

Amount in Rs.

Particulars	As on 31.03.2015	As on 31.03.2014
<u>2(7) Current Assets</u>		
D) Inventories	-	2,737,721
Sub-Total (I)	-	2,737,721
II) Trade Receivable - Unsecured		
I More Than Six Months		
a) Considered Good	43,144,590	42,394,326
b) Considered Doubtful	-	-
	43,144,590	42,394,326
Less: Provision for doubtful receivables	-	-
Sub- total (II)	43,144,590	42,394,326
<u>NON CURRENT ASSET</u>		
e) Deferred Tax Asset-Net		
a) Balance at the Beginning	(8,729)	-
b) Less: Current Year Provision	89,200	-
c) Closing Balance	80,471	-
	80,471	-
III) Cash and Cash Equivalents		
a) Balances with Banks	5,506	5,506
b) Cash on Hand	23,499	45,059
Sub- total (III)	29,005	50,565
IV) Short Term Advances		
Related Parties		
Color Chips India Ltd	-	-
RKPL	(2,446,223)	14,803,778
CAPL	-	-
Sub- total (IV)	(2,446,223)	14,803,778
V) Other Current Assets		
Trade Advances	244,000	244,000
Deposits	171,346	171,346
Sub- total (V)	415,346	415,346
Total (I + II + III + IV + V)	(2,030,877)	15,219,124
<u>2(8) Changes in Inventories</u>		
a) Opening Balance	2,737,721	10,654,623
b) Add: Purchases	-	-
c) Less: Consumed	2,737,721	7,916,902
d) Closing Balance	-	2,737,721
<u>2(9) Employee Cost</u>		
Salaries & Wages	855,660	849,550
Staff Welfare Expenses	21,560	-
Security charges	234,000	-
Total	1,111,220	849,550

Millitoons Entertainment Limited

Notes to the Accounts for the year ended 2015

Amount in Rs.

Particulars	As on 31.03.2015	As on 31.03.2014
2(10) Finance Cost		
Int on Term Loan	-	-
Bank Charges	8,882	11,486
Total	8,882	11,486
2(11) Other Expenses		
Advertisement & Business Promotion		
Electricity Charges	85,770	95,829
Telephone & Internet Expenses	35,440	93,620
Traveling & Conveyance	25,660	94,500
Printing & Stationary	71,336	62,130
Postage & Stamps	7,855	6,850
Office Maintenance	445,596	223,570
Audit Fee	10,000	10,000
Other Expenses	370,538	85,000
Total	1,052,195	671,499

Depreciation Chart 31.03.2015

Particulars	Opening Gross Block	Additions	Deletions	Total	Rate of depreciation	Opening Depreciation	Dep for the yr.	Total Depreciation	WDV at 31.03.2015
Tangible Fixed assets									
Land - Vizag	10,193,041	-	-	10,193,041	0.00%	-	-	-	10,193,041
Electrical Equipment	165,425	-	-	165,425	4.75%	76,432	7,858	84,289	81,136
Furniture and Fittings	745,642	-	-	745,642	6.33%	436,307	47,199	483,506	262,136
Plant and Machinery - Computers	1,834,963	-	-	1,834,963	16.21%	1,834,963	-	1,834,963	-
Office Equipment	503,226	-	-	503,226	4.75%	171,791	23,903	195,694	307,532
Plant and Machinery	438,000	-	-	438,000	16.21%	438,000	-	438,000	-
Total	13,880,297	-	-	13,880,297		2,957,492	78,960	3,036,452	10,843,845

Millitoons Entertainment Limited

Cash Flow Statement for the period ended by 31st March,2015

Amount in Rs.

Particulars	As on 31st March 2015	As on 31st March 2014
I Cash flow from Operating Activities		
a) Net Profit (loss) as per Profit and Loss Account	63,743	23,893
b) Adjustments for non-cash eliments		
i) Depreciation/Amortization	78,960	78,960
ii) Loss on Sales of Assets		
iii) Loss on Sale of Investments		
c) Cash flow before change in the working capital	142,703	102,853
d) Changes in working capital		
i) (Increase) or Decrease in Inventories	2,737,721	7,916,902
ii) (Increase) or Decrease in Trade Receivables	(750,264)	(8,161,311)
iii) (Increase) or Decrease in Other Advaces and Loans	17,250,001	-
iv) Increase or (Decrease) in Current Liabilities and Provisions	(610,740)	130,069
v) Increase or (Decrease) in Other Liabilities	304,283	
Net Cash Flow from Operating Activities	19,073,705	(11,488)
II Cash Flow from Investment Activities		
a) Sale of Fixed Assets		
b) Work in progress	654,800	(2,418,104)
c) Purchase of Fixed Assets	-	-
Net Cash Flow from Investment Activities	654,800	(2,418,104)
III Cash Flow from Financing Activities		
a) Repayment of Term Loan	(19,750,064)	2,418,106
IV Net surplus or (Deficiet) of Cash and Cash equivalents during the year	(21,560)	(11,486)
V Balance at the beging of the year	50,565	62,051
VII Balance at the end of the year	29,005	50,565
For S N Murthy & Co. Chartered Accountants Sd/- P V S N Murthy Proprietor Membership No. 21862	For on behalf of the Board of Millitoons Entertainment Limited Sd/- R.S. Sudhish (Director)	Sd/- K. Ravi Kumar (Director)
Place : Hyderabad Date :14/08/2015		

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

For the financial year ended 31st March 2015

[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:

i.	CIN	L52110TG1985PLC051404
ii.	Registration Date	10 th May 1985
iii.	Name of the Company	Millitoons Entertainments Limited
iv.	Category / Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company
v.	Address of the Registered office and contact details	Plot No.91, Road No.7-B, Women's Co-operative Society, Jubilee Hills, Hyderabad – 500 033, Telangana. Tel/Fax: 040 64535669 E-mail: sudhish@colorchipsindia.com
vi.	Whether listed Company	Yes
vii.	Name, Address & Contact details of Registrar & Transfer Agent, if any	CIL Securities Limited #214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500 001 Phone:040-23202465/23203155; Fax: 040 – 23203028

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S. No.	Name and Description of main products /service	NIC Code of the Product/ service	% to total turnover of the Company
1	Animation	59121	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
NIL					

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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	45826680	0	45826680	56.54	39274684	0	39274684	48.46	(8.08)%
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	12078710	0	12078710	14.90	18630706	0	18630706	22.98	8.08%
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	57905390	0	57905390	71.44	57905390	0	57905390	71.44	0
(2) Foreign									
g) NRIs - Individuals	0	0	0	0	0	0	0	0	0
h) Other – Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	57905390	0	57905390	71.44	57905390	0	57905390	71.44	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds									
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	9176950	9176950	11.32	0	9176950	9176950	11.32	0
ii) Individual shareholders holding	13442160	525000	13967160	17.24	13442160	525000	13967160	17.24	0

nominal share capital in excess of Rs. 1 lakh									
c) Others (specify)	0	0	0	0	0	0	0	0	0
i) NRI's	0	0	0	0	0	0	0	0	0
ii) Clearing Members	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	13442160	9701950	23144110	28.56	13442160	9701950	23144110	28.56	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	13442160	9701950	23144110	28.56	13442160	9701950	23144110	28.56	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	71347550	9701950	81049500	100	71347550	9701950	81049500	100	

(ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in Share holding during 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	R S Sudhish	42480230	52.41	Nil	35928234	44.33	Nil	(8.08)
2	Color Chips Animation Park Ltd	6536660	8.07	Nil	0.00	0.00	Nil	(8.07)
3	Ravikanth Portfolio Services Pvt Ltd	5542050	6.84	Nil	18630706	22.98	Nil	16.14
4	R Sreelakshmi	3346450	4.13	Nil	3346450	4.13	Nil	0
	Total	57905390	71.44		57905390	71.44		

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

S. No.		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.	Mr. R. S. Sudhish				
	At the beginning of the year	42480230	52.41	42480230	52.41
	Transfer of equity shares on 14/08/2014	(13088656)	(16.14)	29391574	36.26
	Transfer of equity shares on 30/12/2014	6536660	8.07	35928234	44.33
	At the end of the year	35928234	44.33		
2.	M/s. Color Chips Animation Park Ltd				
	At the beginning of the year	6536660	8.07	6536660	8.07
	Transfer of equity shares on 30/12/2014	(6536660)	(8.07)	0	0
	At the end of the year	0	0		
3.	M/s. Ravikanth Portfolio Services Pvt Ltd				
	At the beginning of the year	5542050	6.84	5542050	6.84
	Transfer of equity shares on 14/08/2014	13088656	16.14	18630706	22.99
	At the end of the year	18630706	22.99		

nominal share capital in excess of Rs. 1 lakh									
c) Others (specify)	0	0	0	0	0	0	0	0	0
i) NRI's	0	0	0	0	0	0	0	0	0
ii) Clearing Members	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	13442160	9701950	23144110	28.56	13442160	9701950	23144110	28.56	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	13442160	9701950	23144110	28.56	13442160	9701950	23144110	28.56	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	71347550	9701950	81049500	100	71347550	9701950	81049500	100	

(ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in Share holding during 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	R S Sudhish	42480230	52.41	Nil	35928234	44.33	Nil	(8.08)
	Color Chips							
2	Animation Park Ltd	6536660	8.07	Nil	0.00	0.00	Nil	(8.07)
	Ravikanth Portfolio							
3	Services Pvt Ltd	5542050	6.84	Nil	18630706	22.98	Nil	16.14
4	R Sreelakshmi	3346450	4.13	Nil	3346450	4.13	Nil	0
	Total	57905390	71.44		57905390	71.44		

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

S. No.		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.	Mr. R. S. Sudhish				
	At the beginning of the year	42480230	52.41	42480230	52.41
	Transfer of equity shares on 14/08/2014	(13088656)	(16.14)	29391574	36.26
	Transfer of equity shares on 30/12/2014	6536660	8.07	35928234	44.33
	At the end of the year	35928234	44.33		
2.	M/s. Color Chips Animation Park Ltd				
	At the beginning of the year	6536660	8.07	6536660	8.07
	Transfer of equity shares on 30/12/2014	(6536660)	(8.07)	0	0
	At the end of the year	0	0		
3.	M/s. Ravikaanth Portfolio Services Pvt Ltd				
	At the beginning of the year	5542050	6.84	5542050	6.84
	Transfer of equity shares on 14/08/2014	13088656	16.14	18630706	22.99
	At the end of the year	18630706	22.99		

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	Name	Shareholding					Cumulative shareholding during the year (1-4-14 to 31-3-15)	
		No. of Share at the Beginning(01.04.2014)/ end of the year (31.03.2015)	% of total Shares of the Company	Date	Increase / Decrease in Shareholding	Reason	No. of shares	% of Total Shares of the Company
1	Narasimha Rao Koppura	900000	11.10	01-04-2014	-	NA	900000	11.10
		900000	11.10	31-03-2015				
2	Ram Mohan Rao Kaipa	400000	0.49	01-04-2014	-	NA	400000	0.49
		400000	0.49	31-03-2015				
3	Pericharla Veerraju	400000	0.49	01-04-2014	-	NA	400000	0.49
		400000	0.49	31-03-2015				
4	Yadaiah Pasupula	400000	0.49	01-04-2014	-	NA	400000	0.49
		400000	0.49	31-03-2015				
5	Srinivas Rao Kattakola	400000	0.49	01-04-2014	-	NA	400000	0.49
		400000	0.49	31-03-2015				
6	Adiraju Rajendra Prasad	400000	0.49	01-04-2014	-	NA	400000	0.49
		400000	0.49	31-03-2015				
7	Siva Reddy Gade	400000	0.49	01-04-2014	-	NA	400000	0.49
		400000	0.49	31-03-2015				
8	Balakrishna K	400000	0.49	01-04-2014	-	NA	400000	0.49
		400000	0.49	31-03-2015				
9	Dasvanth Kumar Jaya	400000	0.49	01-04-2014	-	NA	400000	0.49
		400000	0.49	31-03-2015				
10	Lalitha Addala	400000	0.49	01-04-2014	-	NA	400000	0.49
		400000	0.49	31-03-2015				

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of Total Shares of the Company
1	Mr. R. S. Sudhish				
	At the beginning of the year	42480230	52.41	42480230	52.41
	Transfer of equity shares on 14/08/2014	(13088656)	(16.14)		
	Transfer of equity shares on 30/12/2014	6536660	8.07		
	At the end of the year	35928234	44.33	35928234	44.33
2.	D. Sai Satish Kumar				
	At the beginning of the year	100000	0.12		
	No changes during the year	0	0	100000	0.12
	At the end of the year	100000	0.12		

No other directors and key managerial persons hold Shares in the Company.

V. Indebtedness:**Indebtedness of the Company including interest outstanding/accrued but not due:**

Amount in INR

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,97,50,064	2,24,45,856	--	4,21,95,920
ii) Interest due but not paid	0	0		
iii) Interest accrued but not due	0	0		
Total (i+ii+iii)	1,97,50,064	2,24,45,856	--	4,21,95,920
Change in Indebtedness during the financial year				
• Addition	0	0	--	0
• Reduction	0	6,10,740		6,10,740
Net Change	0	6,10,740	--	6,10,740
Indebtedness at the end of the financial year				
i) Principal Amount	0	2,18,35,116	--	2,18,35,116
ii) Interest due but not paid	0	0		0
iii) Interest accrued but not due	0	0		0
Total (i+ii+iii)	0	2,18,35,116	--	2,18,35,116

VI. Remuneration Of Directors And Key Managerial Personnel:**(i) 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.	

(ii) 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.	-

(iii) Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

S. No	Particulars of Remuneration	KMP	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.	-

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	-	-	-	-	-

MILLITOONS ENTERTAINMENT LIMITED

CIN: L52110TG1985PLC051404

Regd. Office: Plot No.91, Road No.7-B, Women's Co-operative Society, Jubilee Hills, Hyderabad – 500033

Tel No. 040 – 23550268, 23544862

ATTENDANCE SLIP

(To be presented at the entrance)

Registered Folio/ DP ID, Client ID

Name and Address of the Shareholder (s)

I / We hereby record my / our presence at the **THIRTIETH ANNUAL GENERAL MEETING** of the Company to be held at Plot No.91, Road No.7-B, Women's Co-operative Society, Jubilee Hills, Hyderabad-500034, Telangana, on Tuesday, the 30th September 2014 at 2.30 p.m.

Member's Folio/
DP ID-Client ID No

Member's/ Proxy's name
in Block Letters

Member's/Proxy's
Signature

NOTES:

- 1) Please complete the DP ID- Client ID No. and name of the Member/Proxy, sign this attendance slip and hand it over, duly signed, at the entrance of the meeting hall.
- 2) Shareholder/Proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

MILLITOONS ENTERTAINMENT LIMITED

CIN: L52110TG1985PLC051404

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Tel No. 040 – 23550268, 23544862

PROXY FORM

(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./DP ID - Client ID :

I/ We, being the member(s) of _____ shares of the above named Company, hereby appoint:

1)

Name _____ Address: _____

Email ID _____ Signature _____ or failing

him;

2)

Name _____ Address: _____

Email ID _____ Signature _____ or failing

him;

3)

Name _____ Address _____

Email

ID _____ Signature _____

General Meeting of the Company, to be held on Wednesday, the 30th September 2014 at 2.30 p.m. at Plot No.91, Road No.7-B, Women's Co-operative Society, Jubilee Hills, Hyderabad- 500034, Telangana and at any adjournment thereof in respect of the following resolutions:

Resolution

No Resolutions

Ordinary Business:

- | | |
|---|--|
| 1 | Adoption of Audited Financial Statements for the year ended 31st March, 2015 |
| 2 | Re-appointment of Mr. R.S. Sudhish as Director |
| 3 | Appointment of Auditors and fix their Remuneration |
| 4 | Appointment of Mr. A S R Murthy as an Independent Director of the Company |
| 5 | Appointment of Mrs. A Vydehi as an Independent Director of the Company |

Signed this _____ day of September 2015

Signature of Shareholder: _____

Signature of Proxyholder: _____

Notes:

- 1) This form of Proxy, in order to be effective, should be duly completed and deposited at the Registered Office not less than FORTY-EIGHT (48) HOURS before the commencement of the Meeting.
- 2) For Resolutions, Explanatory Statement and Notes, please refer to the Notice of 29th Annual General Meeting

INDEPENDENT AUDITOR'S REPORT

MAP OF REGISTERD OFFICE

