



KSS LIMITED

KSS LIMITED

**18TH ANNUAL REPORT
2012-2013**

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BOARD OF DIRECTORS

MR. SATISH PANCHARIYA
(Executive Chairman and Director)

BRIGADIER VINOD AHUJA
(Director)

MR. HUSSAIN SHATTAF
(Non – Executive Independent Director)

MR. DUSHYANT KUMAR
(Non – Executive Independent Director)

MR. RAKESH SHARMA
(Non – Executive Independent Director)

COMPANY SECRETARY

MR. SHAILESH BAPAT

AUDITORS

M/s. AGRAWAL JAIN AND GUPTA,
Chartered Accountants
Near Mamta Ice Factory,
Opp. Dharm Kanta
Ringus Road,
Chomu - 303702, Rajasthan.

BANKERS

ING Vysya Bank
ICICI Bank

**REGISTRAR & SHARE
TRANSFER AGENT**

BIGSHARE SERVICES PRIVATE LIMITED
E-2 & 3, Ansa Industrial Estate,
Saki-Vihar Road, Sakinaka.
Andheri (E), Mumbai - 400 072.

REGISTERED OFFICE

Office No. 18, 4th Floor,
Mohid Heights, Nr.Versova Telephone Exchange,
Off Lokhandwala Road, Andheri West,
Mumbai – 400053.

NOTICE

NOTICE IS HEREBY GIVEN THAT 18TH ANNUAL GENERAL MEETING OF THE Shareholders of KSS LIMITED will be held at "Kailash Parbat, K-P Restaurants, 7A/ 8A, 'A' wing Crystal Plaza, Link Road, Andheri (West), Mumbai -400053" on Monday, the 30th December,2013 at 9.00 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 2013 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. Satish Panchariya, who retires from office by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rakesh Sharma, who retires from office by rotation and being eligible, offers himself for re-appointment.
4. 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:

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

"RESOLVED THAT pursuant to applicable provisions of Companies Act,1956 and Companies (Acceptance of Deposit) Rules,1975 , the Board is hereby authorized to accept Public Deposit upto 25% of paid-up share capital and free reserves of the Company."

Place : Mumbai

Date: 6th December, 2013

Registered Office:

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

By Order of the Board of Directors

Sd /-

Shailesh Bapat
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 5 OF THE NOTICE

The Chairman informed the members that the Company has huge expansion plans and wants to grow its business potentially. In view of the same, it has been decided to raise funds through public deposit upto 25 percent of paid-up share capital and free reserves of the Company.

Keeping in view of the same, the said resolution is proposed for the Member's approval.

None of the directors are concerned or interested in the proposed resolution.

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.**

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.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd December, 2013 to 30th December, 2013 (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
 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.
 8. The Ministry of Corporate Affairs (vide circulars nos 17/2011 and 18/2011 dated April, 2011 and April 29,2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail addresses for receiving electronic communications.

Place: Mumbai

Date: 6th December, 2013

KSS LIMITED

Information pursuant to Clause 49 (IV) (G) (i) of the Listing Agreement:-

Brief resume and other details in respect of the Directors seeking appointment /reappointment at the Annual General Meeting fixed for

Names of Directors	Mr. Satish Panchariya	Mr. Rakesh Roopram Sharma
Date of Birth	27.07.1970	16.03.1968
Date of Appointment	20.09.2012	20.09.2012
Expertise in functional area	Digital cinema & Fincial Market	Legal Matters
List of outside directorship held, excluding Alternate Directorship, Private Companies, and Foreign Companies	Alka India Limited	NIL
Chairman/member of the Committee of the Board of Directors of the Company	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	Audit Committee Alka India Limited	NIL
No. of Shares held in the Company	NIL	NIL

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2013.

1. Financial Highlights**(Rs. In Lacs)**

Particulars	Standalone		Consolidated	
	2012-2013	2011-12	2012-13	2011-12
Revenue from operations & other operating income	3.15	356.25	11,018.08	11,122.35
Profit/(Loss) Before Taxation & Exceptional Items	(195.59)	(777.46)	236.00	92.73
Add: Exceptional items	-	(729.74)	-	(729.74)
Profit/(Loss) before tax	(195.59)	(1507.20)	236.00	(637.01)
Less: Tax expenses	(286.38)	(284.70)	(366.82)	(278.68)
Profit/(Loss) after Taxation	90.79	(1791.90)	602.82	(915.68)
Balance Brought forward from the previous year	(2294.48)	(502.58)	22,167.08	23,083.77
Balance carried forward to next year	(2203.69)	(2294.48)	27,398.58	22,167.08

2. Company performance

During the financial year ended 31st March 2013, the total revenue on a consolidated basis was Rs.11, 018.08 Lacs. The Company has incurred post tax Profit of Rs.602.82 Lacs for financial year 2012-13 as against Loss of Rs.915.68 Lacs in the previous year.

On standalone basis total revenue stood at Rs.3.15 Lacs. The post tax profit for the financial year 2012-13 was Rs.90.79 Lacs viz-a-viz loss of Rs.1791.90 Lacs in the previous year.

3. Dividend

The Board of Directors do not recommended dividend for the year ended 31st March, 2013.

4. Subsidiaries

The Company has following subsidiaries

K Sera Sera Digital Cinema Private Limited - India
 K Sera Sera Box Office Private Limited-India
 K Sera Sera Miniplex Private Limited- India
 K Sera Sera Productions FZE- UAE
 K Bazaar Online Trading Private Limited-India

The Company has following step-down subsidiaries

K Kampus Education Private Limited - India
 K Sera Sera Consultancy Private Limited - India
 K Sera Sera Holdings Pty Limited - Australia
 KSS Capital Limited - Bermuda

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

5. Presentation of Financial Statements

The Ministry of Corporate Affairs (MCA) vide notification dated 28 February 2011 amended the existing Schedule VI to the Companies Act, 1956. The revised Schedule VI is applicable from financial year commencing from 1 April 2011. The financial statements of your Company for the year ended 31 March 2013 have been prepared in accordance with the revised Schedule VI and accordingly, the previous year's figures have been reclassified/ regrouped to conform to this year's classification.

6. Consolidated Accounts

The Ministry of Corporate Affairs (MCA) by General Circular No.2/2011 dated 8 February 2011 had granted an exemption to companies from complying with Section 212 of the Companies Act, 1956, provided such companies fulfill conditions mentioned in the said circular. Accordingly, the Board of Directors of your Company at its meeting held on 30th May 2013 approved the audited consolidated financial statements for the financial year 2012-13 in accordance with the Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India as well as Clause 32 of the Listing Agreement, which include financial information of all its subsidiaries, and forms part of this report. The Consolidated Financial Statements of your Company for the financial year 2012-13, have been prepared in compliance with applicable Accounting Standards.

The annual accounts and financial statements of the subsidiary companies of your Company and related detailed information shall be made available to members on request and are open for inspection at the Corporate Office of your Company during business hours on working days up to the date of Annual General Meeting. Your Company has complied with all the conditions as stated in the circular and accordingly has not attached the financial statements of its subsidiary companies for the financial year 2012-13. A statement of summarized financials of all subsidiaries of your Company pursuant to the circular issued by the Ministry of Corporate Affairs, forms part of this report.

7. Corporate Governance & Management Discussion and Analysis Report :

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, 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.

8. Directors :

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Satish Panchariya and Mr. Rakesh Sharma retire by rotation, and being eligible offers themselves 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.

9. 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, 2013 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.

10.. Public Deposits:

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

11. Insurance:

The Company's property, equipments and stocks are adequately insured against major risks after taking into account all the relevant factors.

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, information required to be provided under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, in relation to Conservation of Energy and Technology Absorption are currently not applicable to the Company.

14. Foreign Exchange Earnings and Outgo:

	(Rs. In Lacs)
Foreign Exchange Earnings :	NIL
Foreign Exchange Outgo :	NIL

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. Appreciation and 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

Director

Director

**Place: Mumbai
Date : 30-5-2013**

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 2013	not dealt with in the accounts of the Company for the year ended 31 st March 2013	dealt with in the accounts of the Company for the year ended 31 st March 2012	not dealt with in the accounts of the Company for the year ended 31 st March 2012
1.	K Sera Sera Productions FZE - UAE	31.03.2013	100%	Nil	Nil	Nil	Nil
2	K Sera Sera Digital Cinema Private Limited	31.03.2013	100%	Nil	Nil	Nil	Nil
3	K Sera Sera Box Office Private Limited	31.03.2013	100%	Nil	Nil	Nil	Nil
4	K Sera Sera Miniplex Private Limited	31.03.2013	100%	Nil	Nil	Nil	Nil
5	K Baazar Online Trading Private Limited	31.03.2013	100%	Nil	Nil	Nil	Nil

KSS LIMITED**FINANCIAL INFORMATION OF SUBSIDIARIES PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT 1956
FOR THE YEAR ENDED 31.03.2013****(Amount in Lacs)**

Particulars	Indian				Foreign
	K Sera Sera Digital Cinema Private Limited	K Sera Sera Miniplex Private Limited	K Sera Sera Box Office Private Limited	K Baazar Online Trading Private Limited	K Sera Sera Productions FZE -UAE
		Consolidated			Consolidated
Capital	3000.00	3000.00	3000.00	1.00	4994.63
Reserves	(386.42)	(353.37)	(319.72)	(6.69)	30894.78
Total Asset	1749.08	1184.21	315.11	0.14	36412.29
Total Liabilities	586.50	1533.47	346.32	5.83	191.03
Details of Investment	1451.00	2997.89	2711.50	-	8064.00
Turnover	895.85	285.31	282.09	-	9623.18
Profit Before Taxations(PBT)	(135.60)	(336.77)	(99.33)	(0.19)	1003.47
Provision for Taxation	(81.00)	(0.57)	-	-	-
Profit After Taxation (PAT)	(54.61)	(336.47)	(99.33)	(0.19)	1003.47

CORPORATE GOVERNANCE REPORT

Introduction Colleague

Corporate governance is about commitment to values and ethical business conduct. It is a set of laws, regulations, processes and customs affecting the way a company is directed, administered, controlled or managed. Effective corporate governance practices constitute the strong foundations on which commercial enterprises are built to last. These practices are categorized through a framework enforced by regulation. It develops through adoption of ethical practices in all of its dealings with a wide group of stakeholders encompassing regulators, employees, shareholders, customers and vendors. This includes its corporate and other structures, culture, policies and the manner in which it deals with various stakeholders. Some of the important best practices of corporate governance framework are timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company. It has become an integral part of the business aligning the organizations to the best practices of good governance.

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.

KSS'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 5 (Five) Directors amongst which there are 4 (Four) Independent Directors, which is more than half 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 members of our Board are from diverse background with skills and experience in critical areas like governance, finance, entrepreneurship and general management.

KSS LIMITED

The Composition of Board of Directors, Attendance at Board Meetings and Other Directorships, if any :

Name of the Director	Category	No. of board meeting attended	Attendance at the last AGM	No. of Directorship in other Companies	No. of outside Committee positions held		No. of Equity Shares held As on 31.03.13
					Chairman	Board	
Mr. Satish Panchariya	Executive Chairman	6	Not attended	1	1	Nil	Nil
Brigadier Vinod Ahuja	Non-Executive	17	Attended	6	Nil	Nil	Nil
Mr. Hussain Shattaf	Non Executive Independent Director	17	Attended	6	Nil	Nil	Nil
Mr. Dushyant Kumar	Non Executive Independent Director	14	Attended	Nil	Nil	Nil	Nil
Mr. Rakesh Sharma	Non Executive Independent Director	6	Attended	Nil	Nil	Nil	Nil
Dr. Rajeev Benara	Non Executive Independent Director	14	Not Attended	Nil	Nil	Nil	Nil

* Ceased to be Director w.e.f 05th December, 2012.

(b) No. of Board meetings & date of holding the meeting:

(i)03.04.2012, (ii)19.04.2012, (iii)18.05.2012, (iv)28.05.2012, (v)14.07.2012, (vi) 21.07.2012, (vii)14.08.2012, (viii) 28.08.2012, (ix)06.09.2012, (x)12.09.2012, (xi)20.09.2012, (xii) 18.10.2012, (xiii)22.10.2012, (xiv)10.11.2012, (xv)05.12.2013, (xvi) 14.02.2013, (xvii) 07.03.2013

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.

(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.

I. Audit Committee

(a) Broad Terms of Reference

The Company had constituted an Audit Committee in the year 2003. 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.
 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. To carry 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, out of which two (2) are , 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. Mr. Shailesh Bapat, 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 (Prior to Reconstitution)*

Constituted Audit Committee.

Name of Member	Position	Category
Dr. Rajeev Benara	Chairman	Non Executive Independent
Dr. Dushyant Kumar	Member	Non Executive Independent
Brigadier Vinod Ahuja	Member	Executive

Reconstituted Audit Committee (After Reconstitution):*

Name of Member	Position	Category
Mr. Dushyant Kumar	Chairman	Non Executive Independent
Mr. Rakesh Sharma	Member	Non Executive Independent
Brigadier Vinod Ahuja	Member	Executive

Due to sad demise of Dr. Rajeev Benara, the Audit Committee was reconstituted on 05.12.2012

(a) Meetings & Attendance

During the Financial year ended 31st March 2013, 5 (Five) Audit Committee meetings were held on 28.05.2012, 14.08.12, 10.11.2012, 05.12.2012, 14.02.2013.

The attendance of Audit Committee meeting is as under:

Names of Members	No. of meetings attended
Mr. Rajeev Benara	3
Mr. Dushyant Kumar	5
Brigadier Vinod Ahuja	5
Mr. Rakesh Sharma	1

KSS LIMITED

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 for 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.

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.

Details of Remuneration to all the Directors (for FY 2012-13)

The remuneration package to Executive Director Brigadier Vinod Ahuja comprises of salary components.

Name of Director	Remuneration during financial year 2012-13			
	All elements of remuneration package i.e. salary, benefits, bonuses, pension etc.	Fixed components & performance linked incentives, along with performance criteria	Service contract, notice period, severance fee	Stock options details if any
Brigadier Vinod Ahuja 01 st April 2012 to 30 th September, 2012	Rs.12,00,000/-	–	–	–
Brigadier Vinod Ahuja 01 st October, 2012 to 31 st March, 2013	Rs. 24,00,000/-	–	–	–

IV. Shareholders / Investors Grievance Committee:

The Company had constituted transfer cum shareholders grievance committee in 2002. 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:

Constituted Shareholders/ Investors Grievance Committee are as follows (Prior to Reconstitution)*

Name of Member	Position	Category
Mr. Rajeev Benara	Chairman	Non Executive Independent
Mr. Hussain Shattaf	Member	Non Executive Independent
Brigadier Vinod Ahuja	Member	Executive Director

Reconstituted Shareholder's/Investor's Grievance Committee (after Reconstitution)*

Name of Member	Position	Category
Mr. Hussain Shattaf	Chairman	Non Executive Independent
Mr. Rakesh Sharma	Member	Non Executive Independent
Brigadier Vinod Ahuja	Member	Executive Director

*Due to sad demise of Dr. Rajeev Benara, the Shareholder's/Investor's Grievance Committee was reconstituted on 05.12.2012

(a) Meetings and Attendance

During the Financial year ended 31st March 2013, Investor Grievance committee meetings were held on the following (i) 30.04.2012, (ii) 25.07.2012, (iii) 26.10.2012, (iv) 05.12.2013 (iv) 30.01.2013. Details of attendance by Directors for the Committee meeting are as follows:

KSS LIMITED

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

Names of Members	No. of meetings attended
Mr. Rajeev Benara	3
Mr. Hussain Shattaf	5
Brigadier Vinod Ahuja	5
Mr. Rakesh Sharma	1

Details of Shareholders Complaints :

There were only 2 (Two) shareholders complaints received and replied to the satisfaction of the shareholders during the year ended 31st March 2013, thus there were no outstanding complaints as on 31st March 2013. 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	MR. SHAILESH BAPAT
Contact Details	Office No.18, 4 th Floor, Mohid Heights, Off Lokhandwala Road, Andheri (West) Mumbai – 400053.
Email Id	shailesh.bapat@kserasera.com

V. General Body Meetings:

a. Location and Time when last Three (3) Annual General Meetings were held:

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

Financial Year	Day	Date	Time	Venue
2011-12	Saturday	29.12.2012	9.00 A.M	Kailash Parbat, K-P Restaurant, 7A/8A, 'A' Wing, Crystal Plaza, Link Road, Andheri (West), Mumbai – 400053.
2010-11	Friday	30.09.2011	9.00 A.M	Kailash Parbat, K-P Restaurant, 7A/8A, 'A' Wing, Crystal Plaza, Link Road, Andheri (West), Mumbai – 400053.
2009-10	Thursday	30.12.2010	9.30 A.M	Kailash Parbat, K-P Restaurant, 7A/8A, 'A' Wing, Crystal Plaza, Link Road, Andheri (West), Mumbai – 400053.

b. Extra Ordinary General Meetings held during the year:

No Extra Ordinary General Meetings has been held during the year 2012-2013.

c. Special Resolutions passed at last Three (3) Annual General Meetings:

Annual General Meeting Held On	Special Resolution Passed For
30.12.2010	1. Further Issue of Securities through Qualified Institutional Placement(QIP) 2. Further issue of Securities through GDR's/ADR's/FCCB's. 3. Preferential Issue of Bonds to Global Trade Finance Limited. 4. Alteration of Object Clause of Memorandum of Association. 5. Change in the Name of the Company
30.09.2011	No Special Resolution was passed in the Annual General Meeting.
29.12.2012	1. Appointment of Brigadier Vinod Ahuja as Managing Director. 2. Change of name of Company from 'K Sera Sera Limited to KSS Limited.

d. Passing of resolution by postal ballot:

No Postal Ballot was conducted during the year.

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.XX in Schedule ZZZ in the annual accounts.

b. Details of non compliance by the Company, penalties, and restrictions 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. However SEBI vide its an ad interim ex-parte order dated 21st September, 2011 pending investigation directed under sections 11(1), 11(4) and 11 b of the SEBI Act, 1992 in the matter of market manipulation using GDR issues directed o the company not to issue equity shares or any other instrument convertible into

shares or alter their capital structure in any manner till further direction in this regard and SEBI has confirmed this ad interim ex-party order on 30th December, 2011.

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 Code of Conduct:

The company has adopted a code of conduct for all Board Members, Senior Management and Employees of the company. The code of conduct has already been posted on the website of the company for general viewing. All Board Members and Senior Management Personnel have affirmed compliance with the code on annual basis The Annual Report contains a declaration to this effect signed by the CEO/Managing Director.

VIII 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. Mr. Shailesh Bapat, Company Secretary, has been appointed as the Compliance Officer for monitoring adherence to the Code and Regulations.

IX CEO/CFO Certification:

The Company has received certification from CEO/CFO for the financial year 2012-13.

X Means of Communication:

- (i) The Board of Directors of the Company approves and takes on record quarterly, yearly & financial results in the prescribed format by Clause 41 of the Listing Agreement. The Company has always promptly reported to Bombay Stock Exchange Limited and National Stock Exchange Limited declaration of quarterly and yearly financial results within the stipulated time prescribed as per Clause 41 of Listing Agreement.
- (ii) The approved Financial results are forthwith sent to the Stock exchanges and are published in one English daily newspaper (Financial Express and Afternoon) and one Regional language daily newspaper (Navshakti and Mumbai Lakshadeep).
- (iii) The Company’s Financial Results, Annual Reports, and official news releases are displayed on the Company’s website www.kserasera.com
- (iv) The Company has formed grievanceredressal@kserasera.com exclusively for the purpose of redressal of investor’s complaints.
- (v) Management Discussion and Analysis (MDA) forms part of the Annual Report, which is posted to the shareholders of the Company.

XI General Shareholder Information:

- a. Annual General Meeting - Date & Time : 30th December,2013 at 9.00 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 30,2013	On 14 th August, 2013
Financial Reporting for the quarter ending September 30 ,2013	On or before 14 th November 2013
Financial Reporting for the quarter ending December 31,2013.	On or before 14 th February, 2014
Financial Reporting for the quarter ending March 31, 2014	On or before 30 th May, 2014

KSS LIMITED

c. Date of Book Closure:

From 23rd December, 2013 to 30th December, 2013.
(Both days Inclusive)

d. Dividend payment :

No dividend is recommended by the Board on Equity Shares of the Company.

e. Listing on Stock Exchanges:

Equity Shares	Global Depository Receipts (GDRs)
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 Limited "Exchange Plaza", Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.	

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

f. Stock Code :

Stock Code	Script code
Bombay Stock Exchange	532081
National Stock Exchange	KSERA

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

GDR: US48269E2037 CUSIP No: 48269T101

g. Market Price Data :

Month	Bombay Stock Exchange		National Stock Exchange	
	High (In Rs.)	Low (In Rs.)	High (In Rs.)	Low (In Rs.)
April 2012	4.02	2.98	3.90	2.95
May 2012	3.54	2.51	3.55	2.45
June 2012	3.05	2.56	3.15	2.55
July 2012	3.58	2.65	3.50	2.60
August 2012	4.00	2.51	4.15	2.65
September 2012	3.00	2.50	3.00	2.50
October 2012	4.37	2.63	4.25	2.60
November 2012	8.47	4.58	8.30	4.45
December 2012	12.50	7.22	12.50	7.25
January 2013	14.78	10.93	14.70	10.85
February 2013	12.25	9.56	12.25	9.95
March 2013	11.00	7.15	11.00	7.35

h. 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 Private Limited

E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri (E), Mumbai - 400 072.

Tel: 91-22-2847 0652 |91-22- 40430200|

91-22-2847 0653 **Fax:** 91-22-2847 5207

E-mail : investor@bigshareonline.com

Website: www.bigshareonline.com

i. 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.

j. Distribution of Shareholding as on 31st March, 2013 :

No of Equity Shares held	No. of Share Holders	% of Share holders	No. of Shares held	% of Share holding
1-500	19,931	67.18	43,62,477	2.10
501-1000	4,577	15.43	40,47,747	1.95
1001-2000	2,326	7.84	38,27,471	1.84
2001-3000	867	2.92	22,92,242	1.10
3001-4000	380	1.28	13,86,255	0.67
4001-5000	430	1.45	20,84,316	1.00
5001-10000	576	1.94	44,11,494	2.12
10001-above	582	1.96	18,55,26,632	89.22
GRAND TOTAL	29,669	100.00	20,79,38,634	100.00

k. 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.

l. Outstanding GDRs/Warrants/Convertible Instruments:

32,39,738 GDR's are outstanding as on 31st March, 2013. Each GDR represents 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, 2010 to 29th July, 2011) at the option of bond holder. However, the Bonds are not yet converted.

m. Plant Locations:

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

n. Categories of Shareholders as on 31st March, 2013:

Sr. No	Category	No. of Shares Held	% of Share Capital
A	Shareholding of Promoter and Promoter Group		
1.	Indian	0.00	0.00
2	Foreign	0.00	0.00
3	Persons acting in concert	0.00	0.00
	Sub-Total	0.00	0.00
B	Non Promoters Holdings		
4	Institutional Investors		
a.	Mutual Funds and UTI	0.00	0.00
b.	Banks, Financial Institutions	54	0.004
c.	FII's	3,38,29,268	16.27
	Sub- Total	3,38,29,322	16.27
5.	Others		
a.	Bodies Corporate	2,23,72,601	10.76
b.	Indian Public	5,38,31,264	25.89
c.	NRIs/OCBs	4,26,732	0.21
d.	Trusts	0.00	0.00
e.	Clearing Members	2,86,575	0.14

C.	Sub Total	7,69,17,172	36.99
	Shares held by Custodians and against which Depository Receipts have been issued	9,71,92,140	46.74
	GRAND TOTAL	20,79,38,634	100.00

o. Nomination:

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.

p. 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.

q. Go-Green Initiative:

The Ministry of Corporate Affairs, New Delhi ("MCA") has undertaken a "Green Initiative" in field of Corporate Governance by permitting compliances (vide its Circular No. 17/2011 dated April 21,2011 and Circular No. 18/2011. Further the Ministry has also clarified that the service of documents by a Company can be made through electronic mode instead of sending the physical copy of the document(s). In pursuance of the same, we request you to kindly register your email address with our Registrar & Transfer Agents - Bigshare Services Private Limited which can be updated with the Depository Participant (DP) specifying Client Id and DP Id of the shareholder, for receiving soft copies of the Annual Report instead of printed copy.

r. Address for Correspondence :

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

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, 2013.

Place : Mumbai
Date : 30th May, 2013

Managing Director

CEO/CFO Certification

To the Board of Directors
K Sera Sera Limited

- | | |
|---|---|
| <p>(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:</p> <p>(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;</p> <p>(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.</p> <p>(b) To the best of our knowledge and belief, no transactions entered into by the company during the years which are fraudulent, illegal or violative of the company's code of conduct.</p> <p>(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</p> | <p>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.</p> <p>(d) We have indicated to the auditors and the Audit committee</p> <p>(i) Significant changes in internal control over financial reporting during the year;</p> <p>(ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and</p> <p>(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.</p> |
|---|---|

Place : Mumbai
Date : 30th May, 2013

CEO

Chief Financial Officer

PRACTISING COMPANY SECRETARIES REPORT ON CORPORATE GOVERNANCE

To the Board of Directors
KSS Limited

We have examined the compliance of conditions of Corporate Governance by KSS Limited, for the year ended March 31, 2013, 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.

Place : Mumbai
Date : 30th May, 2013

Ms. Palak Desai
Practising Company Secretary
C.P No. 7426

MANAGEMENT DISCUSSION AND ANALYSIS

1. Outlook of Indian Media & Entertainment Industry

★ Year that was:

After several years of muted growth, 2012 was an exciting year for the Indian film industry with the audience returning to the theaters. India's domestic theatrical revenues grew by 23.8 percent Y-o-Y, contributing 76 percent to the INR 112.4 billion film industry. Digital distribution played a significant role in increasing the reach of the industry. The industry has begun penetrating tier II and III markets and entertaining the un-served population which sits near the bottom of the pyramid. All this has been made possible by leveraging technology which allows for a movie watching experience at an affordable cost and in a secure environment.

Indian cinema has continued to enchant the Indian audience for almost a century now and it is expected to continue on its growth trajectory and be worth INR 193.3 billion by 2017. Domestic theatricals will continue to be the major growth

driver for the industry while ancillary revenue streams will also grow rapidly albeit off a smaller base.

★ Way Forward:

The Indian M&E industry grew from INR 728 billion in 2011 to INR 821 billion in 2012, registering an overall growth of 12.6 percent. Recent policy measures taken by the government can pave the way for gradual recovery for the Indian economy. With some improvement also likely in the global economy in 2013, the prognosis for the Indian economy looks somewhat better and real GDP growth is expected to be in the range of 6.1 to 6.7 percent in 2013- 14. Given the impetus introduced by digitization, continued growth of regional media, upcoming elections, strength in the film sector and fast increasing new media businesses, the industry is estimated to achieve a growth rate of 11.8 percent in 2013 to touch INR 917 billion. The sector is projected to grow at a healthy CAGR of 15.2 percent to reach INR 1661 billion by 2017.

★ Size of the Indian Film Industry:

Film Industry(INR Billion)	2012	2013P	2014P	2015P	2016P	2017P	CAGR (2012-2017)
Domestic Theatrical	85.1	92.4	104.7	115.3	127.6	142.2	10.8%
Overseas Theatrical	7.6	8.3	9.0	9.8	10.8	11.9	9.4%
Home Video	1.7	1.4	1.2	1.1	1.0	0.9	-12.0%
Cable & Satellite Rights	12.6	14.1	16.2	19.1	22.8	27.3	16.8%
Ancillary Revenue Streams	5.4	6.2	7.2	8.3	9.6	11.1	15.5%
Total	112.4	122.4	138.3	153.6	171.7	193.3	11.5%

Source: FICCI-KPMG REPORT, 2013 on India Media and Entertainment

2. Company Overview

Your Company is a hugely successful visionary group in media and entertainment which has produced 20 films and distributed over 120 films. Your Company has catapulted into an all encompassing global conglomerate, which has effectively diversified into other productive industry sectors.

Your company has diversified in the following activity via its subsidiaries :

- State of Art Theatres – “K SERA SERA MINIPLEX PVT. LTD.”
- e-Education – “K KAMPUS EDUCATION PVT. LTD.”
- Digital Cinema “K SERA SERA DIGITAL CINEMA PVT. LTD.”
- Film Production and Distribution - “K SERA SERA BOX OFFICE PVT. LTD.”
- Gold Mining – “K SERA SERA HOLDINGS PTY LTD.”

3. Financial Overview

Revenue of the group stood at Rs.11,018.08 Lacs and profit after tax and exceptional item stood at Rs.602.82 Lacs.

4. 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/ distribution 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 :**EXHIBITION- Miniplex:**

K Sera Sera via Miniplex business focuses mainly on Tier I, Tier II and Tier III cities which are reasonably well populated; absence of multiplex is pronounced; Market Dynamics in Favour of "SMALL IS BEAUTIFUL".

With the dual objective of Entertainment and Education the Miniplexes should have a positive impact on the profitability of the group.

EXHIBITION-DIGITAL CINEMA:

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 3500 digital cinemas screen out of 15000 screens in the country.

With its state of art technology our "Skycinex" should provide greater returns in the future.

Threats:

Market competition, regulatory approvals and fast technological advancement remain a major threat.

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.

5. Risk Management:

Some of the key strategic risks the Company faces, their impact and corresponding risk mitigation actions undertaken by the Company are discussed in the table:

KEY RISKS	IMPACT ON THE COMPANY	MITIGATION
Technology	Inability to cope with swift technological developments can impact business	The company has expertise technical support staff who update the management regarding new technological developments
Liquidity	Non-availability of timely funds may effect our ability to operate and also delay our implementation plans for growth and expansion.	The Company has good Financial support of Banks and Financial Institutions helps the company to reduce its risks.
Regulatory	Unprecedented changes in government policies may impact business operations	The company is suitably positioned to counter risks, posed by change in government policies.
Delay, cost overruns, cancellation and abandonment or completion of films.	Such risks can significantly impact completion and release of films.	Enhanced industry corporatization enables the company to mitigate this risk. This is carried out by entering into specific agreements, fixing the responsibilities of the co-producers, better planning and execution.

6. Internal Control System and 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.

7. 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. The Directors recognize that continued and sustained improvement in the performance of the Company depends on its ability to attract, motivate and retain employees of the highest calibre. We are committed to the principle of equal employment opportunities..Further we endeavor to create an environment where employee can use their capabilities in support of the business.

8. 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.

INDEPENDENT AUDITORS' REPORT

The Members of **KSS LIMITED**

Report on the Financial Statements

1. We have audited the accompanying financial statements of KSS LIMITED (Formerly known as K Sera Sera Limited) which comprise the Balance Sheet as at March 31, 2013 and statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud and error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of

accounting policies and the reasonableness of accounting estimates made by management, as well as evaluating the overall financial statement.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flow for the year ended on that date;

Report on other Legal and Regulatory Requirements

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

8. Required by section 227(3) of the act, we report that :

- (i) 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;
- (ii) 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 these books.
- (iii) The Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and cash flow statements comply with the accounting standards referred to in

KSS LIMITED

sub-section (3C) of Section 211 of the Companies Act, 1956;

- (v) On the basis of written representation received from the Directors as on March 31, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013 from being appointed as a Director in terms of Section 274 (1)(g) of the Companies Act 1956.

For **Agrawal Jain & Gupta.**

Chartered Accountants

Firm Registration No.:013538C

CA Narayan Swami

Partner

M. No – 409759

Mumbai, 30th May 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Of the even date of member of KSS Limited on the financial statement for the year ended 31st march 2013

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit,

We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (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) In our opinion, a substantial part of fixed assets has not been disposed off during the year,
- (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) (a) The company has granted interest free advances to five parties covered the register maintained under section 301 of the Companies Act 1956 the Maximum amount outstanding during the year is 1214.15 lacs and the year ended balance 970.36 lacs.
- (b) In our opinion, the terms and conditions of such interest free advances are not, prima facie, prejudicial to the interest of the Company.
- (c) The above interest free advances would be adjusted on the purchase of film rights or on completion of films as applicable, and in accordance with the terms and conditions stipulated in the agreement. Advance given by the company to wholly owned subsidiaries companies.
- (d) The above interest free advances given by the Company would be adjusted, on the purchase of film rights completion of films, as applicable, and therefore there are no amounts overdue in respect of advances as at the year end. Accordingly, the provisions of clause 4(iii)(d) of the Order are not applicable.
- (e) The Company has taken interest free advances from two parties covered under the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is 735.68 lacs and the year-end balance is 283.60 lacs.
- (f) In our opinion, the terms and conditions of interest free advances taken by the Company are not, prima facie, prejudicial to the interest of the Company.
- (g) Interest free advances would be adjusted against in accordance with the terms and conditions stipulated in the agreement. Advance taken by the company to wholly owned subsidiaries companies.
- (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) (a) In our opinion the particulars of all contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 so entered Owing to the unique and specialized nature of the items involved and in the absence of any comparable prices, we are unable to comment as to whether the transactions made in pursuance of such contracts or arrangements have been made at the prevailing market prices at the relevant time.

(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 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.

(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) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows.

Name of the statute relates	Nature of the dues	Amount	Period to which the amount	Due Date	Date of Payment
Finance Act, 1994 Service Tax	Service Tax	57.49 *Lacs	2007 to March 2013	31.12.2013	

* Statutory liabilities of Service tax company has applied for Voluntary Compliance Encouragement Scheme, 2013 as per Notification No: 10/2013-Service tax- Tax due Declare Rs 57,49,701/-Minimum amount to be paid 31st December 2013 Rs 28,74,851/-, Remaining Before 30th June 2014 Rs 28,74,850/-

(b) The dues outstanding in respect of sales-tax, income-tax, custom duty, wealth-tax, excise duty, cess on account of any dispute are as follows.

Name of the statute	Nature of the dues	Amount	Period to which the amount relates
Maharashtra Value Added Tax Act, 2002 Value Added Tax (Gross)	Value Added Tax (Gross)	* Amount of liabilities is still not certain by the Authority certain	F.Y. 2005-06 to 2012-13
Income Tax Act, 1961 Income tax	Income Tax	**336.14 lakhs	A.Y. 2003-04 to 2009-10
CBEC - details regarding matter pending before CIU	Custom duty	Amount of liabilities is still not certain by the Authority	2009-10

* In line with film industry consensus, the Company is of the opinion that there are no grounds for levying VAT on film distribution activity and hence no provision is made in the books of accounts for these years. The same is disclosed as contingent liability under Notes to Accounts.

** Company appeal against the said orders of income tax in higher authority.

(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 Notes.
- (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, 30th May 2013

KSS LIMITED
(formerly known as K Sera Sera Limited)
BALANCE SHEET AS AT 31ST MARCH 2013

(Amount in Lacs)

Particulars	Note No.	31 March 2013	31 March 2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3.1	20,793.86	20,793.86
(b) Reserves and Surplus	3.2	7,738.53	7,647.74
(2) Share Application money pending allotment		1,141.59	1,141.59
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3.3	2,417.46	2,417.46
(b) Other Long term Liabilities	3.4	571.09	580.14
(c) Long Term Provisions	3.5	382.09	382.09
(d) Deferred Tax Liabilities (Net)	3.6	-	70.12
(4) Current Liabilities			
(a) Short-Term Borrowings	3.7	283.60	735.68
(b) Trade Payables	3.8	117.42	111.73
(c) Other Current Liabilities	3.9	51.56	22.42
(d) Short-Term Provisions	3.10	475.58	452.399
Total Equity & Liabilities		33,972.78	34,355.22
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	3.11(a)	2,126.73	2,316.2
(ii) Intangible Assets	3.11(b)	743.41	743.41
(b) Non-current investments	3.12	16,166.87	16,166.87
(c) Deferred tax assets (net)	3.6	216.26	-
(d) Long term loans and advances	3.13	7,326.08	6,919.59
(2) Current Assets			
(a) Current investments	3.14	2,640.00	2,640.00
(b) Trade receivables	3.15	2,855.89	2,864.82
(c) Cash and cash equivalents	3.16	63.57	144.88
(d) Short-term loans and advances	3.17	1,782.73	2,531.16
(e) Other current assets	3.18	51.25	28.27
Total Assets		33,972.78	34,355.22

The accompanying notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our Report of even date.

For Agrawal Jain & Gupta
Chartered Accountants

(CA Narayan Swami)
Partner

Membership No. : 409759
Firm Reg. No.: 013538C
Mumbai
Date : 30.05.2013

For KSS Limited

(Director) (Director)

(Company Secretary)

KSS LIMITED
(formerly known as K Sera Sera Limited)
PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013
(Amount in Lacs)

Particulars	Note No.	31 March 2013	31 March 2012
Income			
Revenue from Operations	3.19	3.15	356.25
Other Income	3.20	31.16	96.23
Total Revenue (I)		34.31	452.27
Expenses:			
Cost of materials consumed	3.21	-	316.46
Changes in inventories	3.22	-	7.62
Employee Benefit Expense	3.23	56.96	45.19
Financial Costs	3.24	0.77	191.82
Depreciation and Amortization Expense	3.25	23.60	66.55
Other Administrative Expenses	3.26	148.57	602.30
Total Expenses (II)		229.90	1,229.94
Profit before exceptional and extraordinary items and tax (I - II)		(195.59)	(777.46)
Add/(less)			
Exceptional Items		-	(729.74)
Profit before tax		(195.59)	(1,507.20)
(Add)/less			
Tax expense:			
(1) Deferred tax expense		(286.38)	284.70
(2) Current Tax / MAT		-	-
Profit after tax		90.79	(1,791.90)
Earning per equity share: (refer to Note no 3.26)			
(1) Basic	3.27	0.04	(0.86)
(2) Diluted		0.04	(0.86)

The accompanying notes are an integral part of the financial statements.

For Agrawal Jain & Gupta
Chartered Accountants

(CA Narayan Swami)
Partner

Membership No. : 409759
Firm Reg. No.: 013538C
Mumbai
Date : 30.05.2013

For KSS Limited

(Director) (Director)

(Company Secretary)

KSS LIMITED
(formerly known as K Sera Sera Limited)
Notes to financial statements for the year ended 31 March 2013

3.1 Share Capital

(Rupees in Lacs)

Particulars	31 March 2013		31 March 2012	
	Nos.	Amount	Nos.	Amount
AUTHORIZED CAPITAL				
Authorized Equity Shares of Rs. 10/- each	2,200.00	22,000.00	2,200.00	22,000.00
	2,200.00	22,000.00	2,200.00	22,000.00
ISSUED, SUBSCRIBED & PAID UP SHARES				
Equity Share of Rs.10 each Fully Paid Up	2,079.39	20,793.86	2,079.39	20,793.86
Total issued, subscribed and fully paid-up share capital	2,079.39	20,793.86	2,079.39	20,793.86

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

(Rupees in Lacs)

Particulars	31 March 2013		31 March 2012	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	2,079.39	20,793.86	2,079.39	20,793.86
Add: Issued during the year	-	-	-	-
Add: Warrants converted during the year	-	-	-	-
Outstanding at the end of the year	2,079.39	20,793.86	2,079.39	20,793.86

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held.

(c) Details of shareholders holding more than 5% shares in the company

Name of the shareholders	31 March 2013		31 March 2012	
	Nos.	% holding in the class	Nos.	% holding in the class
The Bank of New York (Depository of GDR's)	971.92	46.74%	971.92	46.74%
India Max Investment Fund Limited	142.83	6.87%	120.00	5.77%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Share application money

Consequent upon SEBI order no. WTM/PS/ISD/02/2011 dated 21st September 2011, company have not issued further capital without taking prior approval of SEBI. 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.

3.2 Reserve & Surplus
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Securities Premium reserve		
Balance as per the last year's financial statements	9,942.22	9,942.22
Add: premium on Issue of equity shares	-	-
Less: Expenses written off if any	-	-
Closing Balance	9,942.22	9,942.22
Surplus/ (deficit) in the statement of profit and loss		
Balance as per the last year's financial statements	(2,294.48)	(502.58)
Add: Profit for the period	90.79	(1,791.90)
Net deficit in the statement of profit and loss	(2,203.69)	(2,294.48)
Total	7,738.53	7,647.74

3.3 Long Term Borrowings
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
8% Optionally convertible redeemable Bonds (Unsecured)	2,367.00	2,367.00
Financial Institutions	50.46	50.46
	2,417.46	2,417.46

Company issued 2,367 (Two Thousand three Hundred sixty seven) Optionally Convertible Redeemable Bond of Rs. 1,00,000/- lacs each to SBI GLOBAL FACTOR LIMITED (Formerly known as GLOBAL TRADE FINANCE LIMITED) as per SEBI (ICDR) Guidelines. Issued on 29th January 2010. against the settlement of the amount borrowed by the company from the said financial institutions and still the option is not exercised.

3.4 Other Long term Liabilities
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Unclaimed Dividend - 2003-04	2.55	2.55
Accrued Interest	20.64	20.64
other Long Term Liabilities	547.91	556.96
Total	571.09	580.14

- (a) company has not transferred Unclaimed Dividend for the year 2003-04 to Investor Education and Protection Fund account.
- (b) Company has redeemed 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. However the amount against the said redemption is due and payable till the conclusion of our audit and disclosed as other liabilities under the Other Long term Liabilities in the Balance sheet.

3.5 Long Term Provisions
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Provision For Interest on Bond	378.72	378.72
Provision for gratuity	3.37	3.37
Total	382.09	382.09

3.6 Deferred tax liability/(asset) (net)
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(85.63)	187.99
Gross deferred tax liability	(85.63)	187.99
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		
Deferred tax asset on carried forward losses	(130.62)	(117.87)
	(130.62)	(117.87)
Net deferred tax liability/ (asset)	(216.26)	70.12

3.7 Short Time Borrowings
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Interest free advance from related parties repayable on demand (unsecured)	283.60	735.68
Total	283.60	735.68

KSS Limited
(formerly known as K Sera Sera Limited)
SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT MARCH 31, 2013

Note 3.11 (a) : Tangible Fixed Assets

PARTICULARS	Gross Block			Depreciation / Amortization				Net Block		
	As at April 1, 2012	Adjustments		As at March 31, 2013	As at April 1, 2012	Year Ended	Deletion/ Adjustments	As at March 31, 2013	As at March 31, 2013	As at March 31, 2013
		Additions	Deductions							
Plant And Machinery	25.97			25.97	18.70	1.45		20.15	5.82	7.27
Office Equipment	15.93	0.12	0.07	15.98	3.39	1.69	0.05	5.03	10.95	12.54
Furniture And Fixtures	167.32	0.17		167.49	142.93	4.43		147.37	20.12	24.38
Computers (Including software)	17.71	0.68		18.39	10.91	2.94		13.86	4.53	6.80
Vehicles	98.12			98.12	47.63	13.07		60.70	37.42	50.49
Digital Technology Asset	2,286.39	85.14		2,371.52	71.65	251.98		323.63	2,047.89	2,214.74
Total	2,611.42	86.10	0.07	2,697.46	295.21	275.58	0.05	570.73	21,126.73	2,316.22
Previous year	1,549.71	1,078.44	16.73	2,611.42	209.38	101.16	15.34	295.21	2,316.22	1,340.33

Note 3.11 (b) : Intangible Fixed Assets

PARTICULARS	Gross Block			Depreciation / Amortization				Net Block		
	As at April 1, 2012	Adjustments		As at March 31, 2013	As at April 1, 2012	Year Ended	Deletion/ Adjustments	As at March 31, 2013	As at March 31, 2013	As at March 31, 2013
		Additions	Deductions							
Motion Picture Rights	1,670.51	-	-	1,670.51	933.31	-	-	933.31	737.20	737.20
Trade Marks	6.21	-	-	6.21	-	-	-	-	6.21	6.21
Total	1,676.72	-	-	1,676.72	933.31	-	-	933.31	743.41	743.41
Previous year	1,676.52	0.20	-	1,676.72	933.31	-	-	933.31	743.41	743.21

KSS LIMITED

3.8 Trade Payable

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Sundry Creditors	117.42	111.73
Total	117.42	111.73

3.9 Other Current Liabilities

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Salary payable	4.23	5.55
Other liabilities-Statutory	47.33	16.86
Total	51.56	22.42

Statutory liabilities of Service tax company has applied for Voluntary Compliance Encouragement Scheme, 2013 as per Notification No: 10/2013-Service tax- Tax due Declare Rs 57,49,701/-Minimum amount to be paid 31st December 2013 Rs 28,74,851/-, Remaining Before 30th June 2014 Rs 28,74,850/-

3.10 Short Term Provisions

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Others		
Provision for Expenses	172.20	149.01
Provision for Income - Taxation	303.38	303.38
Total	475.58	452.39

3.12 Non Current Investment

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
30,000,000 (31 March 2012: 30,000,000) Equity shares of Rs.10 each fully paid in K Sera Sera Box Office Private Limited	3,000.00	3,000.00
30,000,000 (31 March 2012: 30,000,000) Equity shares of Rs.10 each fully paid in K Sera Sera Miniplex Private Limited	3,000.00	3,000.00
30,000,000 (31 March 2012: 30,000,000) Equity shares of Rs.10 each fully paid in K Sera Sera Digital Cinema Private Limited 8,999 (31 March 2011: 8,999)	3,000.00	3,000.00
Equity shares of Rs.10 each fully paid-up in K Bazaar Online Private Limited	0.90	0.90
1,134 (31 March 2011: Nil) Equity Shares of AED 1,000 each fully paid up of K Sera Sera Productions FZE	4,994.63	4,994.63
Nil (31 March 2012:50) Equity Shares of AED 1,000 each fully paid up of K Sera Sera Productions FZ LLC	6.15	6.15
Investment in joint venture	1,164.16	1,164.16
Share Application Money - KSS FZ LLC	18.45	18.45
Investment in equity instruments (quoted)	-	-
2,02,800 (31 March 2012: 2,02,800) Equity shares of Rs.10 each fully paid up in Kadamb Constructions Limited (closing market price of KCL is 2.10 per on BSE. Valuation as per Market price is Rs. 4,25,880)	150.98	150.98
Investment in equity instruments (unquoted)	831.60	831.60
Total	16,166.87	16,166.87

Current investments are carried in the financial statements at cost and Long-term investments are also carried at cost. However, provision for diminution in value is not recognize other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

3.13 Long Term Loans and Advances

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Security deposit (Unsecured and considered good)		
Security deposit for leased premises	15.50	15.50
Other security deposit	15.16	15.16
	30.66	30.66
Advances recoverable in cash or kind		
Share application money	1,080.00	1,080.00
Unsecured, Considered Good	682.87	3,927.33
Unsecured, Considered doubtful	5,795.82	2,144.86
Less Provision for loans and advances	(263.26)	(263.26)
	7,295.43	6,888.94
Total	7,326.08	6,919.59

3.14 Current investment

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Investment in shares (unquoted)		
2,64,00,000 (31 March 2012: 2,64,00,000) Equity shares of Rs.10 each fully paid up in Kamla Landmark Infrastructure Pvt. Limited	2,640.00	2,640.00
Total	2,640.00	2,640.00

3.15 Trade Receivables

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Outstanding for more than six months		
a) Unsecured, Considered Good :	0.12	2,588.56
b) Doubtful-More than 6 Months	2,855.77	276.26
Total	2,855.89	2,864.82

3.16 Cash and bank balances

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Bank balance		
- In current accounts with bank		
i) In India with scheduled banks	0.96	83.34
ii) In India with scheduled banks (EEFC account)	-	0.26
iii) Outside India	0.00	0.00
	0.96	83.60
Cash on hand	62.61	61.27
Total	63.57	144.88

KSS LIMITED

3.17 Short Terms Loans and Advances

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Interest free advances to related parties Unsecured, Considered Good	970.37	1,214.15
	970.37	1,214.15
Advance Recoverable in cash or in kind Unsecured, Considered Good	84.69	154.21
Unsecured, Considered Doubtful	-	366.24
	84.69	520.46
Others		
Advance Income Tax	676.39	745.80
Prepaid Expenses	5.37	5.32
Advance to Staff	45.91	45.43
	727.67	796.55
Total	1,782.73	2,531.16

3.18 Other Current assets

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Misc. Expenses not written off	51.25	28.27
Total	51.25	28.27

3.19 Revenue from operations

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Income From TV-Serial	-	340.25
Income From Operations	3.15	16.00
Total	3.15	356.25

3.20 Other Income

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Foreign Exchange Revaluation Gain	19.66	95.74
Interest income	10.88	0.05
Miscellaneous Incomes	0.02	0.00
Royalty Income	0.61	0.44
Profit on sale Assets	0.00	-
Total	31.16	96.23

3.21 Cost of Operations

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Production expenses	-	302.07
Business promotion, transportation and commission	-	14.03
Other operating expenses	-	0.36
Total	-	316.46

3.22 Change in Inventories

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Opening Stock	7.62	-
Closing Stock	7.62	7.62
Total	-	7.62

3.23 Employment Benefit Expenses

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Salaries and wages	19.89	31.38
Director Remunerations	36.00	12.23
Gratuity expenses	-	0.90
Leave encashment	0.55	0.40
Staff welfare	0.53	0.27
Total	56.96	45.19

3.24 Financial Cost

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Interest on Bonds	-	189.36
Bank Charges	0.77	2.46
Total	0.77	191.82

3.25 Depreciation & Amortized Cost

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Depreciation	275.58	101.16
Share issue expenses Written off	-	37.04
Reverse Cost Charge-KSSDCPL	(251.98)	(71.65)
Total	23.60	66.55

3.26 Other Administrative Expenses

(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Rent	32.79	46.54
Rates and taxes	2.02	2.18
Power and fuel	10.53	5.05
Communication costs	3.10	12.45
Donations	0.03	0.03
Brokerage & Commission	3.50	0.95
Insurance Expenses	0.24	0.15
Printing & Stationery Expenses	5.16	7.28
Membership & Subscriptions Fees	0.95	3.21
Advertisement & Publicity	0.56	18.71
Loss on sale of fixed assets (net)	-	1.39
Travelling and conveyance	2.19	14.85
Legal and professional fees	74.05	52.95
Repairs and maintenance (others)	3.85	4.29
Auditors Remuneration (refer details below)	3.37	3.00
Bad Debts w/off	-	425.00
Miscellaneous expenses	6.23	4.28
Total	148.57	602.30

KSS LIMITED
(formerly known as K Sera Sera Limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013
(Amount in Lacs)

Particulars	31 March 2013	31 March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(195.59)	(777.46)
Adjustments For:		
Depreciation/Amortisation	23.60	101.16
Profit On Sale Assets	0.00	1.39
Interest Cost	0.77	191.82
Interest Received	(10.88)	(0.05)
Miscellaneous Expenditure Written Off	-	37.04
	13.49	331.36
Operating Cash Flow Before Changes In Working Capital	(182.10)	(446.11)
Adjustments For:		
(Increase)/Decrease In Inventories	-	7.62
(Increase)/Decrease In Sundry Debtors	8.93	425.00
(Increase)/Decrease In Loans And Advances	341.94	11,583.56
Increase/(Decrease) In Current Liabilities And Provisions	48.97	(1,196.96)
Net Changes In Working Capital	217.75	10,373.11
Taxes Paid	-	-
Prior period Adjustment	-	(729.74)
Miscellaneous Expenditure	-	-
Extraordinary Items	228.95	95.99
Cash Generated From/(Used In) Operations	446.70	9,739.36
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase Of Fixed Assets	(86.10)	(1,078.64)
Sale/Surrender Of Fixed Assets	0.07	-
Purchase Of Investments	-	(7,631.20)
Interest Received	10.88	0.05
Cash Generated /(Used In) From Investing Activities	(75.16)	(8,709.79)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(0.77)	(191.82)
Repayment Of Borrowings	(452.08)	(779.57)
Proceeds From Borrowings	-	-
Cash Generated /(Used In) From Financing Activities	(452.85)	(971.39)
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(81.31)	58.18
Cash And Cash Equivalents At The Beginning Of The Year	144.88	86.89
Cash And Cash Equivalents At The End Of The Year	63.57	144.88
Note:		
1 Cash and cash equivalents at the year end comprise:		
Cash On Hand	62.61	61.27
Balance With Scheduled Banks In	-	-
- Current Accounts	0.96	83.60
- Deposit Accounts	-	-
	63.57	144.88
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 & Gupta
Chartered Accountants

(CA Narayan Swami)
Partner

Membership No. : 409759
Firm Reg. No.: 013538C
Mumbai
Date : 30.05.2013

For KSS Limited

(Director) (Director)

(Company Secretary)

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013**1. CORPORATE INFORMATIONS**

KSS Limited (BSE Scrip Code: 532071; NSE Scrip Code KSERASERA) in a global player within the Indian media and entertainment.

KSS Limited ('K Sera Sera Limited' or 'the Company') along with its wholly owned subsidiaries K Sera Sera Miniplex Private Limited ("KSS Miniplex"), K Sera Sera Digital Cinema Private Limited ("KSS Digital"), K Sera Sera Box Office Private Limited ("KSS Box Office") and K Sera Sera FZE ("KSS FZE"), K Bazaar Online Private Limited ("K Bazaar"), and step down subsidiaries K Kampus Private Limited ("K Kampus"), K Sera Sera Consultancy Private Limited ("K Consultancy"), K Sera Sera Australia Holding (Pty) Limited ("KSS Australia") and KSS Capital Limited ("KSS Bermuda") is the most diversified media company. The Company is in to the business of production/distribution of movies and television serials. The Company through its subsidiaries and step down subsidiaries is into the business of Miniplexes, Digital Cinema, Education, Edutainment, Online Trading, Project Consultancy, International Film Distribution, General Trading (UAE) and investment in gold mines.

2. Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies**(a) Change in accounting policy
Presentation and disclosure of financial statements**

During the year ended 31 March 2013, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible fixed assets

Fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance

expenditure and cost of replacing parts, are changed to the statement of profit and loss for the period during which such expenses are incurred.

(d) Depreciation Tangible fixed assets.

Depreciation on fixed assets is calculated on a written down value method at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets.

	Rates (WDV)
Plant and equipments	20%
Furniture and fixtures	18.1%
Computers	40%
Vehicles	25.89%
Digital Technology Asset	20%
Office Equipment	13.91%

Company is provided depreciation on Digital technology assets @20% on WDV basis. Deprecation provides only on installed server or put to use assets. Income due to use of such assets is booked in K Sera Sera Digital Cinema Pvt. Limited.

A digital technology asset is used by K Sera Sera Digital Cinema Private Limited ("KSS Digital") a WOS company of K Sera Sera limited. Deprecation on the above assets is cross charge to K Sera Sera Digital Cinema Private Limited ("KSS Digital") without transferring the assets.

KSS limited is sole owner of the said equipments shall cross charge the amount of deprecation / normal charge of wear and tear to KSS Digital at cost and same shall be recouped by KSS in agreed manner.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and

expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

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 are 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.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

1. The technical feasibility of completing the intangible asset so that it will be available for use or sale
2. Its intention to complete the asset
3. Its ability to use or sell the asset
4. How the asset will generate future economic benefits
5. The availability of adequate resources to complete the development and to use or sell the asset
6. The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of depreciation/ amortization policies applied to the company's intangible assets is as below:

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 above and the tenure of the distribution agreement. 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.		

(f) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(g) Impairment of tangible and assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount

rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(h) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities.

Current investments are carried in the financial statements at cost or FMV whichever is lower and Long-term investments are carried at cost. However, provision for diminution in value is not recognizing other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(i) Inventories

- i. Motion pictures under production- valued at cost or net realizable value (which ever is lower) 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.
- 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.
- iii. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(j) Revenue recognition

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

- 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.
- iv. Interest
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(k) Accounting for taxes on income**Current Tax**

Tax expense comprises of current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

(l) Foreign currency translation

Transactions in foreign currencies are accounted at exchange rates prevalent on the date of the transaction. Foreign currency monetary assets and liabilities at the period end are translated using the exchange rates prevailing at the end of the period. All exchange differences are recognized in the statement of Profit and Loss. Non-monetary foreign Currency items are carried at the lower of cost and fair value and accordingly the investments in shares of foreign subsidiaries are denominated in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

(m) Retirement and other employee benefits

Company doesn't have any employee whose completed 5 year of continues services for provision for gratuity and other benefits. And 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 if any.

(n) Segment reporting**Identification of segments**

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

Inter-segment transfers

The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

(o) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is

recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

(p) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(q) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expenses.

3.27 Earnings per share

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the reporting period by the weighted average number of equity shares outstanding during the reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.

The earnings per share is calculated as under:

Particulars	31-Mar-13	31-Mar-12
Net profit/(loss) after tax for the year	90.79	(179,1.90)
Equity shares outstanding as the year end	207,9.38	207,9.38
Nominal value per share (Rs.)	10	10
Earnings per share		
- Basic	(0.04)	(0.86)
- Diluted	(0.04)	(0.86)

3.28 Leases

The Company has entered into leases for its office premises. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Particulars	31-Mar-13	31-Mar-12
Within one year	Nil	Nil
After one year but not more than five years	Nil	Nil
More than five years	Nil	Nil

3.29 Related party transaction

As per accounting standard on Related Party Disclosure (AS-18) as notified by the Companies Accounting Standard Rules, 2006 (as amended), the names of the related parties of the Company are as follows:

Names of related parties and related party relationship

Related parties where control exists irrespective of whether transactions have occurred or not:

Subsidiaries

- K Sera Sera Box Office Private Limited
- K Sera Sera Miniplex Private Limited
- K Sera Sera Digital Cinema Private Limited
- K Bazaar Online Private Limited
- K Sera Sera Productions FZ LLC
- K Sera Sera Productions FZE

Step down subsidiaries/Limited Liability Partnerships

- K Sera Sera Consultancy Private Limited
- K Kampus Education Private Limited
- K Sera Sera Holding PTY Limited
- KSS Capital Limited
- K Kampus Edutainment Limited Liability Partnership
- KSS Capital Limited (“KSS Bermuda”)

Key Managerial Personnel

Brigadier Vinod Ahuja, Managing Director.
Related parties with whom transactions have taken place during the year

Nature of transaction	March 2013	March 2012
a. Transactions during the year		
Income from subsidiaries		
Depreciation cross charged to subsidiaries		
K Sera Sera Digital Cinema Private Limited	251.98	71.64
Advances/ loan repayment paid		
K Sera Sera Digital Cinema Private Limited	-	516.91
K Sera Sera Miniplex Private Limited	181.25	193.11
K Bazaar Online Private Limited	0.05	5.11
K Kampus Educations Private limited	0.18	8.40
K Sera Sera Consultancy Pvt. Ltd.	.025	-
Advances/ loan repayment received		
K Sera Sera Box Office Private Limited	4.58	33.92
K Sera Sera Productions FZE	425.30	1556.10
K Sera Sera Digital Cinema Private Limited	195.52	0.00
b. Closing balance		
Short term borrowings		
K Sera Sera Box Office Private Limited	252.87	257.44
K Sera Sera Digital Cinema Private Limited	30.73	478.23
Investment in subsidiaries		
K Sera Sera Box Office Private Limited	2999.00	2999.00
K Sera Sera Miniplex Private Limited	2999.00	2999.00
K Sera Sera Digital Cinema Private Limited	2999.00	2999.00
K Bazaar Online Private Limited	0.89	0.89
K Sera Sera Productions FZE	4994.63	4994.63
K Sera Sera Productions FZ LLC	6.15	6.15
K Sera Sera Productions	18.45	18.45
FZ LLC –Share Application Money		
Loans and advances		
K Sera Sera Miniplex Private Limited	624.75	443.49
K Sera Sera Productions FZE	331.84	757.14
Others	13.78	13.52
Remuneration to key managerial personal		
Brigadier Vinod Ahuja, Chairman and Whole Time Director	36.00	2.08
Sanjay Lai	0.00	10.00

3.30 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

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.

The Company has cases pending at the Central Investigation Unit (Customs) and Securities Exchange Board of India. The departments are yet to pass final order hence the liability for the same is currently unascertainable

KSS LIMITED

3.30(a) Contingent liabilities not provided for in respect of:

(Amount in lacs)

Particulars	March 31, 2013	March 31, 2012
Guarantees issued by bank -In respect of the Company -In respect of a wholly owned subsidiary	NIL 160.39	NIL 160.39
Arrears of cumulative redeemable preference dividend	57.60	57.60
Claims against Company not acknowledged as debts and contested by the company	336.14	194.01
Total	554.13	412.01

3.30 (b) 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.	113/CP/2013	Winding up of KSS Ltd for recovery of Rs. 3118.89 lacs.
	SBI Global factors limited	2100/SS/2008	Company Winding up petitions. 138 under N.I. Act – Cheque Bouncing case total claim amount Rs. 615.50 lacs.
2.	Standard Chartered Bank	OA. 62 of 2008	Against outstanding Bank Guarantee given to Twenty Twenty Television Company Ltd. Of Rs. 160.40 in DRT at Mumbai.
3.	Income Tax Authority	Appeal for various orders passed for A.Y 2003-04 to 2009-10	Filed Appeal against the Demand Raised for Rs.336.14 lacs.

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	Before Arbitrator	Arbitration proceedings initiated for recovery of Rs.80.00 lacs plus 12% interest thereon.
2.	Maharashtra Stage & Cultural Development	290/SS/03	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.108.76 lacs advance against the content of television serials which were not completed.
3.	Mayank Shah	544/SS/2006	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs.9.00 lacs
4.	Eros Multimedia limited	2356/2009	Suit for Damages for Rs.960.00 lacs
5.	SBI Global Factors Ltd.	SS/2530/2012	Specific performance suit to perform their part.
6.	Zee Entertainment Enterprises Ltd	Before Arbitrator	Arbitration filled for damages of Rs.2466.80 lacs
7.	GO Bananas Entertainment Pvt. Ltd. & Others	C.C. no. 2517/SS/11	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs.14.12 lacs
8.	Amit Malthore & Others	C.C. No. 2184/SS/11	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs. 2.50 lacs
9.	Hydrocarbon Development Company Pvt. Ltd.	1720/SS/2011	138 under N.I. Act – Cheque Bouncing case Amount of cheque Rs. 500.00 lacs.

**3.31 Auditors' remuneration
(exclusive of service tax)**

Particulars	31-Mar-13	31-Mar-12
Statutory audit	3.00	3.00
Tax audit	0.00	1.00
Limited review and other certifications	0.75	0.75
Other Services	0.58	0.40
Total	4.33	5.15

**3.32 Earning and expenditure in foreign currency
(on accrual basis)**

Particulars	31-Mar-13	31-Mar-12
Earning:	NIL	NIL
Expenditure / Capital expenditure for assets	NIL	445.83

3.33 Deferred tax liability / (asset)

(Amount in Lacs)

Particulars	As at April 1, 2012	Current year (charge) / credit	As at March 31, 2013
Difference between book base and tax base of fixed assets	70.08	(155.71)	(85.63)
Carried forward losses	0	(130.62)	(130.62)
Disallowed u/ sec. 40(a) iii	(0.04)	0.04	0.00
Total	70.12	286.34	216.25

3.34 Un-hedged foreign currency exposure

The following is the details of un-hedged foreign currency exposure:

Particulars	Amount
Receivables	
US\$ @ closing of 1 USD = Rs.54.35 (Previous year US \$ @ closing rate of 1 USD = Rs.50.87)	USD \$331.84 lacs
Payables	
US\$ @ closing of 1 USD = Rs.54.35 (Previous year US \$ @ closing rate of 1 USD = Rs.50.87)	USD \$1.32 lacs

3.35 Subsidiary company business

Sr. No.	Name of the Company	Date of Incorporation	% of holding	Amount Invested	Advance to Subsidiaries	Previous Year
1.	K Sera Sera Productions FZE	19.11.2009	100%	4,994.63	331.84	757.14
2.	K Sera Sera Digital Cinema Pvt. Ltd.	04.06.2009	100%	2999.99	(30.73)	(478.23)
3.	K Sera Sera Box Office Pvt. Ltd.	12.06.2009	100%	2999.99	(252.83)	(257.44)
4.	K Sera Sera Miniplex Pvt. Ltd.	02.02.2012	100%	2999.99	624.75	443.49

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

3.36 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.

3.37 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.

3.38 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006
There are no micros, small and medium enterprises, to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

3.39 Figures in brackets represent those of the previous year.

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

For and on behalf of the board of directors For **Agrawal Jain & Gupta**
Chartered Accountants
Firm Registration No. 013538C

Director Director **CA Narayan Swami**
Partner
M. No - 409759
Mumbai
Date: 30.05.2013 Mumbai
Date: 30.05.2013

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.

9	2	4	3	8
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 State Code

1	1
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Balance Sheet Date

3	1
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0	3
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2	0	1	3
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 Date Month Year

2. Capital Raised during the year (Amount in Lacs)

Public Issue										Bonus Issue											
								N	I	L									N	I	L

Rights Issue										Private Issue											
								N	I	L									N	I	L

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

Total Liabilities										Total Assets									
		3	3	9	7	2	.	7	8			3	3	9	7	2	.	7	8

Sources of Funds

Paid-up Capital										Reserves and Surplus									
		2	0	7	9	3	.	8	6			7	7	3	8	.	5	3	

Secured loans										Unsecured Loans									
								N	I	L			2	7	0	1	.	0	6

Deferred tax liability (Net)										Share application money									
								N	I	L			1	1	4	1	.	5	9

Application of Funds

Net fixed assets including capital work in progress										Investments									
			2	8	7	0	.	1	4			1	6	1	6	6	.	8	7

Net current assets										Deferred tax assets (Net)									
		1	4	6	6	8	.	2	7				2	1	6	.	2	6	

Miscellaneous Expenditure										Accumulated Losses									
					5	1	.	2	5				2	2	0	3	.	6	9

KSS LIMITED

4. Performance of the Company (Amount Lacs)

Turnover (Total Income)									
					3	4	.	3	1

+	-	Profit/(Loss) Before Tax							
	<input checked="" type="checkbox"/>		1	9	5	.	5	9	

(Please tick Appropriate box + for profit, - for loss)

Earnings per Share (Rs) (on profit after taxes)						
			0	.	0	4

Total Expenditure										
					2	2	9	.	9	0

+	-	Profit/(Loss) Before Tax								
	<input checked="" type="checkbox"/>						9	0	.	8

Dividend Rate % (Equity)		
N	I	L

5. Generic Names of Three Principal Products / Services of Company
(as per monetary terms)

Item Code No. (ITC Code)							
8	5	2	4	9	0	0	1

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

For and behalf of the board of directors

Director

Director

Mumbai
Date : 30th May 2013

Mumbai
Date : 30th May 2013

INDEPENDENT AUDITORS' REPORT

**To The Board of Directors of KSS LIMITED
(formerly known as K Sera Sera Limited)**

1. We have audited the attached Consolidated Financial statements of KSS Limited ('the Company'), and its subsidiaries (herein after collectively referred to as 'the Group') which comprises of Balance Sheet as at March 31, 2013 and the Consolidated Profit and Loss account and the Consolidated Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.
2. Management is responsible for the preparation of these consolidated financial position, consolidated financial performance and consolidated cash flows in accordance with the accounting principles generally accepted in India. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give true and fair view and are free from material misstatements, whether due to fraud or error.
3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected depends on the assessment of the risks of the material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes appropriateness of the accounting principles used and reasonableness estimates made by the Management, as well as

evaluating the overall presentation of the consolidated financial statement.

5. We believe that our audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.
6. We did not audit the financial statements of a subsidiary, namely K Sera Sera Productions FZE, whose financial statements reflect total assets of Rs. 36,244.41 lacs as at March 31, 2013, total revenues of Rs.9552.61 lacs 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 in so far 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.
7. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements of a subsidiary and on the other financial information of the components, 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, 2013;
 - b) in case of the Consolidated Profit and Loss Account, of the Loss 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, 30th May 2013

KSS LIMITED
(formerly known as K Sera Sera Limited)
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

(Amount in Lacs)

Particulars	Note No.	31 March 2013	31 March 2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3.1	20,793.86	20,793.86
(b) Reserves and Surplus	3.2	37,340.80	35,734.54
	-	-	-
(2) Share Application money pending allotment		1,141.59	1,141.59
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3.3	2,417.46	2,417.46
(b) Other Long term Liabilities	3.4	571.09	580.14
(c) Long Term Provisions	3.5	382.09	382.09
(4) Current Liabilities			
(b) Trade Payables	3.7	511.86	451.11
(c) Other Current Liabilities	3.8	635.22	884.93
(d) Short-Term Provisions	3.9	991.33	1,008.53
Total Equity & Liabilities		64,785.30	63,394.25
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	3.10(a)	2,837.21	3,259.22
(ii) Intangible Assets	3.10(b)	885.65	1,006.13
(b) Non-current investments	3.11	17,368.23	17,368.23
(c) Deferred tax assets (net)	3.6	400.07	32.34
(d) Long term loans and advances	3.12	16,838.81	14,026.56
(2) Current Assets			
(a) Current investments	3.13	2,640.00	2,640.00
(b) Inventories	3.14	2.50	410.84
(c) Trade receivables	3.15	22,264.09	20,958.65
(d) Cash and cash equivalents	3.16	449.68	526.93
(e) Short-term loans and advances	3.17	969.12	3,038.02
(f) Other current assets	3.18	129.95	127.33
Total Assets		64,785.30	63,394.25

The accompanying notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our Report of even date.

For Agrawal Jain & Gupta
Chartered Accountants

(CA Narayan Swami)
Partner

Membership No. : 409759
Firm Reg. No.: 013538C
Mumbai
Date : 30.05.2013

For KSS Limited

(Director) (Director)

(Company Secretary)

KSS LIMITED
(formerly known as K Sera Sera Limited)
CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013
(Amount in Lacs)

Particulars	Note No.	31 March 2013	31 March 2012
<i>Income</i>			
Revenue from Operations	3.19	11,018.08	11,122.35
Other Income	3.20	102.62	268.61
Total Revenue (I)		11,120.70	11,390.96
<i>Expenses:</i>			
Cost of materials consumed	3.21	8,213.10	8,279.64
Changes in inventories	3.22	-	7.62
Employee Benefit Expense	3.23	978.49	810.76
Financial Costs	3.24	29.82	214.97
Depreciation and Amortization Expense	3.25	679.68	434.50
Other Administrative Expenses	3.26	983.62	1,550.75
Total Expenses (II)		10,884.71	11,298.23
Profit before exceptional and extraordinary items and tax (I - II)		236.00	92.73
<i>Add/(less)</i>			
Exceptional Items		-	(729.74)
Profit before tax		236.00	(637.01)
<i>(Add)/less</i>			
<i>Tax expense:</i>			
(1) Deferred tax expense		(366.85)	278.68
(2) Current Tax		0.03	-
Profit after tax		602.82	(915.68)
Earning per equity share: (refer to Note no 3.26)			
(1) Basic		0.29	(0.44)
(2) Diluted		0.29	(0.44)

The accompanying notes are an integral part of the financial statements.

For Agrawal Jain & Gupta
Chartered Accountants

(CA Narayan Swami)
Partner

Membership No. : 409759
Firm Reg. No.: 013538C
Mumbai
Date : 30.05.2013

For KSS Limited

(Director) (Director)

(Company Secretary)

KSS LIMITED
(Formerly Known as K Sera Sera Limited)
Consolidated Notes to financial statements for the year ended 31 March 2013

3.1 Share Capital

(Rupees in Lacs)

Particulars	31 March 2013		31 March 2012	
	Nos.	Amount	Nos.	Amount
AUTHORIZED CAPITAL				
Authorized Equity Shares of Rs. 10/- each	2,200.00	22,000.00	2,200.00	22,000.00
	2,200.00	22,000.00	2,200.00	22,000.00
ISSUED, SUBSCRIBED & PAID UP SHARES				
Equity Share of Rs.10 each Fully Paid Up	2,079.39	20,793.86	2,079.39	20,793.86
Total issued, subscribed and fully paid-up share capital	2,079.39	20,793.86	2,079.39	20,793.86

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

(Rupees in Lacs)

Particulars	31 March 2013		31 March 2012	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	2,079.00	20,794.00	2,079.00	20,794.00
Add: Issued during the year	-	-		
Add: Warrants converted during the year	-	-	-	-
Outstanding at the end of the year	2,079.00	20,794.00	2,079.00	20,794.00

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of '10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held.

(c) Details of shareholders holding more than 5% shares in the company

Name of the shareholders	31 March 2013		31 March 2012	
	Nos.	% holding in the class	Nos.	% holding in the class
The Bank of New York (Depository of GDR's)	972	46.74%	972	46.74%
India Max Investment Fund Limited	143	6.87%	120	5.77%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Share application money

Consequent upon SEBI order no. WTM/PS/ISD/02/2011 dated 21st September 2011, company have not issued further capital without taking prior approval of SEBI. Share application money, pending allotment of Rs.1141.59 (previous year Rs.1141.59) 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.

3.2 Reserve & Surplus
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Securities Premium reserve		
Balance as per the last year's financial statements	9,942.22	9,942.22
Add: premium on Issue of equity shares	-	-
Less: Expenses written off if any (GDR) issue expense	-	-
Closing Balance	9,942.22	9,942.22
Surplus/ (deficit) in the statement of profit and loss		
Balance as per the last year's financial statements	25,791.32	23,083.77
Add: Profit for the period	602.82	(915.68)
Net Profit in the statement of profit and loss	26,395.14	22,167.08
	1,003.44	3,624.24
Total	37,340.80	35,733.54

3.3 Long Term Borrowings
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
8% Optionally convertible redeemable Bonds (Unsecured)	2,367.00	2,367.00
Financial Institutions	50.46	50.46
	2,417.46	2,417.46

Company issued 2,367 (Two Thousand three Hundred sixty seven) Optionally Convertible Redeemable Bond of Rs 1.00 lacs each to SBI GLOBAL FACTOR LIMITED (Formerly known as GLOBAL TRADE FINANCE LIMITED) as per SEBI (ICDR) Guidelines. Issued on 29th January 2010. against the settlement of the amount borrowed by the company from the said financial institutions and still the option is not exercised.

3.4 Other Long term Liabilities
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Unclaimed Dividend - 2003-04	2.55	2.55
Accrued Interest	20.64	20.64
other Long Term Liabilities	547.91	556.96
Deposits	71.39	-
Total	571.09	580.14

- (a) company has not transferred Unclaimed Dividend for the year 2003-04 to Investor Education and Protection Fund account.
- (b) Company has redeemed 5% Redeemable Cumulative Non- Convertible Preference Shares of Rs.10/- each amounting to Rs. 384.05 (Rupees Three Crores Eighty Four Lacs Five Thousand Two Hundred Forty Only) along with the right to accrued interest thereon. However the amount against the said redemption is due and payable till the conclusion of our audit and disclosed as other liabilities under the Other Long term Liabilities in the Balance sheet.

3.5 Long Term Provisions
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Provision For Interest on Bond	378.72	378.72
Provision for gratuity	3.37	3.37
Total	382.09	382.09

3.6 Deferred tax liability/(asset) (net)
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(130.93)	224.59
Gross deferred tax liability	(130.93)	224.59
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	(118.77)
Deferred tax asset on carried forward losses	(269.14)	(138.16)
	(269.14)	(256.93)
Net deferred tax liability/ (asset)	(400.07)	(32.34)

3.7 Trade Payable
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Sundry Creditors	511.86	451.11
Total	511.86	451.11

KSS LIMITED
(formerly known as K Sera Sera Limited)
SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT MARCH 31, 2013

Note 3.10 (a) : Tangible Fixed Assets

(Amount in Lacs)

PARTICULARS	Gross Block			Depreciation / Amortization				Net Block	
	As at April 1, 2012	Adjustments		As at March 31, 2013	As at April 1, 2012	Year Ended	Deletion/ Adjustments	As at March 31, 2013	As at March 31, 2012
		Additions	Deductions						
Plant And Machinery	31.54	0.56		32.10	28.21	1.45	-	29.66	3.33
Office Equipment	94.20	2.67	0.07	96.80	12.67	14.45	0.05	27.07	81.52
Furniture And Fixtures	533.45	1.16		534.60	311.36	104.39	-	415.74	222.09
Computers (Including software)	541.46	14.16		555.62	273.01	129.28	-	402.29	268.46
Vehicles	175.07	-		175.07	83.41	31.12	-	114.53	91.66
Digital Technology Asset	2,554.35	97.46		2,651.81	83.99	311.32	-	395.31	2,470.36
Digital Lab	82.70	0.53		83.23	9.40	19.11	-	28.51	73.30
Demo Theatre	51.87	85.14		137.01	3.38	12.55	-	15.93	48.49
Total	4,064.64	201.68	0.07	4,266.25	805.42	623.67	0.05	1,429.04	3,259.22
Previous year	2,547.84	1,536.40	19.60	4,064.64	467.81	352.97	153.62	667.16	2,080.03

Note 3.10 (b) : Intangible Fixed Assets

(Amount in Lacs)

PARTICULARS	Gross Block			Depreciation / Amortization				Net Block	
	As at April 1, 2012	Adjustments		As at March 31, 2013	As at April 1, 2012	Year Ended	Deletion/ Adjustments	As at March 31, 2013	As at March 31, 2012
		Additions	Deductions						
Motion Picture Rights	1,684.60	20.80	-	1,705.40	933.31	-	-	933.31	751.29
Trade Marks	6.22	-	-	6.22	-	-	-	-	6.22
Research & Development	167.06	-	-	167.06	24.08	35.65	-	59.73	142.99
Capital Work in progress	105.62	-	105.62	(0.00)	-	-	-	-	105.62
Total	1,963.51	20.80	105.62	1,878.69	957.39	35.65	-	993.03	1,006.13
Previous year	1,947.89	202.05	186.43	1,963.51	933.31	24.08	-	957.39	1,014.59

3.8 Other Current Liabilities
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Salary payable	24.30	23.07
Other liabilities-Statutory	59.80	16.86
Other liabilities	551.12	845.00
Total	635.22	884.93

Statutory liabilities of Service tax company has applied for Voluntary Compliance Encouragement Scheme, 2013 as per Notification No: 10/2013-Service tax- Tax due Declare Rs 57,49,701/-Minimum amount to be paid 31st December 2013 Rs 28,74,851/-, Remaining Before 30th June 2014 Rs 28,74,850/-

3.9 Short Term Provisions
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Others		
Provision for Expenses	570.93	208.81
Provision for Income - Taxation	312.11	312.72
Share Application money pending allotment	487.00	487.00
Total	1,370.05	1,008.53

3.11 Non Current Investment
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Investment in Subsidiaries		
Investment in joint venture	1,164.16	1,164.16
Investment in equity instruments (quoted)		
2,02,800 (31 March 2012: 2,02,800) Equity shares of Rs.10 each fully paid up in Kadamb Constructions Limited	150.98	150.98
(closing market price of KCL is 2.10 per on BSE. Valuation as per Market price is RS 4,25,880)	-	-
9,69,51,372 Equity shares of Citigold Corporation Limited (Australia)	4,942.28	4,942.28
(closing market price of City Gold is AUD 2.10 per on BSE. Valuation as per Market price is RS 4,25,880)	-	-
Investment in equity instruments (unquoted)	11,110.82	11,110.82
Total	17,368.23	17,368.23

Current investments are carried in the financial statements at cost and Long-term investments are also carried at cost. However, provision for diminution in value is not recognize other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

3.12 Long Term Loans and Advances
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Security deposit (Unsecured and considered good)		
Security deposit for leased premises	54.49	52.82
Other security deposit	15.30	15.16
	69.78	67.98
Advances recoverable in cash or kind		
Share application money	1,080.00	1,080.00
Unsecured, Considered Good	10,156.46	10,996.98
Unsecured, Considered doubtful	5,795.82	2,144.86
Less Provision for loans and advances	(263.26)	(263.26)
	16,769.02	13,958.59
Total	16,839	14,027

3.13 Current investment
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Investment in shares (unquoted)		
2,64,00,000 (31 March 2012: 2,64,00,000) Equity shares of Rs.10 each fully paid up in Kamla Landmark Infrastructure Pvt. Limited	2,640.00	2,640.00
Total	2,640.00	2,640.00

3.14 Inventories
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Inventories	2.50	410.84
Total	2.50	410.84

3.15 Trade Receivables
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Outstanding for more than six months		
a) Unsecured, Considered Good :	19,408.31	20,682.38
b) Doubtful	2,855.77	276.26
Total	22,264.09	20,958.65

3.16 Cash and bank balances
(Rupees in Lacs)

Particulars	31 March 2013	31 March 2012
Bank balance		
- In current accounts with bank		
i) In India with scheduled banks	66.73	97.68
ii) In India with scheduled banks (EEFC account)	-	0.26
iii) Outside India	0.00	20.69
	66.74	118.64
Cash on hand	382.95	408.29
Total	449.68	526.93

KSS LIMITED**3.17 Short Terms Loans and Advances****(Rupees in Lacs)**

Particulars	31 March 2013	31 March 2012
Advance Recoverable in cash or in kind Unsecured, Considered Good	152.58	1,856.33
Unsecured, Considered Doubtful	-	366.24
	152.58	2,222.57
Others		
Advance Income Tax	734.23	756.38
Prepaid Expenses	24.91	13.63
Advance to Staff	57.40	45.43
	816.54	815.45
Total	969.12	3,038.02

3.18 Other Current assets**(Rupees in Lacs)**

Particulars	31 March 2013	31 March 2012
Misc. Expenses not written off	129.95	127.33
Total	129.95	127.33

3.19 Revenue from operations**(Rupees in Lacs)**

Particulars	31 March 2013	31 March 2012
Income From TV-Serial	-	340.25
Income From Operations	11,018.08	10,782.10
Total	11,018.08	11,122.35

3.20 Other Income**(Rupees in Lacs)**

Particulars	31 March 2013	31 March 2012
Foreign Exchange Revaluation Gain	19.79	95.97
Interest income	81.45	0.05
Miscellaneous Incomes	0.12	0.00
Royalty Income	0.61	0.44
Other Income	0.65	172.15
Profit on sale Assets	0.00	-
Total	102.62	268.61

3.21 Cost of Operations**(Rupees in Lacs)**

Particulars	31 March 2013	31 March 2012
Production expenses	7,931.75	8,265.24
Business promotion, transportation and commission	-	14.03
Other operating expenses	281.34	0.36
Total	8,213.10	8,279.64

3.22 Change in Inventories**(Rupees in Lacs)**

Particulars	31 March 2013	31 March 2012
Opening Stock	-	-
Closing Stock	-	7.62
Total	-	7.62

3.23 Employment Benefit Expenses**(Rupees in Lacs)**

Particulars	31 March 2013	31 March 2012
Salaries and wages	932.47	794.70
Director Remunerations	40.10	12.23
Gratuity expenses	-	0.90
Leave encashment	0.55	0.40
Staff welfare	5.37	2.53
Total	978.49	810.76

3.24 Financial Cost**(Rupees in Lacs)**

Particulars	31 March 2013	31 March 2012
Interest on Bonds	-	189.36
Bank Charges	29.82	25.61
Total	29.82	214.97

3.25 Depreciation & Amortized Cost**(Rupees in Lacs)**

Particulars	31 March 2013	31 March 2012
Depreciation	659.32	377.05
Share issue expenses Written off	20.36	57.46
Total	679.68	434.50

3.26 Other Administrative Expenses**(Rupees in Lacs)**

Particulars	31 March 2013	31 March 2012
Rent	118.48	131.02
Rates and taxes	2.17	2.38
Power and fuel	57.39	51.13
Communication costs	36.83	53.61
Donations	0.03	0.24
Brokerage & Commission	25.27	13.39
Insurance Expenses	20.41	13.55
Printing & Stationery Expenses	18.15	24.11
Membership & Subscriptions Fees	3.16	4.09
Advertisement & Publicity	260.28	274.37
Loss on sale of fixed assets (net)	-	1.39
Travelling and conveyance	165.92	184.71
Legal and professional fees	155.59	124.73
Repairs and maintenance (others)	18.34	9.65
Auditors Remuneration (refer details below)	14.59	12.54
Bad Debts w/off	-	425.01
Prior period expenses	2.56	-
Miscellaneous expenses	84.44	224.83
Total	983.62	1,550.75

KSS LIMITED
(formerly known as K Sera Sera Limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(Amount in Lacs)

Particulars	31 March 2013	31 March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	236.00	92.73
Adjustments For:		
Depreciation/Amortisation	679.68	377.05
Profit On Sale Assets	0.00	1.39
Interest Cost	29.82	214.97
Interest Received	(81.45)	-
Miscellaneous Expenditure Written Off	-	57.46
	628.05	650.86
Operating Cash Flow Before Changes In Working Capital	864.04	743.59
Adjustments For:		
(Increase)/Decrease In Inventories	-	(162.25)
(Increase)/Decrease In Sundry Debtors	(1,305.44)	852.24
(Increase)/Decrease In Loans And Advances	(743.34)	2,245.36
Increase/(Decrease) In Current Liabilities And Provisions	(215.20)	(1,086.94)
Net Changes In Working Capital	(1,398.94)	2,593.00
Taxes Paid	-	-
Prior period Adjustment	-	(729.74)
Miscellaneous Expenditure	-	-
Extraordinary Items	412.76	71.53
Cash Generated From/(Used In) Operations	(986.18)	1,934.79
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase Of Fixed Assets	(222.48)	(1,738.45)
Sale/Surrender Of Fixed Assets	0.07	206.03
Purchase Of Investments	-	(2,640.00)
Interest Received	0.00	(1,457.59)
Cash Generated /(Used In) From Investing Activities	(222.41)	(5,630.01)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(29.82)	(214.97)
Repayment Of Borrowings	-	189.50
Proceeds From Borrowings	-	652.67
Cash Generated /(Used In) From Financing Activities	(29.82)	627.20
translation adjustment	-	2,556.95
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(1,238.41)	(511.07)
Cash And Cash Equivalents At The Beginning Of The Year	526.93	1,038.99
Cash And Cash Equivalents At The End Of The Year	449.68	526.93
Note:		
1 Cash and cash equivalents at the year end comprise:		
Cash On Hand	382.95	408.29
Balance With Scheduled Banks In	-	-
- Current Accounts	66.74	118.64
- Deposit Accounts	-	-
	449.68	526.93
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 & Gupta
Chartered Accountants(CA Narayan Swami)
PartnerMembership No. : 409759
Firm Reg. No.: 013538C
Mumbai
Date : 30.05.2013

For KSS Limited

(Director) (Director)

(Company Secretary)

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO ACCOUNTS FOR CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013**1. Background**

- a) KSS Limited ('K Sera Sera Limited' or 'the Company') along with its wholly owned subsidiaries K Sera Sera Miniplex Private Limited ("KSS Minplex"), K Sera Sera Digital Cinema Private Limited ("KSS Digital"), K Sera Sera Box Office Private Limited ("KSS Box Office") and K Sera Sera Productions FZE ("KSS FZE"), K Bazaar Online Private Limited ("K Bazaar"), and step down subsidiaries K Kampus Education Private Limited ("K Kampus"), K Sera Sera Consultancy Private Limited ("K Consultancy"), K Sera Sera PTY Holding Limited ("KSS Australia") and KSS Capital Limited ("KSS Bermuda") is the most diversified media company. The Company is in to the business of production/distribution of movies and television serials. The Company through its subsidiaries and step down subsidiaries is into the business of Miniplexes, Digital Cinema, Education, Edutainment, Online Trading, Project Consultancy, International Film Distribution, General Trading (UAE) and investment in gold mines.
- b) K SERA SERA PRODUCTIONS FZE is a Free Zone Company with limited liability registered vide commercial license number 5697 on 19 November 2009 in Sharjah, UAE in accordance with the provision of the Harmriyah Free Zone, Sharjah under Sharjah Emiri Decree No. (6) of 1995 and the implementing regulations of the Hamriyah Free Zone Authority. The registered office is E=LOB, Office No. E2-105G-63, P.O. Box 51822, Hamriyah Free Zone, Sharjah, UAE. The company is a wholly owned subsidiary of K Sera Sera 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. Basis of Preparation

The Consolidated financial statements of the company have been prepared in accordance

with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies**(a) Change in accounting policy:**

Presentation and disclosure of financial statements. During the year ended 31 March 2013, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the

carrying amounts of assets or liabilities in future periods.

(c) Principles of Consolidation

The consolidated financial statements relate to K Sera Sera Ltd. ('the Parent' or 'the company') and its subsidiary K Sera Sera Productions FZE, K Sera Sera Box Office Private Limited, K Sera Sera Digital Cinema Private Limited, K Sera Sera Miniplex Private Limited, K Bazaar Online Trading 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.

CFS comprise the financial statements of KSS Limited and its subsidiaries as below:

Sr. No.	Name of the Company	Date of Incorporation	% of holding	Amount Invested
1.	K Sera Sera Productions FZE	19.11.2009	100%	4,994.63
2.	K Sera Sera Digital Cinema Pvt. Ltd	04.06.2009	100%	2999.99
3.	K Sera Sera Box Office Pvt. Ltd.	12.06.2009	100%	2999.99
4.	K Sera Sera Miniplex Pvt. Ltd.	02.02.2010	100%	2999.99
5.	K Bazaar Online Private Limited	23.05.2011	90%	0.90

(d) Tangible fixed assets:

Fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(e) Depreciation Tangible fixed assets.

Depreciation on fixed assets is calculated on a written down value method at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets.

	Rates (WDV)
Plant and Equipments	20%
Furniture and Fixtures	18.1%
Computers	40%
Vehicles	25.89%
Digital Technology Asset	20%
Office Equipment	13.91%

Company is provided depreciation on Digital Technology assets @ 20% on WDV basis. Depreciation provides only on installed Projectors and Servers or put to use assets. Income due to use of such assets is booked in K Sera Sera Digital Cinema Pvt. Limited. A digital technology asset is used by K Sera Sera Digital Cinema Private Limited ("KSS Digital") a WOS company of K Sera Sera limited. Deprecation on the above assets is cross charge to K Sera Sera Digital Cinema

Private Limited (“KSS Digital”) without transferring the assets.

KSS Limited is sole owner of the said equipments shall cross charge the amount of depreciation /normal charge of wear and tear to KSS Digital at cost and same shall be recouped by KSS in agreed manner.

(f) Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

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 are 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.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-

generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(g) Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

1. The technical feasibility of completing the intangible asset so that it will be available for use or sale
2. Its intention to complete the asset
3. Its ability to use or sell the asset
4. How the asset will generate future economic benefits
5. The availability of adequate resources to complete the development and to use or sell the asset
6. The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future

benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

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 above and the tenure of the distribution agreement. 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.		

(h) Borrowing Costs:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(i) Impairment of tangible and assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when

annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(j) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities.

Current investments are carried in the financial statements at cost or FMV whichever is lower and Long-term investments are carried at cost. However, provision for diminution in value is not recognizing other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(k) Inventories:

i. Motion pictures under production- valued at cost or net realizable value (whichever is lower) 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.

- 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.
- iii. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(l) Revenue recognition:

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

- 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.

iv. Interest:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

v. Digital Cinema:

- i. Income From Installations of Digital Technology
Revenue from installation of Digital Technology is recognized as and when the Digital Technology is installed in the theatres.
- ii. Income From trailer
Revenue is recognized based on no of trailer shown in theater, as and when accrued the income.
- iii. Sale of SEDC and service charges
Revenue from SEDC and Service charges is booked on accrual basis. When movies are shown in theater income is booked.

vi. Miniplex:

- i. Income from ticket collection
Revenue from ticket collection is recognized as per DCR (daily collection Report) of all screens available. Revenue from ticket sale is recognized on receipts basis
- ii. Other Incomes
Revenue from Advertisement is recognized as and when such advertisement shown on screen. And revenue from food court collection is recognized as and when food and beverages are sold.

(m) Accounting for taxes on income:

Tax expense comprises of current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax

is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

(n) Foreign currency translation:

Foreign currency transactions and balances

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange Rates (1 AED = Rs):

Average Rate : 14.85
Closing Rate : 14.79
Historical Rate : 12.54

Foreign currency monetary items are retranslated using the exchange rate prevailing at the rate of closing day.

iv. Exchange differences

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
3. All other exchange differences are recognized as income or as expenses in the period in which they arise.

(o) Retirement and other employee benefits:

Company doesn't have any employee whose completed 5 year of continues services for provision for gratuity and other benefits. And 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 if any.

(p) Provisions:

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the

reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

(q) Measurement of EBITDA:

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expenses.

3.27 Earnings per share:

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the reporting period by the weighted average number of equity shares outstanding during the reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.

(Rupees In Lacs)

Particulars	31-Mar-13	31-Mar-12
Net profit/(loss) after tax for the year	602.82	(915.68)
Equity shares outstanding as the year end	2079.38	2079.38
Nominal value per share (Rs.)	10	10
Earnings per share		
- Basic	0.29	(0.44)
- Diluted	0.29	(0.44)

3.28 Leases:

The Company has entered into leases for its office premises. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Particulars	31-Mar-13	31-Mar-12
Within one year	Nil	Nil
After one year but not more than five years	Nil	Nil
More than five years	Nil	Nil

3.29 Related party transaction:

As per accounting standard on Related Party Disclosure (AS-18) as notified by the Companies Accounting Standard Rules, 2006 (as amended), the names of the related parties of the Company are as follows:

Names of related parties and related party relationship

Related parties where control exists irrespective of whether transactions have occurred or not:

Subsidiaries

- K Sera Sera Box Office Private Limited
- K Sera Sera Miniplex Private Limited
- K Sera Sera Digital Cinema Private Limited
- K Bazaar Online Private Limited
- K Sera Sera Productions FZ LLC
- K Sera Sera Productions FZE

Step down subsidiaries/Limited Liability Partnerships

- K Sera Sera Consultancy Private Limited
- K Kampus Education Private Limited
- K Sera Sera Holding PTY Limited
- KSS Capital Limited
- K Kampus Edutrainment Limited Liability Partnership
- KSS Capital Limited ("KSS Bermuda")

Key Managerial Personnel

Brigadier Vinod Ahuja, Managing Director.
Related parties with whom transactions have taken place during the year

Nature of transaction	2013	2012
a. Transactions during the year		
Income from subsidiaries		
Depreciation cross charged to subsidiaries		
K Sera Sera Digital Cinema Private Limited	251.98	71.64
Advances/ loan repayment paid		
K Sera Sera Digital Cinema Private Limited	-	516.91
K Sera Sera Miniplex Private Limited	181.25	193.11
K Bazaar Online Private Limited	0.05	5.11
K Kampus Educations Private limited	0.18	8.40
K Sera Sera Consultancy Pvt. Ltd.	.025	-
Advances/ loan repayment received		
K Sera Sera Box Office Private Limited	4.58	33.92
K Sera Sera Productions FZE	425.30	1556.10
K Sera Sera Digital Cinema Private Limited	195.52	0.00
b. Closing balance		
Short term borrowings		
K Sera Sera Box Office Private Limited	252.87	257.44
K Sera Sera Digital Cinema Private Limited	30.73	478.23
Investment in subsidiaries		
K Sera Sera Box Office Private Limited	2999.00	2999.00
K Sera Sera Miniplex Private Limited	2999.00	2999.00
K Sera Sera Digital Cinema Private Limited	2999.00	2999.00
K Bazaar Online Private Limited	0.89	0.89
K Sera Sera Productions FZE	4994.63	4994.63
K Sera Sera Productions FZ LLC	6.15	6.15
K Sera Sera Productions FZ LLC – Share Application Money	18.45	18.45
Loans and advances		
K Sera Sera Miniplex Private Limited	624.75	443.49
K Sera Sera Productions FZE	331.84	757.14
Others	13.78	13.52
Remuneration to key managerial personal		
Brigadier Vinod Ahuja, Chairman and Whole Time Director	36.00	2.08
Sanjay Lai	0.00	10.00

3.30 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

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.

The Company has cases pending at the Central Investigation Unit (Customs) and Securities Exchange Board of India. The departments are yet to pass final order hence the liability for the same is currently unascertainable

KSS LIMITED
3.30(a) Contingent liabilities not provided for in respect of:

(Amount in lacs)

Particulars	March 31, 2013	March 31, 2012
Guarantees issued by bank - In respect of the Company - In respect of a wholly owned subsidiary	NIL 160.39	NIL 160.39
Arrears of cumulative redeemable preference dividend	57.60	57.60
Claims against Company not acknowledged as debts and contested by the company	336.14	194.01
Total	554.13	412.01

3.30 (b) 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. SBI Global factors limited	113/CP/2013 2100/SS/2008	Winding up of KSS Ltd for recovery of Rs. 3118.89 lacs. Company Winding up petitions. 138 under N.I. Act – Cheque Bouncing case total claim amount Rs. 615.50 lacs.
2.	Standard Chartered Bank	OA. 62 of 2008 Bank	Against outstanding Guarantee given to Twenty Twenty Television Company Ltd. Of Rs. 160.40 in DRT at Mumbai.
3.	Income Tax Authority	Appeal for various orders passed for A.Y 2003-04 to 2009-10	Filed Appeal against the Demand Raised for Rs.336.14 lacs.
4.	M/s. Fort In Infra Developers Pvt. Ltd.	ARBAP/138/2013	Amount claimed – Rs. 17.07 lacs

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	Before Arbitrator	Arbitration proceedings initiated for recovery of Rs.80.00 lacs plus 12% interest thereon.
2	Maharashtra Stage & Cultural Development	290/SS/03	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.108.76 lacs advance against the content of television serials which were not completed.
3	Mayank Shah	544/SS/2006	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs.9.00 lacs
4	Eros Multimedia limited	2356/2009	Suit for Damages for Rs.960.00 lacs
5	SBI Global Factors Ltd.	SS/2530/2012	Specific performance suit to perform their part.
6	Zee Entertainment Enterprises Ltd	Before Arbitrator	Arbitration filled for damages of Rs.2466.80 lacs
7	GO Bananas Entertainment Pvt. Ltd. & Others	C.C. no. 2517/SS/11	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs.14.12 lacs
8	Amit Malthore & Others	C.C. No. 2184/SS/11	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs.2.50 lacs
9.	Hydrocarbon Development Company Pvt. Ltd.	1720/SS/2011	138 under N.I. Act – Cheque Bouncing case Amount of cheque Rs. 500.00 lacs.
10.	M/s. MGM Dental Clinic	C.C. No. 12/533 of 2012	Consumer case filed for recovery of Rs.8.96 lacs
11.	Siddharth Jain (Madhya Pradesh)	110 of 2013	Consumer case filed for recovery of Rs.5.00 lacs plus 12% interest

KSS LIMITED**3.31 Auditors' remuneration
(exclusive of service tax)**

(Rupees in Lacs)

Particulars	31-Mar-13	31-Mar-12
Statutory audit	14.59	12.54
Total	14.59	12.54

**3.32 Earning and expenditure in foreign currency
(on payment basis)**

(Rupees In Lacs)

Particulars	31-Mar-13	31-Mar-12
Earning:	NIL	NIL
Expenditure / Capital expenditure for assets	57.44	8.86

3.33 Deferred tax liability / (asset)

(Rupees in Lacs)

Particulars	As at April 1, 2012	Current year (charge) / credit	As at March 31, 2013
Difference between book base and tax base of fixed assets	106.34	(237.28)	(130.93)
Carried forward losses	(138.16)	(130.98)	(269.14)
Total	(32.34)	(368.26)	400.07

3.34 Subsidiary company business

(Rupees in Lacs)

Sr. No.	Name of the Company	Date of Incorporation	% of holding	Amount Invested	Advance to Subsidiaries	Previous Year
1.	K Sera Sera Productions FZE	19.11.2009	100%	4,994.63	331.84	757.14
2.	K Sera Sera Digital Cinema Pvt. Ltd	04.06.2009	100%	2999.99	(30.73)	(478.23)
3.	K Sera Sera Box Office Pvt. Ltd.	12.06.2009	100%	2999.99	(252.83)	(257.44)
4.	K Sera Sera Miniplex Pvt. Ltd.	02.02.2010	100%	2999.99	624.75	443.49

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.

3.35 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.

3.36 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.

3.37 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 There are no micro, small and medium enterprises, to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

3.38 Figures in brackets represent those of the previous year.

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

For and on behalf of the
board of directors

Director Director

Mumbai
Date: 30.05.2013

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

CA Narayan Swami
Partner
M. No - 409759

Mumbai
Date: 30.05.2013

KSS LIMITED

(Formerly known as K SERA SERA LIMITED)

Registered Office : Office No. 18 to 22, 4th Floor, Mohid Heights, Lokhandwala Road,
off Four Bungalow, Andheri (West), Mumbai- 400 053.

ATTENDANCE SLIP

DP ID CLIENT ID No.*		Master Folio No.	
----------------------	--	------------------	--

Name & Address of the Shareholder

Number of Shares Held:

I/We hereby record my/our presence at the 18TH Annual General Meeting of the Company held at "Kailash Parbat, K-P Restaurants, 7A / 8A, 'A' Wing, Crystal Plaza, Link Road, Andheri (West), Mumbai - 400 053" on Monday, 30th December, 2013 at 9:00 a.m.

Signature of the Shareholder or Proxy

*Applicable for Investors holding shares in Electronic Form.

***** TEAR HERE *****

KSS LIMITED

(Formerly known as K SERA SERA LIMITED)

Registered Office : Office No. 18 to 22, 4th Floor, Mohid Heights, Lokhandwala Road,
off Four Bungalow, Andheri (West), Mumbai- 400 053.

PROXY FORM

DP ID CLIENT ID No.*		Master Folio No.	
----------------------	--	------------------	--

I/We of
..... being a member/members of K Sera Sera Limited
hereby appoint of in the district of
..... as my/our proxy to vote for me/us and on my/our behalf at the
18th Annual General Meeting of the Company held at "Kailash Parbat, K-P Restaurants, 7A / 8A, 'A' wing,
Crystal Plaza, Link Road, Andheri (West), Mumbai - 400 053" on Monday, 30th December, 2013 at 9:00 a.m. or
at any adjournment thereof.

Number of Shares Held :

Signed this day of 2013.

Affix
15 paise
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.

Book Post

To,

If undelivered, please return to:

KSS LIMITED

Regd. Office: 18, 4th Floor, Mohid Heights,
Near Versova Telephone Exchange,
Off Lokhandwala Road, Andheri (West),
Mumbai – 400 053.

Tel: 4042 7600 • Fax: 4042 7601

E-mail: info@kserasera.com

Web: www.kserasera.com