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INDEPENDENT AUDITOR'S REPORT

To The Members of M/s. MEDIAONE GLOBAL ENTERTAINMENT LIMITED

We have audited the attached Balance Sheet of **MEDIAONE GLOBAL ENTERTAINMENT LIMITED**, as at **30.06.2014**, the Profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the Balance Sheet, Statement of Profit and Loss and Cash Flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

Scope of an Audit

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 judgement, 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 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 the reasonableness of the accounting estimates made by management, 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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

1. in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2014;
2. in the case of the Statement of Profit and Loss, of the profit for the year ended on June 30, 2014; and
3. Cash Flow Statement for the year ended June 30, 2014

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

1. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us
3. the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account
4. in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
5. On the basis of written representations received from the directors as on June 30, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company




Place: Chennai

Date: 28/08/2014

For KNRSG & Associates
Chartered Accountants,
FRN 007236S



CA. C.K.N. Ravishankara Prabhu
CA. C.K.N. Ravishankara Prabhu
Partner
M No 204766

Mediaone Global Entertainment Limited			
BALANCE SHEET AS AT JUNE 30, 2014			(₹)
PARTICULARS	Note	For the year ended June 30, 2014	For the year ended June 30, 2013
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	2	147,200,000	147,200,000
Reserves and Surplus	3	419,031,499	325,123,580
NON-CURRENT LIABILITIES			
Long-term borrowings	4	241,757,034	4,628,112
Deferred tax liabilities (Net)		140,173,823	112,847,767
Other Long term liabilities	5	629,083,724	271,900,000
Long-term provisions	6	1,141,379	1,141,379
CURRENT LIABILITIES			
Short-term borrowings	7	89,378,800	398,668,345
Trade payables		131,820,068	115,676,787
Other current liabilities	8	262,017,630	238,209,154
Short-term provisions	9	100,235,818	89,023,636
TOTAL		2,161,839,775	1,704,418,761
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	10		
Tangible assets		33,886,613	36,770,922
Intangible assets		1,246,730,248	712,434,555
Non-current investments	11	79,000	79,000
Long-term loans and advances	12	7,663,563	13,015,063
CURRENT ASSETS			
Inventories	13	324,251,000	520,193,981
Trade receivables	14	412,882,106	320,406,795
Cash and cash equivalents	15	15,181,965	5,354,503
Short-term loans and advances	16	121,165,279	96,124,958
Other current assets	17	0	38,983
TOTAL		2,161,839,775	1,704,418,761
Notes forming part of accounts	1		
Place: Chennai		In Terms of our report of even date	
Date: 28/08/2014		for KNRSG & Associates	
		FRN 007236S	
		Chartered Accountants	
			
Suryaraj Kumar	Dr Murali Manohar	CA CKN Ravishankara Prabhu	
Managing Director	Director	Partner	
		M.No. 204766	

Mediaone Global Entertainment Limited

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED JUNE 30, 2014

(₹)

Particulars	Note	For the year ended June 30, 2014	For the year ended June 30, 2013
Revenue from operations	18	1,785,046,841	1,295,627,456
Other Income	19	1,868,451	281,327
TOTAL REVENUE		1,786,915,292	1,295,908,783
Expenses:			
Direct expenses		981,407,709	901,428,861
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-324,251,000	-169,415,761
Employee benefits expense	20	6,485,213	7,694,373
Finance costs	21	8,982,991	22,132,038
Depreciation and amortization expense	10	906,698,501	289,489,097
Other expenses	22	85,290,851	86,151,228
TOTAL EXPENSES		1,664,614,265	1,137,479,836
Profit / (- Loss) before tax		122,301,027	158,428,947
Tax expense:			
Current tax		78,378,000	63,242,746
Prior year tax		-61,252,270	-15,895,220
MAT Credit entitlement		-16,058,677	-63,242,746
Deferred tax		27,326,056	103,219,202
Profit (Loss) for the period		93,907,918	71,104,966
Earnings per equity share:			
(1) Basic		6.38	4.83
(2) Diluted		6.38	4.83
Notes forming part of accounts	1		

Place: Chennai

Date: 28/08/2014

In Terms of our report of even date

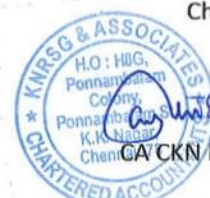
for KNRSG & Associates


FRN 0072365

Chartered Accountants


Suryaraj Kumar
Managing Director


Dr Murali Manohar
Director




CA CKN Ravishankara Prabhu
Partner
M.No. 204766

Annexure referred to in paragraph 3 of our report of even date of Mediaone Global Entertainment Limited for the year ending 30.06.2014

i) FIXED ASSETS:

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

(b) All the assets have been physically verified by the management during the year which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) During the year, the company has not disposed off substantial part of fixed assets. Accordingly the provisions of clause 4(i)(c) of the companies (Auditors Report) order 2003 are not applicable to the company.

ii) INVENTORY:

(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii) (a) The Company has taken loans from 2 Directors who are also shareholders of the company and the outstanding at the year end is Rs 13.79 Lakhs.

(b) The rate of interest and other terms and conditions subject to which the loan is taken is not prejudicial to the interest of the company.

(c) According to the information and explanations furnished to us, there are no stipulations as to repayment of principal and payment of interest in respect of loans taken from parties listed in the register maintained under Section 301 of the Companies Act 1956 and hence we are unable to comment on the regularity or otherwise of repayment of principal and payment of interest.

(d) As there are no stipulations as to repayment of principal or payment of interest in respect of loans taken from parties listed in the register maintained under Section 301 of the Companies Act, 1956, we are unable to comment on any overdue amount of principal or interest in respect of the said loans.

(e) The Company has not granted any loans to companies, firms and other parties covered in the Register maintained under Section 301 of the companies Act, 1956. Accordingly the provisions of clause 4(iii) of the Companies Auditor's report order 2003 are not applicable to the company to the extent it relates to advances given.



- iv) In our opinion and according to the explanation given to us there is an adequate internal control procedure which is commensurate with the size and the nature of the company in respect of purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control.
- v) a) According to the information and explanation given to us, we are of the opinion that the transaction that needs to be entered into the register maintained under section 301 has been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the explanation given to us, the company has not accepted any deposits from the public as provided in Section 58A and 58AA of the Companies Act, 1956.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) Maintenance of Cost Records have not been prescribed for the company.
- ix) According to the information and explanations furnished to us, during the year, undisputed statutory dues relating to income-tax, and other material statutory dues applicable to it have been deposited with appropriate authorities and there have been delays.
- x) a) According to the information and explanations given to us, undisputed amounts payable in respect of TDS and Income Tax, were outstanding, as at the year end for a period of more than six months from the date they became payable to the tune of Rs 12.17/- lakhs & Rs 154.14 lakhs respectively as on signing of this report.
- b) In our opinion, the company has no accumulated losses. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of any dues to a financial institutions or bank except for the loans from Export & Import Bank of India for Rs 2,172.25 lakhs
- xii) In our opinion and according to the information and explanation given to us, the company has not granted any loans and advance on the basis of security by way of shares, debentures and other securities.
- xiii) The company is not a Non-Banking Finance Company and hence the provision of Clause 4(xiii) is not applicable to this company. The provisions of the relevant acts to the extent relatable to the accounts of the company have been complied with.



xiv) In our opinion and according to the information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments and so the provision of Clause 4(xiv) is not applicable for the company.

xv) In our opinion and according to the information and explanation given to us, the company has not given any guarantee for any loans taken by others from bank or financial institutions.

xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.

xvii) According to the information and explanations furnished to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.

xviii) In our opinion and according to the information and explanation given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act and consequently the provisions of Clause 4(xviii) is not applicable to this company.

xix) In our opinion and according to the information and explanation given to us, the company has not issued any debentures during the year and consequently the provision of Clause 4(xix) is not applicable to this company.

xx) The company not made any public issue and so the provision of Clause 4(xx) is not applicable to this company.

xxi) In our opinion and according to the information and explanation given to us and during the course of our audit, we have not noticed any fraud on or by the company.

Place: Chennai

Date: 28/08/2014

For KNRS& Associates
Chartered Accountants,
FRN 007236S



CA. C.K.N. Ravishankara Prabhu
Partner
M No 204766

Significant Accounting Policies and Notes forming part of Accounts for the year ended June 30, 2014

Note: 1

Corporate Information

The Primary business of **MEDIAONE GLOBAL ENTERTAINMET LIMITD (MOGEL)** is in the business of Production, distribution and exhibition of films. MOGEL is focused to grow in Film Exhibition (theaters) through an asset based ownership model. MOGEL is a BSE listed company with market capitalization of Rs4300 lakhs. MOGEL shall develop their primary vertical of asset based exhibition and combining them with existing and new activities to build up a major integrated media and entertainment company which will be based on three central columns, namely,

1. Exhibition
2. Content provider and
3. Content distributors.

MOGEL is headquartered in Chennai and it has a wholly owned subsidiary, MEDIA ONE GLOBAL ENTERTAINMENT, UK which has produced films for international release.

1. A) Significant Accounting Policies

1: Disclosure of Accounting Policies: The financial statements have been prepared to comply in all material respects with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of Companies Act, 1956. These financial statements have been prepared under the historical cost convention on the accrual basis. The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on the management's best knowledge of current events and actions the company may undertake in future, actual results ultimately differ from estimates.

2: Valuation of Inventories: Inventory of rights is valued at cost.

3: Cash flow Statement: Cash flow statement prepared under the direct method forms part of the financial statements.

4: Contingencies and events occurring after the Balance Sheet date: NIL

5: Net Profit or Loss for the period, prior period items and changes in accounting policies:

(a) Net profit for the period: All items of income and expenses in the period are included in the determination of net profit for the period, unless specifically mentioned elsewhere in the financial statements or is required by an Accounting Standard.

(b) Prior period items – Nil.

(c) Changes in accounting policies: There are no significant changes in accounting policies of the company from that of the previous period.



6: Depreciation Accounting: Fixed assets are depreciated under Written down Value Method (WDV) in the manner prescribed under Schedule XIV to the Companies Act, 1956. For the assets acquired during the year, the depreciation has been charged on pro-rata basis. Individual Assets costing less than Rs 5,000, are written off in the period of acquisition.

7: Accounting for Construction Contracts: The above Standard is not applicable to the Company, as it is not engaged in the business of construction.

8: Accounting for Research and Development: This standard has been withdrawn with effect from 1-4-2003 consequent to the introduction of Accounting Standard AS-26 on Accounting for Intangible Assets.

9: Revenue Recognition:

1. Revenue from theatrical exhibition is accounted on sale of tickets.
2. Revenue from distribution is recognised based on the agreements entered into. Minimum guarantee is charged off in the year in which agreement is entered into irrespective of the spill over of period over which revenue accrues to the enterprise.
3. Revenue from rights are recognised in the period in which agreements are entered into.
4. Revenue from production is recognised based on the nature of agreements – While Minimum Guarantee is recognised on release, For Advance based agreements revenue is recognised over the period in which it accrues to the enterprise.

10: Accounting for Fixed Assets: Fixed assets are capitalised at acquisition cost, which comprises of freight, installation cost, duties, taxes, and other directly attributable cost of bringing the assets to its working condition for the intended use.

11: Accounting for effects in foreign exchange rates:

- a) Conversion - All monetary items denominated in foreign currency are reflected at the rates prevailing on the Balance sheet date.
- b) Initial Recognition - Income and Expenditure items involving foreign exchange are translated at the exchange rate prevailing on the dates of transaction.
- c) Exchange Differences - Exchange differences, if any, arising on account of fluctuations in foreign exchange have been duly reflected in the Profit & Loss Account.
- d) Subsidiary: During the year the operations of subsidiary has become integral to the business of holding company and accordingly the monetary items are stated at closing rates and revenue items are converted at average rates. The fluctuation reserve recognised earlier is carried forward at historic cost as per the Standard.

12: Accounting for Government Grants: The Company has not received any grants.

13: Accounting for Investments: All Long term Investments are carried at cost. Investment in subsidiary is stated at cost.

14. Accounting for Amalgamation: This standard is not applicable for the current reporting period.



15: Accounting for Retirement benefits:

- a) **Gratuity:** The company has gratuity payable of Rs 11.41 lakhs as on the balance sheet date which was recognised earlier. The liability of the present employees as per actuarial valuation is less than the aforesaid amount. However, no reversal is made as the details of claim / settlement of resigned employees is not available.
- b) No other short term or long term benefit has accrued to the employees.

16: Borrowing Cost: Finance charges in respect of production of film is capitalised as part of inventory cost till the time it is ready for release. Interest so capitalized during the period is Rs 467.04 lakhs.

17: Segment Reporting: This standard is not applicable to the company as there are no identifiable segments.

18: Related party Disclosure:

- a) Enterprises in which key Management personnel or their relatives have significant influence
- Metronet Multimedia (P) Limited
 - Metro Films (P) Limited
- b) Subsidiary Companies:
- Mediaone Global Limited UK
- c) Key Management Personnel
- SURYARAJ KUMAR – Managing Director
 - Dr. J. MURALI MANOHAR – Director

Transactions with related parties

PARTICULARS	TRANSACTION AMOUNT	NATURE OF TRANSACTION
Key Management Personnel		
SURYARAJ KUMAR	Rs 13,50,000/- Rs 7,04,252/-	Managing Director remuneration Repayment of Loan
Enterprise involving KMP		
Metronet Multimedia P Ltd	Rs37,42,51,000/- Rs176,62,49,209/- Rs20,00,00,000/- Rs194,05,00,209/-	Purchase of film rights Loans & advances taken and Bills collected on behalf of Metronet Sale of film rights Loans & advances repaid and Bills paid on behalf of Metronet
Metro Films P Ltd	Rs 1,51,70,002/- Rs 1,51,70,002/-	Loans & advances taken Loans & advances repaid

19: Leases: The Company has not acquired any asset under lease.



20: Earnings Per Share:

PARTICULARS	For June 30, 2014	For June 30, 2013
Basic	Equivalent number of shares	Equivalent number of shares
Opening number of shares	14,720,000	14,720,000
Closing number of shares	14,720,000	14,720,000
Weighted average no. of shares	14,720,000	14,720,000
Profit after taxes	Rs 93,907,918	Rs 71,104,966
Dilutive shares	Nil	Nil
Basic EPS	6.38	4.83
Diluted EPS	6.38	4.83

21: Consolidated Financial Statements: Consolidated financial statements are prepared and enclosed to the statement.

22: Accounting for taxes on income: (Amount in Rs)

a) Current Tax: Provision for Income Tax is determined in accordance with the provisions of Income Tax Act, 1961. Provision for the year **Rs 956.65 Lakhs** (PY Rs 841.14 Lakhs).

b) Deferred Tax Provision: Deferred Tax is recognised on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only if there is a reasonable certainty of their realization.

				(Rs)
Particulars	Nature	Opening	Arising / Reversing	Closing
Business Loss	DTA	(92,506,154)	(150,832,508)	(243,338,662)
Fixed Assets and Depreciation	DTL	205,353,921	178,158,564	383,512,485
TOTAL		112,847,767	27,326,056	140,173,823

23: Accounting for Investments in Associates: There are no investments in associates during the year.

24: Discontinuing Operations: The Company has not discontinued any operations during the year.

25: Interim Financial Reporting: For the above accounting year, this Standard is not applicable.

26: Intangible Assets: Intangible in form of software acquired and License of film rights acquired are



stated at acquisition cost and depreciated at 40% (WDV) and 10% (SLM) respectively.

27: Financial reporting of interests in joint ventures: The Company has not entered into any joint Venture agreement during the year.

28: Impairment of Assets: There was no impairment of assets during the year.

29: Provisions, Contingent Liabilities and Contingent Assets: A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities & Contingent Assets: As on Balance sheet date there are no contingent liabilities.

1. B) Others:

1. Remuneration to directors: **Rs 13.50 Lakhs** (Rs.18 Lakhs). Computation of net profits in accordance with Section 349 of the Companies Act, 1956 is given below

Particulars	(Rs)	
	For June 30, 2014	For June 30, 2013
Profit before tax as per profit and loss account	122,301,027	158,428,947
Add :		
Managerial Remuneration	1,350,000	1,800,000
Depreciation as per books	906,698,501	289,489,097
	1,030,349,528	449,718,044
Less : Depreciation as per section 350 of the companies Act,1956	906,698,501	289,489,097
Net profit as per section 350 of the companies Act,1956	123,651,027	160,228,947
Maximum the remuneration allowable to director :		
Ceiling limit :	6,182,551	8,011,447
Actual Amount paid :	1,350,000	1,800,000

2. Capital commitments: Capital Commitment not provided for is **Rs NIL** (Rs Nil)

3. Amount due to MSME Undertaking as on 30th June 2014 is **Rs Nil** (Rs Nil)

4. a) Amount earned in Foreign Currency during the year is **Rs Nil** (Rs Nil)

b) Amount spent in Foreign Currency during the year is **Rs 670.04 Lakhs** (Rs 1,273.35 Lakhs)

5. Payment to Auditors: (Excluding Service Tax)



(Rs)		
PARTICULARS	For June 30, 2014	For June 30, 2013
Statutory Audit	500,000	600,000
Tax Audit	150,000	150,000
TOTAL	650,000	750,000

6. The Previous period figures have been restated / reclassified, wherever necessary to make them comparable to those of the current year.

7. Third party balance are subject to confirmation.



Mediaone Global Entertainment Limited				
NOTES TO FINANCIALS STATEMENTS				
NOTE 2 SHARE CAPITAL				
PARTICULARS	As on 30.06.2014		As on 30.06.2013	
	Number	₹	Number	₹
AUTHORISED				
Equity Shares of ₹ 10 each	32,000,000	320,000,000	32,000,000	320,000,000
ISSUED				
Equity Shares of ₹ 10 each	14,720,000	147,200,000	14,720,000	147,200,000
SUBSCRIBED & PAID UP				
Equity Shares of ₹ 10 each	14,720,000	147,200,000	14,720,000	147,200,000
TOTAL	14,720,000	147,200,000	14,720,000	147,200,000
MOVEMENT OF SHARES				
PARTICULARS	Equity Shares		Preference Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	14,720,000	147,200,000	0	0
Shares Issued during the year	0	0	0	0
Shares bought back during the year				
Shares outstanding at the end of the year	14,720,000	147,200,000	0	0
Name of Shareholder	As on 30.06.2014		As on 30.06.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sripathee Investments P Ltd	7,715,170	52.41	7,715,170	52.41
BMFI Limited	1,500,000	10.19	1,500,000	10.19
General Ventures Limited	1,100,000	7.47	1,100,000	7.47
Rollmar	1,400,000	9.51	1,400,000	9.51
NOTE 3 RESERVES AND SURPLUS				
PARTICULARS	As on 30.06.2014		As on 30.06.2013	
SECURITIES PREMIUM ACCOUNT				
Opening Balance	59,500,000		59,500,000	
Closing Balance	59,500,000		59,500,000	
GENERAL RESERVE				
Opening Balance	265,623,580		194,518,614	
(+) Current Year Transfer	93,907,918		71,104,966	
Closing Balance	359,531,498		265,623,580	
SURPLUS				
Opening balance	0		0	
(+) Net Profit/(Net Loss) For the current year	93,907,918		71,104,966	
(-) Transfer to Reserves	93,907,918		71,104,966	
Closing Balance	0		0	
TOTAL	419,031,499		325,123,580	
NOTE 4 LONG-TERM BORROWINGS				
SECURED				
TERM LOANS				
from banks	0		4,628,112	
(Secured By Fixed assets. Further directors have given guarantee in respect of such loans				
LOANS AND ADVANCES FROM RELATED PARTIES	1,379,327		0	
Terms of Repayment: Three years. Renewable at option				
OTHER LOANS AND ADVANCES (SPECIFY NATURE)	240,377,707		0	
Terms of Repayment _____				
TOTAL	241,757,034		4,628,112	



NOTE 5 OTHER LONG TERM LIABILITIES		
TRADE PAYABLES	618,332,877	271,900,000
TOTAL	629,083,724	271,900,000
NOTE 6 LONG-TERM PROVISIONS		
PROVISION FOR EMPLOYEE BENEFIT		
Gratuity (unfunded)	1,141,379	1,141,379
TOTAL	1,141,379	1,141,379
NOTE 7 SHORT-TERM BORROWINGS		
<u>SECURED</u>		
LOANS REPAYABLE ON DEMAND		
from banks	89,378,800	396,584,766
Secured By book debts and lien on fixed deposits		
TOTAL	89,378,800	396,584,766
<u>UNSECURED</u>		
LOANS AND ADVANCES FROM RELATED PARTIES	-	2,083,579
TOTAL	0	2,083,579
TOTAL OF SECURED AND UNSECURED	89,378,800	398,668,345
NOTE 8 OTHER CURRENT LIABILITIES		
Current maturities of long-term debt	217,225,627	204,610,274
Unpaid dividends	23,146,149	23,163,648
Others – Advance from customer Audit fee, rent, service tax and TDS	21,645,854	10,435,233
TOTAL	262,017,630	238,209,154
NOTE 9 SHORT-TERM PROVISIONS		
PROVISION FOR EMPLOYEE BENEFIT		
Salary & Reimbursements	410,316	750,411
Provision for tax	95,665,920	84,113,643
Tax on distributed dividend	4,159,582	4,159,582
TOTAL	100,235,818	89,023,636



Mediaspace Global Entertainment Limited

NOTE 10 FIXED ASSETS											
	FIXED ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION					NET BLOCK	
		Balance as at 1 July 2013	Additions/ (Disposals)	Acquired through business combinations	Balance as at 30 th June 2014	Balance as at 1 July 2013	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 30 th June 2013	Balance as at 30 th June 2014
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
A	TANGIBLE ASSETS										
	Land	11,602,222	0	0	11,602,222	0	0	0	0	11,602,222	11,602,222
	Buildings	28,313,667	0	0	28,313,667	8,396,448	1,991,722	0	0	19,917,219	17,925,497
	Plant and Equipment (13.91%)	847,750	0	0	847,750	352,015	66,958	0	0	495,735	426,777
	Plant and Equipment (20%)	1,317,518	0	0	1,317,518	802,704	102,963	0	0	514,814	411,851
	Furniture and Fixtures	6,311,407	0	0	6,311,407	4,021,614	414,452	0	0	2,289,793	1,875,341
	Vehicles	1,135,736	93,359	0	1,229,095	894,808	68,420	0	0	240,928	265,867
	Office equipment	1,806,050	33,000	0	1,839,050	739,768	151,381	0	0	1,066,282	947,901
	Computer	1,878,720	56,000	0	1,934,720	1,234,791	268,772	0	0	643,929	431,157
	TOTAL (A)	53,213,070	182,359	0	53,395,429	16,442,148	3,066,668	0	0	19,508,816	33,886,613
B	INTANGIBLE ASSETS										
	Computer software	370,280			370,280	180,725	75,822			256,547	113,733
	Copyrights, and patents and other intellectual property rights, services and operating rights	1,395,000,000	1,437,927,526	0	2,832,927,526	682,755,000	903,556,011	0	0	1,586,311,011	1,346,616,515
	TOTAL (B)	1,395,370,280	1,437,927,526	0	2,833,297,806	682,935,725	903,631,833	0	0	1,586,567,558	1,346,730,248
	TOTAL FA (A+B+C+D)	1,448,583,350	1,438,109,885	0	2,886,693,235	699,377,873	906,698,501	0	0	1,606,076,374	1,280,616,861
	PY	142,792,020	827,791,330	478,000,000	1,448,583,350	39,888,776	460,034,097	307,455,000	108,000,000	102,903,244	749,205,477



Mediasone Global Entertainment Limited
NOTE 11. NON-CURRENT INVESTMENTS

Note 1. Disclosure pursuant to Note no. K (I) of Part I of Schedule VI to the Companies Act, 1956

PARTICULARS		June 30, 2014	June 30, 2013
		₹	₹
A	TRADE INVESTMENTS		
	(a) Investment in Equity Instruments	79,000	79,000
	TOTAL (A)	79,000	79,000
	GRAND TOTAL (A + B)	79,000	79,000
	TOTAL	79,000	79,000

DETAILS OF TRADE INVESTMENTS												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)	Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation	
			June 30, 2014	June 30, 2013			June 30, 2014	June 30, 2013				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(A)	INVESTMENT IN EQUITY INSTRUMENTS											
	Mediasone Global UK Limited	WOS	1,000	1,000	Unquoted	Fully paid		100	79,000	79,000	Yes	0
	TOTAL								79,000	79,000		



Mediaone Global Entertainment Limited		
NOTE 12 LONG-TERM LOANS AND ADVANCES		
Note 1 Disclosure pursuant to Note no. L (i),(ii) and (iii) of Part I of Schedule VI to the		
PARTICULARS	June 30, 2014	June 30, 2013
	₹	₹
SECURITY DEPOSITS		
Unsecured, considered good	7,663,563	13,015,063
TOTAL	0	0
NOTE 13 INVENTORIES		
Work-in-progress (Valued at Standard price)	0	520,193,981
	0	520,193,981
Finished goods (Valued at Standard price)	324,251,000	0
	324,251,000	0
TOTAL	324,251,000	520,193,981
NOTE 14 TRADE RECEIVABLES		
A.Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	412,882,106	320,406,795
TOTAL (A)	412,882,106	320,406,795
GRAND TOTAL	412,882,106	320,406,795
NOTE 15 CASH AND CASH EQUIVALENTS		
Balances with banks*	14,944,248	4,486,737
Cash on hand*	237,717	867,766
TOTAL	15,181,965	5,354,503
NOTE 16 SHORT-TERM LOANS AND ADVANCES		
Others (specify nature)		
Unsecured, considered good	121,165,279	96,124,958
TOTAL B	121,165,279	96,124,958
GRAND TOTAL	121,165,279	96,124,958
NOTE 17 OTHER CURRENT ASSETS		
Others	0	38,983
TOTAL	0	38,983



Mediaone Global Entertainment Limited		
NOTE 18 REVENUE FROM OPERATIONS		
PARTICULARS	June 30, 2014	June 30, 2013
	₹	₹
Sale/distribution/exhibition of films and other rights	1,785,046,841	1,294,862,382
Other operating revenues	0	765,074
TOTAL	1,785,046,841	1,295,627,456

NOTE 19 OTHER INCOME		
Interest Income (in case of a company other than a finance company)	1,847,130	251,096
Other non-operating income (net of expenses directly attributable to such income)	21,321	30,231
TOTAL	1,868,451	281,327

NOTE 20 EMPLOYEE BENEFITS EXPENSE		
(a) Salaries and incentives	6,227,428	7,617,471
(b) Staff welfare expenses	257,785	76,902
TOTAL	6,485,213	7,694,373

NOTE 21 FINANCE COSTS		
Interest expense	8,782,991	22,132,038
Other borrowing costs	200,000	
TOTAL	8,982,991	22,132,038

NOTE 22 OTHER EXPENSES		
Power and fuel.	379,435	441,642
Rent.	67,130,785	66,074,274
Repairs to buildings.	23,981	515,202
Repairs to machinery.	180,143	10,018
Insurance .	93,464	11,422
Rates and taxes, excluding, taxes on income.	5,296,789	6,527,714
Audit fee	730,340	842,700
Miscellaneous expense	2,280,248	2,219,207
Communication Expenses	297,463	568,328
Travelling Expenses & Subsistence	1,290,153	1,865,420
Legal & Professional Fees	6,592,887	2,481,727
Exchange Fluctuation Loss	0	1,981,066
Business promotion	907,420	382,785
Bad debts	87,745	2,229,723
TOTAL	85,290,851	86,151,228



Mediaone Global Entertainment Limited

CASH FLOW STATEMENT FOR THE PERIOD ENDING JUNE 30, 2014

	₹	₹
Cash flow from operating activities		
Amount realised from debtors	1,694,439,981	1,543,754,706
Payments to creditors, employees and others	-683,309,213	-827,211,908
Taxes paid (-) / refund (Net)	1,011,130,768	716,542,798
Cash inflow / (- outflow) from operating activities	-14,841,643	-5,262,507
	996,289,125	711,280,291
Cash flow from investing activities		
Purchases of fixed assets	-917,915,904	-917,791,331
Cash inflow / (- outflow) from Investing activities	-917,915,904	-917,791,331
Cash flow from Financing activities		
Loans received / (-) repaid	-59,545,270	232,763,008
Dividend paid	-17,499	-419,632
Interest paid	-8,982,991	-22,132,038
Cash inflow / (- outflow) from financing activities	-68,545,759	210,211,338
Net cash generated / (- used) during the year	9,827,462	3,700,298
Cash and cash equivalents at the beginning	5,354,503	1,654,205
Cash and cash equivalents at the end	15,181,965	5,354,503
Cash and cash equivalents include		
Cash	237,717	867,766
Bank	14,944,248	4,486,737
	15,181,965	5,354,503

This is the cash flow statement referred to in our report of even date

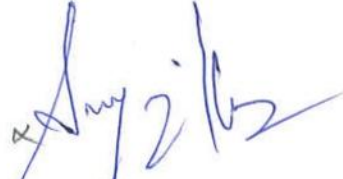
Place: Chennai

Date : 28/08/2014

for **KNRSG & Associates**

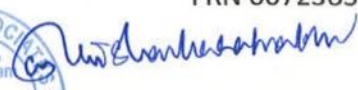
Chartered Accountants

FRN 0072365


Suryaraj Kumar
Managing Director


Dr Murali Manohar
Director




CA CKN Ravishankara Prabhu
Partner
M.No. 204766