



MODELING  
ACADEMY

EVENTS

TV SERIALS

NEW MEDIA

MOVIES

TV COMMERCIALS

PRINT

# VISION, VALUE VERSATILITY

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

1. Mr. Vimal Raj Mathur  
Managing Director (DIN: 03138072)
2. Mr. Sudheep Raj Mathur  
Director (DIN: 03138111)
3. Mrs. Sunitee Raj  
Director (DIN: 05223416)
4. Mr. T. Venkateshwa Rao  
Director (DIN: 01682505)
5. Mr. Shabbir Ali Baquri  
Director (DIN: 05223459)
6. Mr. Mohd Abdul Raouf  
Director (DIN: 06670166)

## REGISTERED & CORPORATE OFFICE:

#306, 3rd Floor, Mayfair Gardens  
Banjara Hills, Road No.12  
Hyderabad - 500034

## AUDITORS:

Komandoor & Co.  
Chartered Accountants  
1-504, 7-1-58, Dharam Karan Road,  
Ameerpet, Hyderabad -500016  
Ph: 040 - 23751300 / 23741400  
Email: komandoor\_co@yahoo.co.in  
komandoorco@gmail.com

## AUDIT COMMITTEE:

- 1) Mr. T. Venkateshwa Rao
- 2) Mr. Shabbir Ali Baquri
- 3) Mrs. Sunitee Raj

## NOMINATION & REMUNERATION COMMITTEE:

- 1) Mr. T. Venkateshwa Rao
- 2) Mr. Shabbir Ali Baquri
- 3) Mrs. Sunitee Raj

## STAKEHOLDERS RELATIONSHIP COMMITTEE:

- 1) Mr. T. Venkateshwa Rao
- 2) Mr. Shabbir Ali Baquri
- 3) Mrs. Sunitee Raj

## BANKERS:

- 1) Yes Bank  
Banjara Hills Hyderabad
- 2) State Bank of India  
Naraynaguda, Hyderabad
- 3) Oriental Bank of Commerce  
Banjara Hills, Hyderabad
- 4) Union Bank of India  
Saifabad, Hyderabad

## REGISTRAR & SHARE TRANSFER AGENT:

Karvy Computershare Private Limited  
(Unit Gradiante Infotainment Ltd)  
Plot No. 17 to 24, Vittalrao Nagar,  
Madhapur, Hyderabad - 500 081.  
Tel: +91-40-23428412  
Fax: +91-40-23440814  
Email: prabhakar@karvy.com

## LISTING/TRADING:

- 1) Bombay Stock Exchange Limited
- 2) Calcutta Stock Exchange Limited
- 3) Bangalore Stock Exchange Limited

## LEGAL ADVISORS:

Gokhale Bilolokar & Co.  
Mr. Milnd G. Gokhale  
Citadel Apt., 505.Vittalwadi, Himayatnagar,  
Hyderabad - 29  
Ph: +91 40 23222212, 66668116, Fax : 66668115  
E-mail : lawman009003@yahoo.com

**ISIN:** INE361K01017

**WEBSITE:** www.gradientefotainment.com

## INVESTOR E-MAIL ID:

info@gradientefotainment.com

## CORPORATE IDENTITY NUMBER:

L74300AP1992PLC014317



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# CHAIRMAN'S MESSAGE

The past two years, as per global surveys, has seen a rebound in consumer spend, advertising spend and most importantly E&M spend worldwide. It has been observed by leading market analysts that Advertisement in particular staged a remarkable comeback in nearly all markets and that the world in general continued its shift towards 'digital' – in varying degrees across the globe.

India recorded one of the highest growth rates in the world at 11.2% in 2010.

The past year has seen us emerge stronger, more diversified and with a more persuasive presence in the markets. Trading has also commenced on the BSE, auguring well for Gradiante in the times to come. Our company shares are currently traded on BSE, CSE, BgSE platforms.

The focus this year is on being Growth Oriented and simply GO forward in 2012, towards greater goals and more focused approach to expansion in niche sectors like Digital Media and Social Media.

Our infotainment service spectrum, still unmatched by any single media and entertainment entity in the country, in addition to a synergy of electronic, print, television and web-based communication is now also into new media technologies that hold the key to the future of entertainment and media.

Our charter of initiating corollary programs and interventions to train, certify and place talent across support functions like acting, modeling and digital filmmaking, including VFX and animation for the advertising and feature film industry is also active and moving forward at a steady pace.

Plans are also underway to establish branches in all the leading metros at the national level and key cosmopolitan destinations across the globe, especially in Hong Kong, Singapore and Europe.

Our performance speaks volumes about our commitment to achieving what we set out to achieve last year and we are confident of taking some major strides in all the right directions GOing forward.



**V.R. Mathur**  
Chairman & Managing Director



## PRINT MEDIA

### The enduring bastion for advertising

The print media flagship of Gradiante, now decades old, has been serving and continues to serve its clients across the print and publishing spectrum. It has a state-of-the-art copy, art, design and photo editing infrastructure and creative teams supported by seasoned brand, PR, media and print production divisions.

Gradiante has in-house media, digital media, creative, production and account planning expertise to facilitate the finest of campaigning and ensure the most desired outcomes.

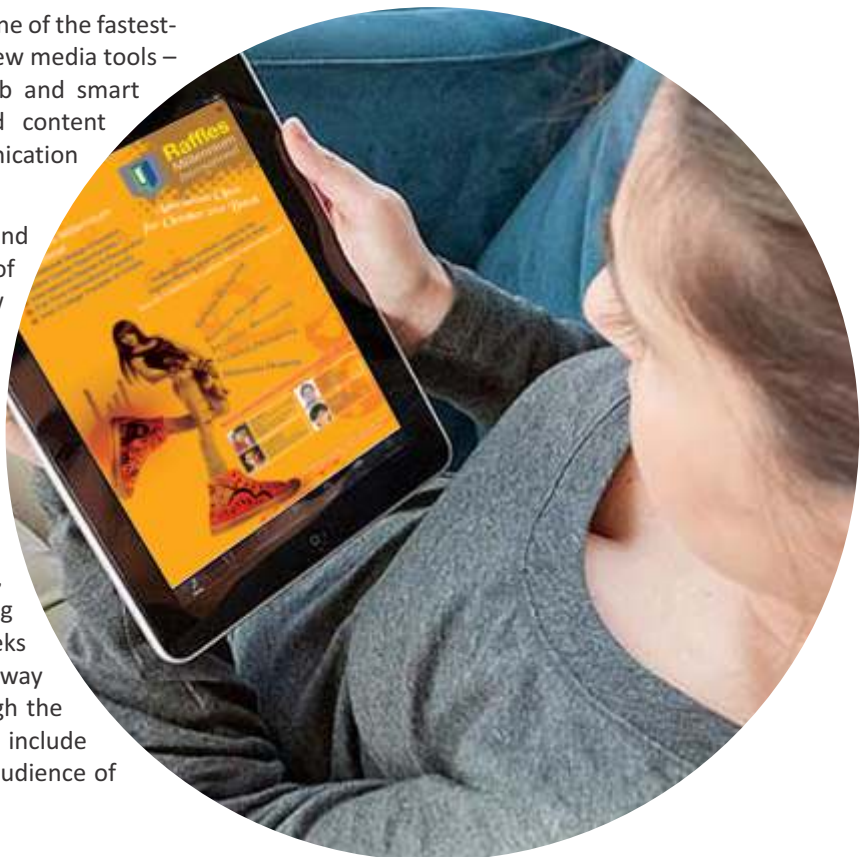
## NEW / DIGITAL MEDIA

### The New Frontier

The Indian Internet advertising market is one of the fastest-growing segments in the E&M industry. New media tools – interactive portals, HTML5, weblogs, web and smart phone apps, and other user-generated content platforms have transformed the communication landscape.

Interactivity, the digitalization of media, and media synergy, "many-to-many" web of communication – the convergence of new methods of communication with new technologies shifts the model of mass communication, and radically reshapes the ways we interact and communicate with one another.

This industry is in synergy with many market segments in areas such as software/video game design, television, radio, and particularly movies, advertising and marketing, through which industry seeks to gain from the advantages of two-way dialogue with consumers primarily through the Internet. Interactive PR practices of today, include the use of social media to reach a mass audience of online social network users.





## TELEVISION

### Our growing presence



Gradiente has to its credit, over 200 TV Commercials and 20 corporate films, with standing orders worth over 100 crores for delivering program based content for TV channels. Keeping up with the times,

Gradiente is producing serials for television that are slated to be launched across leading channels in India.

There are various projects underway to ensure deliverables and to exceed expectations from investors and viewers alike.

In-house TV crews and production teams with ample experience in the hub of the industry at Mumbai enable seamless integration of talent and skills across the client spectrum.

## FILMS, ENTERTAINMENT & MUSIC

### Transcending global boundaries of reach and language

As social networks become key to film marketing, multiplexes and small budget hits have transformed the 'where and the what to see' factor.

Gradiente has recently announced its foray into Tollywood, having signed two Telugu films this fiscal year. It has embarked on this new journey, signing an as yet untitled movie by Srinvas Raju starring top heroines of Telugu film industry. Another film directed and produced by Murali Gandharv titled GUD MORNING has also been signed recently. Gradiente holds presentation and distribution rights



for both projects. The company is also negotiating with several other producers to work in joint ventures.



Plans are underway to engage Hindi film production houses in similar ventures in the very near future.

Taking things a step further, Gradiente augments its presence in the Television segment with audio and music programming, for its in-house programs as well as for client commercials. For instance - TV commercials, music videos, soundtracks for TV serials and jingles.

## EVENT Management Riding the new wave



With viewership reaching far and across with the advent of 3G and new media technologies, Events have a greater reach. Social media platforms have transformed communications and event participation today, actually commences on the Internet, much before events occur; in addition to numerous live events occurring online. Gradiante has deep experience in all aspects of Event Management. Be it social or live media, it has thorough awareness of organizational skills, tech

knowhow, PR, marketing and advertising presence, catering, logistics, decor, law and license awareness, glamour identity, risk management, budgeting, in-depth exposure to television and various other media.

This knowledge is critical to follow through successfully to closure, which has been displayed in the many entertainment events, co-ordinated by Gradiante.



## EDUCATION Fashion, Modeling & Acting in perspective

skills, communication are focus areas to groom new talent and gear them for the industry demands.

At Gradiante, the boom in the entertainment agenda across the networks, has inspired in-house efforts and measures to improve the quality of content and presentation by identifying, training and promoting talent that would be empowered subsequently to contribute to mainstream entertainment as well.

These activities would be amply supported by online media outreach programmes, events and interactive web portals to facilitate platforms for participation, interaction and e-learning.



# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of the Members of Gradiante Infotainment Limited will be held on Tuesday, 30th September, 2014 at 11.30 AM at Registered Office, Gradiante Infotainment Limited, #306, 3rd Floor, May Fair Gardens, Road No.12, Banjara Hills, Hyderabad to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, Statement of Profit and loss for the year ended on that date and the Reports of the Auditor's and Directors' thereon.
2. To appoint a director in place of Mrs. Sunitee Raj who retires by rotation and being eligible, offers herself for re-appointment.
3. To reappoint M/s. Komandoor & Co, Chartered Accountants, bearing Registration No. 001420S as auditors of the company to hold office for a term of three years up to the conclusion of 25<sup>th</sup> Annual General Meeting to be held in the year 2017 subject to ratification at every Annual General Meeting and to fix their remuneration.

## SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. T. Venkateshwa Rao (DIN - 01682505), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 01.04.2014 up to 31.03.2019, who is not liable to retire by rotation"

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Shabbir Ali Baquri (DIN - 05223459), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 01.04.2014 up to 31.03.2019, who is not liable to retire by rotation"

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Mohd Abdul Raouf (DIN - 06670166), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 01.04.2014 up to 31.03.2019, who is not liable to retire by rotation".

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

"RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the following manner:

a) In interpretation clause of Article 2 the following definition is inserted after 2(pp) the existing definitions:

**2(qq) 'Electronic mode'** means carrying out electronically-based, transactions whether main server is installed in India or not, including, but not limited to:

- i. business to business and business-to-consumer transactions, data interchange and other digital supply transactions;
- ii. offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India;
- iii. financial statements, web-based marketing, advisory and transactional services, database services and products, supply chain management;
- iv. online services such as telemarketing, telecommuting, education and information research; and all related data communication services;



- v. facsimile telecommunication when directed to the facsimile number or electronic mail directed to electronic mail addresses, using any electronic communication mechanism that the message so sent, received or forwarded is storable and retrievable;
- vi. posting of an electronic message board or network that the company or the officer has designated for such communications, and which transmission shall be validly delivered upon the posting; or
- vii. other means of electronic communication, in respect of which the Company or the officer has put in place reasonable systems to verify that the sender is the person purporting to send the transmission; and
- viii. video conferencing, audio-visual mode, net conferencing and/or any other electronic communication facility.

b) A new Clause 110 (4) is being inserted under Article 110 (3) which is as under:

**“110(4) Service of documents through electronic mode**

Notwithstanding anything contained in these articles and as per Sections 20 & 134 of the Companies Act, 2013 read with rules made thereunder, a Company may serve copies of the Balance Sheet, Statement of Profit and Loss, Auditors’ Report, Directors’ Report, Notice of the General Meeting along with explanatory statements etc. and any other documents to the members through electronic mode, by following conditions laid down under the relevant Rules”.

c) A new clause 131 (a) is being inserted under Article 131 which is as under:

**“131 (a) Voting by members through electronic mode**

A member may exercise his vote at a General Meeting or Postal Ballot by electronic mode in accordance with Section 108 of the Companies act, 2013 and rules made thereunder and shall be eligible to vote only once for a single resolution.”

d) A new clause 199 (a) is being inserted after Article 199 which is as under:

**“199 (a) Participation in Meeting of the Board by Directors through electronic mode**

Notwithstanding anything contained herein, the director(s) may participate in the meeting(s) of the Board or any committee thereof through electronic mode by video conferencing or other audio visual modes as may be prescribed, and the Director(s) so participating shall be deemed to be present at the meeting for the purposes of quorum, voting, recording of minutes and all other relevant provisions in this regard by following procedure specified under applicable laws for the time being in force and rules, regulations, circulars, notifications, guidelines etc. issued/to be issued from time to time by competent/statutory authority(ies).”

e) A new Article 250(k) is being inserted after Article 250(j) which is as under:

**“250(k) Maintenance of registers and records in electronic mode**

Notwithstanding anything contained in these Articles, Registers, Index, Agreement, Memorandum, Minutes, Books of Accounts or any other documents required to be kept by the Company under the Companies Act, 2013 may be kept in electronic form in such form and manner as may be prescribed under Section 120 of the Companies Act, 2013 and rules made thereunder.”

f) A new Article 259 is being inserted after Article 162 which is as under:

**259 “General Clause – Overriding effect of Companies Act, 2013”**

The intention of these Articles is to be in consonance with the contemporary Act, Rules and Regulations prevailing in India. If there is an amendment in any Act, Rules and Regulations allowing what was not previously allowed under the Statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles. In case of any of the provisions contained in these articles is inconsistent or contrary to the provisions of the Companies Act, 2013 and rules made thereunder, the provisions of Companies Act, 2013 and rules made thereunder shall override the provisions of these Articles and these Articles shall be deemed to have been amended to include such provisions of the Companies Act, 2013. All references to sections of Companies Act, 1956 shall be deemed to include the corresponding sections/provisions of the Companies Act, 2013 if any.”

**By the Order of the Board of Directors  
for Gradiente Infotainment Limited**

**Sd/-  
Vimal Raj Mathur  
Managing Director  
(DIN: 03138072)**

**Place: Hyderabad  
Date: 01.09.2014**

## NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 27th September, 2014 to 30th September, 2014 (both days inclusive).
4. The relevant details of Directors seeking appointment / re-appointment under item no. 2,4,5,6 of this Notice are provided in the Annual Report.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by informing the Company or to M/s. Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
6. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
7. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 29.08.2014, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of the Annual Report and before the book closure may vote physically in the Annual General Meeting and approach the Company for copy of Annual Report. The e-voting period will commence at 9.00 a.m. on 25.09.2014 and will end at 6.00 p.m on 26.09.2014. The Company has appointed Mr. Vivek Surana, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Karvy Computershare Private Limited.

The instructions for e-voting are as under:

(A) In case of members receiving e-mail:

Procedure of E-Voting In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, your Company is pleased to provide members facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Karvy Computershare Private Limited

The instructions for E-voting are as follows:

- i. To use the following URL for e-voting: <http://evoting.karvy.com>
- ii. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically.
- iii. Enter the login credentials. Your Folio No/DP ID Client ID will be your user ID
- iv. After entering the details appropriately, click on LOGIN.
- v. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password

shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (e-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. You need to login again with the new credentials.

vii. On successful login, the system will prompt you to select the EVENT i.e., Gradiente Infotainment Limited.

viii. On the voting page, enter the number of shares as on the cutoff date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.

ix. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.

x. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.

xi. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

xii. The Portal will be open for voting from: 25.09.2014 to 26.09.2014 (being 3 days before the date of Annual General Meeting).

xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Toll Free No. 18003454001

(B) In case of members receiving the Physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

(i) Please follow all steps from sl. no. (i) to sl. no. (xii) above, to cast vote.

(C) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date for e voting purpose i.e., 29.08.2014.

(D) Mr. Vivek Surana, Practicing Company Secretary, C.P. No. 12901 has been appointed as the Scrutinizer to scrutinize the e-voting process.

(E) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

(F) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.gradienteinfotainment.com](http://www.gradienteinfotainment.com) and on the website of Karvy Computershare Private Limited within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

(G) Since the Company is required to provide members facility to cast their vote by electronic means, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 19.09.2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

8. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

9. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.

10. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Karvy Computershare Private Limited or to the Company immediately.

11. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Karvy Computershare Private Limited or to the Company immediately.

12. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.

13. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to

enable the management to keep the information ready.

14. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Company in Form 2B.

## Explanatory Statement (Pursuant to Section 102 of the Companies Act, 2013)

### **Item No: 4 to 6**

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Mr. T. Venkateshwa Rao, Mr. Shabbir Ali Baquri and Mr. Mohd Abdul Raof are appointed as independent directors of the Company.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mr. T.Venkateshwa Rao, Mr. Shabbir Ali Baquri and Mr. Mohd Abdul Raof as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 01.04.2014. A brief profile of proposed Independent Director, including nature of his expertise, is provided in this Annual Report.

Notice have been received from a member proposing candidature of the above Director for the office of Independent Director of the Company. In the opinion of the Board, they fulfil the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Director, setting out terms and conditions of his appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company [www.gradientefotainment.com](http://www.gradientefotainment.com).

The Board recommends the Ordinary Resolution as set out at item no. 4 to 6 for approval of the Members.

Except Mr. T. Venkateshwa Rao, Mr. Shabbir Ali Baquri and Mr. Mohd Abdul Raof, none of the Directors or Key Managerial Personnel or their relatives, are concerned or interested, in the above said resolution.

### **Item No: 7**

Due to the enactment of majority provisions of the Companies Act, 2013 certain changes are required to be made in the Articles of Association of the Company. Some new articles/clauses are proposed to be inserted in relation to use of electronic mode for voting by members, participation in meeting of the Board by Directors, service of documents and maintenance of registers and records.

A general clause is also proposed to be inserted to the effect that if any provision as mentioned in the articles is inconsistent with the provisions of the Companies Act, 2013 and Rules made therein, then the provisions of the Companies Act, 2013 and rules made therein shall override the provisions of these Articles.

The Board therefore recommends the resolution under section 14 of the Companies Act, 2013 as a special resolution for your approval.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested in the resolution.

**By the Order of the Board of Directors  
For Gradiente Infotainment Limited  
Sd/-  
Vimal Raj Mathur  
Managing Director  
(DIN: 03138072)**

**Place : Hyderabad  
Date: 01.09.2014**

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian entertainment industry is on a high growth path. Domestic majors are finding better earnings potential in the huge overseas markets. At the same time, corporatization is finally starting to emerge in this highly unorganized industry. This is likely to instill a greater discipline in the functioning of the industry and lead to greater consolidation in the future. The domestic consumer will opt for more sophisticated technology in the near future. Consequently, domestic majors will have to redefine their product offerings.

“With the global economic slowdown affecting advertising spends, sectors like television, print, radio and outdoor that depend on advertising revenues were affected,” says the study. Media companies are under pressure to change, innovate and re-examine their existing business models. Companies need to draw upon new capabilities to survive in this environment.”

## EVENT MANAGEMENT

Gradiente has deep experience in all aspects of Event Management. This includes awareness of organizational skills, tech knowhow, PR, marketing and advertising presence, catering, logistics, decor, law and license awareness, glamour identity, risk management, budgeting, in-depth exposure to television and various other media. This knowledge is critical to follow through successfully to closure.

## EDUCATION MODELING & ACTING COLLEGE

At Gradiente, it is our constant effort to blend, adapt, design and deploy services and technologies that are not only contemporary, but also futuristic. The ultimate purpose is to make a measurable and tangible difference, above the noise. With the boom in the entertainment agenda across the networks, we have initiated measures to improve the quality of content and presentation by identifying, training and promoting talent that would be empowered subsequently to contribute to mainstream entertainment as well. Fashion design, training, modeling, soft skills, communication are focus areas to groom new talent and gear them for the industry demands.

## NEW MEDIA

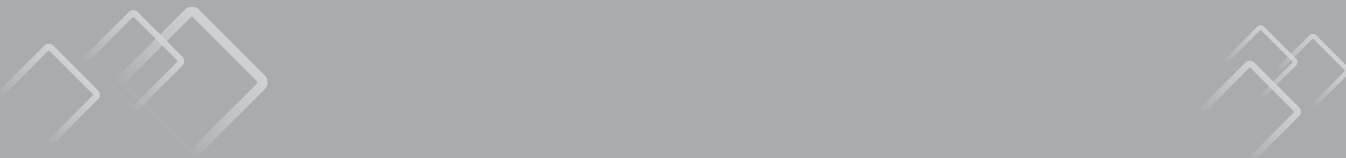
With technological advancements and growing penetration of mobiles, personal computers, laptops and the internet, segments like animation, internet advertising and gaming are witnessing an unprecedented growth. Television content is becoming interactive with extensive internet usage. Your Company has exploited the wireless handheld devices by delivering through different technology-services such as Interactive Voice Response (IVR), automatic speech recognition and short-term messaging service platforms in Hindi, English, Tamil, Telugu and Kannada.

## OPPORTUNITIES AND THREATS

Your Company has a diversified business model in media and entertainment sector and the revenue is expected to come from various segments across various levels of the value chain. The diversified business model of the Company will provide scalability apart from spreading the risk profile of the overall business.

## MATERIAL DEVELOPMENT IN HUMAN RESOURCES

Gradiente aims to recruit, nurture and retain quality professionals and provide them with a high performance



environment. Knowledge and intellectual assets are being strategically shared across at Gradiente we have understood the potential of the human resource and its contribution to the financial standing of your company. Therefore, the human asset is highly valued and regarded by your Company. No effort is spared to provide the employees with a healthy work environment and all assistance is rendered in order to bring-out the best in each one of them. Gradiente is reassessing traditional notions about employment and experimenting with broad-based employee ownership.

## **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The details of the financial performance with respect to operational performance of the Company are appearing in the Balance Sheet, Profit & Loss Account separately. Please refer the Directors' Report for highlights.

## **SENIOR MANAGEMENT DISCLOSURES**

The Company's senior management makes disclosures to the Board relating to all material financial and commercial transactions as when they occur.

## **CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis Report may be "forward looking statements: within the meaning of applicable securities laws and regulations. These statements are based on certain assumption and expectations of future events. Actual results could differ materially from those expressed or implied. Important facts that could make a difference at the Company's operations include economic conditions affecting domestic demand and supply conditions, finished goods prices, changes in government regulations and tax regime etc. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

# DIRECTOR'S REPORT

To

The Members

We have pleasure in presenting the 22nd Annual Report with Audited Statements of Accounts for the year ended 31st March 2014.

## Financial Results :

Particulars	(₹ in Lakhs)	
	2013-2014	2012-2013
Income	531.42	300.27
Expenditure	3320.07	298.20
Finance Costs	1.67	38.98
Tax Expenses	--	--
<b>Profit after Tax</b>	<b>2788.65</b>	<b>2.07</b>

### PERFORMANCE REVIEW

The Company has recorded a turnover of ₹ 531.42 Lakhs and the profit of ₹ 2788.65 Lakhs in the current year against the turnover of ₹ 300.27 lakhs and profit of ₹ 2.07 Lakhs in the previous financial year ending 31.03.2013.

The Company has been continuously working on quality up gradation and austerity measures for achieving efficient running of the organization.

### DIVIDEND:

Keeping the Company's expansion and growth plans in mind, your Directors have decided not to recommend dividend for the year.

### PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

### LISTING:

The equity shares of your company are listed on Bombay Stock Exchange, Calcutta Stock Exchange and Bangalore Stock Exchange.

### CAPITAL OF THE COMPANY:

The Authorised Capital of the company stands at Rs. 30,00,00,000 divided into 30,000,000 equity shares of Rs. 10/- each.

The Company bought back 9,000 equity shares in the year 2012-2013 and 6,42,000 equity shares in the year 2013-2014 total amounting to 6,51,000 equity shares. Hence, the paid up capital of the company stands at Rs. 2,25,17,400 divided into 22,51,74,000 of Rs. 10/ each.

### MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report.

### DIRECTORS:

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. With the changes in the Companies Act, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013, In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint existing independent directors, as Independent Directors on the Board of the Company for a term up to five

consecutive years. A brief profile of proposed Independent Directors, including nature of their expertise, is provided in this Annual Report.

Notices have been received from Members proposing candidature of the Directors namely Mr. T. Venkateshwa Rao, Mr. Mohd Abdul Raof and Mr. Shabbir Ali Baquri for the office of Independent Directors of the Company. In the opinion of the Board, they fulfil the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.

Mrs. Sunitee Raj will retire by rotation at the ensuing Annual General Meeting in terms of Section 152 and any other applicable provisions of the Companies Act, 2013 and being eligible offers herself for re-appointment.

#### Details of the Director appointed/reappointed

Name of the Director	Mrs. Sunitee Raj	Mr. T. Venkateshwa Rao	Mr. Mohd Abdul Raof	Mr. Shabbir Ali Baquri
Date of Birth	07.11.1960	14.06.1961	10.06.1960	25.12.1960
Date of Appointment	02.06.1992	09.08.2001	14.08.2013	09.08.2001
Qualifications	Post Graduate	Graduate	Graduate	Graduate
No. of Shares held in the Company	240650	20000	18200	1000
Directorships held in other companies (excluding private limited and foreign companies)	NIL	1	NIL	NIL
Positions held in mandatory committees of other companies	NIL	NIL	NIL	NIL

#### DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of Section 217(2AA) of the Companies Amendment Act, 2000 your directors confirm

- That the directors in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures.
- That the directors had 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 at the end of the financial year.
- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and deleting fraud and other irregularities.
- That the directors had prepared the annual accounts on the going concern basis.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO:

The required information as per Sec.217 (1) (e) of the Companies Act 1956 is provided hereunder:

##### A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

##### B. Technology Absorption:

- |   |   |     |
|---|---|-----|
| 1. Research and Development (R&D)                 | : | NIL |
| 2. Technology absorption, adoption and innovation | : | NIL |

##### C. Foreign Exchange Earnings and Outgo:

- |                           |   |     |
|---------------------------|---|-----|
| Foreign Exchange Earnings | : | NIL |
| Foreign Exchange Outgo    | : | NIL |



**PARTICULARS OF EMPLOYEES:**

There is no employee who is falling under section 217 (2A). Therefore, the disclosures required to be made under section 217 (2A) of the Companies Act, 1956 and the rules made there under are not applicable.

**CODE OF CONDUCT:**

The Code of Conduct has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. Code of Conduct has also been placed on the website of the company. A declaration signed by the Managing Director is given in Annexure.

**AUDITORS:**

M/s. Komandoor & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The said Auditors have furnished the Certificate of their eligibility for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint them as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the AGM to be held in the year 2017, subject to ratification of their appointment at the subsequent AGMs.

**AUDITOR'S REPORT:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2014 and has noted that the same does not have any reservation, qualification or adverse remarks.

**CORPORATE GOVERNANCE:**

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, Forms part of this Report as Annexure.

**ACKNOWLEDGEMENTS:**

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

**DECLARATION BY MANAGING DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT**

The shareholders

I, Vimal Raj Mathur, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

Place : Hyderabad

Date: 01.09.2014

For and on behalf of the Board,  
Gradiente Infotainment Limited

Sd/-

Vimal Raj Mathur

Managing Director

(DIN: 03138072)

Sd/-

Sudheep Raj

Director

(DIN: 03138111)

## REPORT ON CORPORATE GOVERNANCE

(Forming part of Directors' Report)

### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Fairness, accountability, disclosures and transparency form the four pillars of your Company's philosophy of Corporate Governance. Your Company strongly believes that for attaining sustainable growth in this competitive corporate world, Corporate Governance is a pre-requisite. The governance practices followed by your Company have played a vital role in its journey of continued success. Our endeavor over the years has been to strengthen the governance processes and systems attributing to constant improvisations, sustainability, and profitable growth and creating long-term value for the stakeholders.

All the procedures, policies and practices followed by your Company are based on sound governance principles.

Comprehensive disclosures, structured accountability in exercise of powers, adhering to international standards and commitment in compliance with regulations and statutes in letter as well as spirit have enabled your Company to enhance shareholder value. In fact, this has become an integral part of the way business is done. The governance practices followed by your Company are continuously reviewed and the same are benchmarked to the best governed companies.

Your Company has complied with all the regulations stipulated by the Securities Exchange Board of India (SEBI) in the Listing Agreement.

### II. BOARD OF DIRECTORS

a) The Board of Directors consists of 6 Members of whom 3 are Non-Executive Independent Directors. The Composition of the Board is in conformity with the listing requirements.

b) The details of the Directors being appointed/ re-appointed on retirement by rotation at the ensuing Annual General Meeting as required pursuant to Clause 49(IV) (G) of the Listing Agreement, are mentioned in the Notice to the Annual General Meeting, forming part of the Report.

c) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanship/ Membership of Board Committees include only Audit and shareholders/ investor Grievance Committees.

d) Pecuniary relationship or transaction of the Non – executive Directors vis-à-vis the company. None of the Non-executive Directors has any pecuniary relationship or transactions with the company.

e) The Board of Directors met 5 times during the year on 27.05.2013, 14.08.2013, 01.09.2013, 13.11.2013, and 14.02.2014 and the maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

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

Sl. No.	Name of the Directors	Category	Attendance Particulars		Last AGM	No. of other Directorships and Committee memberships/chairmanships		
			No. of Board meetings held during the tenure of the director			Other Directorships	Committee Memberships	Committee Chairmanships
			Held	Attended				
1.	Vimal Raj Mathur	Executive Director	5	5	Yes	NIL	NIL	NIL
2.	Sudheep Raj	Executive Director	5	5	Yes	NIL	NIL	NIL
3.	Sunitee Raj	Non-Executive Director Non Independent	5	5	Yes	NIL	NIL	NIL
4.	T. Venkateshwa Rao	Non-Executive Independent Director	5	5	Yes	1	NIL	NIL
5.	Shabbir Ali Baquri	Non-Executive Independent Director	5	5	Yes	NIL	NIL	NIL
6.	Mohd. Abdul Raof	Non-Executive Independent Director	5	4	Yes	NIL	NIL	NIL

#### Board's Procedure:

Agenda papers along with explanatory statements were circulated to the directors in advance for each of these meetings. All relevant information as per Clause 49 of the Listing Agreement was placed before the Board from time to time.

#### Committees of the Board:

Currently, there are Three (3) Committees of the Board, namely: Audit Committee, Remuneration Committee and Shareholders/ Investors Grievance Committee. The Board decides the terms of reference for these Committees. The minutes of the meetings of the Committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance etc., of these Committees are provided hereunder:

#### III. AUDIT COMMITTEE

- a) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- b) The terms of reference of the Audit Committee include a review of;
  - Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
  - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.

- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
  1. Any changes in accounting policies and practices;
  2. Qualification in draft audit report;
  3. Significant adjustments arising out of audit;
  4. The going concern concept;
  5. Compliance with accounting standards;
  6. Compliance with stock exchange and legal requirements concerning financial statements;
  7. Any related party transactions
- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

c) The previous Annual General Meeting of the Company was held on 25th September 2013.

d) The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of Clause 49 (II) (A) of the Listing Agreement relating to the composition of the Audit Committee. During the financial year 2013-2014, (4) four meetings of the Audit Committee were held on 27.05.2013, 14.08.2013, 13.11.2013, 14.02.2014.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of Meetings Held	No. of Meetings Attended
Mr. T. Venkateshwa Rao	Chairman	NED (I)	5	5
Mr. Shabbir Ali Baquri	Member	NED (I)	5	5
Mrs. Sunitee Raj	Member	NED (NI)	5	5

NED (I): Non Executive Independent Director

NED (NI): Non Executive Non Independent Director

The necessary quorum was present at all the meetings.

#### IV. NOMINATION & REMUNERATION COMMITTEE

The details of composition of the Committee are given below:

Sl. No.	Name	Designation	Category
1	Mr. T. Venkateshwa Rao	Chirman	NED (I)
2	Mr. Shabbir Ali Baquri	Member	NED (I)
3	Mrs. Sunitee Raj	Member	NED (NI)

### Terms of reference:

The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director or other key employees of the Company and while approving:

- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

### Remuneration Policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered, individual performance etc.

The details of remuneration paid to the Executive Directors for the financial year 2013-14 are given below:

Name of the Director	Designation	Remuneration
Mr. Vimal Raj Mathur	Managing Director	4,80,000.00
Mr. Sudheep Raj	Director	2,40,000.00

## V. STAKEHOLDERS RELATIONSHIP COMMITTEE

### A) Composition, meetings and the attendance during the year:

The Details of composition of the Committee and attendance of the members at the meetings are given below:

Sl. No.	Name	Designation	Category
1	Mr. T. Venkateshwa Rao	Chairman	NED (I)
2	Mr. Shabbir Ali Baquri	Member	NED (I)
3	Mrs. Sunitee Raj	Member	EDI (NI)

### B) Powers: The committee has been delegated with the following powers:

- To redress shareholders and investor complaints relating to transfer of shares, dematerialization of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.
- To approve, transfer, transmission, and issue of duplicate/ fresh share certificate(s).
- Consolidate and sub-division of share certificate etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc. received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and share Transfer Agents, who process share transfers within a week of lodgment in the case of shares held in physical form.

The Board has designated Mr. Vimal Raj Mathur, Managing Director, as the Compliance Officer.

The company has designated an exclusive email Id [info@gradieninfotainment.com](mailto:info@gradieninfotainment.com) for Redressal of shareholder's complaint/grievances.

### Complaints received and redressed by the Company during the financial year:

During the year no complaints were received.

Sl. No.	Particulars	Remarks
1.	At the beginning of the year	NIL
2.	Received during the year	NIL
3.	At the end of the year	NIL

## VI. GENERAL BODY MEETINGS:

Financial Year	Date	Time	Location	No. Of Special Resolutions
2012-13	25/09/2013	11:30 A.M.	At Registrar Office 306, MayFair Gardens Banjara Hills Hyderabad-500004	--
2011-12	25/09/2012	11:30 A.M.	Central Court Hotel, Lakdi Ka Pul, Hyd - 04	1. Amendment of Articles of Association.
2010-11	28/09/2011	11:00 A.M.	Central Court Hotel, Lakdi Ka Pul, Hyd - 04	1. Revision in terms of remuneration of Mr. Vimal Raj Mathur 2. Revision in terms of remuneration of Mr. Sudheep Raj

## VII. OTHER DISCLOSURES

- There were no significant related party transactions that may have potential conflict with the interests of the Company at large.
- In the preparation of financial statements, no treatment materially different from that prescribed in Accounting Standards had been followed.
- There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- Whistle Blower policy:** We have established a mechanism for employees to report concerns about unethical behavior, fraud or violation of code of conduct of the company. The mechanism provided direct access to the Managing Director/Chairman of the Audit Committee for exceptional cases. All employees can also directly meet the Audit Committee members of the company.
- The Company has complied with the non-mandatory requirements to relating to remuneration committee and Whistle Blower policy.
- Managing Director of the Company has furnished the requisite Certificates to the Board of Directors under Clause 49 of the Listing Agreement.

## VIII. MEANS OF COMMUNICATION

The quarterly, half yearly and yearly financial results will be sent to the stock Exchanges immediately after the Board approves the same and these results will also be published in one English newspaper and in one vernacular newspaper. These financial statements, press releases are also posted on the company's website, at [www.gradienteinfotainment.com](http://www.gradienteinfotainment.com)

## IX. GENERAL SHAREHOLDERS INFORMATION

- 22nd Annual General Meeting:

<b>Date and Time</b>	Tuesday, the 30th September 2014, at 11.30 AM
<b>Venue</b>	At Registered Office, Gradiante Infotainment Limited # 306, 3rd Floor, May Gardens, Road No. 12, Banjara Hills, Hyderabad.

- Book Closure Date** : 27.09.2014 to 30.09.2014 (Both days inclusive)

**c) Financial Year and Calendar (Tentative) 2014-15:**

The Company follows April to March as its Financial Year. The results of every quarter beginning from April are declared in the first month following each quarter as follows:

**Financial Calendar**

<b>Financial Reporting for 2014-2015 (tentative)</b>	<b>On or before</b>
The First Quarter results	14th Aug 2014
The Second Quarter results	14th Nov 2014
The Third Quarter results	14th Feb 2015
The Fourth Quarter results	30th May 2015

**d) Listing on Stock Exchanges:**

- 1) Calcutta Stock Exchange Limited
- 2) Bangalore Stock Exchange Limited
- 3) Bombay Stock Exchange Limited

**e) Listing Fees** : Listing fee for the year 2014-15 has been paid

**f) Stock Code** : For equity shares: - BSE 590126

**g) ISIN No** : For equity shares: - INE361K01017

**h) Stock Price Data** : The monthly high / low prices of shares of the Company from April, 2013 to March, 2014 at Bombay Stock Exchange

<b>Month</b>	<b>High (₹)</b>	<b>Low (₹)</b>
April, 2013	4.48	2.25
May, 2013	2.84	1.98
June, 2013	3.24	2.01
July, 2013	2.05	1.42
August, 2013	1.53	1.29
September, 2013	1.53	1.19
October, 2013	1.24	0.82
November, 2013	0.99	0.74
December, 2013	0.97	0.63
January, 2014	0.73	0.57
February, 2014	0.81	0.67
March, 2014	0.67	0.47

**i) Registrar & Share Transfer Agents (for shares held in both physical and demat mode):**

**Karvy Computershare Private Limited** (Unit Gradiante Infotainment Ltd)

Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad-500 081.

Tel: +91-40-23428412, Fax: +91-40-23440814, Email: shobha.anand@karvy.com

**j) Share Transfer System:**

The Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of one month from the date of receipt, subject to the document being valid and complete in all respects.

Any transferee who wishes to demat the shares may approach a Depository Participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Share Transfer Agents (RTA). On receipt, the Depository Registrar confirms the request.

All the requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days on receipt.

**k) Shareholding Pattern as on 31st March, 2013:**

Particulars	Category	No. of shares held	Percentage of shareholding
<b>A</b>	Shareholding of Promoter and promoter group		
1.	Promoters & Persons acting in concert	3244292	14.06
	<b>Sub- Total A</b>	3244292	14.06
<b>B</b>	Public Shareholding		
1.	Institutions	–	--
2.	Non- Institutions		
	a) Bodies Corporate	4468092	19.36
	b) Indian public and others	14458529	65.08
	c) Any others	–	--
	i) NRI's	335495	1.45
	ii) Clearing Members	10992	0.05
	<b>Sub Total B</b>	19273108	85.94
	<b>Grand Total (A+B)</b>	<b>22517400</b>	<b>100.00</b>

**l) Distribution of shareholding of the Company by number of shares held as on 31st March, 2014 is as follows:**

Particulars	Shareholders		Shareholding	
	Number	%	Number	%
UPTO - 5000	992	52.68	281060	1.22
5001-10000	358	19.01	293839	1.27
10001-20000	109	5.79	173417	0.75
20001-30000	56	2.97	145449	0.63
30001-40000	38	2.02	137656	0.60
40001-50000	59	3.13	285011	1.24
50001-100000	83	4.42	649670	2.82
100001 & ABOVE	188	9.98	20551298	91.47
<b>Total</b>	<b>1883</b>	<b>100.00</b>	<b>22517400</b>	<b>100.00</b>



**m) Dematerialization of Shares:**

The Company's shares are dematerialized on National Securities Depositories limited (NSDL) and Central Depository Services (India) Limited. The Company's ISIN is **INE361K01017**. As on 31st March, 2014, 21810300 equity shares are dematerialized out of which 7429440 shares are in CDSL and 14380860 shares are in NSDL and the balance are in physical form.

**n) Address for Investors Correspondence:**

The Shareholders may correspond with the Company for the redressal of their grievances, if any to the registered office of the company.

Mr. Sudheep Raj

Flat No. 306, 3rd Floor, May Fair Gardens,  
Road No. 12, Banjara Hills, Hyderabad – 500 034

Tel Ph: 040- 23386955, Fax: 040- 23386955

Email id: info@gradieninfotainment.com

**o) CEO/MD Certification:**

As required by the clause 49 (V) of the Listing Agreement, the certificate from CEO is attached elsewhere in the annual report.

**p) Compliance Certificate of the Auditors:**

The Statutory Auditor has certified that the company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the listing agreement and the same forms part of the Annual Report.

**For and on behalf of the Board  
GRADIENTE INFOTAINMENT LIMITED**

**Sd/-**

**Vimal Raj Mathur  
Managing Director  
(DIN: 03138072)**

**Place : Hyderabad**

**Date: 01.09.2014**

Dear Shareholder,

Please find below the Managing Director certificate as per Clause 49(V) of the Listing Agreement:

### MANAGING DIRECTOR CERTIFICATE

I, Vimal Raj Mathur, Managing Director of M/s Gradiente Infotainment Limited certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) These statements present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of Company's code of conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and to the Audit Committee:
  - (a) Significant changes in internal controls over financial reporting during the year;
  - (b) Significant changes in the accounting policies during the year;
  - (c) No instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting.

However, during the year there were no such changes and instances.

**For and on behalf of the Board  
GRADIENTE INFOTAINMENT LIMITED**

**Sd/-  
Vimal Raj Mathur  
Managing Director  
(DIN: 03138072)**

**Place : Hyderabad  
Date: 01.09.2014**

# INDEPENDENT AUDITORS REPORT

To the Members of Gradiente Infotainment Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of Gradiente Infotainment Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2014, and the 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

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 (“the Act”). 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 misstatement, whether due to fraud or error.

## Auditor’s Responsibility

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

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

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

## Basis of Qualified Opinion

The balances of Trade payables of Rs. 7,802 Lakhs, Trade receivables of Rs. 9,093 Lakhs, Loans and advances of Rs. 1372 Lakhs are subject to confirmation and reconciliation. We have circularized confirmation letters for obtaining balances however we did not receive the confirmations.

## Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Qualified opinion paragraph, 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, 2014;
- (b) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

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

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

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us]
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. Except for effects of the matters described in the basis of the qualified opinion paragraph in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**Place :** Hyderabad  
**Date :** 01-09-2014

**For Komandoor & Co.,  
Chartered Accountants  
FRN: 01420S  
V C R Kumar  
Partner  
Membership No# 204289**

## ANNEXURE TO AUDITOR'S REPORT

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### **31st MARCH 2014 (Referred to in paragraph 3 of the Auditor's Report to the Members of Gradiante Infotainment Limited on the financial statements for the year ended 31st March, 2014)**

- (i) (a) The Company has not maintained proper records to show full particulars including quantitative details and situation of fixed assets.
  - (b) The Substantial portion of the fixed assets has been verified physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion the frequency of verification is reasonable.
  - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) The physical verification of inventory is not applicable to the company due to its nature of business.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any Loans, secured or unsecured to the Companies covered in the register maintained under section 301 of the Companies Act, 1956.
  - (b) According to the information and explanations given to us, the Company has taken unsecured loans from the parties covered under the register maintained under Sec 301 of the companies Act, 1956 and the outstanding amount as on 31/03/2014 is Rs. 3,20,70,450/- and the same is obtained without interest during the year.
- (iv) In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to fixed assets and with regard to the production income. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices, except in the case of items stated to be of specialized nature for which as informed there are no alternate sources of supply to enable a comparison of the prices paid / charged.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company has no internal audit system, which is commensurate with the size and nature of its business.
- (viii) Pursuant to the Rules made by the Central Government, the maintenance of cost records has not been prescribed under section 209(1) (d) of the Companies Act, 1956.
- (ix) (a) According to the information and explanations given to us and records of the Company examined by us, the undisputed statutory dues payable in respect of Tax deducted at source is Rs. 2,04,04,578/-, in respect of Service tax is Rs. 8,57,57,759/-, in respect of FBT of earlier years is Rs. 2,61,180/- and in respect of Income tax payable is Rs. 5,53,36,908/-.
  - (b) We are informed that there are no disputed statutory dues as at the year end outstanding for a period of more than six months from the date they became payable.

## ANNEXURE TO AUDITOR'S REPORT

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- (x) The Company has incurred cash losses in the financial year ended on that date and in the immediately preceding year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has defaulted in repayment of dues to banks to the extent of Rs. 40,40,870/- of which Rs. 36,14,500/- is with Andhra Bank and Rs. 4,26,370/- with Indian Bank as per the books of accounts.
- (xii) In our opinion 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.
- (xiii) The provisions of any special statute as specified under paragraph 4(xiii) of the Order are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee during the year for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the company has not availed any term loan during the year hence this clause not applicable.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that short-term funds have not been used to finance long-term investments and vice-versa.
- (xviii) As the Company has not made any preferential allotment of shares during the year paragraph 4 (xviii) of the Order is not applicable, however the company has received preferential share application money of Rs 20,00,000/- and the same is not covered in the register maintained under Sec 301 of the Companies Act, 1956.
- (xix) As the Company has not issued any debentures during the year, paragraph 4(xix) of the Order is not applicable.
- (xx) As the Company has not raised money by way of public issue paragraph 4 (xx) of the Order is not applicable.
- (xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2014.

Place : Hyderabad  
Date : 01-09-2014

**For Komandoor & Co.,  
Chartered Accountants  
FRN: 01420S  
V C R Kumar  
Partner  
Membership No# 204289**

# BALANCE SHEET

as at March 31, 2014

PARTICULARS	Note No.	Figures as at the end of current reporting period as on 31st March, 2014 ₹	Figures as at the end of previous reporting period as on 31st March, 2013 ₹
1	2	3	4
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	225,174,000	231,594,000
(b) Reserves and surplus	4	(137,812,433)	135,310,882
(c) Share Application money pending for allotment	5	2,000,000	1,000,000
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	6	37,797,942	36,761,607
(b) Deferred tax liabilities (Net)	7	544,749	544,749
(c) Other Long term liabilities	8	881,790,920	881,790,920
(d) Long-term provisions	9	1,602,403	1,602,403
<b>3 Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables	10	59,165,949	13,213,822
(c) Other current liabilities	11	5,191,856	3,433,379
(d) Short-term provisions		-	-
<b>TOTAL</b>		<b>1,075,455,387</b>	<b>1,305,251,761</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		3,750,813	4,339,879
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		20,397,779	20,397,779
(iv) Intangible assets under development		-	-
(b) Long-term loans and advances	13	138,386,333	140,303,799
(c) Other non-current assets			
<b>2 Current assets</b>			
(a) Inventories	14	3,515,090	30,080,523
(b) Trade receivables	15	909,288,758	1,109,360,356
(c) Cash and cash equivalents	16	116,615	756,159
(d) Short term Loans & Advances	17	-	13,267
<b>TOTAL</b>		<b>1,075,455,387</b>	<b>1,305,251,761</b>

See accompanying Notes forming part of Balance sheet 1 & 2

As per our Audit report of even dated

For Komandoor & Co.  
Chartered Accountants  
F. No. 001420S  
Sd/-  
V C R Kumar  
Partner  
M.No. 204289

For and on Behalf of the Board of Directors

Sd/-  
Vimal Raj Mathur  
Chairman & Managing Director

Sd/-  
T. Venkateshwa Rao  
Director

Place : Hyderabad  
Date : 01-09-2014

# PROFIT & LOSS ACCOUNT

For the year ended March 31, 2014

PARTICULARS	Note No.	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
1 Revenue from operations (gross)	18	53,127,494	29,899,008
Less: Excise duty		-	-
Revenue from operations (net)		53,127,494	29,899,008
2 Other income	19	14,561	128,968
<b>3 Total revenue (1+2)</b>		<b>53,142,055</b>	<b>30,027,976</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	20.a	45,794,396	7,776,925
(b) Purchases of stock-in-trade	20.b	-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20.c	26,565,433	5,175,258
(d) Employee benefits expense	21	2,043,733	2,242,643
(e) Finance costs	22	167,451	3,898,325
(f) Depreciation and amortisation expense	12.C	589,066	714,032
(g) Other expenses	23	256,847,408	10,013,548
<b>Total expenses</b>		<b>332,007,487</b>	<b>29,820,731</b>
<b>5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>(278,865,432)</b>	<b>207,245</b>
6 Exceptional items		-	-
<b>7 Profit / (Loss) before extraordinary items and tax (5 + 6)</b>		<b>(278,865,432)</b>	<b>207,245</b>
8 Extraordinary items		-	-
<b>9 Profit / (Loss) before tax (7 + 8)</b>		<b>(278,865,432)</b>	<b>207,245</b>
10 Tax expense:			
(a) Current tax expense for current year		-	-
(b) Deferred tax		-	-
11 Profit / (Loss) from continuing operations (9 +10)		(278,865,432)	207,245
<b>12 Profit / (Loss) for the year</b>		<b>(278,865,432)</b>	<b>207,245</b>

## Statement of Profit and Loss for the year ended 31 March, 2014

PARTICULARS	Note No.	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
13i. Earnings per share (of ₹ 10/- each):			
(a) Basic		(12.38)	0.54
(b) Diluted		(12.38)	0.54

**For Komandoor & Co.**  
Chartered Accountants  
F. No. 001420S

Sd/-  
V C R Kumar  
Partner  
M.No. 204289

Place : Hyderabad  
Date : 01-09-2014

For and on Behalf of the Board of Directors

Sd/-  
Vimal Raj Mathur  
Chairman & Managing Director

Sd/-  
T. Venkateshwa Rao  
Director



# SCHEDULES ANNEXED

Forming Part of the Balance Sheet as at March 31, 2014

**Note 3: Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule VI to the Companies Act, 1956**

SHARE CAPITAL	As at 31 March, 2014		As at 31 March, 2013	
	Number	₹	Number	₹
A Authorised Equity Shares of ₹ 10/-each	30,000,000	300,000,000	30,000,000	300,000,000
B Issued Equity Shares of ₹ 10/- each	22,517,400	225,174,000	23,159,400	231,594,000
C Subscribed & Paid up Equity Shares of ₹ 10/-each fully paid	22,517,400	225,174,000	23,159,400	231,594,000
<b>Total</b>	<b>22,517,400</b>	<b>225,174,000</b>	<b>23,159,400</b>	<b>231,594,000</b>

**Note 3 Share capital (contd.)**

Name of the Share Holder (More than 5%)	As at 31 March, 2014		As at 31 March, 2013	
	No. of Shares held	% of holding	No. of Shares held	% of holding
1 Infoedge Capital Services Pvt. Ltd	-	0.00	725,746	3.13
2 Digonal Fashions Private Limited	952,610	4.23	1,826,175	7.89
3 Gradiente Impex Private Limited	1,751,962	7.78	2,495,000	10.77
4 Vimal Raj Mathur	1,127,630	5.01	1,522,150	6.57
5 Realnet Infraprojects Pvt. Ltd	-	0.00	1,400,000	6.05
6 Mohin Ali Vakil	1,666,778	7.40	1,866,779	8.06
<b>Total</b>	<b>5,498,980</b>	<b>24.42</b>	<b>9,835,850.00</b>	<b>42.47</b>

**Note 3 Share capital (contd.)**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Bonus Shares Issued	Shares brought back	Closing Balance
Equity shares with voting rights Year ended 31 March, 2014				
Number of shares	23,159,400	-	642,000.00	22,517,400
Amount (₹)	231,594,000	-	6,420,000	225,174,000
Year ended 31 March, 2013				
Number of shares	23,168,400	-	9,000.00	23,159,400
Amount (₹)	231,684,000.00	-	90,000.00	231,594,000.00

**Note 4: RESERVES & SURPLUS**

Particulars	As at 31 March, 2014 (₹)	As at 31 March, 2013 (₹)
<b>a. Securities Premium Account</b>		
Opening Balance	34,068,000	34,158,000
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
For transfer to Capital redemption reserve	6,420,000	90,000
For Issuing Bonus Shares	-	-
<b>Closing Balance</b>	<b>27,648,000</b>	<b>34,068,000</b>
<b>b. General Reserves</b>		
Opening Balance	152,216	152,216
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>152,216</b>	<b>152,216</b>
<b>c. Capital redemption reserve*</b>		
Opening Balance	90,000	-
(+) Transfer from Security premium A/c	6,420,000	90,000
<b>Closing Balance</b>	<b>6,510,000</b>	<b>90,000</b>
<b>d. Capital reserve**</b>		
Opening Balance	28,216	-
(+) Discount earned on Buyback of shares	5,742,117	28,216
<b>Closing Balance</b>	<b>5,770,333</b>	<b>28,216</b>
<b>e. Surplus</b>		
Opening balance	100,972,450	100,765,205
(+) Net Profit/(Net Loss) For the current year	(278,865,432)	207,245
<b>Closing Balance</b>	<b>(177,892,982)</b>	<b>100,972,450</b>
<b>Total</b>	<b>(137,812,433)</b>	<b>135,310,882</b>

\*During the current year 64,20,000/- shares have bought back by the company and respectively Rs. 64,20,000/- have transferred to the Capital redemption reserve from the Securities premium account.

\*\*During the shares were bought back at discount and accordingly capital reserve of Rs. 57,42,117/- has been provided for.

**Note 5 Share application Money**

Particulars	As at 31 March, 2014 (₹)	As at 31 March, 2013 (₹)
Preferential Share application money*	2,000,000	1,000,000
<b>Total</b>	<b>2,000,000</b>	<b>1,000,000</b>

\* The company has received share application money against preferential Shares allotment of Rs. 10,00,000 during the year in addition to Rs. 10,00,000/- in the previous year from Mr. Mohammed Abdul Raof.

**Note 6: LONG TERM BORROWINGS**

Note 3: LONG TERM BORROWINGS	As at 31 March, 2014 (₹)	As at 31 March, 2013 (₹)
(a) Long term maturities of finance lease obligations (Secured By Motor vehicle) (of the above, ₹ 10,03,700/- is guaranteed by Directors and / or others)	1,136,722	1,071,722
	1,136,722	1,071,722
(b) Secured loans from banks* (Detailed in Note 1 (Xiii) in Notes on Accounts)	4,040,870	4,174,726
(c) Unsecured loans from Directors from Others	32,070,450 549,900	30,965,259 549,900
	<b>36,661,220</b>	<b>35,689,885</b>
<b>Total</b>	<b>37,797,942</b>	<b>36,761,607</b>

\* Of these Rs. 40,40,870/- has become Non performing assets with the banks

**Note 7 Deferred Tax Liabilities**

Particulars	As at 31 March, 2014 (₹)	As at 31 March, 2013 (₹)
Deferred tax Liability*	544,749	544,749
<b>Total</b>	<b>544,749</b>	<b>544,749</b>

**Note 8 Other Long Term Liabilities**

Particulars	As at 31 March, 2014 (₹)	As at 31 March, 2013 (₹)
(a) Trade Payables	721,127,458	721,127,458
(b) Others		
(c) Duties & Taxes*	160,663,462	160,663,462
<b>Total</b>	<b>881,790,920</b>	<b>881,790,920</b>

\* The duties & taxes payable comprises of Service tax liability of Rs. 8,45,14,637/- , TDS liability of Rs. 2,09,44,549/- and Income tax provision of Rs. 5,55,98,088/-

**Note 9 Long Term Provisions**

Particulars	As at 31 March, 2014 (₹)	As at 31 March, 2013 (₹)
(a) Provision for employee benefits Gratuity (unfunded)	1,602,403	1,602,403
<b>Total</b>	<b>1,602,403</b>	<b>1,602,403</b>

**Note 10 Trade payables**

Particulars	As at 31 March , 2014 (₹)	As at 31 March, 2013 (₹)
Trade payables: Acceptances Other than Acceptances	59,165,949	13,213,822
Trade Payables outstanding for a period less than six months from the date they are due for payment	45,877,154	8,714,300
Trade Payables outstanding for a period exceeding six months from the date they are due for payment	13,288,795	4,499,522
<b>Total</b>	<b>59,165,949</b>	<b>13,213,822</b>

# SCHEDULES ANNEXED

Forming Part of the Balance Sheet as at March 31, 2014

## Note 11 Other Current Liabilities

Particulars	As at 31 March, 2014 (₹)	As at 31 March, 2013 (₹)
(a) Liabilities for Expenses	2,350,710	1,988,680
(b) Duties & Taxes	1,346,962	258,515
(c) Other payables Director remuneration payable	1,494,184	1,186,184
<b>Total</b>	<b>5,191,856</b>	<b>3,433,379</b>

## Note 12: Fixed Assets

### DEPRECIATION FOR THE FY 2013-14 AS PER COMPANIES ACT ON WDV METHOD

Particulars	Rate of Depreciation	Gross Block		Accumulated Depreciation			Net Block		
		Balance as at 1 April 2013 ₹	Additions / (Disposals) ₹	Balance as at 31 March 2014 ₹	Balance as at 1 April 2013 ₹	Depreciation charge for the year ₹	Balance as at 31 March 2014 ₹	Balance as at 31 March 2013 ₹	
<b>a Tangible Assets</b>									
Buildings	5.00%	4,393,222	-	4,393,222	2,118,294	113,746	2,232,041	2,161,181	
Plant and Equipment	13.91%	428,762	-	428,762	378,878	6,939	385,817	42,945	
Furniture and Fixtures	18.10%	1,712,887	-	1,712,887	1,217,110	89,736	1,306,846	406,041	
Vehicles	25.89%	2,415,700	-	2,415,700	1,701,512	184,903	1,886,415	529,285	
Office equipment	13.91%	1,418,720	-	1,418,720	1,177,289	33,583	1,210,872	207,848	
Computers & Softwares	40.00%	630,950	-	630,950	354,789	110,464	465,253	165,697	
Air Conditioners	13.91%	100,000	-	100,000	12,699	12,144	24,843	75,157	
UPS	13.91%	30,823	-	30,823	117	4,271	4,389	26,434	
Mobile Phones	13.91%	11,539	-	11,539	1,337	1,419	2,756	8,783	
Audio Visual & Equipment	20.00%	3,102,074	-	3,102,074	2,942,772	31,860	2,974,633	127,441	
<b>Total</b>		<b>14,244,677</b>	<b>-</b>	<b>14,244,677</b>	<b>9,904,798</b>	<b>589,066</b>	<b>10,493,864</b>	<b>3,750,813</b>	<b>4,339,879</b>
<b>b Capital Work In Progress</b>									
		20,397,779	-	20,397,779	-	-	-	20,397,779	20,397,779
<b>Total</b>		<b>20,397,779</b>	<b>-</b>	<b>20,397,779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,397,779</b>	<b>20,397,779</b>

## Note 13: LONG-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2014 (₹)	As at 31 March, 2013 (₹)
(a) Security deposits	943,000	938,000
(b) Loans and advances	137,262,611	139,185,077
(c) TDS Receivable	180,722	180,722
<b>Total</b>	<b>138,386,333.00</b>	<b>140,303,799.00</b>

## Note 14: INVENTORIES

Particulars	As at 31 March, 2014 (₹)	As at 31 March, 2013 (₹)
a. Work-in-progress	3,515,090	30,080,523
<b>Total</b>	<b>3,515,090</b>	<b>30,080,523</b>

## Note 15: TRADE RECEIVABLES

Particulars	As at 31 March, 2014 (₹)	As at 31 March, 2013 (₹)
Trade receivables outstanding for a period less than six months from the date they are due for payment	54,184,402	34,490,235
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	855,104,356	1,074,870,121
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>909,288,758</b>	<b>1,109,360,356</b>

# SCHEDULES ANNEXED

Forming Part of the Balance Sheet as at March 31, 2014

## Note 16: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹	₹
a. Balances with banks*		
State Bank of India	269	2,393
Oriental Bank of Commerce	169	102
Axis Bank - Hyd		4,076
Axis Bank - Bombay*		-
Yes Bank	18	440,770
b. Cash on hand	116,159	158,818
c. Fixed deposits		150,000
	<b>116,615</b>	<b>756,159</b>

\* The company has closed these Bank A/c's

## Note 17: Short term Loans & Advances

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹	₹
Deposits		
Interst accrued on Fixed deposit	-	13,267
	-	13,267

## Note 18 Revenue from operations

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	₹	₹
Sale of services	53,127,494.00	29,899,008.00
<b>Total</b>	<b>53,127,494.00</b>	<b>29,899,008.00</b>

## Note 18 Cont.

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	₹	₹
Service Income		
T V Serial Income	854,000.00	22,817,779.00
Print Media	52,273,494.00	7,081,229.00
<b>Total - Sale Income</b>	<b>53,127,494.00</b>	<b>29,899,008.00</b>

## Note 19: Other Income

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	(₹)	(₹)
(a) Interest income	1,991.00	20,320.00
(b) Discount received	12,570.00	108,648.00
<b>Total</b>	<b>14,561.00</b>	<b>128,968.00</b>

## Note 19: Other Income (Cont.)

PARTICULARS	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	(₹)	(₹)
(i) Interest income comprises:		
Interest from banks on:		
deposits	1,991.00	20,320.00
<b>Total - Interest income</b>	<b>1,991.00</b>	<b>20,320.00</b>

# SCHEDULES ANNEXED

Forming Part of the Balance Sheet as at March 31, 2014

## Note 20.a: Cost of materials consumed

Particulars	For the year ended 31 March, 2014 (₹)	For the year ended 31 March, 2013 (₹)
Material consumed comprises:		
Print Media Expenses	45,509,396.00	6,495,714.00
Audio Visual Expenses	-	80,600.00
T V Serial Expenses	285,000.00	1,200,611.00
<b>Total</b>	<b>45,794,396.00</b>	<b>7,776,925.00</b>

## Note Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2014 (₹)	For the year ended 31 March, 2013 (₹)
Finished goods	-	-
Work-in-progress	3,515,090.00	30,080,523.00
Stock-in-trade	-	-
	3,515,090.00	30,080,523.00
Inventories at the beginning of the year:		
Finished goods	-	-
Work-in-progress	30,080,523.00	35,255,781.00
Stock-in-trade	-	-
	30,080,523.00	35,255,781.00
<b>Net (increase) / decrease</b>	<b>26,565,433.00</b>	<b>5,175,258.00</b>

## Note 21 Employee Benefits

Particulars	For the year ended 31 March, 2014 (₹)	For the year ended 31 March, 2013 (₹)
Salaries and wages*	2,000,200.00	2,220,608.00
Gratuity	-	-
Staff welfare expenses	43,533.00	22,035.00
<b>Total</b>	<b>2,043,733.00</b>	<b>2,242,643.00</b>

\* Salaries & wages includes Directors remuneration of Rs. 7,20,000/-

## Note 26 Finance costs

Particulars	For the year ended 31 March, 2014 (₹)	For the year ended 31 March, 2013 (₹)
(a) Others - Interest on Unsecured loans	-	3,548,194.00
(b) Interest on secured loan from Nanesh Finaace	167,451.00	350,131.00
<b>Total</b>	<b>167,451.00</b>	<b>3,898,325.00</b>

# SCHEDULES ANNEXED

Forming Part of the Balance Sheet as at March 31, 2014

## Note 23: OTHER EXPENSES

Particulars	For the year ended 31 March, 2014 (₹)	For the year ended 31 March, 2013 (₹)
Power and fuel	368,551.00	76,333.00
Directors Sitting fee	40,000.00	10,000.00
ROC Expenses		40,000.00
Bad debts	254,256,000.00	4,412,000.00
Advertising	83,824.00	372,050.00
Listing Fee	126,250.00	88,484.00
Share Transfer Expenses	105,984.00	222,970.00
AGM Expenses	35,565.00	56,327.00
Bank Charges	30,044.00	43,753.00
Rent	396,000.00	396,000.00
Office maintenance	11,058.00	50,410.00
Miscellaneous expenses *	58,387.00	211,021.00
Repairs and maintenance	44,280.00	29,541.00
Membership & Subscription		61,339.00
Insurance		21,843.00
Communication *	84,152.00	93,234.00
Travelling and conveyance *	259,005.00	1,099,495.00
Printing and stationery*	54,584.00	67,020.00
Vehicle Maintenance		-
Books & Periodicals	1,100.00	2,915.00
Sales discount *		-
Business promotion *	31,500.00	186,726.00
Web Design Charges		30,000.00
Legal Expenses	28,000.00	155,500.00
Buy back Expenses	363,124.00	408,291.00
Professional Expenses *	120,000.00	640,500.00
Payments to auditors (Refer Note (i) below)	350,000.00	350,000.00
Prior period expenses	-	887,796.00
<b>Total</b>	<b>256,847,408.00</b>	<b>10,013,548.00</b>

## Auditors Fee

PARTICULARS	For the year ended 31 March, 2014 (₹)	For the year ended 31 March, 2013 (₹)
(I) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	224,720.00	224,720.00
For taxation matters	56,180.00	56,180.00
For company law matters	-	-
For management services	-	-
For other services	44,944.00	44,944.00
Reimbursement of expenses	24,156.00	24,156.00
<b>Total</b>	<b>350,000.00</b>	<b>350,000.00</b>

# CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2014

PARTICULARS	Amount in ₹ 31-03-2014	Amount in ₹ 31-03-2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	(278,865,431.00)	207,245.00
Adjustments for:		
Depreciation	589,066.00	714,032.00
Bad Debts	254,256,000.00	4,412,000.00
Prior Period adjustments	-	887,796.00
Interest Expense	167,451.00	3,898,325.00
Interest Income	1,991.00	(20,320.00)
<b>Operating Profit before Working Capital Changes</b>	<b>(23,850,923.00)</b>	<b>10,099,078.00</b>
Decrease/(Increase) in Receivables	(54,189,402.00)	(30,340,708.00)
Decrease/(Increase) in Inventories	26,565,433.00	5,525,258.00
(Decrease)/Increase in Trade expenses and other taxes	47,353,283.00	1,749,132.00
<b>Net Cash flow from Operating activities</b>	<b>(4,121,609.00)</b>	<b>(12,967,240.00)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(i) Proceeds from Loans & Advances	1,918,932.00	4,635,000.00
(ii) Investment in Fixed assets	-	(30,000.00)
(iii) Interest received on Fixed deposits	15,258.00	2,894.00
<b>Net Cash flow from Investing activities</b>	<b>1,934,190.00</b>	<b>4,607,894.00</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(i) Repayment to Secured Loans	(100,000.00)	(667,200.00)
(ii) proceeds from Share application Money	1,000,000.00	1,000,000.00
(iii) Proceeds from Unsecured loans	781,731.00	8,537,129.00
<b>Net Cash flow from Financing activities</b>	<b>1,681,731.00</b>	<b>8,869,929.00</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>(505,688.00)</b>	<b>510,583.00</b>
Cash & Cash Equivalents at the beginning of the reporting period	622,303	111,720
<b>Closing Cash &amp; Cash equivalents at the end of the reporting period</b>	<b>116,615.00</b>	<b>622,303.00</b>

# NOTES FORMING PART OF ACCOUNTS SIGNIFICANT ACCOUNTING POLICIES

## SIGNIFICANT ACCOUNTING POLICIES

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### NOTES TO THE FINANCIAL STATEMENTS

#### Nature of Operations

The Company was incorporated on June 22, 1992 in the name of VR Mathur Mass Communications Ltd. and subsequently the name has been changed to Gradiente Infotainment Ltd.( w.e.f 09-01-2003). The Company's revenue is generated mainly from the advertisement, in Print Media & Electronic Media and TV Serial production for other production houses and own production.

#### 1. Significant Accounting Policies

##### i) Basis of Accounting

These financial statements are prepared under the historical cost convention and comply in all material aspects with the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 ("The Act") and the relevant provisions of the Act.

##### ii) Use of Estimates

The preparation of financial statements in accordance with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of financial statements and the reported amount of expenses of the year. Actual results could differ from these estimates. Any revision to such accounting estimates is recognized in the accounting period in which such revision takes place.

##### iii) Revenue Recognition

Revenue from Advertisement, in Print Media & Electronic Media and TV Serial Production recognized on an accrual basis on the Fulfilling the terms of contract & publicity of client's commercial net of service tax.

##### iv) Fixed assets and Depreciation

###### a. Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation on tangible fixed assets is provided on written down value method at the rates and in the manner specified in Schedule XIV to the Act. The cost of leasehold improvements is amortized over the primary period of lease of the property. Tangible assets individually costing less than ₹ 5,000 are depreciated @ 100% in the year of purchase.

###### v) Software

Software obtained initially together with hardware is capitalized along with the cost of hardware and depreciated in the same manner as the hardware. All subsequent purchases of software are treated as revenue expenditure and charged in the year of purchase.

###### vi) Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment or realization. Monetary items denominated in foreign currency as at the Balance Sheet Date are converted at the exchange rates prevailing on that day. Exchange differences are recognized in the Profit and Loss account.

###### vii) Investments

Long term investments are stated at cost. Provision is made for permanent diminution in value, if any.

Current investments are stated at lower of cost and market value / repurchase price.

###### viii) Retirement Benefits

###### a. Gratuity

In accordance with payment of Act, 1972 company has provides for gratuity, covering the employees of the company who have rendered service for a continuous period of service of not less than five years. The Gratuity plan provides a lump-sum payment to vested employees at the time of retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment with the Company. Liabilities with regard to the gratuity plan are determined based on estimates at the Balance sheet date. The company is yet to frame a scheme for making annual contributions to the Employees group for qualifying employees.

###### b. Provident Fund

Provident fund contribution is not applicable to the company as the number of employed persons in the company is less than the limit prescribed i.e. 20 persons.

###### ix) Borrowing Cost

Borrowing cost attributable to the acquisition or construction of a qualifying asset is capitalized as part of cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.



## x) Taxation

Provision for income tax has been made at the current tax rates based on assessable income or on the basis of Section 115JB of the Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The company has a liability of ₹ 7.6 Crores as per provisions of Income tax Act and ₹ 8.58 Crores Service tax liability.

## xi) Impairment of Assets

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

## xii) Provisions

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present date value and are determined based on best estimates of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

## Xiii) Contingent Liabilities

a. The Company has defaulted in payment of loan to Andhra Bank for which they have raised a demand of ₹ 1.80 crores under one time settlement scheme (OTS) vide letter no.1204/45/26/837 dated 12-03-2004, subsequently Bank has Auctioned 2 properties.

- No.301/1, 3rd Floor of Krishna Plaza, Municipal # 6-2-953/A and 6-2-953/B admeasuring 952.85sq ft along with undivided land 30.68 sq Yds, Kharitabad and
- No.309/1, 3rd Floor of Krishna Plaza, Municipal # 6-2-953, 6-2-953/A and 6-2-953/B admeasuring 923.65sq ft along with undivided land 28.83 sq Yds, Kharitabad.

The above properties were auctioned by the Bank in the year 2006-07 and realised an amount of ₹41 lacs and the company has paid ₹9 lacs in cash making a total repayment of ₹50 lacs. Balance demands ₹1.30 crores.

The company has requested to settle the demand for ₹1.00 crore. If the request is accepted by the bank there will be a net outflow of ₹ 50 lacs, if not outflow shall be ₹ 1.30 crores.

b. Director Vimal Raj Mathur has given a corporate guarantee of 5 lakh shares of Gradiente allotted on his name to SE Investments for ₹25 lakhs.

## 2. Sundry Debtors

(in ₹)

	March 2014	March 2013
More Than Six months	85,51,04,356	107,48,74,120/-
Others	5,41,84,402	3,44,86,236/-

## 3. Year End Deferred Tax Balances

(in ₹)

Particulars	As at 31/03/2014	As at 31/03/2013
Deferred tax liability on account of:		
Depreciation	Nil	Nil
Total (A)		
Deferred tax assets on account of:		
Statutory payments under Section 43B of the Income Tax Act, 1961	Nil	Nil
Amalgamation expenses under Section 35DD	Nil	Nil
Total (B)		
<b>Deferred tax liabilities [Net]: [Total A-B]</b>	<b>Nil</b>	<b>Nil</b>

#### 4. Sundry Creditors

Disclosure has been made as per the definition given in the Micro, Small and Medium Enterprises Development Act, 2006. The Company is not having the information regarding supplier's status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to the amounts as at year end together with interest payable as required under the Act have not been given

#### 5. Capital Work in Progress

The amount lying in Capital work in progress is made towards payments for purchase of properties of Flat G1, G2 & G3 in ground floor of "Siri Balaji Residency" admeasuring 5100 sq ft for a total consideration of ` 200.32 lakhs for which agreement of sale is entered but pending registration next year.

#### 6. Managerial Remuneration:

(in ₹)

Year	2013-14	2012-13
Remuneration	7,20,000/-	7,20,000/-

#### 7. CIF Value of Imports

(in ₹)

Year	2013-14	2012-13
Value of Imports	Nil	Nil

#### 8. Expenditure in Foreign Currency

(in ₹)

Year	2013-14	2012-13
Total	Nil	1,24,753

#### 9. Earnings in Foreign Currency

(in ₹)

Year	2013-14	2012-13
Total	Nil	Nil

#### 10. Auditors' Remuneration

(in ₹)

Year	2013-14	2012-13
Statutory Audit	2,24,720	224720
Tax Audit	56,180	56180
Other Services etc.,	69,100	69,100
<b>Total</b>	<b>3,50,000</b>	<b>350,000</b>

#### 11. Interest Expense

(₹ in)

Year	2013-14	2012-13
Amount	1,67,451/-	35,48,194/-

The directors did not obtain interest on unsecured loans in the current year due to the losses and hence interest expense has been decreased substantially.

#### 12. Interest Income

(in ₹)

Year	2013-14	2012-13
On Deposits with Bank	1,991/-	20,319/-

#### 13. Segment Information

In accordance with Accounting Standard – 17, "Segmental Reporting" issued by the Institute of Chartered Accountants of India, the Company's business segment is Print Media & Electronic Media and TV Serial Production business and it has no other primary reportable segments. Accordingly, the segment revenue, segment results, total

carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the year, is as reflected in the Financial Statements as of and for the year ended March 31, 2014. The Company caters to the needs of the domestic market and hence there are no reportable geographical segments.

#### 14. Related Party Disclosures

- |   |  |
|---|--|
| a) Parties where control exists related Party | Nil  |
| b) Fellow Subsidiary Companies                | Nil  |
| c) Joint Venture                              | Nil  |
| d) Key Managerial Personnel                   | <b>Vimal Raj Mathur</b> , Chairman & Managing Director<br><b>Sudheep Raj Mathur</b> , Executive Director |

- e) Relative to Key Managerial Personnel

Name of the Related Party	Nature of Transaction	Relationship	Amount (₹)
Vimal Raj Mathur	Remuneration	Key Managerial Person	4,80,000/-
Sudeep Raj Mathur	Remuneration	Key Managerial Person	2,40,000/-

#### 15. Earnings per Share (Basic and Diluted)

The number of shares used in computing Basic Earnings per share (EPS) is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS and also the weighted average number of equity share which would be issued for no consideration on exercise of options under the Employee Stock Option Scheme, 2005. The number of shares is adjusted for reduction of share capital.

Profit computation for both Basic and Diluted Earnings per Share of Rupees 10 each Net profit as per the Profit and Loss Account available for Equity share holders (in Rupees) Weighted average number of equity shares for Earning per share computation for Basic Earnings per Share Add: Weighted average outstanding employee stock options deemed to be issued for no consideration.

Year	2013-14	2012-13
Number of Equity Shares Outstanding at the end of year	22,51, 54,000	2,31,59,400
Basic	-12.38	0.01
Diluted	-12.38	0.01

#### 16. Retirement Benefits

- a. **Gratuity:** The Company is yet to contribute ₹ 16,02,403/- towards the gratuity fund.
- b. **Provident Fund:** The Company has not made any contributions to provident fund for employees during the year.

#### 17. Reduction of Share Capital

The Company has bought back 6,42,000 shares during the current year having face value of ₹ 10/- each at discounted value and as a result, capital reserve has been provided to the extent of ₹ 57,42,117/- and as per provision of the companies Act, the company has transferred face value of the shares brought back to Capital redemption reserve from the Securities premium account for ₹ 64,20,000/-.

# PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L74300AP1992PLC014317  
Name of the company : Gradiante Infotainment Limited  
Registered office : #306, 3rd Floor, May Fair Gardens, Banjara Hills, Road No 12, Hyderabad- 500034.  
Name of the member(s) : .....  
Registered Address : .....  
E-mail Id : .....  
Folio No./Client Id : .....  
DP ID : .....

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name:..... 1. Name:..... 1. Name:.....  
Address: ..... Address: ..... Address: .....  
E-mail Id:..... E-mail Id:..... E-mail Id:.....  
Signature: ....., or failing him Signature: ....., or failing him Signature: ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the company, to be held on Tuesday 30th day of September, 2014 at 11.30 a.m. at Registered Office: Gradiante Infotainment Limited, #306, 3rd Floor, May Fair Gardens, Banjara Hills, Road No.12, Hyderabad and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.

1. Approval of financial statements and the reports thereon for the year ended 31.03.2014.
2. Appointment of statutory auditors and fixation of their remuneration.
3. Appointment of Mr. T. Venkateshwa Rao (DIN – 01682505) as independent director of the Company.
4. Appointment of Mr. Mr. Shabbir Ali Baquri (DIN - 05223459) as independent director of the Company.
5. Appointment of Mr. Mohd Abdul Raof (DIN - 06670166) as independent director of the Company.
6. Alteration of Articles of Association.

Affix Re.1/-  
Revenue  
Stamp

Signed this ..... day of..... 2014

Signature of shareholder  
Signature of Proxy holder(s)

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

## ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 22nd Annual General Meeting of the Company to be held on Tuesday 30th day of September, 2014 at 11.30 a.m. at Registered Office: Gradiante Infotainment Limited, #306, 3rd Floor, May Fair Gardens, Banjara Hills, Road No.12, Hyderabad.

Shareholders/Proxy's Signature : .....

Shareholders/Proxy's full name : .....  
(In block letters)

Folio No. / Client ID : .....

No. of shares held : .....

Note: Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.



## Printed Matter Book Post



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