

K SERA SERA PRODUCTIONS LIMITED

15th ANNUAL REPORT 2009-2010

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Attendance Slip and Proxy Form

K SERA SERA PRODUCTIONS LIMITED

BOARD OF DIRECTORS	:	MR. SANJAY LAI (Managing Director)
		MR. PRAKASH KUMAR SHAH (Non – Executive Independent Director)
		MR.HUSSAIN SHATTAF (Non – Executive Independent Director)
		MR. RAJEEV BENARA (w.e.f. 09.01.2010) (Additional Director)
		MR. DUSHYANT KUMAR (w.e.f. 29.06.2010) (Additional Director)
		MR. DHIREN TOPRANI (w.e.f. 30.09.2010) (Additional Director)
COMPANY SECRETARY	:	MRS. NEELAM SAMANT
AUDITORS	:	M/s. AGRAWAL JAIN AND GUPTA, Chartered Accountants Shop No. 2, Ashok Vihar, Jaipur Road, Chomu (Jaipur) 303702.
BANKERS	:	ING Vysya Bank Ltd. ICICI Bank Ltd.
REGISTRAR & SHARE	:	BIGSHARE SERVICES PRIVATE LIMITED E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri (East), Mumbai - 400 072.
REGISTERED OFFICE	:	Office No. 18, 4 th Floor, Mohid Heights, Off Lokhandwala Road, Andheri (West), Mumbai – 400053.



NOTICE

NOTICE IS HEREBY GIVEN THAT 15TH ANNUAL GENERAL MEETING OF THE Shareholders of K SERA SERA PRODUCTIONS LIMITED will be held at "Kailash Parbat, K-P Restaurants, 7A/ 8A, 'A' wing Crystal Plaza, Link Road, Andheri (West), Mumbai -400053" on Thursday, the 30th December, 2010 at 9.30 a.m. to transact, with or without modifications(s) as may be permissible, the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2010 and Profit and Loss Account for the year ended on that date, the Report of the Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Hussain Shattaf, who retires from office by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration, and for the purpose, to pass the following Resolution, which will be proposed as an Ordinary Resolution:

"RESOLVED THAT the pursuant to the provision of section 224 and other applicable provisions, if any, of the Companies Act 1956, M/s. Agrawal Jain and Gupta (Registration No. 013538C) Chartered Accountants, Jaipur the Retiring Auditors, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion the Next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties."

SPECIAL BUSINESS:

4. **To pass and if thought fit to adopt with or without modification following resolution as the ordinary resolution:**

"RESOLVED THAT Mr. Rajiv Benara, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 9th January, 2010 and who holds office up to the date of this Annual General Meeting and in respect of whom

a notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his / her intention to propose him as a candidate for the office of Director of the Company, be and is hereby appointed as a Director liable to retire by rotation."

5. **To pass and if thought fit to adopt with or without modification following resolution as the ordinary resolution:**

"RESOLVED THAT Mr. Dushyant Kumar, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 29th June, 2010 and who holds office up to the date of this Annual General Meeting and in respect of whom a notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his / her intention to propose him as a candidate for the office of Director of the Company, be and is hereby appointed as a Director liable to retire by rotation."

6. **To pass and if thought fit to adopt with or without modification following resolution as the ordinary resolution:**

"RESOLVED THAT Mr. Dhiren Toprani, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 30th September, 2010 and who holds office up to the date of this Annual General Meeting and in respect of whom a notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his / her intention to propose him as a candidate for the office of Director of the Company, be and is hereby appointed as a Director liable to retire by rotation."

7. **To consider and if thought fit, to pass the following Resolution which will be proposed as an Special Resolution:**

"RESOLVED THAT in accordance with the provisions of section 81(1A) and all other provision applicable, if any, of the Companies Act, 1956 (the Act) including any statutory modification or re-enactment thereof for the time being in force, the provisions of the Memorandum and Articles of Association of the Company, the provisions of the listing agreement entered into by the company with the Stock Exchange where the shares of the Company are listed, the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed there under, the provisions of chapter VIII of

the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 ("SEBI (ICDR) Regulations") including any amendments thereto or any re-enactment thereof for the time being in force and subject to the applicable statutes, guidelines, regulations, approvals, consents, permissions or sanctions (the "Approvals") of the Central Government, the Reserve Bank of India and any other appropriate authorities, institutions or bodies and such conditions as may be prescribed by any of them while granting any such approvals, which may be agreed to, in its sole discretion, by the Board of Director of the company (hereinafter called "the Board" which terms shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constituted from time to time to exercise its powers including the power conferred by this resolution), consent of the company be and is hereby accorded to the board to offer, issue and allot, on such occasion or occasions, in one or more tranches, as may be determined by the Board, to Qualified Institutional Buyers (QIBs) as defined under Regulation 2(1)(zd) of SEBI (ICDR) Regulations, 2009, equity shares or any such instruments(s) or security(ies) (other than warrants) convertible in to equity shares on such date as may be determined by the Board ("Securities") for an amount, which shall not in aggregate exceed Rs.200 Crores ("QIP Issue") at such price, inclusive of premium and on such terms and conditions as may be finalized by the board in accordance with SEBI (ICDR) Regulations at the time of issue and allotment of Securities.

RESOLVED FURTHER THAT:

- i) The board may issue the Securities or any part thereof at such discount or premium to the market price, as the board may decide, provided that, wherever applicable under the provisions of the SEBI (ICDR) Regulations, the price paid by each investor shall not be less than the price arrived in accordance with regulation 85 of chapter XIII of the SEBI (ICDR) Regulations;
- ii) The relevant date for the purpose of pricing of the securities proposed to be issue in accordance with SEBI (ICDR) Regulations, shall be the date of the meeting in which the Board decides to open the issue of the securities subsequent to the receipt of shareholders approval in terms of section 81(1A) and other applicable provision if any, of the Act and other applicable laws, regulations and guidelines in relation to the proposed QIP issue;

- iii) The Board be and is hereby authorised to issue and allot such number of equity shares as may be issued and allotted, in accordance with the terms of the relevant offering, and such shares shall rank paripassu with the then existing equity shares in the company in all respects, including in respect of dividend;
- iv) For the purpose of giving effect to the foregoing and without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, the board be and is hereby authorized for and on behalf of the company:
 - a) To dispose of, from time to time, such of the Securities as are not subscribed, in such manner, as the board may deem fit in its absolute discretion;
 - b) To settle any questions, difficulties or doubts that may arise in regard to the QIP Issue;
 - c) To delegate from time to time, all or any of the powers conferred herein upon the board to any committee of the board or the Chairman & Managing Director or any other Officer or Officers of the Company."
 - d) To authorise to determine the form, terms and timing of the issue(s), including but not limited to finalisation and approval of preliminary as well as the final offer document(s), the class of investors to whom the securities are to be allotted, number of securities to be allotted in each trenches, issue price, amount of premium on issue, in respect of securities, either on pari-passu basis or otherwise, relevant date of pricing, listing on stock exchange(s) in India or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues.

RESOLVED FURTHER THAT in the event of issue of securities by way of Qualified Institutional Placement;

1. Allotment of securities shall be completed within 12 months from the date of this resolution approving the proposed issue or such other time as may be allowed by SEBI Regulations from time to time
2. The securities shall not be eligible to be sold for a period of one year, except on a recognised stock exchange.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint Lead Managers, Underwriters, Guarantors, Depositories, Registrar, Banker, Advisors, Custodians and all such agencies as may be involved or concerned in such offering of securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into any arrangements, agreements, memorandum, etc. with such agencies and also to seek listing of such securities on one or more national and/or international stock exchanges.

RESOLVED FURTHER THAT the Board is hereby authorised to do all such acts, deeds, matters and things as the Board may at its discretion deem necessary or desirable for such purpose; and to give the effect to the resolutions, including, without limitation, the following;

1. Sign, Execute and Issue all documents necessary in connection with the issue of securities, including listing applications to stock exchange (in India or abroad) and various agreements, declarations, undertakings; seeking if required, consent of the Company's lenders, parties with whom company has entered into various commercial and other agreements, government and regulatory authorities in India or outside India, any other consent required in connection with the issue and allotment of the securities;
 2. Giving or authorising the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
 3. Settling any queries, difficulties or doubts that may arise in regards to any such issue or allotment of securities as it may in its absolute discretion deem fit."
8. **To consider and if thought fit, to pass the following Resolution which will be proposed as an Special Resolution:**

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals, consents, permissions and/ or sanctions as may be necessary from the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), the Listing Agreement entered by the Company with the Stock Exchanges and other appropriate authorities, institutions or bodies and subject to such conditions as may be prescribed by any of them in granting any such approval, consent,

permission or sanction, the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee of the Board exercising the powers conferred by the Board) be and is hereby authorized on behalf of the Company to issue/ offer and allot Global Depository Receipts (GDR's)/ American Depository Receipts (ADR's)/ Euro Convertible Bonds (ECB's)/ Foreign Currency Convertible Bonds (FCCB's)/ Secured Premium Notes (SPN), any Securities convertible into, Equity shares whether optionally or otherwise (hereinafter referred to as "Securities") for an aggregate amount not exceeding US \$ 100 million or in equivalent Indian and/or any other currency (ies) (inclusive of premium, as may be fixed on such Equity shares to Indian or Foreign Investors (Whether Institutions, Incorporated Bodies, Mutual Funds and/ or Individuals or otherwise and whether or not such Investors are members of the Company) through Offer documents at such time or times in such tranche(s), at such prices either with or without premium to market price or prices in such manner and on such terms and conditions as may be decided by the Board from time to time.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to issue/ offer and allot Global Depository Receipts (GDR's)/ American Depository Receipts (ADR's)/ Euro Convertible Bonds/ Foreign Currency Convertible Bonds (FCCB's)/ Secured Premium Notes (SPN), any other Securities convertible into, Equity shares whether optionally or otherwise (hereinafter referred to as "Securities") or at a price not lower than determined as per any statutory authorities or otherwise which the Board may decide to Institutional Investors/ Corporate bodies/ Financial Institutions/ Pension/ Pension funds/ Private Equity funds/ Mutual Funds/ Banks etc. on private placement and /or preferential basis to facilitate the above said purpose.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do act and deeds necessary thereto including security, rate of interest etc. as may be decided and deemed appropriate at the time of such allotment considering the prevailing market conditions and other relevant factors in consultation with the Lead Managers and Underwriters or through the Subsidiaries by way of private placement or by Initial Public Offer in US or overseas, so as to enable the Company to get listed at NASDAQ and / or New York Stock Exchange or London Stock Exchanges or Luxembourg Stock Exchange and/ or any of the Overseas Stock Exchanges.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/ GOI/RBI or such appropriate authorities may impose at the time of their approval and as agreed to by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, issue of securities in international offering may have all or any term or combination of terms in accordance with the international practice including but not limited to conditions in relation to payment of interest whatsoever and all such terms as are provided in international offering of this nature including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the duration of the Securities.

RESOLVED FURTHER THAT the Board is entitled to enter into and to execute all such arrangements/ agreement with any Lead Manager/ Underwrites/ Guarantors/ Depositors/ Custodians and all such agents as may be involved or concerned in such offering of securities and to remunerate all such agents including by way of payment or commission, brokerage, fees, expenses incurred in relation to the issue of securities and other expenses, if any or the likes.

RESOLVED FURTHER THAT the Board be and is hereby also authorized subject to approval of the Reserve Bank of India and the concerned authorities to secure the entire or any part of the issue by creation of the mortgage/ charge on the Company's immovable and movable properties present and future, such charge to rank either pari passu with or second, subsequent, subservient and subordinate to all the mortgages/charges created/ to be created by the Company for all existing and future borrowing and facilities whatsoever.

RESOLVED FURTHER THAT the Company and/ or agency or body authorized by the Company may issue Global Depository Receipts and/or other form of securities mentioned herein above representing the underlying Equity Shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations and under the forms and practices prevalent in the international market.

RESOLVED FURTHER THAT the Securities issued in international offering shall be deemed to have been made abroad in the markets and /or at the place of issue of the Securities in international markets and shall be governed by English or American Law, as the case may be.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities referred to in paragraph(s) above as may be necessary in accordance with the terms of the offerings and all such shares rank pari passu with the existing equity share of the Company in all respects, excepting such rights as to dividend as may be provided under the terms of issue and in the offer Document.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue of allotment of equity shares or securities or instruments or American Depository Receipts/ Global Depository Receipts or Securities representing the same, the Board be and is hereby authorized to do all such acts, deeds, matter and things as it may, in its absolute discretion, deem, necessary or desirable and to settle any questions, difficulty or doubt that may arise in regard to the offering, issue, allotment and utilization of the issue proceeds, as it may in its absolute discretion, deem fit and proper.”

9. **To consider and if thought fit, to pass the following Resolution which will be proposed as an Special Resolution:**

“RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as “the Act”) including any statutory modifications, amendments thereto or re-enactment thereof and subject to the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with Stock Exchanges and in accordance with the Rules, Guidelines and Regulations prescribed by the Securities and Exchange Board of India (“SEBI”), and approvals, permissions or sanctions as may be necessary of all other concerned authorities, if any, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions or sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any duly

authorised committee thereof for the time being exercising the powers conferred on the Board) the consent of the Company be and is hereby accorded to "the Board" to offer, issue and allot, in one or more tranches, on a preferential basis Optionally Convertible Redeemable Bonds of Face Value of Rs.1,00,000/- (Rupees One Lac only) each, aggregating to Rs 24,00,00,000/- (Rupees Twenty Four Crores only).

RESOLVED FURTHER THAT the Company shall issue the Bonds to the Global Trade Finance Limited on following Terms and Conditions.:

1. The Bonds shall be optionally convertible into Equity Shares after the expiry of 12 Months from the date of issue and up to 18 Months at the option of the Bondholder OR the Bonds shall be redeemable after the expiry of 18 Months from the date of issue.
2. The Equity Shares to be issued and allotted as a consequence of exercise of the option as aforesaid shall rank paripassu in all respects with the existing Equity Shares of the Company except that new Equity Shares will be subject to lock-in requirement in terms of the provisions of the SEBI (ICDR) Regulations, 2009.
3. The value of the Equity Shares issued after the conversion of the Bonds will be equivalent to Rs. 24,00,00,000/- (Rupees Twenty Four Crores only) divided into such number of shares at a price as may be decided by SEBI (ICDR) Regulations, 2009 after the exercising of relevant date which may be at the completion of thirty days prior to the expiry of the twelfth months, when the bondholders become eligible for conversion.
4. Thus relevant date shall be thirty days prior to the date on which the holders of the convertible securities become entitled to apply for the equity shares, which in our case is twelve months from the date of allotment of bonds.

RESOLVED FURTHER THAT the Relevant Date for determination of the minimum price of the Optionally Convertible Redeemable Bonds and Equity Shares arising out of conversion in terms of the provisions of the SEBI (ICDR) Regulations, 2009 will be 30 days prior to date on which the holders of the Convertible Securities become entitled to apply for the Equity Shares.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to take such steps and to do and to ratify all such acts, deeds, matters and things as it may, in its absolute discretion, consider necessary, expedient, usual, proper or desirable as may be required in connection with the creation, offer, issue and allotment of the securities, to settle any question, remove any difficulty or doubt that may arise in this regard, the utilization of the issue proceeds of the Bonds, to prescribe the forms of application and to take such actions or give such directions as they may consider as being necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as they may deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make on its own accord or to accept such amendments, modifications, variations and alterations as the concerned regulatory authorities may stipulate in that behalf.

RESOLVED FURTHER THAT any of the Directors/ Company Secretary be and is hereby authorized to do all such acts, deeds, things and matters as may be required to give effect to the above mentioned resolutions."

10. **To consider and if thought fit, to pass the following Resolution which will be proposed as an Special Resolution:**

"RESOLVED THAT pursuant to provisions of Section 17 and other application provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), subject to the approval of the Shareholders, the object clause III (A) of the memorandum of association of the Company be and is hereby altered by inserting the following clauses as clause 1(b), 1(c), 1(d), 1(e), 1(f) and 1(g) immediately after the existing clause which will be referred as clause 1(a):

- 1(b): To carry on the business of providing internet and web technologies, telephony, design, develop, maintain, operate, own, establish, install, host, provide, create and facilitate, supply, sale, purchase, mortgage, lease, hire, bid, offer, auction, underwrite, pledge, license or otherwise deal in internet portals, internet networks, media portals, internet solutions and / or providing solutions and services related to web advertisements, web technologies, Internet and E- commerce, including to design, develop,

maintain, operate, own, establish, install, host, provide, create, facilitate, supply, sale, purchase, mortgage, lease, hire, bid, offer, auction, underwrite, pledge, license or otherwise deal in Internet portals, Internet networks, Media Portals, Internet solutions, Internet gateways, Internet service providers, E-commerce, Web-site designing, Web hosting services, Web maintaining, Web based and Web enabled services and applications, networking E-commerce service provider, E-commerce solutions, Ecommerce platforms, E-commerce education, E-commerce technologies and E-business solutions and for that purpose provide, establish, set up, manage, unlinking, facilities, lay cables for transfer of data, voice mail, email and to work on turnkey projects of software development, consultancy services and advertising services in computer systems and software and to promote, encourage, establish, develop, maintain, organize, undertake, manage, operate, conduct and run data processing centers, advertising centers, call centers, kiosks, computer training centers and all sorts of services relating to computer, its maintenance, repairs, programme and to carry on the computer hardware consultancy and manufacturing and to carry on the business of data processing, data warehousing, data mining, data analyzing and selling computer time and to rent our computer systems and computing and management service equipments and to provide on both promotional and commercial basis. It enabled services such as secretarial, back office call centers, Customer care units, Business Process Outsource Services (BPO), design and engineering, medical info-meditation and services in respect of information processing data preparation, help-desk and other data processing, management information and consultancy services.

1(c): To carry on the business of manufacturing, producing, reproducing, formulating, processing, designing, refining, finishing, recovering, extracting, buying, selling, exporting, importing, transporting, transmitting, distributing, consulting, hiring, renting, mixing, editing, dubbing, sound recording, shooting or otherwise dealing in all kinds of motion pictures, still pictures, films, T.V. Serials, Advertisement films, Music albums, audio, micro processor based system, digital product, communication equipments, process control equipment, instrumentation, electronic equipments, wireless transmitting and receiving sets, televisions, radios, broadcasting and receiving sets, tapes, wire records, sound recording, processing and reproducing apparatus, record changers, cassettes, dics, rolls, devices, accessories, appliances, materials and requisite of

every kind whereby sound or vision is recorded, amplified, produced, reproduced, transmitting or received.

1(d): To carry on, in any part of the world, the business of building, developing, owning and operating, Theatres, Miniplex Theaters, Multiplex Theatres, entertainment centers, hotels, restaurants, food courts, health centers, art galleries, malls, shopping complexes, exhibition centers, family entertainment centers, gaming parlors, bowling gallery, pool parlors, cyber café, Education centers, Coaching centers, Tuitions as well as education through satellite technology or through any other form of technology, other commercial single or multistoried buildings or works of any such description on any land, freehold or lease hold or otherwise, as principals, agents, trustees or otherwise, either alone or in conjunction with others and by or through agents, sub-contractors, trustees or otherwise and deal in all kinds of immovable properties, including but not limited to land, and to sell, lease, rent, grant licenses, easements and other rights over and in any other manner deal with or dispose of the undertaking, property, assets, rights and all other effects of the Company, or any part thereof and to do all such acts and things incidental or in the opinion of the Company conducive to the attainment of any or all of the aforesaid objectives.

1(e): To carry on the business as builders, property developers, contractors and development of Information Technology Park, flats, shops, plot of land, bungalows, Business Park, apartments, commercial and residential complexes, industrial gala, shopping malls, building materials and to develop, construct, reconstruct and erect superstructure and to deal in them by way of sale, exchange, lease, and rent out the property. And to carry on the business as contractor and accept building construction contracts and to act as developers and builders on behalf of companies, co-operative housing society, firm, Govt. & Non Govt. Organizations, private contractor and individuals.

1(f): To invest or engage in search win, get, quarry, reduce, smelt, calcine, refine, dress, amalgamate, manipulate, and prepare for market ferrous and non-ferrous metal, ore, quartz, metal and mineral substances of all kinds including oil and to carry on any other prospecting, mining, and metallurgical

operations and to work mines or quarries, and to search frame, network, process, calcine, raise, crush, smelt, manufacture, make merchantable, sell or otherwise deal in iron, coal, coal tar, stone, cement, lime stone, chalk, clay, gold, silver, copper, bauxite, soapstone, ores, metals, minerals oil, precious and other stones, deposits, products and all other kinds of by-products thereof and carry on the business of mining in all its branches.

1(g): To Carry on the business of Online multi-brand retail trading activity, Online recruitment facilities through web portal.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or expedient.”

11. **To consider and if thought fit, to pass the following Resolution which will be proposed as an Special Resolution:**

“**RESOLVED THAT** pursuant to provisions of section 21 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 if any, and subject to the approval of the Register of Companies, consent of the Company be and is hereby granted for changing the name of the Company from **K SERA SERA PRODUCTIONS LIMITED to K SERA SERA LIMITED or such other name as may be approved by the Register of Companies, Mumbai.**

RESOLVED THAT the name “K SERA SERA PRODUCTIONS LIMITED” wherever it appears in the Memorandum and Articles of Association of the Company or elsewhere, shall be amended to read as **K SERA SERA LIMITED or such other name as may be approved by the Register of Companies, Mumbai”.**

Place: Mumbai
Date: 25th October, 2010

By Order of the Board of Directors
Sd /-

Registered Office:
Office No.18, 4th Floor,
Mohid Heights, Lokhandwala Road,
Andheri (W), Mumbai - 400 053.

Sanjay Lai
Managing Director

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 25th December, 2010 to 30th December, 2010 (Both Days Inclusive).
3. The members are requested to:
 - (a) Intimate to the Company's Registrars and Share Transfer Agents, M/s. Big Share Services Private Limited (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date, quote ledger folio numbers /DP Identity and Client Identity Numbers in all their correspondences;
 - (b) Bring the copy of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
5. Members / beneficial Owners are requested to quote their full name as per Company's record, Folio No. / DP and Client ID Nos. as the case may be, in all correspondence with the company.
6. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing

their representatives to attend and vote at the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NOS. 4 TO 11 OF THE NOTICE

ITEM NO.4:

Mr. Rajeev Benara was appointed as an Additional Director of the Company on 9th January, 2010. Pursuant to Section 260 of the Companies Act, 1956, he holds office up to the date of this Annual General Meeting. Pursuant to Section 257 of The Companies Act 1956, notice in writing has been received from a Member of the Company along with the deposit of Rs.500/- signifying his intention to propose the said Director as candidate for the Office of Directors. A brief profile of Mr. Rajeev Benara, his expertise and details of other directorship have been furnished in Section on Corporate Governance elsewhere in the Annual Report. His presence on the board would immensely benefit the Company. Your Directors recommend this resolution for your approval. None of the Directors are interested in this resolution except Mr. Rajeev Benara, since it relates to his appointment.

ITEM NO.5:

Mr. Dushyant Kumar was appointed as an Additional Director of the Company on 29th June, 2010. Pursuant to Section 260 of the Companies Act, 1956, he holds office up to the date of this Annual General Meeting. Pursuant to Section 257 of The Companies Act 1956, notice in writing has been received from a Member of the Company along with the deposit of Rs.500/- signifying his intention to propose the said Director as candidate for the Office of Directors. A brief profile of Mr. Dushyant Kumar, his expertise and details of other directorship have been furnished in Section on Corporate Governance elsewhere in the Annual Report. His presence on the board would immensely benefit the Company. Your Directors recommend this resolution for your approval. None of the Directors is interested in this resolution except Mr. Dushyant Kumar, since it relates to his appointment.

ITEM NO.6:

Mr. Dhiren Toprani was appointed as an Additional Director of the Company on 30th September, 2010. Pursuant to Section 260 of the Companies Act, 1956, he holds office up to the date of this Annual General Meeting. Pursuant to Section 257 of The Companies Act 1956, notice in writing has been received from a Member of the Company along with the deposit of Rs.500/- signifying his intention

to propose the said Director as candidate for the Office of Directors. A brief profile of Mr. Dhiren Toprani, his expertise and details of other directorship have been furnished in Section on Corporate Governance elsewhere in the Annual Report. His presence on the board would immensely benefit the Company. Your Directors recommend this resolution for your approval. None of the Directors are interested in this resolution except Mr. Dhiren Toprani, since it relates to his appointment.

ITEM NO.7:

In order to meet the funding requirements of the company and company's subsidiaries, including but not limited to, additional investments by the company, from time to time, in line with its long term strategic business plans to further grow and expand both organically and inorganically in all the existing business as well as entering into new business segments and for general corporate purposes, it is proposed to issue Securities to Qualified Institutional Buyers (QIBs) under the Qualified Institutional Placement (QIP) mechanism stipulated by the Securities and Exchange Board of India (SEBI) vide Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The pricing of the Securities to be issued to QIBs pursuant to regulation 85 of chapter VIII of the SEBI (ICDR) Regulations shall be freely determined, subject to such prices not being less than the price as calculated in accordance with the said regulations. The detailed terms and conditions of the issue as and when made will be determined by the Board in consultation with the Merchant Bankers, Lead Manager, Advisors and such other authority(ies) as may be required to be consulted by the company considering the prevailing market conditions and other relevant factors. The resolution seeks to give the Board, powers to issue securities in one or more tranches, at such price or price and to such person(s) including institutions, incorporated bodies and / or individuals or otherwise as the board in its absolute discretion deem fit. The detailed terms and conditions for the offer will be determined by the board in consultation with the Advisors, Lead Manager, Underwriters and such other authority (ies) as may be required to be consulted by the company considering the prevailing market conditions and other relevant factors. The special Resolution as set out in the notice, if passed, will allow the Board to issue and allot securities to QIBs who may or may not be the existing shareholders of the company in the manner as set out in the resolution. The resolution seeks to give the Board,

- 1 Power to appoint Lead Managers, Underwriters, Guarantors, Depositories, Registrar, Banker, Advisors, Custodians and all such agencies as may be involved or concerned in such offering.

- 2 To remunerate them by way of commission, brokerage, fees or the like
- 3 To enter into any arrangements, agreements, memorandum, etc. with such agencies
- 4 to seek listing of such securities on one or more national and/or international stock exchanges.

The board therefore recommends the resolution for your approval. None of the director of the company is concerned or interested in the resolution.

ITEM NO.8:

In order to finance the Company's expansion plans and for production of films, the Company at appropriate time proposes to raise capital in Indian and/or International Market in one or more tranches by issue of any one or more kinds of shares/securities as detailed in the resolution. This requirement of funds is sought to be met through the most efficient mechanism of issue of appropriate approved instruments. In order to meet its working capital requirement for the production of movies, the Company is considering raising of funds in the form Global Depository Receipts (GDR's)/American Depository Receipts (ADR's)/ Euro Convertible Bonds)/ Foreign Currency Convertible Bonds (FCCB's)/Secured Premium Notes (SPN), any other Securities convertible into, Equity shares whether optionally or otherwise.

The proposed issue will be placed abroad giving the Company access to international markets and will provide long term low cost funds to the Company.

The board therefore recommends the resolution for your approval. None of the director of the company is concerned or interested in the resolution.

ITEM NO.9:

The Company has taken Shareholders approval through Postal Ballot date 10th October, 2009 , result of which was declared on 10th November, 2009 for the said resolution i.e. for allotment of Optionally Convertible Redeemable Bonds (OCRBs) to Global Trade Finance Ltd. However in the resolution the Aggregate Value of OCRBs was wrongly mentioned as Rs. 24,00,00,0000/- instead of Rs. 24,00,00,000/- (Rupees Twenty Four Crores). Also in the resolution the Relevant Date for determination of the minimum price of the OCRB and Equity shares arising out of Conversion in terms of the SEBI (ICDR) Regulations, 2009 was wrongly mentioned as 24th October, 2009. It should be 30 days prior to the date on which the holder of the OCRB become entitled to apply for the Equity Shares. Accordingly the Resolution mentioned in this item of the Notice is recommended for

your acceptance, so as to correct the erstwhile resolution passed by the company through postal ballot dated 10th October, 2009, result of which was declared on 10th November, 2009.

None of the director is interested in the Resolution.

ITEM NO. 10:

The Company presently carries on the business of manufacturing, producing, re-producing, formulating, processing, designing, refining, finishing, recovering, extracting, buying, selling, exporting, importing, transporting, transmitting, distributing, consulting, hiring, renting, mixing, editing, dubbing, sound recording, shooting or otherwise dealing in all kinds of motion pictures, still pictures, films, T.V. Serials, Advertisement films etc. as per clause III (A) of the Main Objects in the Memorandum of Association. The subsidiaries of the companies are into the different business activities. Hence to explore the new business opportunities it is required to alter / amend the Object Clause of the Memorandum of Association of the Company pursuant to section 17 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the other competent authorities, if required.

The company is considering venturing into the infrastructure development and construction and mining related activities. Your Board believes that, this new line of business presents a significant opportunity of the Company and enhance the value of shareholders investment and overall profitability of the Company. This will also enlarge the area of operations of the Company and will be in the interest of the members. In order to start the proposed new activities, the main object of the Company should permit the Company to carry out that activity.

Hence the Board of Directors of the Company proposed to make amendments in the Clause III (A) being, the Main Object Clause, in the Memorandum of Association of the Company by inserting the new clauses 1(b), 1(c), 1(d), 1(e), 1(f) and 1(g) immediately after the existing clause no. 1(a).

In terms of the provisions of Section 17 read with Section 192A of the Companies Act, 1956, any change in the object clause of Memorandum of Association of a company requires approval of Shareholders by passing a Special Resolution through Postal Ballot. Accordingly, consent of the shareholders is solicited by passing a Special Resolution by way of Postal Ballot for alteration of main Object Clause as detailed in Item No. 10 of the accompanying Notice.

K SERA SERA PRODUCTIONS LIMITED

The Board has appointed Ms. Palak Desai, a Practicing Company Secretary as a Scrutinizer for conducting the Postal Ballot voting process. The Postal Ballot form is attached herewith. Members are requested to kindly accord your assent or dissent to the Resolution No. 10. Members are requested to return the Postal Ballot Form in the self-addressed prepaid envelope forwarded with the Notice of Annual General Meeting so as to reach it at the Registered Office of the Company before the closure of working hours on 5th January, 2011. Result of the same will be declared on 6th January, 2011. None of the Directors of the Company may be considered to be concerned or interested in passing of the Resolution.

adequately reflects the various new businesses undertaken by the company. Hence, it is proposed to appropriately change the name of the company from K Sera Sera Productions Ltd. to **K SERA SERA LTD. or such other name as may be approved by the Register of Companies, Mumbai.** This change is subject to approval of the Shareholders and the Central Government. The change in the name of the Company requires approval of the member of the company by a special resolution, pursuant to Section 21 of the Companies Act, 1956. The board therefore recommends the resolution for your approval. None of the director of the company is concerned or interested in the resolution.

ITEM NO.11:

The Shareholders may be aware that the Company through its subsidiaries is engaged in various business. As the existing name of the Company 'K Sera Sera Productions Ltd.' reflects only film production business, whereas now the company is into business of Miniplex, Digital Technology, Education, Shopping portal, Talent portal, Infrastructural Development, Mining activities. With a view to ensure that the name of the Company

By Order of the Board of Directors
Sd/-

Sanjay Lai
Managing Director

Place: Mumbai.
Date: 25th October, 2010

Information pursuant to Clause 49 of the Listing Agreement:-

Details of the Directors seeking appointment/re-appointed in the Annual General Meeting fixed for 30th December, 2010.

Names of Director	Mr. Husain Shattaf	Mr. Rajeev Benara	Mr. Dushyant Kumar	Mr. Dhiren Toprani
Date of Appointment	13 th October, 2008	9 th January, 2010	29 th June, 2010	30 th September, 2010
Qualifications	Diploma in Business Management	M.B.A., M.Phil, PhD	L.L.B., B.L.S.	Diploma in Interior Designing and Decoration
Expertise in functional area	Gold, Steel Industry, Construction & Exchange House	Marketing, Finance, Entrepreneurship and Media Management	Legal Matters	Interior Designing and Architect
List of outside directorship held excluding Alternate Directorship, Private Companies and Foreign Companies	NIL	NIL	NIL	NIL
Chairman /member of the Committee of the Board of Directors of the Company	NIL	Audit Committee Investors Grievance Committee	NIL	NIL
Chairman /member of the Committee of the Board of Directors of the Company other Companies in which he/she is a director. a. Audit Committee b. Investor Grievance Committee	NIL	NIL	NIL	NIL
No of shares held in the Company	NIL	NIL	NIL	NIL

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the **Fifteenth Annual Report** together with the Audited Accounts for the year ended 31st March, 2010.

1. FINANCIAL HIGHLIGHTS:

	2009-10 (Rupees)	2008-09 (Rupees)
Profit Before Interest, Depreciation and Tax	4,21,18,972	4,06,16,107
Less: Interest & other finance costs	3,89,34,729	3,42,49,875
Depreciation and Amortization	18,03,007	38,21,735
Profit / (Loss) Before Tax	13,81,236	25,44,496
Less: Provision for Taxes (Current & Deferred)	(6,91,63,858)	4,52,98,091
Profit / (Loss) After Tax	7,05,45,094	(4,27,53,595)
Less: Previous Period Adjustments	0	0
Less: Appropriations	0	0
Proposed final dividend - Equity Shares	0	0
Tax on Dividend	0	0
Add/ (Less): Balance Brought forward from the previous year	(11,08,60,568)	(6,81,06,975)
Balance Carried Forward	(40,315,474)	(11,08,60,568)

2. TURNOVER AND PROFITS:

During the year under review, Turnover was Rs.304,414,534 and the profit before providing depreciation, interest and amortization was Rs. 4,62,86,502 but before tax arrived at Rs.13,81,236. Net Profit after Tax amounted to Rs.7,05,45,094/-.

3. OVERALL PERFORMANCE

During the Financial Year 2009-10, the company has earned a profit of Rs.7,05,45,094 after tax.

4. DIVIDEND:

Due to loss suffered by your Company during the previous year, Directors show their inability to recommend any dividend during the year.

5. FUTURE OUTLOOK:

1. Your Company has taken a conscious decision to diversify into different industrial segments. This has been necessitated because of brighter opportunities in the changing global scenario. The Company continuous to consolidate its presence in Media & Entertainment sector. Spanning all the verticals – production, Distributions and Exhibition. In fact it is adding a fourth vertical – Technology.
2. Considering the Global recession, the markets are down, the Economy is down and the overall atmosphere has become dull. To this dull market, Cinema is the only ray of hope. With this thinking, the Management of your Company is considering various options like tie-ups, Joint ventures, agreements, only Production, only Distribution, Production and Distribution and etc. To this, the Advancements in technology, Multiplexes, Corporatization of the industry as a whole, Digital Cinemas, rise in consumer spending, changing lifestyle has brought an overall boom in Entertainment Industry.
3. The Company is working on multiple genre model of entertainment and has switched its focus from Small and Medium Budget films to Medium and Big Budget films. The Company has signed agreements with leading Production Houses, Directors and other film makers. The Company has number of projects which are at different stages of production and are scheduled for release in coming years.

4. DIVERSIFICATION

Your Company is focusing on two lucrative Sectors : –

- Mining & Natural Resources.
- Specialty Resort Development.

It is pursuing global opportunities, developing expertise and developing strategies of either Merger & Acquisitions, Joint Venture etc. details are covered in MDA.

6. SUBSIDIARIES:

The Company has incorporated following wholly owned subsidiaries during the year

- 1) K Sera Sera Technologies Pvt. Ltd. on 4th June, 2009
- 2) K Sera Sera Box Office Pvt. Ltd. on 12th June, 2009
- 3) K Sera Sera Miniplex Pvt. Ltd. on 2nd February, 2010.

The statement pursuant to section 212 of the Companies Act, 1956 containing details of the Company's subsidiaries is attached.

7. CONSOLIDATED FINANCIALS:

The Audited Consolidated Financial Statements for the year ended 31st March 2010 are annexed to this report. Statement pursuant to Section 212(1) (e) of the Companies Act, 1956 also forms part of this Annual Report.

We believe that the Consolidated Financial Statements present a more comprehensive picture rather than the standalone financial statements of K Sera Sera Productions Ltd. and each of its subsidiaries. We, therefore, applied to the Ministry of Corporate Affairs, Government of India and sought exemption from the requirement to present detailed financial statements of each subsidiary.

However, the summary of financial information of each subsidiary regarding Share Capital, Reserves and Surplus, Total Assets, Total Liabilities, our holding in the Subsidiary, Sales and other income, profit before taxation, provision for taxation, profit after taxation and proposed dividend have been separately furnished forming part of this Annual Report.

The Company will make available the annual accounts of the subsidiary companies and the related detailed information upon request by any member of the Company. These documents/details will also be available for inspection by any member of the Company at its registered office during business hours on working days upto the date of the Annual General Meeting.

8. CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the listing agreement with the Stock Exchange, the Corporate Governance Report along with Certificate by the Auditors of the Company on its Compliance, Management Discussion and Analysis Report forms a part of this Annual Report.

9. DIRECTORS:

Resignation of Director:-

Mr. Anuraj Benara resigned from the Board of your company with effect from 9th January, 2010. The Board places on record its sincere appreciation for the valuable guidance and contribution made by Mr. Anuraj Benara in the deliberations of the Board during his tenure.

Retiring Directors by Rotation:-

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Husain Shattaf retires by rotation, and being eligible offers himself for re-appointment. Appropriate resolutions for re-appointment of aforesaid directors are being moved at the ensuing Annual General Meeting. Brief resume of retiring directors are given in the notice of Annual General Meeting.

Additional Directors:-

1. In accordance with Section 260 of the Companies Act 1956 and Articles of Association of the Company, Mr. Rajeev Benara was appointed as Additional Director with effect from 9th January, 2010.

Mr. Rajeev Benara holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice from one of the Member signifying his intention to propose the appointment of Mr. Rajeev Benara as Director of the company and appropriate resolutions for their appointment are being moved at the ensuing Annual General Meeting.

2. In accordance with Section 260 of the Companies Act 1956 and Articles of Association of the Company, Mr. Dushyant Kumar was appointed as Additional Director with effect from 29th June, 2010.

Mr. Dushyant Kumar holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice from one of the Member signifying his intention to propose the appointment of Mr. Dushyant Kumar as Director of the company and appropriate resolutions for their appointment are being moved at the ensuing Annual General Meeting.

3. In accordance with Section 260 of the Companies Act 1956 and Articles of Association of the Company, Mr. Dhiren Toprani was appointed as Additional Director with effect from 30th September, 2010.

Mr. Dhiren Toprani holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice from one of the Member signifying his intention to propose the appointment of Mr. Dhiren Toprani as Director of the company and appropriate resolutions for their appointment are being moved at the ensuing Annual General Meeting.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibilities Statement, the Directors of the company hereby state and confirm that:

- (1) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (2) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profits / losses of the Company for the year ended on that date.
- (3) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (4) They have prepared the annual accounts on a going concern basis.

11. PUBLIC DEPOSITS:

The Company has not accepted any deposits from public in accordance with Section 58A of the Companies Act, 1956.

12. PARTICULARS OF EMPLOYEES:

None of the Employees of the Company is following in the limits covered under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

13. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

Considering nature of activities carried on by the Company and the list of industries included in the Companies (Disclosure of Particulars in the report

of the Board of Directors) Rules, 1988, the provisions relating to conservation of energy and technology absorption do not apply to the company. Hence, information pertaining to the same is not provided.

14. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(Amount in Rupees)
Foreign Exchange Earnings :	1,20,54,148/-
Foreign Exchange Outgo :	3,49,212/-

15. AUDITORS:

M/s. Agrawal Jain and Gupta, Chartered Accountants, retire as Statutory Auditors of the Company at the conclusion of the ensuing Annual General Meeting. The Statutory Auditors have confirmed their eligibility and willingness to accept the office on re-appointment. The necessary resolution seeking your approval for re-appointment of Statutory Auditors has been incorporated in the Notice convening Annual General Meeting.

16. INTERNAL CONTROL SYSTEM:

The Company has in place appropriate internal control systems, commensurate with its size and nature of operations.

17. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation and sincere gratitude to the various Departments of the Central and State Government, Company's Bankers, clients, media and business constituents for their valuable assistance and support. The Directors also acknowledge the continued support received from investors and shareholders and the confidence reposed by them. The Directors place on record their appreciation for the sincere and dedicated services rendered by all the employees of the Company.

For and on behalf of the Board of Directors

Sd/-
Sanjay Lai
Managing Director

Sd/-
Husain Shattaf
Director

Place: Mumbai
Date: 25th October, 2010

K SERA SERA PRODUCTIONS LIMITED

Statement pursuant to Section 212(1) (e) of the Companies Act, 1956 with respect to subsidiary companies

Sr.No.	Name of Subsidiary Company	Financial Year of the Subsidiary	Extent of the Holding Company's Interest (%)	Net aggregate amount of Profit/(losses) of the subsidiary, so far as it concerns the members of the Holding Company:		Net aggregate amount of Profit/(losses) for the previous year of the subsidiary so far as they concern members of the Holding Company:	
				dealt with in the accounts of the Company for the year ended 31 st March 2010	not dealt with in the accounts of the Company for the year ended 31 st March 2010	dealt with in the accounts of the Company for the year ended 31 st March 2009	not dealt with in the accounts of the Company for the year ended 31 st March 2009
1.	K Sera Sera Productions FZ-LLC	31.03.2010	100%	Nil	Nil	Nil	Nil
2	K Sera Sera Technologies Private Limited	31.03.2010	100%	Nil	Nil	Nil	Nil
3	K Sera Sera Box Office Private Limited	31.03.2010	100%	Nil	Nil	Nil	Nil
4	K Sera Sera Miniplex Private Limited	31.03.2010	100%	Nil	Nil	Nil	Nil

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The most diversified media company

FINANCIAL INFORMATION OF SUBSIDIARIES PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT 1956 FOR THE YEAR ENDED 31.03.2010

(Amount in Rupees)

Particulars	Indian			Foreign
	K Sera Sera Technologies Private Limited	K Sera Sera Box Office Private Limited	K Sera Sera Miniplex Private Limited	K Sera Sera Productions FZLLC
Capital	300,000,000	300,000,000	300,000,000	615,000
Reserves	-	218,656	300,484	1711730855
Total Asset	321,775,3543	312,282,972	319,989,781	2,496,958,261
Total Liabilities	220,13,362	120,82,343	232,228,448	784,612,407
Details of Investment	300,000,000	300,000,000	300,000,000	355,200,000
Turnover	-	-	6,801,190	2,013,410,523
Profit Before Taxation (PBT)	-228,889	316,434	586,750	674,345,511
Provision for Taxation	-	97,778	125,228	-
Profit After Taxation (PAT)	-211,290	218,656	300,484	674,345,511
Proposed Dividend	-	-	-	-

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CORPORATE GOVERNANCE REPORT

Introduction Colleague

The company continues to focus and is committed to good Corporate Governance as it helps enhancement of long term shareholder value and interest of other stakeholders. The Company is committed to its objective of accountability, transparency, independence and professionalism in all spheres of activities.

Corporate Governance is an integral part of the management and the Company follows procedures and practices in conformity with the Code of Corporate Governance as stipulated by SEBI.

The detailed report on compliance by the Company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with Stock Exchange is set out below:

I. Company’s Philosophy on code of Corporate Governance

Corporate Governance encompasses the value systems of integrity, transparency and adoption of high ethical standards.

K Sera Sera's philosophy on Corporate Governance is to enhance the long term economic value of the Company and its Stakeholders including shareholders and society at large through attainment of highest levels of transparency, accountability, professionalism and equity in all facets of its operations.

The Company envisions being a globally preferred business associates with responsible concern for society and stakeholders value. The Company is committed to ethical values and self discipline through standards of good governance based on transparency, fairness, purposefulness, trust, responsibility, checks and balances directed at sustaining shareholders interest and overall organizational goals.

The Company makes best endeavors to uphold and nurture these core values in all facets of its operations and aims to increase and sustain its corporate value through growth and innovation.

The Company is fully committed to and continues to follow procedures and practices in conformity with the Code of Corporate Governance enshrined in the Listing Agreement.

II. Board Of Directors

(a) Composition and category

In compliance of with the requirements of clause 49 of the Listing Agreement, the Company has optimum combination of Executive & Non – Executive

Directors. The number of non – executive director is more than 50% of the total number of directors. The Company is headed by 6 (Six) Directors amongst which there are 5 (Five) Independent Directors, which is more than one third of total number of Directors.

Independent Directors do not have any pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in judgment of the Board, may affect independence of the judgment of the Director.

None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees across all companies in which they are Directors.

The Composition of the Board of Directors is as under:

Category	Name of Director
Managing Director	Mr. Sanjay Lai
Non Executive, Independent	Mr. Prakash Kumar Shah Mr. Husain Shattaf Mr. Rajeev Benara Mr. Dushyant Kumar Mr. Dhiren Toprani

(b) Board meetings & attendance of directors at the board meetings and last annual general meetings were as under:

- i) 20.04.2009 ii) 22.04.2009 iii) 08.05.2009
- iv) 11.05.2009 v) 22.05.2009 vi) 27.05.2009
- vii) 15.06.2009 viii) 30.06.2009 ix) 06.07.2009
- x) 27.07.2009 xi) 31.07.2009 xii) 20.08.2009
- xiii) 25.08.2009 xiv) 31.08.2009 xv) 07.09.2009
- xvi) 11.09.2009 xvii) 24.09.2009 xviii) 26.09.2009
- xix) 01.10.2009 xx) 10.10.2009 xxi) 15.10.2009
- xxii) 16.10.2009 xxiii) 20.10.2009 xxiv) 10.11.2009
- xxv) 01.12.2009 xxvi) 03.12.2009 xxvii) 29.12.2009
- xxviii) 06.01.2010 xxix) 09.01.2010 xxx) 16.01.2010
- xxxii) 28.01.2010 xxxiii) 29.01.2010
- xxxiv) 12.02.2010.

The Company has held at least one meeting in every three (3) months and the maximum time gap between any two meetings was not more than four (4) months.

The attendance of each director at the board meetings and the Last Annual General Meeting (AGM) as under:

Name of Directors	No. of board meetings attended	Attendance at last AGM held on July 29, 2009
Mr. Prakash Kumar Shah.	34	Present
Mr. Sanjay Lai	34	Present
Mr. Anuraj Benara	19	Present
Mr. Husain Shattaf	34	Present
Mr. Rajeev Benara	6	Not Applicable
Mr. Dushyant kumar	Not Applicable	Not Applicable
Mr. Dhiren Toprani	Not Applicable	Not Applicable

(c) Board Procedure

The procedures with respect to Board Meetings and the Meetings of the Committees thereof are in compliance with the requirements of the Companies Act, 1956, the Secretarial Standards (SS-1) prescribed for Board Meetings by the Institute of Company Secretaries of India, Listing agreement with the stock exchange (s) and other applicable laws and regulations.

The Board meets at least once a quarter to review quarterly performance and financial results. Notices of Board Meeting along with agenda papers are circulated in advance to the Directors. All material information is incorporated in the agenda papers and the same are circulated in advance to the Directors.

All material information is incorporated in the agenda papers for facilitating focused discussions at the meeting. The Board is also free to recommend inclusion of any matter for discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting. The Board is also free to recommend inclusion of any matter for discussion in consultation with the Chairman.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every board meeting, on the overall performance of the Company by functional heads.

The information as required under clause 49 is made available to the Board. The Board reviews compliance report of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

iii) Audit Committee

(a) Broad Terms of Reference

The Company had constituted an Audit Committee in the year 2003. The same has been reconstituted during the year on 9th January, 2010 to comply with the Clause 49 of the Listing agreement. The scopes of activities of the Audit Committee are in accordance with paragraphs C and D of Clause 49(II) of the Listing Agreement. The broad terms of reference include:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

K SERA SERA PRODUCTIONS LIMITED

8. Discussion with internal auditors any significant findings and follow up there on.
9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
11. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee of the Board of Directors of the Company, inter-alia, provides an assurance to the Board on the adequacy of internal control systems and financial disclosures.

In fulfilling the above role, the Audit Committee has the powers:

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

(b) Composition

The audit committee comprises of three (3) directors, all of whom are non-executive, independent directors. All these directors possess knowledge of corporate finance, accounts and company law. The Chief financial officer and the statutory auditors are invited for the committee meetings. Ms. Neelam Samant, Company Secretary acts as secretary to the committee. The minutes of the audit committee meetings are placed at the subsequent board meeting and are noted by the board.

The composition of the audit committee is as follows:

Audit committee (Prior to reconstitution)*

Name of Member	Position	Category
Mr. Prakash Kumar Shah	Chairman	Non Executive Independent
Mr. Anuraj Benara	Member	Non Executive Independent
Mr. Sanjay Lai	Member	Executive Professional

Reconstituted Audit Committee. (After Reconstitution)*

Name of Member	Position	Category
Mr. Prakash Kumar Shah	Chairman	Non Executive Independent
Mr. Rajeev Benara	Member	Non Executive Independent
Mr. Sanjay Lai	Member	Executive Professional

* Due to Resignation of Mr. Anuraj Benara, the Audit committee was reconstituted on 09.01.2010.

(c) Meetings & Attendance

During the Financial year ended 31st March 2010, 6 (Six) audit committee meetings were held on 30.06.2009, 31.07.2009, 26.09.2009, 20.10.2009, 09.01.2010, 28.01.2010. The attendance of Audit Committee meeting is as under:

Names of Members	No. of meetings attended
Mr. Prakash Kumar Shah	6
Mr. Anuraj Benara	5
Mr. Sanjay Lai	6
Mr. Rajeev Benara	2

Remuneration of Directors and others:

Since the company has one Executive Director, your Company does not have a Remuneration Committee. The Board of Directors decides the remuneration of the Managing Director.

The Company has a system where all the directors or senior management of the Company are required to disclose all pecuniary relationship or transactions with the Company. No significant material transactions have been made with the Non-Executive Directors vis-à-vis the Company during the year.

Remuneration to Non –Executive Directors

The non-executive directors are not paid any remuneration by way of commission, sitting fees or otherwise. However, the Company has passed ordinary resolution in the annual general meeting held on September 29, 2005 in order to enable it to make payments to non-executive directors in future.

Remuneration to Executive Director

Executive Director is paid remuneration within the limits prescribed under Schedule XIII of the Companies Act,

1956. The said remuneration is approved by the Board as well as the Shareholders of the Company. During the year, no remuneration has been paid to any of the Non-Executive Directors of the Company.

The remuneration package to Executive Director Mr. Sanjay Lai comprises of salary components.

Executive Director	Relationship with other directors	Business relationship with the Company if any	Remuneration during 2009 – 2010			
			All elements of remuneration package i.e.: Salary, benefits, bonuses, pension etc.	Fixed components and performance linked incentives, along with performance criteria	Service contract, notice period, severance fee	Stock options details if any
Mr. Sanjay Lai	-	Managing Director	Rs. 12,00,000/- p.a.	-	-	-

IV. Shareholders / Investors Grievance Committee:

The Company had constituted transfer cum shareholders grievance committee in 2002. However, the same was reconstituted on 09.01.2010 due to resignation of Mr. Anuraj Benara on the board.

The Committee normally meets as and when required. The Committee looks into redressal of shareholders complaints like non transfer of shares, non receipt of balance sheet etc. Further, the committee reviews the cases of transfer, issue of duplicate share certificates, dematerialized shares received by the registrar and transfer agents.

(a) Composition : The composition of Shareholders/ Investors Grievance Committee is as under:

Shareholders/ Investors Grievance Committee (Prior to reconstitution)*

Name of Member	Position	Category
Mr. Prakash Kumar Shah	Chairman	Non Executive Independent
Mr. Anuraj Benara	Member	Non Executive Independent
Mr. Sanjay Lai	Member	Executive Director

Reconstituted Shareholders/ Investors Grievance Committee. (After Reconstitution)*

Name of Member	Position	Category
Mr. Prakash Kumar Shah	Chairman	Non Executive Independent
Mr. Rajeev Benara	Member	Non Executive Independent
Mr. Sanjay Lai	Member	Executive Director

* Due to Resignation of Mr. Anuraj Benara, the Shareholders / Investors Grievance committee was reconstituted on 09.01.2010.

(b) Meetings and Attendance

During the Financial year ended 31st March 2010, Investor Grievance committee meeting was held on 09.01.2010. Details of attendance by Directors for the Committee meeting are as follows:

The attendance of members at the Investor Grievance Committee meeting is as under:

Names of Members	No. of meetings attended
Mr. Prakash Kumar Shah	1
Mr. Anuraj Benara	1
Mr. Sanjay Lai	1
Mr. Rajeev Benara	1

Details of Shareholders Complaints:

There was only one shareholders complaints received and replied to the satisfaction of the shareholders during the year ended 31st March 2010, thus there were no outstanding complaints as on 31st March 2010. Shareholders complaints and other correspondence are normally attended within seven working days except where constrained by disputes or legal impediments.

Compliance Officer:

NAME OF THE COMPLIANCE OFFICER	Mrs. Neelam Samant
Contact Details	Office No.18, 4 th Floor, Mohid Heights, Off Lokhandwala Road, Andheri (West) Mumbai – 400053.
Email Id.	neelam.samant@kserasera.com

V. General Body Meetings:

- a. Location and time when last 3 Annual General Meetings are held:

The details of the Annual General Meetings held in last three years are as under :

Financial Year	Day	Date	Time	Venue
2008-2009	Wednesday	29.07.2009	9.30 A.M	Kailash Parbat, K-P Restaurant, 7A/8A, 'A' Wing, Crystal Plaza, Link Road, Andheri (West), Mumbai – 400053.
2007-2008	Monday	29.09.2008	9.30 A.M	Time & Again, Raheja Classique, Lokhandwala, Andhri (west) , Mumbai 400053.
2006-2007	Friday	28.12.2007	10.00A.M	Time & Again, Raheja Classique, Lokhandwala, Andhri (west) , Mumbai 400053.

- b. Special Resolutions passed at last 3 AGMs

Annual General Meeting Held On	Special Resolution Passed For
29.07.2009	1. Appointment of Mr. Sanjay Lai as the Managing Director of the Company.
29.09.2008	1. Issue of Fully Convertible Warrants on Preferential Basis
28.12.2007	1. Revision of terms of appointment of Mr. Rajesh Pavithran 2. Appointment of Mr. Amar Panghal as the Whole time Director of the Company.

- c. Passing of resolution by postal ballot

During the Financial year 2009-2010, following resolutions were passed through postal ballot:

During the year Seven special resolutions were passed through postal ballot, details of which are as follows:

For Postal Ballot Conducted on 10th October, 2009:

Resolution No. 1: Special Resolution pursuant to Section 81 (1A) of the Companies Act, 1956 for Issue of Fully Convertible Warrants on Preferential Basis.

Resolution No. 2: Special Resolution pursuant to Section 81 (1A) of the Companies Act, 1956 for issue of Optionally

Convertible Redeemable Bonds on Preferential Basis to Global Trade Finance Ltd.

For Postal Ballot Conducted on 12th February, 2010:

Resolution No. 1: the Special Resolution pursuant to Section 81 (1A) of the Companies Act, 1956 Further issue of Securities through QIP for an amount not exceeding Rs. 200 Crores

Resolution No. 2: Special Resolution pursuant to Section 81 (1A) of the Companies Act, 1956 Further issue of Securities through GDR/ADR/FCCB etc for an amount not exceeding USD 100 Millions.

Resolution No. 3: Special Resolution pursuant to Section 81 (1A) of the Companies Act, 1956 Preferential Allotment of Equity Shares to HT Media Ltd.

Resolution No. 4: Special Resolution for Increase in the limit of investment by Foreign Institutional Investors (FIIs) in the Company's Equity Share Capital to 100% .

Resolution No. 5: Special Resolution pursuant to the provisions of regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 Control of Management of the Company.

Procedure for postal ballot:

The postal ballot process was undertaken in accordance with the provision of Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot), Rules 2001.

Person who conducted the postal ballot exercise:

For Postal Ballot conducted on 10th October, 2009: Mr. Suhas Ganpule, a Practicing Company Secretary, Mumbai was appointed as the Scrutinizer for conducting the postal ballot process.

For Postal Ballot conducted on 12th February, 2010: Ms. Palak Desai, a Practicing Company Secretary, Mumbai was appointed as the Scrutinizer for conducting the postal ballot process.

Details of Voting Pattern:

For Postal Ballot conducted on 10th October, 2009:

Particulars	Item 1	Item 2
Number of valid postal ballot forms received	201	201
Percentage Votes in favour of the Resolution	99.73%	99.73%
Percentage Votes against the Resolution	0.27%	0.27%
Number of invalid postal ballot forms received	2	2

For Postal Ballot conducted on 12th February, 2010:

Particulars	Item 1	Item 2	Item 3	Item 4	Item 5
Number of valid postal ballot forms received	75	75	75	75	75
Percentage Votes in favour of the Resolution	98.15%	98.15%	98.15%	98.15%	98.15%
Percentage Votes against the Resolution	1.85%	1.85%	1.85%	1.85%	1.85%
Number of invalid postal ballot forms received	NIL	NIL	NIL	NIL	NIL

Date of Declaration of results of postal ballot:

The Chairman had announced the result of the postal ballot process.

For Postal Ballot conducted on 10th October, 2009: 10th November, 2009

For Postal Ballot conducted on 12th February, 2010: 18th March, 2010

VI. Disclosures

- a. **Disclosures on materially significant related party transactions that may have Potential conflict with the interest of the Company at large:** There are no materially significant related party transactions made by the Company with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large. Transactions with related parties as per requirement of Accounting Standard 18 are disclosed in note no. 19 in Schedule S in the annual accounts.
- b. **Details of 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:** The Company has complied with all requirements of Listing Agreement with the Stock Exchange & SEBI Regulations and Guidelines. Further, no penalty was imposed by SEBI, Stock Exchange or any statutory Authority on any matter related to capital markets during the last three years.
- c. **Whistle Blower Policy:** The Company has not yet formulated Whistle Blower Policy, the same being a non – mandatory requirement.

- d. **Details of compliance with mandatory requirements and adoption of non – mandatory requirements:** The Company has complied with all the mandatory requirements of Listing Agreement. Adoption of other non mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board.
- e. **Disclosure of accounting treatment:** In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied are set out in the Annexure to Notes to accounts forming part of this Annual Report.
- f. **Disclosure for Risk Management:** The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that the executive management controls risk through means of properly defined framework.

VII. Subsidiaries

The Company has a wholly owned subsidiaries namely:-

1. K Sera Sera Productions FZ-LLC (UAE)
2. K Sera Sera Box Office Pvt. (India)
3. K Sera Sera Technologies Pvt. Ltd. (India)
4. K Sera Sera Miniplex Pvt. Ltd. (India)

As per the Listing Agreement, the minutes of board meetings of subsidiaries are placed at the board meetings of our company.

VIII. Code of Conduct

The Company has adopted Code of Conduct for Directors and Senior management of the Company for the financial year 2009-2010. The Code is posted on the Company's website.

The Company has received confirmation from all the Directors and Senior Management personnel regarding compliance of the code for the period ended 31st March, 2010. A declaration signed by the Managing Director in this regard is given below:

“ I hereby confirm that :

All Directors, Senior Management and Employees of the Company have affirmed compliance with the

K SERA SERA PRODUCTIONS LIMITED

Code of Conduct for the financial year ended 31st March, 2010.”

Place: Mumbai
Date: 25th October, 2010

Sanjay Lai
Managing Director

IX Code of Conduct for prevention of Insider Trading.

Pursuant to SEBI (Prohibition of Insider Trading) Regulation, 1992 as amended from time to time, the Company has adopted a 'Code of Conduct for prevention of Insider Trading' with effect from April 26, 2006. The Code is applicable to all the Directors and Designated Employees who are expected to have access to price sensitive information relating to the Company. Ms. Neelam Samant, Company Secretary, has been appointed as the Compliance Officer for monitoring adherence to the Code and regulations.

X CEO Certification

The Company had taken certification from Mr. Sanjay Lai (Managing Director) for the financial year 2009-2010. The same was noted in the Board meeting held on 25th October, 2010 and noted by the Board.

XI Means of Communication

- (i) The Board of Directors of the Company approves and takes on record quarterly and yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement within the prescribed period of close of the respective period.
- (ii) The approved Financial results are forthwith sent to the Stock exchanges and are published in the English Newspaper namely, Asian Age. In addition, the same are published in local language (Marathi) newspaper namely Mumbai Lakshadweep within forty eight hours of approval thereof.
- (iii) Pursuant to clause 51 of the listing agreement, all data related to quarterly financial results, shareholding pattern etc. are hosted on the Electronic Data Information Filing and Retrieval (EDIFAR) website www.sebiedifar.nic.in maintained by SEBI in association with the National Informatics Center, within the time frame prescribed in this regard.
- (iv) The Company's financial results and official news releases are displayed on the Company's website www.kserasera.com

(v) The Company has formed grievancesredressal@kserasera.com exclusively for the purpose of redressal of investor's complaints.

(vi) Management Discussion and Analysis (MDA) forms part of the Annual Report, which is posted to the shareholders of the Company.

XII General Shareholder Information:

a. Annual General Meeting - Date & Time : 30th December, 2010 at 9.30 A.M. Venue : Kailash Parbhat, K-P Restaurants, 7A/ 8A, 'A' wing Crystal Plaza, Link Road, Andheri (West), Mumbai -400053.

b. Financial Year

Financial Reporting for the quarter ending June 30, 2010	On 12 th August, 2010
Financial Reporting for the quarter ending September 30, 2010	On 25 th October, 2010
Financial Reporting for the quarter ending December 31, 2010	On or before 14 th February, 2011
Financial Reporting for the quarter ending March 31, 2011	On or before 30 th May, 2011

Dates of Book Closure :

From 25th December, 2010 To 30th December, 2010. (Both days Inclusive)

c. Dividend payment date :

No dividend is recommended by the Board on equity shares of the Company.

d. Listing on Stock Exchanges:

Equity Share	Global Depository Receipts (GDR)
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	Societe de la Bourse de Luxembourg Societe Anonyme, RC B6222, B.P. 165, L-2011, Luxembourg
National Stock Exchange of India Ltd. "Exchange Plaza", Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.	

Note: The annual Listing fees as prescribed have been paid to the stock exchanges.

e. Stock Code :

Stock Code	Scrip code
Bombay Stock Exchange	532081
National Stock Exchange	KSERAPRO

ISIN: Equity Shares of Rs. 10/- : INE216D01018.

GDR: US48269E2037 CUSIP No: 48269E 203

f. Stock Price Data :

Month	Bombay Stock Exchange		National Stock Exchange	
	High(In Rs.)	Low(In Rs.)	High(In Rs.)	Low(In Rs.)
April 2009	11.56	9.98	11.60	9.95
May 2009	14.49	10.00	14.50	10.00
June 2009	18.90	12.84	18.40	12.90
July 2009	13.67	10.80	13.70	10.80
August 2009	16.00	12.05	15.65	11.85
September 2009	17.86	14.75	17.85	14.80
October 2009	23.70	16.70	23.60	16.70
November 2009	18.70	11.85	18.00	11.50
December 2009	15.14	11.90	15.10	11.95
January 2010	14.20	10.44	14.30	11.50
February 2010	16.33	10.80	16.30	10.90
March 2010	12.00	10.97	12.05	11.00

g. Registrar and Share Transfer Agents :

The Company has appointed M/s. Bigshare Services Private limited as Registrar and Share Transfer Agents for physical and demat segment. The address for correspondence is as under:

Bigshare Services Pvt. Ltd.
 E-2 & 3, Ansa Industrial Estate,
 Saki-Vihar Road, Sakinaka,
 Andheri(E), Mumbai - 400 072.
Tel: 91-22-2847 0652 | 40430200| 2847 0653
Fax: 91-22-2847 5207
 E-mail : investor@bigshareonline.com

“Our RTA, Bigshare Services Private Limited recently launched Gen-Next Investor Interface Module “ i’Boss ” the most advanced tool to interact with investors. Please login into i’Boss (www.bigshareonline.com) and help them to serve you better.”

h. Share Transfer System:

Transfer of shares in physical form is processed and completed by Bigshare Services Private Limited within a period of 30 days from the date of receipt provided all the documents are in order. In case of shares in demat Form, the transfers are processed by NSDL/CDSL through respective depository participants. In compliance with the listing agreement, a practicing Company Secretary carries audit of the system of Transfer and a certificate to that effect is issued.

i. Distribution of Shareholding as on 31st March, 2010:

No of Equity Shares held	No of Share Holders	% of Share holders	No of Shares held	% of Share holding
1-1000	32,165	80.29	122,26,436	5.94
1001-2000	3,580	8.94	59,39,547	2.88
2001-5000	2,610	6.51	90,96,915	4.42
5001-10000	864	2.16	66,98,477	3.25
10001-50000	701	1.75	1,44,26,043	7.00
50001-100000	79	0.19	56,82,657	2.76
100001 and above	64	0.16	15,18,85,744	73.75

j. Dematerialization of shares and liquidity:

The Company’s equity shares are included in the list of companies whose scrips have been mandated by SEBI for settlement only in dematerialised form. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through M/s Bigshare Services Private Limited whereby the investors have the option to dematerialize their shares with either of the depositories.

k. Outstanding GDR/Warrants/Convertible Instruments:

32,39,738 GDR’s are outstanding as on 31st March, 2010. Each GDR represent thirty underlying equity shares.

2367 Optionally Convertible Redeemable Bonds of Face Value Rs. 1,00,000/- each allotted to Global Trade Finance Ltd. These Bonds are due for conversion in to equity or redeemable after 12 months but before 18 months from the date of issue (ie 29th January, 2011 to 29th July, 2011) at the option of bond holder.

l. Plant Locations:

Since the Company is engaged in service industry, there are no plants or manufacturing units.

m. Categories of Shareholdings as on 31st March, 2010:

A	Category Promoters holding	No. of Shares Held	% of Share Capital
1.	Indian	00	0.00
	Foreign	0.00	0.00
2.	Persons acting in concert	0.00	NIL
	Sub-Total	0.00	0.00
B	NON PROMOTERS HOLDINGS		
3	Institutional Investors		
a.	Mutual Funds and UTI		
b.	Banks, Financial Institutional	45,67,054	2.22
c.	FIIS	195,50,000	9.49
	Sub-Total	241,17,054	11.71
4.	OTHERS		
a.	Bodies Corporate	339,99,885	16.51
b.	Indian Public	47379181	23.00
c.	NRIs/OCBs	827876	0.40
d.	Trusts	0	0
e.	Clearing Members	2429683	1.18
	Sub Total	84636625	41.09
C.	Shares held by Custodians and against which Depository Receipts have been issued	97192140	47.19
	GRAND TOTAL	205955819	100.00

n. Nomination:

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholders(s). nomination facility in respect of shares held in electronic form is also available with the depository participants as per bye laws and business rules applicable to NSDL and CDSL.

o. Secretarial audit:

As stipulated by SEBI, a qualified practicing Company Secretary carries out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the listed stock exchange. The audit confirms that the total listed and paid up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL & CDSL) and total number of shares in physical form.

p. Address for Correspondence :

K Sera Sera Productions Limited
Regd Office : Office No.18 , 4th Floor, Mohid Heights, Off Lokhandwala Road, Andheri (West), Mumbai – 400053.
 Tel : (022) 40427600 Fax: (022) 40427601
 E-mail : info@kserasera.com
 Website : www.kserasera.com

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The most diversified media company

DECLARATION

As provided under Clause 49 of the Listing Agreement entered into with the Stock Exchange(s), it is hereby confirmed that all the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct for the year ended March 31, 2010.

Place: Mumbai
Date: October 25, 2010

Sanjay Lai
Managing Director

- (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

CEO/CFO Certification

To,
The Board of Directors
K Sera Sera Productions Limited

Place: Mumbai **Sanjay Lai** **Dharmesh Rajkotia**
Date: October 25, 2010 Managing Director Chief Financial Officer

- (a) We have reviewed financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee
 - (i) Significant changes in internal control over financial reporting during the year;

Auditors' Certificate

To,
The Board of Directors
K Sera Sera Productions Limited

We have examined the compliance of conditions of Corporate Governance by **K SERA SERA PRODUCTIONS LIMITED**, (hereinafter referred to as 'The Company') for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedure and implementation thereof adopted by the Company for ensuring compliance the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, We certify that the Company has complied in all material aspects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

For Agarwal Jain and Gupta
Chartered Accountants
FRN. 013538C

Narayan Swami
Partner
Membership No: 409759

Place: Mumbai
Date: 25th October, 2010

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MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY STRUCTURE & DEVELOPMENT

REVIEW OF OPERATIONS

During the year under review, your Company underwent a structured metamorphosis. Your directors took a conscious decision that the Company's businesses should cover other sectors. Even in the M & E sector, the company transgressed all the traditional verticals i.e. Production, Distribution and Exhibition, and also laid emphasis on the new vertical - Technology. It was felt that establishing a presence in Exhibition and Technology would provide the company a solid foot hold and sustained, confirmed revenues. Having achieved leadership position in the Production & Distribution, your Company would then become a formidable player in the M & E industry. A segment wise (Vertical) review of various operations in the M & E industry.

Production: - K Sera Sera Production Limited would launch a new movie, "**332 Mumbai to India**", in December 2010. Currently the company is producing a new movie called "**Crash.**"

Exhibition: K Sera Sera Multiplex Private Limited would open two multiplexes in coming few months. One would open in Mumbai and another in Indore. Going forward, we intend to open nearly 64 multiplexes (having 128 screens) of our targeted 500 multiplexes in India.

Sr. No.	State	No of Multiplex	No of screens
1	Maharashtra	5	10
2	Andaman	1	2
3	Andhra Pradesh	4	8
4	Madhya Pradesh	8	16
5	Chhattisgarh	5	10
6	Gujarat	2	4
7	Haryana	1	2
8	Himachal Pradesh	2	4
9	Jharkhand	2	4
10	Karnataka	5	10
11	Kerala	2	4
12	Orissa	3	6
13	Punjab	11	22
14	Rajasthan	3	6
15	Uttar Pradesh	6	12
16	Uttarakhand	2	4
17	West Bengal	2	4
	Total	64	128

Technology: In July 2010, K Sera Sera Productions Ltd established a technical laboratory with an investment of INR 600 Millions. The technology enables live conversion of 2D movie content to 3D formats and digitally masters the films for projecting it through digital projection system.

II. Business Operation

DIVERSIFICATION: K SERA SERA – A GLOBAL CONGLOMERATE

As mentioned earlier, your management has consciously decided to diversify into other unrelated industry sectors. The primary objective behind this move was to derisk your company's reliance on M & E sector and to take advantage of high growth and opportunities present in the other sectors given the changing global scenario. Your management concluded that mining & natural resources and Specialty Realty Projects provide the right opportunities for the company to foray into. It was further decided not to limit presence in the Indian market alone but to examine global opportunities. A brief review of development in these sectors is enumerated below:

I. Mining & Natural Resources: Given the fast depletion of global natural resources and mankind's continued reliance on the same, profitable opportunities present themselves in this sector. Your Company has identified Australia as a hub, with its abundant natural resources, and its advanced and mature mining industry. Top global technical expertise is also available in Australia.

II. GOLD -AUSTRALIA: Your Company identified gold as a worthwhile mineral to pursue its presence in the mining sector. The prices of gold have witnessed steady rise in last few years and medium long term predictions are very bullish. Investment in gold continues to be a "hedge against inflation" and a "secured" investment given its easy availability and liquidity.

Your company's management is at an advanced stage of negotiations with a mid level gold mining company in Australia with a large gold resource base.

III. COAL-INDONESIA: The country is blessed with abundant reserves [Thermal Coal] of high grade coal which is used as energy [Thermal Power Plants] and in steel industry amongst hundreds of small industries. Demand for coal continues to rise year on year.

Your management has identified a coal concession in Indonesia having a large “proven” reserve and is logistically well placed. We are confident of concluding the deal within the current fiscal.

- IV. **OIL & GAS- INDIA:** Oil and gas continues to be the growth drivers of any economy. Our reliance on oil and gas is increasing with time. The dominant position OPEC has been achieved due to exploitation of this wealth.

Your management is negotiating on an exploration and exploitation contract awarded to a technically advanced company in India for a Joint Venture to be concluded by this fiscal.

Mining and natural resources are long duration businesses and would continue to provide healthy cash flows to your company’s for the next 2 to 3 decades.

- V. **Specialty Real estate development:** With rapid urbanization in countries, certain segments of populations are seeking exclusive enclaves to spend their leisure time. The concept of “gated” communities along with specialties residential enclaves are being developed globally. This concept is quite popular in developed economies and is fast catching up in other countries as well. Families are gravitating towards environmentally friendly and clean spaces and investing increasingly in such facilities.

Your company has identified a large developer and operator of premium lifestyle golf residential resort communities.

This Australian based Company has executed numerous such projects and has won Global awards. It has a highly respected brand equity and has tie ups with top golf course designers, hotels and dwelling developers.

Two properties have been identified for potential development. The first is located in South Malaysia, in proximity to Singapore. The other is located in Australia in a fast developing area. Your Company is in the finalization stage to tie-up the deal.

Your management is further pursuing opportunities on a global Scale in these areas.

III. OUTLOOK OPPORTUNITIES AND THREATS

OUTLOOK

The Company envisages a huge potential in motion picture production, distribution and television content production

activities. The Company also proposes to expand its activities into overseas market.

The Company has been working with other production houses for its various projects. The Company continues to de risk the business by offering projects of varying scale and size and multiple genres of films.

OPPORTUNITIES

The growing multiplexes culture is adding a great deal of opportunities. This in turn helps in shortening the average release time for movies and therefore would positively on turnover.

Digital cinema and electronic cinema are going to play a crucial role in the future of film industry. There is huge potential for conversion to digital cinema as there only 3000 digital cinemas screen out of 15000 screens in the country. It is believed that digital projection will significantly lower cost of distributing films to theatres, which in turn will boost box office revenues.

Satellite television, DTH, VOD and home video segment are the other distribution formats expected to help expand the Indian Film market.

THREATS

Piracy continues to dampen the growth, measures taken by the Company to go digital is helping reduce its extent. High Entertainment tax affects revenue to some extent. Film distribution is relatively risky business due to issue of under –reporting by exhibitors.

IV. SUBSIDIARY

K Sera Sera Productions FZLLC (Free Zone Limited Liability Company) is a wholly owned subsidiary of the Company setup at Dubai Media City, Dubai.

The Company has incorporated following wholly owned subsidiaries during the year :-

- 1) K Sera Sera Technologies Pvt. Ltd. on 4th June, 2009
- 2) K Sera Sera Box Office Pvt. Ltd. on 12th June, 2009
- 3) K Sera Sera Miniplex Pvt. Ltd. on 2nd February, 2010.

V. CONSOLIDATED RESULTS

In line with the Accounting Standard issued by the Institute of Chartered Accountants of India the results of the Company along with the subsidiaries for the year ended 31st March 2010 have been consolidated. The Consolidated income for the year was Rs. 2338.25 millions which essentially comprises of the income of K Sera Sera Productions Ltd.

VI. RISK MANAGEMENT

The Indian box office is fairly seasonal in nature, with bigger releases and higher box office sales occurring during festivals and holiday periods. Moreover, occupancies may be affected by major sports events, such as the World Cup Cricket & Indian Premier League cricket tournament. With the shelf life of films having reduced considerably in the last few years, the success or failure of a film now depends largely on its performance in the opening weeks with piracy having an adverse impact on legitimate revenues of the producer, distributor and exhibitor.

The Industry in which we operate is highly competitive specially since there are no entry barriers. There are many producers in the industry producing different kind of movies.

VII. INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

Adequate systems of internal controls that commensurate with the size of operation and the nature of business of the Company have been implemented. The Internal control systems are implemented to safeguard company's assets from unauthorized use or disposition, to provide constant check on cost structure, to provide adequate financial and accounting controls and implement accounting standards.

VIII. FINANCIAL PERFORMANCE V/S OPERATING PERFORMANCE

During the year under review, the Turnover was Rs.304.41Million and the profit before tax was Rs.1.38 Million, Net Profit after Tax amounted to Rs. 70.55 Million.

IX. HUMAN RESOURCE MANAGEMENT

The Company places major emphasis on providing a safe & a healthy working environment to all its employees. We encourage our employees to balance their work and personal relation. The field being one which requires absolute creativity, the performance of its employees is reviewed so as to provide them job enrichment opportunities. Further we endeavor to create an environment where employee can use their capabilities in support of the business.

X. CAUTIONARY STATEMENT:

Statement in this Management Discussion and Analysis Report, describing the Company's Objectives, projections, estimates, expectation may be ' forward looking statements' with the meaning of applicable laws and regulations, Actual results could differ materially from those expressed or implied.

K SERA SERA
The most diversified media company



AUDITORS' REPORT

To the members of K Sera Sera Productions Limited

1. We have audited the attached balance sheet of **K Sera Sera Productions Limited** ('the Company') as at March 31, 2010, the profit and loss account and also the cash flow statement of the Company for the year ended on that date (all together referred to as the 'financial statements'). 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.
2. We conducted our audit in accordance with the Auditing Standards Generally Accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('the said Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('The Act'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the balance sheet, the profit and loss account and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of the written representations received from the directors, and taken on record by the board of directors, we report that none of the directors are disqualified as on March 31, 2010 from being appointed as a director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanation given to us, the said financial statements, read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the Accounting Principles Generally Accepted in India;
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - ii. In the case of the Profit and Loss account, of the loss of the Company for the year ended on that date; and
 - iii. In the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

For Agrawal Jain & Gupta.
Chartered Accountants
FRN : 013538C

CA Narayan Swami
Partner
M. No – 409759
Mumbai, 26th May 2010

Annexure to Auditors' Report

(Referred to in paragraph 4 of our report to the members of K Sera Sera Productions Limited of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under are applicable. Accordingly, the provisions of Paragraph 4(vi) of the said Order are not applicable to the Company.
- (b) The fixed assets have been physically verified by the management at reasonable intervals, which in our opinion, is considered reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verifications.
- (c) The Company has not disposed off a substantial part of fixed assets during the year, and accordingly, going concern is not affected.
- (ii) The Company has a policy of treating motion pictures under production as inventory till the date of release/ agreement whichever is earlier. Consequently, there is no tangible inventory carried by the Company. Accordingly, the provisions of Paragraph 4(ii) of the said Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not taken any loan, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956. Accordingly, Paragraph 4(iii) of the said Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company's internal control procedures for the purchase of inventory and for the sale of goods and services needs to be further strengthened so as to be commensurate with the size of the Company and nature of its business. In respect of purchase of fixed assets, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section
- (vii) The Company has an internal audit system, commensurate with the size of the Company and the nature of its business.
- (viii) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of the activities of the Company. Accordingly the provisions of Paragraph 4(viii) of the said Order are not applicable to the Company.
- (ix) (a) According to the information and explanations given to us, except for delays in depositing tax deducted at source, the Company is generally regular in depositing undisputed statutory dues including provident fund, investors education and protection fund, employees' state insurance, income-tax, service tax, excise duty, custom duty, cess and any other statutory dues as applicable, with the appropriate authorities during the year. Except arrears of outstanding Income Tax Demand pertaining to period 2006-07 amounting to Rs.4,18,94,580/- as at the end of the financial year, and the company had filed appeal against the said order. There are no outstanding Statutory dues except above as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income-tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) After considering the effect of quantified qualification, in our opinion and according to the information and explanations given to us, the accumulated losses of the Company at the end of the financial year does not exceed fifty percent of its net worth. The Company has not incurred cash losses during the current financial year and also in the immediately preceding financial year.

- (xi) In our opinion, and on the basis of our examination and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to financial institutions :
- (xii) In our opinion, and on the basis of our examination and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of Paragraph 4(xii) of the said Order are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of Paragraph 4(xiii) of the said Order are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Paragraph 4(xiv) of the said Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee to the Company as reflected in Note no 3 to Schedule 'S'.
- (xvi) According to the information and explanations given to us that the company had not raised any term loan.
- (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis, which have been used for long-term purposes.
- (xviii) The Company has not made preferential allotment of shares to the parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of Paragraph 4(xviii) of the said Order are not applicable to the Company.
- (xix) The Company has not issued any debentures during the year. Accordingly, the provisions of Paragraph 4(xix) of the said Order are not applicable to the Company.
- (xx) During the year the Company has partly restructured the Bank loan by issuing Fully Convertible Warrants as stated in Note no.8 of schedule 'S'.
- (xxi) To the best of our knowledge and belief, and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year.

For **Agrawal Jain & Gupta**
Chartered Accountants
FRN: 013538C

CA Narayan Swami
Partner
M. No - 409759

Mumbai, 26th May 2010

K SERA SERA
The most diversified media company

K SERA SERA PRODUCTIONS LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2010

Amount in Rupees

	Schedule	March 31, 2010	March 31, 2009
SOURCES OF FUNDS			
Share Capital	A	2,059,558,190	671,316,250
Reserves and Surplus	B	1,027,485,403	1,034,114,249
		3,087,043,593	1,705,430,499
Share Application Money		114,158,764	114,158,764
Loan Funds			
Secured Loans	C	-	20,552,452
Unsecured Loans	D	301,944,444	335,900,000
		301,944,444	356,452,452
Deferred Tax Liability (Net) (Refer note 13 to Schedule 'S')		-	27,832,550
		3,503,146,800	2,203,874,264
APPLICATION OF FUNDS			
Fixed assets			
Gross block	E	209,306,460	204,433,919
Less: Depreciation/amortization		111,185,316	109,393,655
Net block		98,121,144	95,040,264
Capital Work in Progress		-	-
		98,121,144	95,040,264
Investments	F	926,564,960	200,815,000
Deferred Tax Asset (Net)		41,331,308	-
Current Assets, Loans and Advances			
Inventories	G	-	54,247,247
Sundry Debtors	H	328,811,281	75,825,755
Cash and Bank Balances	I	232,156,465	15,884,465
Loans and Advances	J	1,974,948,829	1,757,202,182
		2,535,916,574	1,903,159,649
Less: Current Liabilities and provisions	K		
Current Liabilities		86,014,452	126,022,746
Provisions		69,758,333	3,391,365
		155,772,785	129,414,111
Net Current Assets		2,380,143,789	1,773,745,538
Miscellaneous Expenditure [to the extent not written off or adjusted]	L	16,670,123	23,412,893
Profit and loss account		40,315,474	110,860,568
		3,503,146,800	2,203,874,264
Notes to account The accompanying schedules form an integral part of this balance sheet.	S		

As per our report of even date attached

For Agrawal, Jain and Gupta

Chartered Accountants

FRN: 013538C

CA Narayan Swami

Partner

Membership No.: 409759

Place : Mumbai Date : 26.05.2010

For and on behalf of the board of directors

Sanjay Lai

Managing Director

Husain Shattaf

Director

Place : Mumbai Date : 26.05.2010



K SERA SERA PRODUCTIONS LIMITED
STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Amount in Rupees

	Schedule	March 31, 2010	March 31, 2009
INCOME			
Revenue from Operations	M	304,414,534	368,514,831
Other Income	N	12,071,993	298,549,210
		316,486,527	667,064,041
EXPENDITURE			
Cost of Operations	O	56,670,367	555,131,519
Employees Cost	P	5,348,281	5,510,903
Administration and Other Expenses	Q	208,181,377	58,042,881
Finance Cost	R	38,934,729	34,249,875
Depreciation/Amortisation (Refer Note 2 (d) of Schedule "S")	S	1,803,007	3,821,735
Preliminary Expenses w/off		4,167,530	7,762,631
		315,105,290	664,519,545
Profit/(Loss) Before Tax		1,381,236	2,544,496
Less: Provision for Taxation			
- Current Tax		-	-
- Deferred tax Charge / (Credit)		(69,163,858)	45,203,171
- Wealth Tax		-	-
- Fringe Benefit Tax		-	94,920
- Tax Adjustments for earlier year (Net)		-	-
Profit/(Loss) After Tax		70,545,094	(42,753,595)
Balance brought forward from previous year		(110,860,568)	(68,106,975)
Amount available for Appropriation		(40,315,474)	(110,860,568)
Appropriation			
Proposed dividend on cumulative redeemable non-convertible preference shares		-	-
On equity shares		-	-
Tax on dividend thereon		-	-
Balance of Profit/(Loss) carried forward to balance sheet		(40,315,474)	(110,860,568)
Earnings per share of Rs. 10/- each (Refer Note 14 of Schedule S)			
-Basic		0.54	-0.64
-Diluted		0.54	-0.64
Notes to account	S		
The accompanying schedules form an integral part of this profit and loss account.			

As per our report of even date attached
For Agrawal, Jain and Gupta
Chartered Accountants
FRN: 013538C

CA Narayan Swami
Partner
Membership No.: 409759

Place : Mumbai Date : 26.05.2010

For and on behalf of the Board of Directors

Sanjay Lai
Managing Director

Husain Shattaf
Director

Place : Mumbai Date : 26.05.2010

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT MARCH 31, 2010

Amount in Rupees

	March 31, 2010	March 31, 2009
Schedule 'A'		
Share Capital		
Authorized		
820,000,000 (Previous Year 70,000,000) Equity Shares of Rs.10 each	8,200,000,000	700,000,000
NIL(Previous Year 5,000,000) Preference Shares of Rs.10 each	-	50,000,000
	8,200,000,000	750,000,000
Issued, Subscribed and Paid-up		
20,59,55,819 (Previous Year 67,13,1625) Equity Shares of Rs.10 each fully paid-up	2,059,558,190	671,316,250
	2,059,558,190	671,316,250
Schedule 'B'		
Reserves and Surplus		
Securities Premium Account		
As per last Balance Sheet	947,614,249	947,614,249
Add: Received during the year on Issue of Fully Convertible Warrants	40,829,460	-
Add: Received during the year on Issue of Equity Shares	67,128,570	-
	1,055,572,279	947,614,249
Balance in Profit and Loss Account	-	-
Fully Convertible Warrants	-	86,500,000
Less : GDR Issue Expenses	4,212,779	-
Less : Foreign Exchange Revaluation Loss on GDR Issue	23,874,097	-
	1,027,485,403	1,034,114,249
Schedule 'C'		
Secured Loans		
Loans from Banks		
Term Loans	-	20,552,452
[Secured against hypothecation of tangible and Intangible assets and personal guarantee of a director]		
	-	20,552,452
Schedule 'D'		
Unsecured Loans		
Short term		
(a) From Others	35,244,444	335,900,000
[Amount repayable within a year Rs. 3,52,44,444 (Previous Year Rs.335,900,000)]		
(b) Optionally Convertible Redemable Bonds	236,700,000	-
[Amount repayable within a year Rs. 23,67,00,000 (Previous Year Rs.NIL)]		
(c) Convertible Warrants Issued	30,000,000	-
	301,944,444	335,900,000

K SERA SERA PRODUCTIONS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT MARCH 31, 2010

Schedule 'E' - Fixed Assets

Amount in Rupees

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at April 1, 2009	Adjustments		As at March 31, 2010	As at April 1, 2009	For the year	Deletion/ Adjustments	As at March 31, 2010	As at March 31, 2009
		Additions	Deductions						
<u>Tangible Assets</u>									
Plant and Machinery	2,196,860	-	-	2,196,860	1,424,305	154,511	-	1,578,816	772,555
Office Equipment	441,366	19,690	-	461,056	108,189	46,457	-	154,646	333,177
Furniture and Fixtures	14,954,047	-	-	14,954,047	13,229,661	312,114	-	13,541,775	1,724,386
Computers	1,812,812	899,245	51,000	2,661,057	1,300,699	315,178	11,346	1,604,531	512,113
Vehicles	-	7,728,579	-	7,728,579	-	974,747	-	974,747	-
<u>Intangible Assets</u>									
Motion Picture Rights	184,883,834	-	4,055,173	180,828,661	93,330,801	-	-	93,330,801	91,553,033
Trade Marks	145,000	331,200	-	476,200	-	-	-	-	145,000
Total	204,433,919	8,978,714	4,106,173	209,306,460	109,393,655	1,803,007	11,346	111,185,316	95,040,264
Previous year	222,111,371	2,162,251	19,839,703	204,433,919	114,478,518	3,821,735	8,906,598	109,393,655	107,487,853

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT MARCH 31, 2010

Amount in Rupees

	March 31, 2010	March 31, 2009
Schedule 'F'		
Investments [Unquoted]		
Investments in Unquoted Shares - Others	25,950,000	200,200,000
Wholly Owned Subsidiaries		
50 (Previous Year 50) equity shares of K Sera Sera Productions FZ LLC of AED 1000 each fully paid-up	615,000	615,000
299,99,999 equity shares of K Sera Sera Box Office Pvt. Ltd. of Rs.10 each fully paid-up	299,999,990	-
299,99,998 equity shares of K Sera Sera Technologies Pvt. Ltd. of Rs.10 each fully paid-up	299,999,980	-
299,99,999 equity shares of K Sera Sera Miniplex Pvt. Ltd. of Rs.10 each fully paid-up	299,999,990	-
	926,564,960	200,815,000
Schedule 'G'		
Inventories [As taken, valued and certified by the management]		
Projects-in-progress - Motion pictures	-	54,247,247
	-	54,247,247
Schedule 'H'		
Sundry Debtors		
Considered Good	259,912,286	923,052
Considered Doubtful	26,672,000	65,811,260
	286,584,286	66,734,312
Less: Provision for Doubtful Debts	-	26,712,500
	286,584,286	40,021,812
Others Debts - Considered Good	42,226,995	35,803,943
	328,811,281	75,825,755
Schedule 'I'		
Cash and Bank Balances		
Cash on hand	3,543,468	36,663
Balances with scheduled banks - Current accounts - Deposit accounts*	228,612,997 -	5,847,802 10,000,000
	232,156,465	15,884,465
Schedule 'J'		
Loans and Advances [Unsecured]		
Loans and Advances to Wholly Owned Subsidiaries	786,662,487	1,065,229,042
Advances recoverable in cash or in kind or for value to be received - Considered Good - Considered Doubtful	311,537,649 380,517,941	42,765,818 330,507,166
	692,055,590	373,272,984
Share application money for investment in shares of K Sera Sera Productions FZ LLC (a wholly owned subsidiary)	1,845,000	1,845,000
Share application money for investment in unquoted shares of other company	364,000,000	100,000,000
Advance for films	142,884,217	225,749,003
Prepaid Expenses	499,541	
Deposits	3,706,500	3,432,152
	1,991,653,335	1,769,528,182
Less: Provision for doubtful advances	16,704,506	12,326,000
	1,974,948,829	1,757,202,182

K SERA SERA PRODUCTIONS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT MARCH 31, 2010

Amount in Rupees

	March 31, 2010	March 31, 2009
Advance to subsidiaries include amount recoverable from K Sera Sera Productions FZ LLC Rs.73,95,54,539 (Previous Year Rs. 1,065,229,042), K Sera Sera Box Office Pvt. Ltd. Rs.99,74,241 (Previous Year NIL), K Sera Sera Technologies Pvt. Ltd. Rs.2,18,92,013 (Previous Year NIL) and K Sera Sera Miniplex Pvt. Ltd. Rs.1,52,41,685 (Previous Year NIL)		
The Maximum balance outstanding during the year from K Sera Sera Productions FZ LLC is Rs.1,065,229,042 (Rs.1,065,229,042) and K Sera Sera Box Office Pvt. Ltd. Rs.99,74,241(Previous Year NIL), K Sera Sera Technologies Pvt. Ltd. Rs.2,18,92,013 (Previous Year NIL) and K Sera Sera Miniplex Pvt. Ltd. Rs.1,52,41,685 (Previous Year NIL)		
Schedule 'K'		
Current Liabilities and Provisions		
Current Liabilities		
Creditors for expenses	55,287,381	75,819,176
Advance From Customers	9,689,869	48,172,210
Unclaimed Dividend*	254,692	254,692
Other liabilities	20,782,510	1,776,668
	86,014,452	126,022,746
Provisions		
Income tax	67,364,465	3,298,648
Fringe benefit tax (net of payments)	-	12,669
Tax on dividend	2,230,455	-
Gratuity	163,413	80,048
	69,758,333	3,391,365
	155,772,785	129,414,111
Schedule 'L'		
Miscellaneous expenditure [to the extent not written off or adjusted]		
Preliminary Expenses	23,412,893	31,050,524
Expenses Incurred during the year	20,837,653	125,000
Less : GDR Issue expenses transfer	125,000	-
Less: Transfer in Advance	23,287,893	-
Less: Amortized during the year	4,167,530	7,762,631
	16,670,123	23,412,893
Schedule 'M'		
Revenue From Operations		
Inhouse production	302,500,000	-
- Outright Sale of Rights in Motion Pictures	1,914,534	213,758,522
Theatrical Distribution of Pictures Produced By Third Parties	-	154,756,309
	304,414,534	368,514,831
Schedule 'N'		
Other income		
Foreign Exchange Revaluation Gain (Euram Bank)	-	5,226,500
Foreign Exchange Revaluation Gain (FZ LLC)	-	290,523,398
Interest Received From Bank (Gross)	12,054,148	2,330,474
Royalty Income	1,313	442,862
Miscellaneous income	16,532	25,977
	12,071,993	298,549,210

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT MARCH 31, 2010

Amount in Rupees

	March 31, 2010	March 31, 2009
Schedule 'O'		
Cost of Operations		
Cost of production of inhouse pictures and television serials (Refer Note 2 c of Schedule 'S')		
- Opening stock: Work-in-progress	54,247,247	310,092,884
- Add: Expenses incurred during the year*	2,423,120	345,798,208
	56,670,367	655,891,092
- Less: Refund received on Termination of film Contract	-	48,481,905
	56,670,367	607,409,187
- Less: Closing stock: Work-in-progress		54,247,247
	56,670,367	553,161,940
* Net of NIL (Previous Year NIL) recognized as Motion Picture Rights and reflected under fixed assets schedule as per accounting policy in Note 2 c to Schedule 'S'		
Cost of theatrical distribution of pictures produced by third parties	-	1,969,579
	56,670,367	555,131,519
Schedule 'P'		
Employee Cost		
Salaries, wages and other benefits	3,981,802	3,839,186
Contribution to provident and other funds	-	79,311
Directors Remuneration	1,200,000	1,469,900
Staff welfare expenses	83,114	67,266
Gratuity	83,365	55,240
	5,348,281	5,510,903
Schedule 'Q'		
Administration and other expenses		
Travelling and conveyance	1,857,012	1,137,578
Advertising and sales promotion	74,417,809	10,061,953
Legal and professional charges	8,861,295	3,628,757
Printing and stationery	856,244	490,498
Rent, rates and taxes	3,956,892	5,860,072
Hire charges	-	908,430
Electricity charges	423,410	520,927
Brokerage and commission	230,101	538,000
Insurance	13,054	3,591,983
<u>Repairs and maintenance</u>		
- Buildings	-	46,969
- Others	294,238	776,347
Communication	551,871	442,092
Postage and telegram	644,689	118,400
Auditors remuneration	325,000	330,900
Loss on Sale of Assets	2,654	426,665
Loss on Sale of Shares	-	450,036
Donation	-	32,000
Others expenses	847,466	1,172,308
Bad Debts	-	27,407,617
House Keeping Charges	262,464	64,623
ISO Expenses	-	22,472
Office Cleaning Charges	-	14,254
Foreign Exchange Revaluation Loss	114,281,523	-
Books & Periodical Expenses	34,943	-
Meeting & Conference Expenses	48,172	-
Misc. Expenses	13,165	-
Diwali Expenses	259,376	-
	208,181,377	58,042,881
Schedule 'R'		
Finance cost		
Interest on		
- Fixed period loans	38,345,500	33,151,026
- Others	-	839
Bank charges	589,229	1,098,010
	38,934,729	34,249,875

K SERA SERA PRODUCTIONS LIMITED

CASH FLOW STATEMENT FOR THE QUARTER ENDED MARCH 31, 2010

Amount in Rupees

	March 31, 20010	March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	1,381,236	2,544,496
Adjustments for:		
Depreciation/amortisation	1,803,007	3,821,735
Loss on sale of assets	2,654	426,665
Loss on sale of Investment	-	450,036
Dividend Income		
Interest Cost	38,934,729	34,249,875
Interest Received	(12,054,148)	(2,330,474)
Provision for Doubtful Debts / Advances	-	26,712,500
Miscellaneous Expenditure written off	4,167,530	7,762,631
	32,853,772	71,092,968
Operating Cash Flow before changes in Working Capital	34,235,008	73,637,465
Adjustments for:		
(Increase)/Decrease in Inventories	54,247,247	255,845,637
(Increase)/Decrease in Sundry Debtors	(252,985,526)	154,196,562
(Increase)/Decrease in Loans and Advances	(217,746,647)	(1,045,127,336)
Increase/(decrease) in Current Liabilities and Provisions	26,358,674	41,370,610
Net Changes in Working Capital	(355,891,244)	(520,077,062)
Taxes paid	-	(94,920)
Extraordinary Items	2,561,238	
Cash generated from/(used in) operations	(353,330,006)	(520,171,982)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(8,978,714)	2,162,251
Sale/Surrender of Fixed Assets	4,106,173	8,906,598
Purchase of Investments	(725,749,960)	-
Sale of Investments		50,000
Interest Received	12,054,148	2,330,474
Cash generated /(used in) from investing activities	(718,568,353)	13,449,323
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(38,934,729)	(34,249,875)
Proceeds from issue of Equity Share Capital	1,388,241,940	
Proceeds from issue of Fully Convertible Warrants		86,500,000
Redemption of Preference Share Capital	-	(38,405,240)
Securities premium received from issue of equity share capital	21,458,030	-
Share issue expenses (adjusted against securities premium account)	-	(125,000)
GDR issue expenses	(28,086,876)	41,478,995
Proceeds from borrowings	-	(143,763,833)
Repayment of borrowings	(54,508,008)	
Cash generated /(used in) from financing activities	1,288,170,357	(88,564,954)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	216,271,999	(595,287,613)
Cash and cash equivalents at the beginning of the year	15,884,465	840,809,239
Cash and cash equivalents at the end of the year	232,156,465	-
Note:		
1 Cash and cash equivalents at the year end comprise:		
Cash on hand	3,543,468	36,663
Balance with scheduled banks in		
- Current accounts	228,612,997	5,847,802
- Deposit accounts	-	10,000,000
	232,156,465	15,884,465
2 The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India		
As per our report of even date attached For Agrawal, Jain and Gupta Chartered Accountants FRN: 013538C	For and on behalf of the Board of Directors	
CA Narayan Swami Partner Membership No.: 409759 Place : Mumbai Date : 26.05.2010	Sanjay Lai Managing Director	Husain Shattaf Director
	Place : Mumbai Date : 26.05.2010	

**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2010**

Schedule 'S'

Notes to account

1. Background

K Sera Sera Productions Limited ('K Sera Sera' or 'the Company') was incorporated on September 6, 1995. In the year 2002, the object clause was altered to carry on the business of entertainment through in-house production of motion pictures, television serials and distribution of films produced by third parties.

2. Summary of significant accounting policies

a. Basis of preparation of financial statements

The financial statements are prepared under historical cost convention, on the accrual basis of accounting in accordance with the Companies Act, 1956 and the Accounting Principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI') to the extent applicable.

b. Use of estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c. Fixed Assets

Tangible Assets

Fixed assets are stated at historical cost less accumulated depreciation. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Intangible Assets

The Company recognizes / creates rights in motion pictures as intangible asset in the form of Intellectual Property Rights (IPR's). The same is in consideration of the future economic benefits and availability of the aforesaid rights for re-distribution after the expiry of initial period of

distribution agreement. The recognition / creation of IPR's is made at a fixed proportion of the production cost depending on the date of release of the motion picture on the following basis:

- i. At 30% of the production cost of the motion picture in case the picture is released within 90 days before the year end.
- ii. At 10% of the production cost of the motion picture in case the picture is released more than 90 days before the year end.

The said recognition of IPR rights is, however, subject to the management assessment of future economic benefits from exploitation of these rights having regards to the box office success of the movie and other relevant factors. In the event, the said recognition criteria is not met, the entire cost of motion picture is charged to the profit and loss account as 'cost of production'.

Trademarks is accounted as per Accounting Standard 26 on 'Intangible Assets' issued by The Institute of Chartered Accountants of India and stated at cost of acquisition.

d. Depreciation/Amortization

Tangible Assets

Depreciation on fixed assets is provided on written down value method at the rates and the manner prescribed under Schedule XIV of the Companies Act, 1956 or based on management estimates of useful lives of the fixed assets, whichever is higher.

Intangible Assets

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

- The date of release/sale of the respective motion picture as referred in paragraph (c) above;
- The tenure of the distribution agreement; and
- Matching principle of accounting.

Based on above, the amortization of Intellectual Property Rights is carried out on the following basis:

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

Trademarks expenditure incurred is not amortized since it will be utilized by the company for indefinite period.

e. Borrowing Costs

Borrowing cost that is directly attributable to the acquisition or construction of a qualifying asset are considered as part of the cost of the asset. All other borrowing costs are treated as period cost and charged to the profit and loss account in the year in which it is incurred.

f. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account.

g. Investments

- i. Long-term investments are stated at cost. Provision for diminution, if any, in the value of investments is not recognized a diminution other than temporary, if any.
- ii. Current investments are stated at cost. Provision for diminution, if any, in the value of investments is not recognized a diminution other than temporary, if any

h. Revenue recognition

- i. **In House Production of Motion Pictures**
Revenue on assignment of distribution rights of motion pictures to third parties is recognized on the date of release/exhibition of the motion picture. Overflow from the distributors is accounted for as and when due or on receipt basis in case of uncertainty in collection. Revenue from outright sale of motion pictures is recognized on the date of agreement to sell the rights.
- ii. **Distribution of motion pictures produced by third parties**
Revenue is recognized based on ticket sales on exhibition of the motion pictures at the exhibition centers.
- iii. **Other rights**
Revenue from other rights of motion pictures such as satellite rights, overseas rights, music rights, video rights, etc. is recognized on the date of execution of the

agreement to assign these rights for exploitation or the release of the movie whichever is earlier.

i. Inventories

- i. Motion pictures under production- valued at cost Recognized as Projects in progress under inventory till the date of release.
The copyrights for future years inherent in the motion pictures are created out of the cost of production and recognized as intangible assets. (Refer Note 2 c. above)
- ii. Cost of motion pictures comprises the cost of materials, labour and other related expenses. Borrowing cost directly attributable to movies is capitalized as part of the cost of movies.

j. Accounting for taxes on income

- i. Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961.
- ii. Deferred tax on timing differences between taxable and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed depreciation are recognized only when there is a virtual certainty of their realization. Other items are recognized only when there is a reasonable certainty of their realization as per Accounting Standard 22 issued by ICAI.

k. Retirement benefits

- i. Contributions payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and employee state insurance are charged to the profit and loss account.
- ii. Provision for gratuity is made on the basis of an actuarial valuation made at the end of each financial year.

l. Foreign currency transactions

- i. Foreign currency transactions are recorded at exchange rates prevailing on the date of respective transactions.
- ii. Current assets and current liabilities in foreign currencies existing at balance sheet date are translated at year-end rates.
- iii. Foreign currency translation differences related to acquisition of imported fixed assets, if any are adjusted in the carrying amount of the related fixed assets. All other

foreign currency gains and losses are recognized in the profit and loss account.

m. Leases

(i) Finance lease

Assets, if any acquired under finance lease are recognized as assets with corresponding liabilities in the balance sheet at the inception of the lease at amounts equal to lower of the fair value of the lease assets or at the present value of the minimum lease payments. These leased assets are depreciated in line with the Company's policy on depreciation of fixed assets. The interest is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(ii) Operating lease

Lease payments/receipts for operating leases, if any are recognized as expenses/income on a straight line basis over the lease term.

n. Provision and contingent liabilities

Provisions are recognized when the Company has present legal or constructive obligation, a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liabilities, if any, are disclosed by way of notes to the Balance Sheet.

3. Contingent liabilities not provided for in respect of:

(Amount in Rupees)

Particulars	March 31,2010	March 31,2009
Guarantees issued by bank - In respect of the Company - In respect of a wholly owned subsidiary	NIL 16,039,756	NIL 16,039,756
Arrears of cumulative redeemable preference dividend	5,760,792	5,760,792
Claims against Company not acknowledged as debts and contested by the company.	112,285,745	545,830,000
Total	134,086,293	567,630,548

4. The Maharashtra Government had issued a notification on August 30, 2005, as per which entities leasing copyrights of cinematographic films are required to pay value added tax (VAT) @ 4% retrospectively wef May 1, 2000. Subsequently, upon the representation of 'The Cinematograph Exhibitor's Association of India' ('The Association'), the levy of the said tax was waived for the period May 1, 2000 to March 31, 2005. The revised notification extending similar relief up to the period commencing from April 1, 2005 is being pursued by the association. The Company, in line with the view taken by the Industry, is of the opinion that VAT is not applicable to the activities carried by the Company and has also taken a legal opinion in this regard. The Company has also not received any demand notice from the VAT authorities. As a matter of prudence, the Company has made ad hoc payments of Rs 1,500,000 under protest, which is disclosed under 'Loans and Advances'. Having regard to the above facts, the Company does not expect any liability on this account.

5. a) The details of the suit filed against the company pending for disposal is as under:

S. No.	Name of the Parties	Suit No.	Particulars
1	Global Trade Finance Ltd.	2371SS / 2008	Against their outstanding Loan account Of Rs. 18,721,165/- under section 138 of the Negotiable Instrument Act.
2	Standard Chartered Bank	---	Against outstanding Bank Gaurantee given to Twenty Television Company Ltd. Of Rs. 16,039,756/- in DRT at Mumbai.
3	Eternal Dreams	2307/SS/07	Against their outstanding Loan account Of Rs. 5,840,000/- under section 138 of the Negotiable Instrument Act.
4	CCCA -	Not Applicable Bhushawal	Filed with the Association for the Exhibitor claim for Rs. 150,000/-.
5	Venkaresh Films Private Ltd.	Not Applicable	Filed with the Association for the EIMIPA – Kolkatta claim for Rs. 680,000/-
6	Income Tax Authority	Appeal for Assessment Year 2006-07	Filed Appeal against the Demand Raised for Rs.41,894,580/-
7	Zee Entertainment	1462/88/10	Criminal Case Filed for Rs.45,000,000/-

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S.No.	Name of the Parties	Suit No.	Particulars
1	Percept Picture Company	-	Legal Notice dated 29.04.2009 issued for recovery of Rs.8,000,000/-
2	Maharashtra Stage& Cultural Development	-	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, against the said Corporation for recovery of its claim of Rs.10,876,000/- advance against the content of television serials which were not completed.
3	Lemon Channel	595 / 2009	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs.138,813,055
4	Mayank Shah	-	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs.900,000/-
5	Eros Multimed	-	Suit for Damages for Rs.960,000/-
6	E-Commerce ialnnovision	-	Winding up Pettition Filed for Recovery of Rs.749,000/-

6.

Sr No	Name of the Company	Date of Incorporation	% of holding	Amount Invested	Advance to Subsidiaries	Previous Year
1.	K Sera Sera Productions FZLLC	19.01.2006	100%	6,15,000	73,95,54,539	106,52,29,042
2.	K Sera Sera Technologies Pvt. Ltd.	04.06.2009	100%	29,99,99,980	2,18,92,013	NIL
3.	K Sera Sera Box Office Pvt. Ltd.	12.06.2009	100%	29,99,99,990	99,74,241	NIL
4.	K Sera Sera Miniplex Pvt. Ltd.	02.02.2010	100%	29,99,99,990	1,52,41,694	NIL

Based on the fundamentals of the subsidiary company business, the management is of the opinion that it is strategically desirable for K Sera Sera to continue to support the subsidiary through funding (including equity / debt infusion), through either fresh funds or conversion of existing loans into equity.

- 7 During the financial year 2007-08, the Company was subjected to a search under Section 132 of the Income Tax Act 1961. During the course of the search, Income tax authorities have taken custody of certain documents/ records and recorded statements of certain officials of the Company. Company Appeal against Demand notice under section 156 issued by the Income Tax Authorities hence tax liability, if any, that may arise, on this account, which is presently unascertainable, will be recognized upon conclusion of tax assessments.
8. During the year the Company has allotted 2367 (Two Thousand Six Hundred Sixty Seven Only) Optionally Convertible Redeemable Bonds of the Face Value of Rs. 1,00,000 each (Rupees One Lakh Only) to 'M/s. Global Trade Finance Limited', for an aggregate sum of Rs. 23,67,00,000 (Rupees Twenty Three Crore Sixty Seven Lac Only) on 29th January, 2010 against their part settlement of the amount borrowed by the Company from the said Financial Institution.
9. Share application money, pending allotment of Rs.114,158,764 (previous year Rs. 114,158,764) represents money received against offer for allotment of redeemable cumulative non-convertible preference shares of Rs.10 each. These are redeemable at par on or before 5 years, at the option of the Company.
- 10 In Previous Financial Year Company has redeem 38,40,524 (Thirty Eight Lacs Forty Thousand Five Hundred Twenty Four Only) 5% Redeemable Cumulative Non- Convertible Preference Shares of Rs.10/- each amounting to Rs. 3,84,05,240/- (Rupees Three Crores Eighty Four Lacs Five Thousand Two Hundred Forty Only) along with the right to accrued interest thereon. The said redemption is made as per the provisions of the Companies Act, 1956 and other provisions applicable, However the amount against the said redemption is due and payable till the conclusion of our audit and disclosed as creditors under the Current Liabilities in the Balance Sheet.
11. Balances in respect of certain sundry debtors, sundry creditors and loans and advances are taken as shown by the books of account and are subject to confirmation and consequent adjustments and reconciliation, if any.
12. As per Management opinion Current assets, loans and advances have a value on realization which in the ordinary course of the business would not be less than the amount at which they are stated in the balance sheet and the provisions for all known and determined liabilities are adequate and not in excess of the amount reasonably required.

13. Deferred Tax Liability / (Asset)

(Amount in Rupees)

Particulars	As at April 1, 2009	Current year (charge) / credit	As at March 31, 2010
Difference between Book Base and Tax Base of Fixed Assets	2,38,06,480	(2,65,73,370)	(27,66,890)
Liabilities that are deducted for Tax purposes when paid	(27,208)	(14,661)	(41,869)
Carried Forward losses	(5,16,11,822)	1,30,89,273	(3,85,22,549)
Total	(2,78,32,550)	(1,34,98,758)	(4,13,31,308)

14. Earnings Per Share

(Amount in Rupees)

Particulars	March 31,2010	March 31,2009
Net Profit / (loss) after Tax for the year	7,05,45,094	(4,27,53,595)
Less: Preference Dividend and Tax thereon	0	0
Numerator used for calculating basic and diluted earnings per share	7,05,45,094	(4,27,53,595)
Equity shares outstanding as at the year end	20,59,55,819	67,131,625
Weighted average number of shares used as denominator for calculating basic earnings per share	13,06,15,877	67,131,625
Weighted average number of shares used as denominator for calculating diluted earnings per share	13,08,22,307	67,131,625
Nominal value per share (Rs.)	10	10
Earnings per share		
- Basic	0.54	(0.64)
- Diluted	0.54	(0.64)

15. Auditor's Remuneration [Including Service Tax]

(Amount in Rupees)

Particulars	March 31,2010	March 31,2009
Statutory Audit	200,000	220,600
Limited Review, other Services and Out-of-Pocket Expenses	100,000	110,300
		-
Total	300,000	330,900

16. Remuneration to directors

(Amount in Rupees)

Particulars	March 31,2010	March 31,2009
Salary and Allowances	12,00,000	14,69,900
Total	12,00,000	14,69,900

Computation of Net Profit under section 349 of the Companies Act 1956 is not given as no Commission is payable to the Directors.

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17. Earnings in Foreign Currency

(Amount in Rupees)

Particulars	March 31,2010	March 31,2009
Interest on Fixed Deposit	1,20,54,148	18,95,356
Total	1,20,54,148	18,95,356

18. Expenditure in foreign currency

(Amount in Rupees)

Particulars	March 31,2010	March 31,2009
Bank Charges	1,81,364	4,27,185
Luxemberg Stock Exchange Listing Fees	167,848	1,18,294
Total	349,212	5,45,479

19. Related Party Disclosures

Related parties are classified as:

I Wholly Owned Subsidiaries:
1. K Sera Sera Productions FZ LLC
2.K Sera Sera Box Office Private Limited
3. K Sera Sera Technologies Private Limited
4.K Sera Sera Miniplex Private Limited
II Key Managerial Personnel
1. Mr. Sanjay B. Lai

Summary of related parties transactions are as under:

(Amount in Rupees)

Sr. No.	Nature of transactions	Subsidiaries	Associates (Partnership firms)	Key managerial personnel	Total
Transactions during the year					
1.	Income on assignment of distribution rights	- (-)	- (-)	- (-)	- (-)
2.	Lease rent received	- (-)	- (-)	- (-)	- (-)
3.	Investments made	899,999,960 (-)	- (-)	- (-)	899,999,960 (-)
4.	Application money towards purchase of shares	- (-)	- (-)	- (-)	- (-)
5.	Loans granted	278,566,555 (870,066,881)	- (-)	- (-)	278,566,555 (870,066,881)
6.	Share of profit /(loss)	- (-)	- (-)	- (-)	- (-)
7.	Remuneration	- (-)	- (-)	12,00,000 (14,69,900)	12,00,000 (14,69,900)

K SERA SERA PRODUCTIONS LIMITED

8.	Guarantees given	(-)	-	-	-
			(-)	(-)	(-)
9.	Capital Assets	-	-	-	-
		(-)	(-)	(-)	(-)
10.	House Rent Deposits	-	-	-	-
		(-)	(-)	(-)	(-)
11.	Professional Fees	-	-	-	-
		(-)	(-)	(-)	(-)
Balances as at March 31, 2010					
1.	Outstanding balances receivable	786,662,487	-	-	786,662,487
		(1,065,433,442)	(-)	(-)	(1,065,433,442)
2.	Outstanding balances payable	-	-	-	-
		(-)	(-)	(-)	(-)
3.	Investments made	926,564,960	-	-	926,564,960
		(615,000)	(-)	(-)	(615,000)
4.	Loans granted	-	-	-	-
		(-)			(-)
5.	Application money towards purchase of shares	18,45,000	-	-	18,45,000
		(18,45,000)	(-)	(-)	(18,45,000)
6.	Outstanding guarantees	-	-	-	-
		(-)	(-)	(-)	(-)

Of the above items, transactions in excess of 10% of the total related party transactions are as under:

Nature of transactions	Subsidiaries	Amount in rupees	Associates (Partnership firms)	Amount in rupees	Key management personnel	Amount in rupees
Loans granted	K Sera Sera Productions LLC	278,566,555 (870,066,881)	- (-)	- (-)	-	- (-)
Share of Profit/(Loss)	- (-)	- (-)	- (-)	- (-)	-	- (-)
Remuneration	- (-)	- (-)	- (-)	- (-)	Sanjay Lai	12,00,000 (12,00,000)
Outstanding balances receivable	K Sera Sera Productions LLC	73,95,54,539 (106,52,29,042)	- (-)	- (-)	-	- (-)
Outstanding guarantees		- (-)	- (-)	- (-)	-	- (-)
Capital Assets	- (-)	- (-)	- (-)	- (-)	-	- (-)
House Rent Deposits	- (-)	- (-)	- (-)	- (-)	-	- (-)
Professional fees	- (-)	- (-)	- (-)	- (-)	-	- (-)

20. Leases
a. Finance Lease

During the year the company has not acquired any assets on hire purchase, the fair value of which is Rs. Nil (Previous year Rs. NIL). Further the company has surrendered the Assets to the Banks / Parties, accordingly the capital value and the corresponding liability has been reduced to Nil as disclosed under Schedules of Fixed assets / Secured Loans attached to the Balance Sheet. The details of installments payable in future are as follows:

b. Operating Lease

The Company's leasing arrangements are in respect of the office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under 'Administrative and Other expenses' in Schedule 'Q'.

	2009-10	2008-09
Not later than one year	-	4,015,759
Later than one year and not later than five years	-	6,922,504

11. Segment Information
Business segments

Based on similarity of activities / products, risk and reward structure, organization structure and internal reporting systems, the Company has structured its operations into the following segments

- i. In-house production and distribution of motion pictures
- ii. Distribution of motion pictures produced by third parties
- iii. Television content production

Segment revenue and expenses include amounts, which can be directly identified to the segment and are allocable on a reasonable basis. Segment assets include all operating assets used by the segment and consist primarily of inventories, debtors and loans and advances. Segment liabilities include all operating liabilities and consist primarily of creditors, advances and deposits from customers.

Geographic segment

Operations of the Company do not qualify, for reporting as geographic segments, under the criteria set out under Accounting Standard 17 on 'Segment reporting' issued by The Institute of Chartered Accountants of India.

(Amount in Rupees)

Particulars	In house production and distribution of motion pictures	Distribution of motion pictures produced by third parties	Television content production	Total
Revenue	302,500,000	946,534	968,000	304,414,534
	(213,758,522)	(154,756,309)	(-)	(368,514,831)
Segment Results	244,989,373	946,534	5,253	245,941,160
Profit/-Loss	(-339,596,557)	(152,786,730)	(-)	(-186,809,827)
Unallocated corporate expenses net of unallocated income				205,625,195
				(223,604,198)
Operating Profit				40,315,965
Profit/-Loss				(36,794,371)

Interest Expenses				38,934,729
				(34,249,875)
Income Tax				-69,163,858
				(45,298,091)
Net Profit / -Loss				7,05,45,094
				(-42,753,595)
Other Information				
Segment Assets	565,474,449	-993,831	16,308,045	580,788,663
	(651,340,877)	(2,494,023)	(-)	(653,834,900)
Unallocated Corporate Assets				3,037,815,446
				(1,309,764,685)
Total Assets	565,474,449	-993,831	16,308,045	3,618,604,109
	(651,340,877)	(2,494,023)	(-)	(1,963,599,585)
Segment Liabilities	272,979,744	7,071,899	-871	280,050,772
	(365,099,997)	(18,458,775)	(-)	(383,558,772)
Unallocated Corporate Liabilities				177,666,457
				(102,307,790)
Total Liabilities	272,979,744	7,071,899	-871	457,717,229
	(365,099,997)	(18,458,775)	(-)	(485,866,562)

22. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) Rs. NIL (Previous year Rs. NIL).
23. Information with regard to other matters specified in Part II of schedule VI to the Companies Act, 1956 is either nil or not applicable to the Company for the year.
24. There are no amounts due for transfer to the Investors Education and Protection Fund as at March 31, 2010
25. The Company did not have any transactions with Small Scale Industrial ('SME's') Undertakings during the year ended March 31, 2010 and hence there are no amounts due to such undertakings. The identification of SME's undertakings is based on the management's knowledge of their status.

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

26. Figures in brackets represent those of the previous year.
27. Figures for the previous year have been regrouped / amended wherever necessary.

Signature to Schedules 'A' to 'S'

For and on behalf of the board of directors

For Agrawal Jain & Gupta
Chartered Accountants
Firm Registration No. 013538C

Sd/-
Sanjay Lai
Managing Director

Husain Shattaf
Director

Sd/-
CA Narayan Swami
Partner
M. No - 409759

Mumbai
Date: 26.05.2010

Mumbai
Date: 26.05.2010

K SERA SERA PRODUCTIONS LIMITED

Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No. State Code

Balance Sheet Date

Date Month Year

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	Bonus Issue
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Rights Issue	Private Placement
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="0"/>

3. Position of Mobilisation and Deployment of Funds (Amounts in Rs. Thousands)

Total Liabilities	Total Assets
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="4"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="4"/>
Sources of Funds	Reserves and surplus
Paid-up capital	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="5"/>
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="8"/>	
Secured loans	Unsecured loans
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="4"/>
Deferred tax liability (Net)	Share application money
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="9"/>
Application of Funds	Investments
Net fixed assets including capital work in progress	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="5"/>
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="1"/>	
Net current assets	Miscellaneous expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="3"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="0"/>
Accumulated losses	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="5"/>	

4. Performance of the Company (Amount in Rs. Thousands)

Turnover (Total income)	Total Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="6"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="5"/>
+ - Profit/(Loss) Before Tax	+ - Profit/(Loss) After Tax
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="1"/>	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="5"/>
(Please tick Appropriate box + for profit, - for loss)	Dividend Rate %
Earnings per Share (Rs)	(Equity)
(on profit after taxes)	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="6"/>	

5. Generic Names of Three Principal Products / Services of Company
(as per monetary terms)
Item Code No. (ITC Code)

Product Description

8	5	2	4	9	0	0	1

In house production of motion pictures, television serials and distribution of motion pictures produced by third parties.

For and on behalf of the board of directors



Sanjay Lai
Managing Director

Mumbai
Date: May 26, 2010

Hussain Shattaf
Director

Mumbai
Date: May 26, 2010



K SERA SERA
The most diversified media company

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF K SERA SERA PRODUCTIONS LIMITED

1. We have audited the attached Consolidated Balance Sheet of K Sera Sera Productions Limited ('the Company'), and its subsidiaries (the Company and its subsidiaries constitute 'the Group') as at March 31, 2010 and also the Consolidated Profit and Loss account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto (all together referred to as "the consolidated financial statements"). These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation.
3. We believe that our audit provides a reasonable basis for our opinion. We did not audit the financial statements of a subsidiary, namely K Sera Sera Productions FZE, whose financial statements reflect total assets of Rs. 2,496,958,261 as at March 31, 2010, total revenues of Rs. 2,013,410,523 and net cash inflows amounting to Rs. 9,100,631 for the year ended on that date. These financial statements have been incorporated in the consolidated financial statements on the basis of audited financial statements as provided by the management of the said subsidiary. Our opinion insofar as it relates to the amount included in the consolidated financial statements in respect of this subsidiary, is based solely on the audited separate financial statement of this subsidiary.

4. As stated in Note no 7 to Schedule S and for reasons stated therein, tax liability if any, in respect of search conducted by the Income tax authorities during the financial year 2007-08, which is presently unascertainable, will be recognized on conclusion of assessment proceedings.
5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' and Accounting Standard (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of a subsidiary.
6. Based on our audit and on consideration of report of other auditor on separate financial statements of a subsidiary and on the other financial information of the components, and to the best of our information and explanations given to us and, *subject to the matters referred to in paragraphs 4 and 5 above*, we are of the opinion that the attached consolidated financial statements read with notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;
 - b) in case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Agrawal Jain & Gupta.**
Chartered Accountants
FRN : 013538C

CA Narayan Swami
Partner
M. No – 409759

Mumbai, 26th May 2010

K SERA SERA PRODUCTIONS LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

Amount in Rupees

	Schedule	March 31, 2010	March 31, 2009
SOURCES OF FUNDS	A		
Shareholders' Funds			
Share Capital		2,059,558,190	671,316,250
Reserves and Surplus	B	2,737,246,306	2,122,434,992
		4,796,804,496	2,793,751,242
Share Application Money		114,158,764	114,158,764
Loan Funds			
Secured Loans	C	-	20,552,452
Unsecured Loans	D	301,944,444	335,900,000
		301,944,444	356,452,452
Deferred Tax Liability (net) (Refer note 13 to Schedule 'S')		-	27,832,550
		5,212,907,703	3,292,195,007
APPLICATION OF FUNDS			
Fixed assets	E		
Gross block		274,995,898	210,887,389
Less: Depreciation/amortization		117,488,978	111,794,216
Net block		157,506,921	99,093,173
Investments	F	1,281,150,000	555,400,000
Deferred tax asset (net) (Refer note 13 to Schedule 'S')		41,187,869	-
Current assets, loans and advances			
Inventories	G	10,516,940	54,247,247
Sundry debtors	H	1,922,885,784	1,442,405,176
Cash and bank balances	I	258,914,402	16,533,018
Loans and advances	J	1,691,519,586	1,301,472,957
		3,883,836,712	2,814,658,397
Less: Current liabilities and provisions	K		
Current liabilities		101,000,889	130,681,819
Provisions		70,170,276	69,687,637
		171,171,165	200,369,456
Net current assets		3,712,665,547	2,614,288,941
Miscellaneous expenditure [to the extent not written off or adjusted]	L	20,397,368	23,412,893
		5,212,907,703	3,292,195,007
Notes to account The accompanying schedules form an integral part of this balance sheet.	S		

As per our report of even date attached
For Agrawal, Jain and Gupta
 Chartered Accountants
 FRN: 013538C

For and on behalf of the board of directors

CA Narayan Swami
 Partner
 Membership No.: 409759

Sanjay Lai
 Managing Director

Husain Shattaf
 Director

Place : Mumbai
Date : 26.05.2010

Place : Mumbai
Date : 26.05.2010

K SERA SERA PRODUCTIONS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Amount in Rupees

	Schedule	March 31, 2010	March 31, 2009
INCOME			
Revenue from Operations	M	2,324,626,247	1,890,631,250
Other income	N	13,619,457	298,549,210
	★	2,338,245,704	2,189,180,460
EXPENDITURE			
Cost of operations	O	1,318,289,940	1,412,548,629
Employees cost	P	12,426,272	8,595,704
Administration and other expenses	Q	281,908,354	122,884,906
Finance cost	R	38,935,323	34,249,875
Depreciation/amortisation (Refer Note 2 of Schedule "S")		5,706,107	5,403,338
Preliminary Expenses w/off		4,578,668	7,762,631
		1,661,844,664	1,591,445,083
Profit/(Loss) before tax		676,401,040	597,735,377
Less: Provision for taxation			
- Current tax		223,006	-
- Deferred tax charge / (credit)		(69,020,419)	45,203,171
- Wealth tax		-	-
- Fringe benefit tax		-	94,920
Profit/(Loss) after tax		745,198,453	52,437,286
Balance brought forward from previous year		851,890,151	299,452,865
Amount available for appropriation		1,597,088,604	851,890,151
Appropriation			
Proposed dividend on cumulative redeemable non-convertible preference shares			
— On equity shares		-	-
Tax on dividend thereon		-	-
Balance of Profit/(Loss) carried forward to balance sheet		1,597,088,604	851,890,151
Earnings per share of Rs. 10/- each (Refer Note 14 of Schedule S)			
-Basic		5.71	8.23
-Diluted		5.70	8.23
Notes to account			
The accompanying schedules form an integral part of this profit and loss account.		S	

As per our report of even date attached
For Agrawal, Jain and Gupta
 Chartered Accountants
 FRN: 013538C

CA Narayan Swami
 Partner
 Membership No.: 409759

Place : Mumbai
Date : 26.05.2010

For and on behalf of the board of directors

Sanjay Lai
 Managing Director

Husain Shattaf
 Director

Place : Mumbai
Date : 26.05.2010

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2010

Amount in Rupees

	March 31, 2010	March 31, 2009
Schedule 'A'		
Share Capital		
Authorized		
820,000,000 (Previous Year 70,000,000) equity shares of Rs.10 each	8,200,000,000	700,000,000
NIL (Previous Year 5,000,000) preference shares of Rs.10 each	-	50,000,000
	8,200,000,000	750,000,000
Issued, subscribed and paid-up		
20,59,55,819 (Previous Year 67,13,1625) equity shares of Rs.10 each fully paid-up	2,059,558,190	671,316,250
	2,059,558,190	671,316,250
Schedule 'B'		
Reserves and Surplus		
Securities premium account		
As per last balance sheet	947,614,249	947,614,249
Add: Received during the year on issue of Fully Convertible Warrants	40,829,460	-
Add: Received during the year on issue of equity shares	67,128,570	-
	1,055,572,279	947,614,249
Less: GDR Issue Expenses	4,212,779	
Less: Foreign Exchange Revaluation Loss on GDR Issue	23,874,097	-
	1,027,485,403	947,614,249
Fully Convertible Warrants issued	-	86,500,000
	1,027,485,403	1,034,114,249
Profit and loss account		
As per last balance sheet	851,890,151	299,452,865
Add: During the Year	745,198,453	552,437,286
Translation adjustment reserve	112,672,299	236,430,592
	1,709,760,903	1,088,320,743
	2,737,246,306	2,122,434,992
Schedule 'C'		
Secured loans		
Loans from banks		
Term loans	-	20,552,452
[Secured against hypothecation of tangible and Intangible assets and personal guarantee of a director]		
	-	20,552,452
Schedule 'D'		
Unsecured loans		
Short term		
(a) From Others	35,244,444	335,900,000
[Amount repayable within a year Rs. 35,244,444 (Previous Year Rs.335,900,000)]	-	-
(b) Optionally Convertible Redemable Bonds	236,700,000	-
[Amount repayable within a year Rs. 23,67,00,000 (Previous Year Rs.NIL)]	-	-
(c) Convertible Warrants Issued	30,000,000	-
	301,944,444	335,900,000

As per our report of even date attached
For Agrawal, Jain and Gupta
 Chartered Accountants
 FRN: 013538C

CA Narayan Swami
 Partner
 Membership No.: 409759
Place : Mumbai
Date : 26.05.2010

For and on behalf of the board of directors

Sanjay Lai
 Managing Director

Husain Shattaf
 Director

Place : Mumbai
Date : 26.05.2010

K SERA SERA PRODUCTIONS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT MARCH 31, 2010

Schedule 'E' - Fixed assets

Amount in Rupees

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTIZATION					NET BLOCK	
	As at April 1, 2009	During the year		As at March 31, 2010	For the year	Deletion/ Adjustments	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009	
		Additions	Deductions							
<u>Tangible assets</u>										
Plant and machinery	2,196,860	-	-	2,196,860	154,511	-	1,578,816	618,044	772,555	
Office equipment	441,366	5,055,265	-	5,496,631	156,395	-	264,584	5,232,047	333,177	
Furniture and fixtures	15,483,280	12,861,621	-	28,344,901	1,038,772	-	14,653,839	13,691,062	1,868,213	
Computers	7,383,865	34,259,029	51,000	41,591,894	3,023,353	11,346	6,207,723	35,384,171	4,188,149	
Vehicles	353,184	15,070,754	-	15,423,938	1,333,077	-	1,453,215	13,970,723	233,046	
<u>Intangible assets</u>										
Motion picture rights	184,883,834	-	4,055,173	180,828,661	-	-	93,330,801	87,497,860	91,553,033	
Trade Marks	145,000	331,200	-	476,200	-	-	-	476,200	145,000	
Research & Development	-	636,813	-	636,813	-	-	-	636,813	-	
Total	210,887,389	68,214,682	4,106,173	274,995,898	5,706,107	11,346	117,488,978	157,506,921	99,093,173	
Previous year	228,936,507	2,162,251	20,211,369	210,887,389	5,403,338	9,162,553	111,794,216	99,093,173	113,383,076	

K SERA SERA PRODUCTIONS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT MARCH 31, 2010

Amount in Rupees

	March 31, 2010	March 31, 2009
Schedule 'F'		
Investments [Unquoted]		
Long term [at cost]		
Trade	-	-
Others	1,281,150,000	555,400,000
	1,281,150,000	555,400,000
Schedule 'G'		
Inventories		
[As taken, valued and certified by the management]		
Projects-in-progress		
- Bus Stop	10,516,940	-
- Motion pictures	-	54,247,247
	10,516,940	54,247,247
Schedule 'H'		
Sundry debtors		
Debts outstanding for a period exceeding six months		
Considered Good	1,853,986,789	923,052
Considered Doubtful	26,672,000	65,811,260
	1,880,658,789	66,734,312
Less: Provision for Doubtful Debts	-	26,712,500
	1,880,658,789	40,021,812
Others Debts - Considered Good	42,226,995	1,402,383,364
	1,922,885,784	1,442,405,176
Schedule 'I'		
Cash and bank balances		
Cash on hand	9,932,622	446,280
Balances with scheduled banks		
- Current accounts	248,981,780	6,086,738
Deposit accounts*	-	10,000,000
Deposit Includes an amount of Rs.NIL (Previous Year Rs.1,00,00,000 with European American Investment Bank AG, Austria) with Vijaya Bank in Fixed Deposit Account.]		
	258,914,402	16,533,018
Schedule 'J'		
Loans and advances		
[Unsecured]		
Loans to wholly owned subsidiaries		
Advances recoverable in cash or in kind or for value to be received		
- Considered good	813,211,580	651,001,784
- Considered doubtful	380,517,941	330,507,166
	1,193,729,520	981,508,950
Share application money	364,000,000	100,000,000
Advance to suppliers	143,299,217	225,749,003
Deposits	6,053,578	5,918,552
Prepaid Tax / Expenses	1,141,787	622,452
	1,708,224,092	1,313,798,957
Less: Provision for doubtful advances	16,704,506	12,326,000
	1,691,519,586	1,301,472,957

K SERA SERA PRODUCTIONS LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT MARCH 31, 2010

Amount in Rupees

	March 31, 2010	March 31, 2009
Schedule 'K'		
Current liabilities and provisions		
Current liabilities		
Sundry creditors	63,023,818	80,478,250
Advance from customers	16,939,869	48,172,210
Unclaimed dividend*	254,692	254,692
Other liabilities	20,782,510	1,776,668
* Investor Education and Protection Fund shall be credited by the amount, when due.		
	101,000,889	130,681,819
Provisions		
Income tax	67,572,471	69,594,920
Fringe benefit tax (net of payments)	-	12,669
Dividend on cumulative redeemable non-convertible preference shares	2,230,455	-
Gratuity	163,413	80,048
Other	203,937	-
	70,170,276	69,687,637
	171,171,165	200,369,456
Schedule 'L'		
Miscellaneous expenditure [to the extent not written off or adjusted]		
Preliminary expenses as per Last Year	23,412,893	31,050,524
Add: Expenses Incurred during the year	24,976,036	125,000
	48,388,929	31,175,524
Less: GDR Issue Expenses Transfer	125,000	-
Less: Transfer in Advances	23,287,893	-
Less: Amortized during the year	4,578,668	7,762,631
	20,397,368	23,412,893
Schedule 'M'		
Revenue from operations		
Inhouse production		
- Outright sale of rights in motion pictures	302,500,000	213,758,522
- Outright sale of rights in television Serials	-	-
Theatrical distribution of pictures produced by third parties	2,015,325,057	1,676,872,728
Ticket Sale Collection	6,801,190	-
	2,324,626,247	1,890,631,250
Schedule 'N'		
Other income		
Foreign Exchange Revaluation Gain (Euram Bank)	-	5,226,500
Foreign Exchange Revaluation Gain (FZ LLC)	-	290,523,398
Interest received from bank (Gross)	12,054,148	2,330,474
Royalty Income	1,313	442,862
Miscellaneous income	1,563,996	25,977
	13,619,457	298,549,210

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT MARCH 31, 2010

Amount in Rupees

	March 31, 2010	March 31, 2009
Schedule 'O'		
Cost of operations		
Cost of production of inhouse pictures and television serials (Refer Note 2 d of Schedule 'S')		
- Opening stock: Work-in-progress	54,247,247	333,737,292
- Add: Expenses incurred during the year*	1,274,559,633	1,203,215,318
	1,328,806,880	1,536,952,610
- Less: Refund received on Termination of film Contract	-	48,481,905
	1,328,806,880	1,488,470,705
- Less: Stock Transfer on Dis-investment of our Subsidiary Company	-	23,644,408
- Less: Closing stock: Work-in-progress	10,516,940	54,247,247
	1,318,289,940	1,410,579,050
* Net of NIL (Rs.NIL) recognized as Motion Picture Rights and reflected under fixed assets schedule as per accounting policy in Note 2 d to Schedule 'S'		
Cost of theatrical distribution of pictures produced by third parties	-	1,969,579
	1,318,289,940	1,412,548,629
Schedule 'P'		
Employee cost		
Salaries, wages and other benefits	11,046,150	6,923,987
Contribution to provident and other funds	-	79,311
Directors Remuneration	1,200,000	1,469,900
Staff welfare expenses	96,757	67,266
Gratuity	83,365	55,240
	12,426,272	8,595,704
Schedule 'Q'		
Administration and other expenses		
Travelling and conveyance	9,924,407	6,994,441
Advertising and sales promotion	118,386,228	50,178,209
Legal and professional charges	12,018,822	5,892,994
Printing and stationery	1,579,358	1,006,172
Rent, rates and taxes	5,614,903	6,655,382
Meeting and Conference Expenses	48,172	908,430
Electricity charges	2,289,869	2,191,860
Brokerage and commission	230,101	538,000
Insurance	566,917	4,139,535
Repairs and maintenance		
- Buildings	-	46,969
- Others	294,238	776,347
Loss on Sale of Assets	2,654	426,665
Communication	3,257,085	2,522,111
Postage and telegram	1,349,885	813,154
Auditors remuneration	788,323	652,233
Petrol & Fuel Expenses	75,070	-
Books and Periodicals	34,943	27,407,617
Misc. Expenses	9,200,005	32,000
Other expenses	1,439,713	11,601,437
Membership & Subscription	4,300	-
House Keeping Charges	262,464	64,623
Diwali Expenses	259,376	22,472
Foreign Exchange Revaluation Loss	114,281,523	14,254
	281,908,354	122,884,906
Schedule 'R'		
Finance cost		
Interest on		
- Fixed period loans	38,345,500	33,151,026
- Others	-	839
Bank charges	589,823	1,098,010
	38,935,323	34,249,875

K SERA SERA PRODUCTIONS LIMITED

CASH FLOW STATEMENT FOR THE QUARTER ENDED MARCH 31, 2010

Amount in Rupees

	March 31, 2010	March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	676,401,040	597,735,377
Adjustments for:		
Depreciation/amortisation	5,706,107	5,403,338
Loss on sale of assets	2,654	426,665
Provision for Tax	-	-
Dividend income	-	-
Interest cost	38,345,500	34,249,875
Interest received	(12,054,148)	(2,330,474)
Provision for doubtful debts / advances	-	-
Miscellaneous expenditure written off	4,578,668	7,762,631
	36,578,781	45,512,036
Operating cash flow before changes in working capital	712,979,821	643,247,413
Adjustments for:		
(Increase)/decrease in inventories	43,730,307	279,490,045
(Increase)/decrease in sundry debtors	(480,480,608)	(637,702,124)
(Increase)/decrease in loans and advances	(390,046,630)	(744,311,871)
Increase/(decrease) in current liabilities and provisions	(29,198,291)	27,166,487
Net changes in working capital	(855,995,222)	(1,075,357,463)
Extra Ordinary Items	(1,565,797)	-
Taxes paid	(223,005)	(123,926)
Cash generated from/(used in) operations	(144,804,202)	(432,233,976)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(68,214,682)	(2,162,251)
Sale / Surrender of Fixed Assets	4,094,827	10,506,440
Transfer of Fixed Assets on Dis-investment of Subsidiary Company	-	115,711
Purchase of investments	(725,750,000)	(555,400,000)
Dividend received	-	-
Interest received	12,054,148	2,330,474
Cash generated /(used in) from investing activities	(777,815,707)	(544,609,627)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(38,345,500)	(34,249,875)
Proceeds from issue of equity share capital	1,342,571,400	-
Securities premium received from issue of equity share capital	67,128,570	-
Proceeds from issue of Fully Convertible Warrants	86,500,000	-
Redemption of Preference Share Capital	-	(38,405,240)
GDR issue expenses	(28,086,876)	(125,000)
Proceeds from borrowings	30,000,000	41,478,995
Repayment of borrowings	(84,508,008)	(159,803,589)
Cash generated /(used in) from financing activities	1,288,759,586	(104,604,709)
D		
Effect of Exchange difference on translation of foreign currency	(123,758,293)	256,853,241
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	242,381,384	(824,595,072)
Cash and cash equivalents at the beginning of the year	16,533,018	841,128,090
Cash and cash equivalents at the end of the year	258,914,402	16,533,018
Note:		
1 Cash and cash equivalents at the year end comprise:		
Cash on hand	9,932,622	446,280
Balance with scheduled banks in		
- Current accounts	248,981,780	6,086,738
- Deposit accounts	-	10,000,000
	258,914,402	16,533,018
2 The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India		
As per our report of even date attached For Agrawal, Jain and Gupta Chartered Accountants FRN: 013538C	For and on behalf of the Board of Directors	
CA Narayan Swami Partner Membership No.: 409759	Sanjay Lai Managing Director	Husain Shattaf Director
Place : Mumbai Date : 26.05.2010	Place : Mumbai Date : 26.05.2010	

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010**Schedule 'S'****Notes to account****1. Background**

- a) K Sera Sera Productions Limited ('K Sera Sera' or 'the Company') was incorporated on September 6, 1995. In the year 2002, the object clause was altered to carry on the business of entertainment through in-house production of motion pictures, television serials and distribution of films produced by third parties.
- b) K SERA SERA PRODUCTIONS FZ LLC is a Free Zone Company with limited liability registered on 19 January 2006 in Dubai, United Arab Emirates, in accordance with the provision of the Dubai Technology and Media Free Zone Private Companies Regulations 2003 issued under Law No- 01 of 2000 of the Emirate of Dubai, establishing the Dubai Technology & Media Free Zone. The registered office is E-LOB Office No E2-105G-63, P.O.Box No 51822, Hamriyah Free Zone, Sharjah UAE. The company is a wholly owned subsidiary of K Sera Sera Productions Ltd, India which is considered by the directors to be the ultimate parent company. The company has obtained trade license for Film/TV pre-production, distribution, Production, content right management and post production activities.

2. Summary of significant accounting policies**a. Basis of preparation of financial statements**

The consolidated financial statements are prepared under historical cost convention, on the accrual basis of accounting in accordance with the Companies Act, 1956 and the Accounting Principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI') to the extent applicable.

b. Use of estimates

The preparation of consolidated financial statements in conformity with the Generally

Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c. Principles of Consolidation

The consolidated financial statements relate to K Sera Sera Productions Limited ('the Parent' or 'the company') and its subsidiary K Sera Sera Productions FZ LLC, K Sera Sera Box Office Private Limited, K Sera Sera Technologies Private Limited, K Sera Sera Miniplex Private Limited together referred to as 'the Group'. The consolidated financial statements have been prepared in accordance with the principles and procedures required for the preparation and presentation of financial statements as laid down under the accounting standards issued by the Institute of financial statements of the company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and transactions and resulting unrealized gain/losses. The Group accounts for investments by the equity method of accounting where it is able to exercise significant influence over the operating and financial policies of the investee. The Group's share of profit/loss of associate firms is included in the profit and loss account. Inter company profits and losses have been proportionately eliminated until realized by the investor or investee.

d. Fixed assets**Tangible assets**

Fixed assets are stated at historical cost less accumulated depreciation. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Intangible assets

The Company recognizes / creates rights in motion pictures as intangible asset in the form of Intellectual Property Rights (IPR's). The same

is in consideration of the future economic benefits and availability of the aforesaid rights for re-distribution after the expiry of initial period of distribution agreement. The recognition / creation of IPR's is made at a fixed proportion of the production cost depending on the date of release of the motion picture on the following basis:

- i. At 30% of the production cost of the motion picture in case the picture is released within 90 days before the year end.
- ii. At 10% of the production cost of the motion picture in case the picture is released more than 90 days before the year end.

The said recognition of IPR rights is, however, subject to the management assessment of future economic benefits from exploitation of these rights having regards to the box office success of the movie and other relevant factors. In the event, the said recognition criteria is not met, the entire cost of motion picture is charged to the profit and loss account as 'cost of production'.

Trademarks is accounted as per Accounting Standard 26 on 'Intangible Assets' issued by The Institute of Chartered Accountants of India and stated at cost of acquisition.

e. Depreciation/amortization

Tangible assets

Depreciation on fixed assets is provided on written down value method at the rates and the manner prescribed under Schedule XIV of the Companies Act, 1956 or based on management estimates of useful lives of the fixed assets, whichever is higher.

Intangible assets

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

- The date of release/sale of the respective motion picture as referred in paragraph (c) above;
- The tenure of the distribution agreement; and
- Matching principle of accounting.

Based on above, the amortization of Intellectual Property Rights is carried out on the following basis:

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

Trademarks expenditure incurred is not amortized since it will be utilized by the company for indefinite period.

f. Borrowing costs

Borrowing cost that is directly attributable to the acquisition or construction of a qualifying asset are considered as part of the cost of the asset. All other borrowing costs are treated as period cost and charged to the profit and loss account in the year in which it is incurred.

g. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account.

h. Investments

- i. Long-term investments are stated at cost. Provision for diminution, if any, in the value of investments is made not recognize a diminution other than temporary, if any.
- ii. Current investments are stated at cost. Provision for diminution, if any, in the value of investments is not recognized a diminution other than temporary, if any

i. Revenue recognition

- i. In house production of motion pictures
Revenue on assignment of distribution rights of motion pictures to third parties is recognized on the date of release/exhibition of the motion picture. Overflow from the distributors is accounted for as and when due or on receipt basis in case of uncertainty in collection. Revenue from outright sale of motion pictures is recognized on the date of agreement to sell the rights.
- ii. Distribution of motion pictures produced by third parties Revenue is recognized based on ticket sales on exhibition of the motion pictures at the exhibition centers.
- iii. Other rights
Revenue from other rights of motion pictures such as satellite rights, overseas rights, music rights, video rights, etc. is recognized on the date of execution of the agreement to assign these rights for exploitation or the release of the movie whichever is earlier.

j. Inventories

- i. Motion pictures under production- valued at cost
Recognized as Projects in progress under inventory till the date of release. The copyrights for future years inherent in the motion pictures are created out of the cost of production and recognized as intangible assets. (Refer Note 2 d. above)
- ii. Cost of motion pictures comprises the cost of materials, labour and other related expenses. Borrowing cost directly attributable to movies is capitalized as part of the cost of movies.

k. Accounting for taxes on income

- i. Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961.
- ii. Deferred tax on timing differences between taxable and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed depreciation are recognized only when there is a virtual certainty of their realization. Other items are recognized only when there is a reasonable certainty of their realization.

I. Retirement benefits

- i. Contributions payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and employee state insurance are charged to the profit and loss account.
- ii. Provision for gratuity is made on the basis of an actuarial valuation made at the end of each financial year.

m. Foreign currency transactions

- i. Foreign currency transactions are recorded at exchange rates prevailing on the date of respective transactions.
- ii. Current assets and current liabilities in foreign currencies existing at balance sheet date are translated at year-end rates.
- iii. Foreign currency translation differences related to acquisition of imported fixed assets, if any are adjusted in the carrying amount of the related fixed assets. All other foreign currency gains and losses are recognized in the profit and loss account
- iv. The below foreign exchange rates have been considered while consolidating Dubai subsidiary's financials.

Exchange Rates (1 AED = Rs):

Average Rate	:	13.146
Closing Rate	:	12.263
Historical Rate	:	12.769

n. Leases

- (i) Finance lease

Assets, if any acquired under finance lease are recognized as assets with corresponding liabilities in the balance sheet at the inception of the lease at amounts equal to lower of the fair value of the lease assets or at the present value of the minimum lease payments. These leased assets are depreciated in line with the Company's policy on depreciation of fixed assets. The interest is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(ii) Operating lease

Lease payments/receipts for operating leases, if any are recognized as expenses/income on a straight line basis over the lease term.

o. Provision and contingent liabilities

Provisions are recognized when the Company has present legal or constructive obligation, a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liabilities, if any, are disclosed by way of notes to the Balance Sheet.

p. Preliminary Expenses

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

3. Contingent liabilities not provided for in respect of:

(Amount in Rupees)

Particulars	March 31, 2010	March 31, 2009
Guarantees issued by bank		
- In respect of the Company	NIL	NIL
- In respect of a wholly owned subsidiary	16,039,756	16,039,756
Arrears of cumulative redeemable preference dividend	5,760,792	5,760,792
Claims against Company not acknowledged as debts and contested by the company.	112,285,745	545,830,000
Total	134,086,293	567,630,548

4. The Maharashtra Government had issued a notification on August 30, 2005, as per which entities leasing copyrights of cinematographic films are required to pay value added tax (VAT) @ 4% retrospectively wef May 1, 2000. Subsequently, upon the representation of 'The Cinematograph Exhibitor's Association of India' ('The Association'), the levy of the said tax was waived for the period May 1, 2000 to March 31, 2005. The revised notification extending similar relief up to the period commencing from April 1, 2005 is being pursued by the association. The

Company, in line with the view taken by the Industry, is of the opinion that VAT is not applicable to the activities carried by the Company and has also taken a legal opinion in this regard. The Company has also not received any demand notice from the VAT authorities. As a matter of prudence, the Company has made ad hoc payments of Rs 1,500,000 under protest, which is disclosed under 'Loans and Advances'. Having regard to the above facts, the Company does not expect any liability on this account.

5. a) The details of the suit filed against the company pending for disposal is as under:

S. No.	Name of the Parties	Suit No.	Particulars
1	Global Trade Finance Ltd.	2371SS / 2008	Against their outstanding Loan account Of Rs. 18,721,165/- under section 138 of the Negotiable Instrument Act.
2	Standard Chartered Bank	—	Against outstanding Bank Gaurantee given to Twenty Twenty Television Company Ltd. Of Rs. 16,039,756/- in DRT at Mumbai.
3	Eternal Dreams	2307/SS/07	Against their outstanding Loan account Of Rs. 5,840,000/- under section 138 of the Negotiable Instrument Act.
4	CCCA - Bhushawal	Not Applicable	Filed with the Association for the Exhibitor claim for Rs. 150,000/-.
5	Venkatesh Films Private Ltd.	Not Applicable	Filed with the Association for the EIMIPA – Kolkatta claim for Rs. 680,000/-.
6	Income Tax Authority	Appeal for Assessment Year 2006-07	Filed Appeal against the Demand Raised for Rs.4,18,94,580/-
7	Zee Entertainment	1462/88/10	Criminal Case Filed for Rs.4,50,00,000/-

b) The details of the suit filed by the company pending for disposal is as under:

S. No.	Name of the Parties	Suit No.	Particulars
1	Percept Picture Company	-	Legal Notice dated 29.04.2009 issued for recovery of Rs.8,000,000/-
2	Maharashtra Stage & Cultural Development	-	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, against the said Corporation for recovery of its claim of Rs.10,876,000 advance against the content of television serials which were not completed.
3	Lemon Channel	595 / 2009	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs.138,813,055
4	Mayank Shah		The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs.900,000/-
5	Eros Multimedia		Suit for Damages for Rs.960,000/-
6	Innovision E-Eommerce		Winding up Pettition Filed for Recovery of Rs.749,000/-

6.

Sr No	Name of the Company	Date of Incorporation	% of holding	Amount Invested	Advance to Subsidiaries	Previous Year
1.	K Sera Sera Productions FZ LLC	19.01.2006	100%	6,15,000	73,95,54,539	106,52,29,042
2.	K Sera Sera Technologies Pvt. Ltd.	04.06.2009	100%	29,99,99,980	2,18,92,013	NIL
3.	K Sera Sera Box Office Pvt. Ltd.	12.06.2009	100%	29,99,99,990	99,74,241	NIL
4.	K Sera Sera Miniplex Pvt. Ltd.	02.02.2010	100%	29,99,99,990	1,52,41,694	NIL

Based on the fundamentals of the subsidiary company business, the management is of the opinion that it is strategically desirable for K Sera Sera to continue to support the subsidiary through funding (including equity / debt infusion), through either fresh funds or conversion of existing loans into equity.

7. During the financial year 2007-08, the Company was subjected to a search under Section 132 of the Income Tax Act 1961. During the course of the search, Income tax authorities have taken custody of certain documents/ records and recorded statements of certain officials of the Company. Company Appeal against Demand notice under section 156 issued by the Income Tax Authorities hence tax liability, if any, that may arise, on this account, which is presently unascertainable, will be recognized upon conclusion of tax assessments.

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8. During the year the Company has allotted 2367 (Two Thousand Six Hundred Sixty Seven Only) Optionally Convertible Redeemable Bonds of the Face Value of Rs. 1,00,000 each (Rupees One Lakh Only) to 'M/s. **Global Trade Finance Limited**', for an aggregate sum of Rs. 23,67,00,000 (Rupees Twenty Three Crore Sixty Seven Lac Only) on 29th January, 2010 against their part settlement of the amount borrowed by the Company from the said Financial Institution.
9. Share application money, pending allotment of Rs.114,158,764 (previous year Rs. 114,158,764) represents money received against offer for allotment of redeemable cumulative non-convertible preference shares of Rs.10 each. These are redeemable at par on or before 5 years, at the option of the Company.
10. In Previous Financial Year Company has redeemed 38,40,524 (Thirty Eight Lacs Forty Thousand Five Hundred Twenty Four Only) 5% Redeemable Cumulative Non- Convertible Preference Shares of Rs.10/- each amounting to Rs. 3,84,05,240/- (Rupees Three Crores Eighty Four Lacs Five Thousand Two Hundred Forty Only) along with the right to accrued interest thereon. The said redemption is made as per the provisions of the Companies Act, 1956 and other provisions applicable, However the amount against the said redemption is due and payable till the conclusion of our audit and disclosed as creditors under the Current Liabilities in the Balance Sheet.
11. Balances in respect of certain sundry debtors, sundry creditors and loans and advances are taken as shown by the books of account and are subject to confirmation and consequent adjustments and reconciliation, if any.
12. As per Management opinion Current assets, loans and advances have a value on realization which in the ordinary course of the business would not be less than the amount at which they are stated in the balance sheet and the provisions for all known and determined liabilities are adequate and not in excess of the amount reasonably required.

13 Deferred tax liability / (asset)

(Amount in Rupees)

Particulars	As at April 1, 2009	Current year (charge) / credit	As at March 31, 2010
Difference between book base and tax base of fixed assets	2,38,06,480	(26,359,204)	(2,552,724)
Liabilities that are deducted for tax purposes when paid	(27,208)	(14,661)	(41,869)
Carried forward losses	(5,16,11,822)	13,018,546	(38,593,276)
Total	(2,78,32,550)	(1,34,98,758)	(41,187,869)

14 Earnings per share

(Amount in Rupees)

Particulars	March 31, 2010	March 31, 2009
Net profit / (loss) after tax for the year	745,198,453	552,437,286
Less: Preference dividend and tax thereon	-	-
Numerator used for calculating basic and diluted earnings per share	745,198,453	552,437,286
Equity shares outstanding as at the year end	205,955,819	67,131,625
Weighted average number of shares used as denominator for calculating basic earnings per share	130,615,877	67,131,625
Weighted average number of shares used as denominator for calculating diluted earnings per share	130,822,307	67,131,625
Nominal value per share (Rs.)	10	10
Earnings per share		
- Basic	5.71	8.23
- Diluted	5.70	8.23

15 Auditor's remuneration [including service tax]

(Amount in Rupees)

Particulars	March 31,2010	March 31,2009
Statutory audit	260,000	220,600
Limited review, other services and out-of-pocket expenses	100,000	110,300
	-	-
Total	360,000	330,900

16. Remuneration to directors

(Amount in Rupees)

Particulars	March 31,2010	March 31,2009
Salary and allowances	12,00,000	14,69,900
Total	12,00,000	14,69,900

Computation of net profit under section 349 of the Companies Act 1956 is not given as no commission is payable to the directors.

17. Earnings in foreign currency

(Amount in Rupees)

Particulars	March 31,2010	March 31,2009
Interest on Fixed Deposit	1,20,54,148	18,95,356
Total	1,20,54,148	18,95,356

18 Expenditure in foreign currency

(Amount in Rupees)

Particulars	March 31,2010	March 31,2009
Bank Charges	1,81,364	4,27,185
Luxemburg Stock Exchange Listing Fees	167,848	1,18,294
Total	3,49,212	5,45,479

19 Related Party Disclosures

Related parties are classified as:

I	Wholly Owned Subsidiaries:
	1. K Sera Sera Productions FZ LLC
	2.K Sera Sera Box Office Private Limited
	3. K Sera Sera Technologies Private Limited
	4.K Sera Sera Miniplex Private Limited
II	Key managerial personnel
	1. Mr. Sanjay B. Lai

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Summary of related parties transactions are as under:

(Amount in Rupees)

	Nature of transactions		Associates (Partnership firms)	Key managerial personnel	Total
1.	Income on assignment of distribution rights		- (-)	- (-)	- (-)
2.	Lease rent received		- (-)	- (-)	- (-)
3.	Investments made		- (-)	- (-)	- (-)
4.	Application money towards purchase of shares		- (-)	- (-)	- (-)
5.	Loans granted		- (-)	- (-)	- (-)
6.	Share of profit /(loss)		- 0	- (-)	- (-)
7.	Remuneration		- (-)	12,00,000 (14,69,900)	12,00,000 (14,69,900)
8.	Guarantees given		- (-)	- (-)	- (-)
9.	Capital Assets		- (-)	- (-)	- (-)
10.	House Rent Deposits		- (-)	- (-)	- (-)
11.	Professional Fees		- (-)	- (-)	- (-)
Balances as at March 31, 2010					
1.	Outstanding balances receivable		- (-)	- (-)	- (-)
2.	Outstanding balances payable		- (-)	- (-)	- (-)
3.	Investments made		- (-)	- (-)	- (-)
4.	Loans granted		- (-)	- (-)	- (-)
5.	Application money towards purchase of shares		- (-)	- (-)	- (-)
6.	Outstanding guarantees		- (-)	- (-)	- (-)

Of the above items, transactions in excess of 10% of the total related party transactions are as under:

Nature of transactions	Amount in rupees	Associates (Partnership firms)	Amount in rupees	Key management personnel	Amount in rupees
Loans granted	- (-)	- (-)	- (-)	- (-)	- (-)
Share of Profit/(Loss)	- (-)	- (-)	- (-)	- (-)	- (-)
Remuneration	- (-)	- (-)	- (-)	Sanjay Lai (-)	12,00,000 (12,00,000)
Outstanding balances receivable	- (-)	- (-)	- (-)	- (-)	- (-)

Outstanding guarantees	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Capital Assets	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
House Rent Deposits	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Professional fees	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

20 Leases

a. Finance Lease

During the year the company has not acquired any assets on hire purchase, the fair value of which is Rs. Nil (Previous year Rs. NIL). Further the company has surrendered the Assets to the Banks / Parties, accordingly the capital value and the corresponding liability has been reduced to Nil as disclosed under Schedules of Fixed assets / Secured Loans attached to the Balance Sheet. The details of installments payable in future are as follows:

b. Operating Lease

The Company's leasing arrangements are in respect of the office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under Administrative and Other expenses' in Schedule 'Q'.

	2009-10	2008-09
Not later than one year	-	4,015,759
Later than one year and not later than five years	-	6,922,504

21 Segment Information

(a) Primary Segment (by Business segments):

Based on similarity of activities / products, risk and reward structure, organization structure and internal reporting systems, the Company has structured its operations into the following segments

- i. In-house production and distribution of motion pictures
- ii. Distribution of motion pictures produced by third parties
- iii. Television content production
- iv. Film Exhibitions

Segment revenue and expenses include amounts, which can be directly identified to the segment and are allocable on a reasonable basis. Segment assets include all operating assets used by the segment and consist primarily of inventories, debtors and loans and advances. Segment liabilities include all operating liabilities and consist primarily of creditors, advances and deposits from customers.

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(b) Secondary Segment (by Geographic demarcation):

i. The secondary segment is based on geographical demarcation i.e. India and Outside India.

(Amount in Rupees)

Particulars	In house production and distribution of motion pictures	Distribution of motion pictures produced by third parties	Television content production	Film Exhibitions	Total
Revenue	302,500,000	2,014,357,057	968,000	6,801,190	2,324,626,247
	(213,758,522)	(1,676,872,728)	(-)		(1,890,631,250)
Segment Results	246,792,380	755,759,591	5,253	3,779,083	1,006,336,307
Profit/-Loss	(-339,596,557)	(794,034,770)	(-)		(454,438,213)
Unallocated corporate expenses net of unallocated income					290,999,944
					(177,547,039)
Operating Profit					715,336,363
Profit/-Loss					(631,985,252)
Interest Expenses					38,935,323
					(34,249,875)
Income Tax					-68,797,413
					(45,298,091)
Net Profit/ -Loss					745,198,453
					(552,437,286)
Other Information					
Segment Assets	565,474,449	2,140,764,430	16,308,045	17,781,110	2,740,328,034
	(651,340,877)	(1,911,635,590)	(-)		(2,562,976,467)
Unallocated Corporate Assets					2,643,750,836
					(863,291,724)
Total Assets	565,474,449	2,140,764,430	16,308,045	17,781,110	5,384,078,870
	(651,340,877)	(1,911,635,590)	(26,413,206)		(3,426,268,191)
Segment Liabilities	272,979,744	12,254,155	-871	7,986,763	293,219,791
	(365,099,997)	(23,117,848)	(-)		(388,217,845)
Unallocated Corporate Liabilities					179,895,818
					(380,760,243)
Total Liabilities	272,979,744	12,254,155	-871	7,986,763	473,115,609
	(365,099,997)	(23,117,848)	(-)		(768,978,088)
Capital expenditure					68,214,682
					(21,62,251)
Depreciation					5,706,107
					(5,403,338)
Non cash expenses other than depreciation					4,578,668
					(7,762,631)

Geographical Segment

Particulars	In house production and distribution of motion pictures	Distribution of motion pictures produced by third parties	Television content production	Film Exhibitions	Total
Revenue					
India	302,500,000	946,534	(-)		303,446,534
	(213,758,522)	(154,756,309)			(368,514,831)
Outside India		2,013,410,523	(-)		2,013,410,523
		(1,522,116,419)			(1,522,116,419)
Assets					
India					
Segment Assets	565,474,449	-993,831	16,308,045	17,781,110	598,569,773
	(651,340,877)	(2,494,023)	(-)		(653,834,900)
Unallocated Corporate Assets					2,288,550,836
					(863,291,724)
Outside India					
Segment Assets		2,141,758,261			2,141,758,261
		(1,909,141,567)			(1,909,141,567)
Unallocated Corporate Assets					355,200,000
					(-)

22. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. NIL (Previous year Rs. NIL).

23. Information with regard to other matters specified in Part II of schedule VI to the Companies Act, 1956 is either nil or not applicable to the Company for the year.

24. There are no amounts due for transfer to the Investors Education and Protection Fund as at March 31, 2010

25. The Company did not have any transactions with Small Scale Industrial ('SME's') Undertakings during the year ended March 31, 2010 and hence there are no amounts due to such undertakings. The identification of SME's undertakings is based on the management's knowledge of their status.

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

26. Figures in brackets represent those of the previous year.

27. Figures for the previous year have been regrouped / amended wherever necessary.

Signature to Schedules 'A' to 'S'

For and on behalf of the board of directors

For Agrawal Jain & Gupta
Chartered Accountants
Firm Registration No. 013538C

Sd/-
Sanjay Lai
Managing Director

Husain Shattaf
Director

Sd/-
CA Narayan Swami
Partner
M. No - 409759



K SERA SERA
The most diversified media company

K SERA SERA PRODUCTIONS LIMITED

Registered Office: Office No. 18, 4th Floor, Mohid Heights, Lokhandwala Road,
Andheri (West) Mumbai- 400053.

ATTENDANCE SLIP

Name & Address of the Shareholder _____

Number of Shares Held _____

I/We hereby record my/our presence at the 15th Annual General Meeting of the Company held at "Kailash Parbat, K-P Restaurants, 7A/ 8A, 'A' wing crystal Plaza, Link Road, Andheri (West), Mumbai -400053" on 30th December, 2010 at 9:30 a.m.

Signature of the Shareholder or Proxy

*Applicable for Investors holding shares in Electronic Form.

K SERA SERA PRODUCTIONS LIMITED

Registered Office: Office No. 18, 4th Floor, Mohid Heights, Lokhandwala Road,
Andheri (West) Mumbai- 400053.

PROXY FORM

DP ID CLINT ID No.* _____

Master Folio No. _____

I/We of
..... being a member/members of
M/s. K Sera Sera Productions Limited hereby appoint of
..... in the district of as
my/our proxy to vote for me/us and on my/our behalf at the 15th Annual General Meeting of the
Company held at "Kailash Parbhat, K-P Restaurants, 7A/ 8A, 'A' wing crystal Plaza, Link Road,
Andheri (West), Mumbai -400053" on 30th December, 2010 at 9:30 a.m. or at any adjournment
thereof.

Signed this day of 2010.

Affix
1 Rupee
Revenue
Stamp

Note:

1. The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the corporation not less than 48 hours before the schedule time of the aforesaid meeting. A Proxy need not be a Member.
2. Members holding shares under more than one folio may use photocopy of this proxy for other folios. The Company shall provide additional forms on request.



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Notes :



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Notes :



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