

Divine Multimedia (India) Ltd.

(FORMERLY KNOWN AS KALEIDOSCOPE FILMS LIMITED)

23RD ANNUAL REPORT 2013 - 2014

Registered Office:

SF/28, Silver Rock Complex, Behind Makarpura Police Station,
Makarpura Road, Baroda, Gujarat - 390 010.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Prakash Biharilal Dhebar
Mrs. Smita Pandya
Mr. Lokanath Mishra

AUDITORS

Motilal & Associates

BANKERS

Axis Bank Limited
Central Bank of India

**REGISTRAR AND
TRANSFER AGENT**

Purva Sharegistry (India) Private Limited
Unit no. 9 Shiv Shakti Ind. Estt. J .R. Boricha Marg
Opp. Kasturba Hospital Lane, Lower Parel (E) Mumbai 400 011

Email - divinemultimedialtd@gmail.com

CIN : L21100GJ1991PLC016644

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NOTICE

NOTICE is hereby given that the **23RD ANNUAL GENERAL MEETING** of the members of **Divine Multimedia (India) Limited** will be held on Saturday, the 27th September, 2014 at the Registered office of company at SF/28, Silver Rock Complex, Behind Makarpura Police Station, Makarpura Road, Baroda, Gujarat - 390 010. at 5.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2014, Profit & Loss Account, Cash Flow Statement as at that date, the Report of the Board of Directors and Auditor's Report thereon.
2. To appoint a Director in place of Smt. Smita Pandya (DIN : 01517749), who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint M/s Motilal & Associates, Chartered Accountants, Mumbai (FRN No. 106584W) as a Statutory Auditor of the Company, to hold office from the conclusion of this AGM upto the conclusion of 26th AGM to be held in calendar year 2017 subject to ratification by the members at every AGM and to fix their remuneration.

For DIVINE MULTIMEDIA (INDIA) LIMITED

**PRAKASHDHEBAR
MANAGING DIRECTOR**

Date : 27/08/2014
Place: Vadodara

NOTES :-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain closed from 25th September, 2014 to 27th September, 2014 (both days inclusive).
3. Member/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
4. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
5. The Members who hold shares in dematerialize form are requested to write their Client ID and DP ID No. and those who hold shares in physical form are requested to write their folio no. in the attendance slip for attending the meeting.
6. In case of joint holder attending the meeting only such joint holder who is first named in order of names will be entitled to vote.
7. Share holders are requested to make all correspondence for the share transfer and other purpose at the registered office of the company or to M/s Purva Sharegistry (India) Private Limited, Mumbai. Members holding shares in dematerialized form are requested to notify their respective depository participant about any change of address and their bank particulars.
8. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with M/s. Purva Sharegistry (India) Private Limited.
9. **VOTING THROUGH ELECTRONIC MEANS**
In compliance with the provisions of the Clause – 35B of the Listing Agreement read with Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 23rd Annual Report of the company and the business may be transacted through e-voting. The company has engaged the services of Central Depository Services Limited (CDSL) as the authorized agency to provide the e-voting facility.

The instructions for shareholders voting electronically are as under:

Mr. S D Bhattbhatt Practicing Company Secretary is appointed as scrutinizer to conduct E-voting

STEPS FOR E-VOTING

- The voting period begins on 18th September, 2014 at 9.00 a.m. and ends on 20th September, 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 5th September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- Click on "Shareholders" tab.
- Now, select the "Divine Multimedia (India) Limited" from the drop down menu and click on "SUBMIT"
- Now Enter your User ID:
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the image verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).



10. Information required to be furnished under Clause 49 of the Listing Agreement for directors seeking appointment/reappointment in forthcoming Annual General Meeting:

(i)

Name of Director	Smita Pandya
DIN	01517749
Date of Birth	30/08/1956
Date of Appointment	03/03/2004
Expertise	Advertisement and General Business Administration
Qualification	Science Graduate
Other Directorship	1) Pranjali Services Private Ltd. 2) Pranjali (India) Private Ltd. 3) Pranjali Infrastructure Private Ltd. 4) Interactive Impact Private Limited 5) Indo-Us Services Limited
Chairman/Members of the Committee in other Companies	-
No. of Shares held in the Company	NIL

DIRECTORS REPORT

To
The Members
Divine Multimedia (India) Limited

Your directors are pleased to present the 23rd Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS:

The highlights of the Financial Results are as under:

(₹ in Lakh)

Particulars	Year Ended 31/03/2014	Year Ended 31/03/2013
Revenue from operations	55.90	-
Other Income	-780.90	131.42
Total	-725.00	131.42
(-) Total Expenditures	130.92	101.94
Profit Before Tax	-855.92	29.48
(-) Tax Expense	0.09	9.70
Profit After Tax	-856.00	19.78

FINANCIAL HIGHLIGHTS

During the financial year under review the total revenue of the company has decreased as compared to figures of previous years due to unfavorable business conditions and inflation.

DIVIDEND

The Board of Directors expresses its inability to recommend any dividend for the financial year under review due to losses.

DIRECTORS

Smt. Smita Pandya, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956 relating to the Directors Responsibility Statement, it is hereby confirmed that:

- (a) In the preparation of the Annual Account for the financial year ended 31st March, 2014 the applicable accounting standard have been followed along with proper explanations relating to material departures.
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the losses of the Company for the year ended on that date.
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the Annual Accounts on a going concern basis.

PUBLIC DEPOSITS:

The Company has not invited nor accepted any fixed deposits from the public during the year under review.

AUDITORS

M/s. Motilal & Associates, Chartered Accountant, Mumbai will retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

CORPORATE GOVERNANCE

A separate section titled "Corporate Governance" including a certificate from the Auditors of the company confirming compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed hereto and forms a part of the Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as required under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, is given as a separate statement in the Annual Report.

PARTICULARS OF EMPLOYEES

As required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules 1975, are not applicable since, none of the employee of the company is drawing more than ₹ 60,00,000/- p.a. or ₹ 5,00,000/- p.m. for the part of the year, during the year under review.

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

The Company do not have any manufacturing operations and therefore provisions of Section 217(1) (e) of the Companies Act, 1956 relating to conversation of Energy and Technology Absorption are not applicable.

ACKNOWLEDGEMENTS

Your Directors appreciates the high degree of professionalism, commitment and dedication displayed by all the employees, constituents and its suppliers, technology partners, associates and partners at all levels. The Directors also place on record their gratitude to the members for their continued support and confidence.

By Order of the Board of Directors
DIVINE MULTIMEDIA (INDIA) LIMITED

Place :27/08/2014
Date : Vadodara

Prakash Dhebar
(Managing Director)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OPPORTUNITIES:

The Indian media and entertainment (M&E) industry is full of potential and has a tremendous impact on the country's economy. As per a FICCI-KPMG report, India's M&E industry reaches 161 million TV households; 94,067 newspapers; about 2000 multiplexes; and 214 million internet users, of which 130 million access the Internet on their mobile phones. The industry grows with each passing day and plays a significant role in creating awareness on many issues that impact the masses. India's population is over 1.2 billion. These numbers give the M&E industry in India a tremendous opportunity for growth. A few years ago, the idea of reaching and engaging the country's population seemed improbable. That scenario has completely changed today and the current industry is armed with digital technologies, modern mobile devices, penetration of broadband internet and digital cinema, and considerable backing from the Central Government. India's M&E industry registered a growth of 12 per cent in 2013 and touched Rs 91,800 crore (US\$ 15.27 billion). The industry has the potential to grow at 14.2 per cent to more than Rs 1.78 trillion (US\$ 29.61 billion) in the next four years, as per a report by FICCI-KPMG. The television industry in India, which was estimated at Rs 41,720 crore (US\$ 6.94 billion) in 2013, is projected to increase at a compound annual growth rate (CAGR) of 16.2 per cent over 2013-18, to reach Rs 88,500 crore (US\$ 14.72 billion) by 2018. With an estimated market size of US\$ 5 billion, India is the 14th biggest advertising market globally, as per the latest edition of the Gunn Report. Digital advertising is also expected to witness a CAGR of 27.7 per cent by 2018. India's M&E industry will continue to bank on the digital area in future. With a growing internet user base of over 200 million, the industry's potential to generate revenue is vast. In 2013, telecom companies started focusing on data as a way to generating revenue. Also, advertising agencies competed with each other to acquire in the social media and digital domains. These developments suggest a bright future for the M&E industry in the country. It is also time for the M&E sector to start looking at opportunities outside India. Africa and the Middle East are two of the fastest growing M&E markets, and Indian M&E companies would do well to explore these regions.

THREATS:

The Indian box office is fairly seasonal in nature, with bigger releases and higher box office sale occurring during holidays periods and festival seasons. Moreover, viewership may be affected by major sports events, such as, Indian Premier League (IPL), World Cups, live gaming etc. Piracy continues to dampen the growth and reduces the revenue. Increased Competition is yet another threat to E&M Industry. The media and entertainment industries face both danger and opportunities in digital technology.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal control systems commensurate with the scale of operations of the company.

DISCUSSION ON FINANCIAL PERFORMANCE:

The Company's financial performance is discussed in details under the head "Results of Operations" in Directors Report to the Members.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES:

There are no material developments in human resources

CAUTIONARY STATEMENT:

Statement in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is based on the principle of integrity, fairness, equity, transparency, accountability and commitment to values. The Company believes that good Corporate Governance practices should be enshrined in all activities of the company. Good Corporate Governance is an integral part of the Company's Management and Business. The company continues to follow procedures and practices which is in conformity with the Code of Corporate Governance enshrined in the Listing Agreement.

BOARD OF DIRECTORS

The Board of Directors as on 31st March, 2014 consisted of 3 Directors. The Chairman of the Company is Executive Director. The composition of Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Name	Category	No. of Outside Directorship(s) held in Public and Private Limited		No. of Board Committee position held in other Public Limited Companies	
		Private	Public	Chairman	Member
Prakash Dhebar	Managing Director	4	2	-	-
Smita Pandya	Independent Director	4	1	-	-
Lokanath Mishra	Independent Director	1	1	-	1

BOARD MEETINGS

The Board held 5 (FIVE) Meetings during the year 2013 - 2014 on 30th May, 2013, 14th August, 2013, 27th September, 2013, 11th November, 2013 and 13th February, 2014.

Attendance of Directors at Board Meetings and at the Annual General Meeting

Name of the Director	No. of Board Meetings Attended	Whether Attended the Last AGM
Shri Prakash Dhebar	5	YES
Smt Smita Pandya	5	YES
Shri Lokanath Mishra	4	NO

The Board ensures compliance of all laws applicable to the Company and takes steps to rectify non-compliance, if any

AUDIT COMMITTEE

The Audit Committee has been constituted as per the provision of section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The terms of reference of the Audit Committee are broadly as under:

- Overseeing the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment/re-appointment of external/internal auditors, tax auditors, fixation of audit fees, etc.
- Review of annual financial statements.
- Review of quarterly / half-yearly un-audited financial results.
- Review of adequacy of internal control systems
- Reviewing the company's financial and risk management policies.

COMPOSITION AND ATTENDANCE:

Name of the Member	Category	No. of Meeting Attended
Lokanath Mishra (Chairperson)	Independent Directors	3
Smita Pandya	Independent Director	4
Prakash Dhebar	Managing Director	4

During the financial year 2013-14 the Audit Committee met 4(Four) times on 30th May, 2013, 14th August, 2013, 11th November, 2013 and 13th February, 2014.

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholders Grievances Committee facilitate prompt and the effective redressal of the complaints of the shareholders and reporting the same to the Board periodically. The Shareholders Grievance Committee of the company was constituted comprising of the following directors:

Smita Pandya - Chairman
Lokanath Mishra - Member

Details of Complaints received during the year are as follows:

No. of Complaints at beginning	8
No. of Complaints Received	0
No. of Complaints Cleared	6
No. of Complaints Pending	2

Name of the Compliance Officer: Sarju Parikh

DISCLOSURES

There are no materially significant related party transactions i.e. transactions, material in nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. having potential conflict with the interest of the company at large, except as disclosed in the notes to the accounts, Schedule forming part of the Balance Sheet.

CEO/CFO CERTIFICATION

A certificate from the Chief Executive Officer and the Chief Financial Officer on the financial statements of the Company was placed before the Board.

GENERAL BODY MEETINGS

Year	Location	Date	Time	Special Resolution Passed
2010-2011	1 st Floor, Panorama Complex, R. C. Dutt Road, Alkapuri, Vadodara - 390 007	30.09.2011	3.00 P.M.	NO
2011-2012	1 st Floor, Panorama Complex, R. C. Dutt Road, Alkapuri, Vadodara - 390007	29.09.2012	3.00 P.M.	YES
2012-2013	1 st Floor, Panorama Complex, R. C. Dutt Road, Alkapuri, Vadodara - 390007	27.09.2013	10.30 A.M.	NO

Special Resolution was passed in the Year 2011-2012 for the purpose of appointment of Mr. Harsh Jain as Whole Time Director of the company.

MEANS OF COMMUNICATION

- a) The quarterly / annual results are communicated to the Bombay Stock Exchange Limited where the Company's shares are listed and published in Free Press Gujarat (English) and Lokmitra (Gujarati).
- b) The quarterly / half yearly financial results are being sent to all the Stock Exchanges, where the shares of the Company are listed for putting in their own website.
- c) The Company has not made any presentation to any institutional investors or to analysts during the year.
- d) All items required to be covered in the Management Discussion and Analysis Report have been included in the Directors' Report to Members.

GENERAL BODY MEETINGS

AGM : Date and Time Venue	27 th September, 2014 at 05:30 pm SF/28, Silver Rock Complex, Behind Makarpura Police Station, Makarpura Road, Baroda, Gujarat - 390 010.
Financial Calendar	April 1 - 31 st March
Date of Book Closure	25 th September, 2014 - 27 th September, 2014
Dividend Payment Date	Not Applicable
Listing on Stock Exchange	Bombay Stock Exchange
Scrip Code	523810
Registrar and Share Transfer Agent	Purva Sharegistry (India) Private Limited Unit No. 9, Shiv Shakti Ind. Estt, J R Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai.
Share Transfer System	Share Transfers are processed and share certificates are returned within prescribed periods.
De-materialization of shares and liquidity	As on 31 st March, 2014, 93.06% of the Company's equity shares were held in dematerialized form
Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	There were no such outstanding instruments as on 31 st March, 2014
Address for Communication	SF/28, Silver Rock Complex, Behind Makarpura Police Station, Makarpura Road, Baroda ,Gujarat 390010
Market price Data : High, Low during each month in the financial year 2013 - 2014	See Table No. 1 below
Summary of Shareholding Pattern	See Table No. 2 below
NSDL/CDSL and Physical Position	See Table No. 3 below
E-Voting Period	18 September, 2014 to 20 th September, 2014

Table 1 - STOCK MARKET PRICE DATA

High and Low of market price of the Company's Shares traded on Bombay Stock Exchange Limited, during the Financial Year - 2013 - 2014

Month	High Price	Low Price
April - 2013	6.80	4.63
May - 2013	4.54	3.12
June - 2013	3.14	2.42
July - 2013	2.79	2.20
August - 2013	2.44	1.87
September - 2013	2.31	1.90
October - 2013	2.39	1.68
November - 2013	3.34	2.49
December - 2013	2.72	2.06
January - 2014	2.84	1.94
February - 2014	2.75	1.80
March - 2014	2.07	1.47

PRICE MOVEMENT

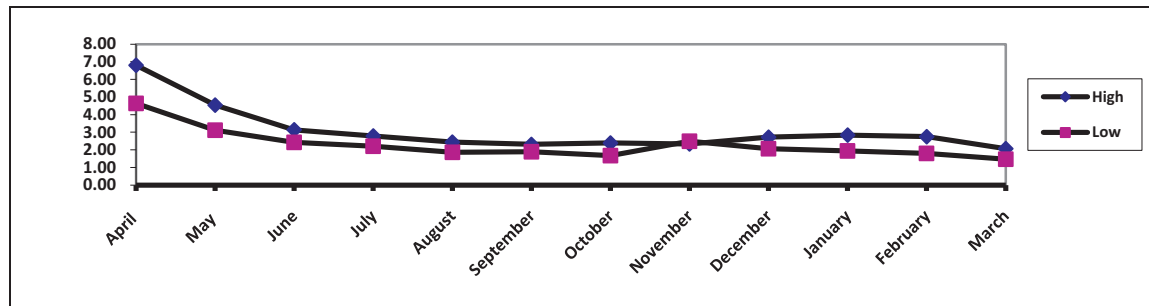


Table 2 - SUMMARY OF SHAREHOLDING PATTERN AS ON 31ST MARCH, 2014

Category	No. of Shares Held	Percentage of Shareholding
Promoters	45,000	0.07
Mutual Funds and others	-	-
Corporate Bodies	2,53,06,046	37.82
Indian Public	4,15,45,444	62.08
NRI	23,510	0.03
Total	6,69,20,000	100.00

Table 3 - NSDL, CDSL AND PHYSICAL POSITION AS ON 31ST MARCH, 2014

	31 st March, 2014	31 st March, 2013
NSDL	3,84,56,244	3,54,08,943
CDSL	2,38,20,756	2,79,26,057
Physical	46,43,000	35,85,000
TOTAL	6,69,20,000	6,69,20,000

INVESTORS CORRESPONDENCE/COMPLAINTS TO BE ADDRESSED TO

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address or any other relating to shares, please write to:

Mr. Sarju Parikh
Compliance Officer
SF/28, Silver Rock Complex,
Behind Makarpura Police Station,
Makarpura Road, Baroda, Gujarat - 390 010.
e-mail : divinemultimedialtd@gmail.com

MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements are in full conformity with the requirements of the Companies Act, 1956 and the Accounting Standards issued by the Central Government. The Management accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition, and results of operations. To ensure this, the Company has installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis. Our auditors have conducted audits to provide reasonable assurance that the company's established policy and procedures have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls. These financial statements have been audited by M/s Motilal Jain, Chartered Accountants, Mumbai, Statutory Auditors of the Company.

**For and On Behalf of the Board
Divine Multimedia (India) Limited**

Place: Vadodara
Date : 27/08/2014

(Prakash Dhebar)
Managing Director

CODE OF CONDUCT DECLARATION

Pursuant to Clause 49I(D) of the Listing Agreement entered into with the Stock Exchange, I hereby declare that all the board members and senior management personnel of the company have affirmed compliances with Code of Conduct for the year ended on 31st March,2014

**For and On Behalf of The Board
For Divine Multimedia (India) Limited**

Place: Vadodara
Date : 27/08/2014

Prakash Dhebar
(Managing Director)

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Divine Multimedia (India) Limited
Vadodara

We have examined the compliance of conditions of Corporate Governance by Divine Multimedia (India) Limited, for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement and on the basis of the records maintained by the Company and furnished to us and the information and explanations given to us by the Company, we state that there were 2 investor grievances pending against the Company for a period exceeding one month.

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

**For Motilal & Associates
Chartered Accountants
(FRN No.: 106584W)**

Date : 27/08/2014
Place: Vadodara

**CA. Motilal Jain
Proprietor**

INDEPENDENT AUDITORS' REPORT

To The Members of
DIVINE MULTIMEDIA (INDIA) LTD.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of DIVINE MULTIMEDIA (INDIA) LIMITED, which comprise the Balance Sheet as at March 31st 2014, and the Statement of Profit and Loss and Cash Flow Statements for the year 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give 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 31st 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 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 (Auditors Report) Order, 2003 (“the Order”), as amended, 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;
 - c) the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet and 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 31st 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For Motilal & Associates
Chartered Accountants
(FRN No.: 106584W)

CA. Motilal Jain
Proprietor
Membership No.: 036811

Place: Mumbai
Date : 27th May, 2014

ANNEXURE TO THE AUDITOR'S REPORT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Referred to in our report of even date

- (i) **In respect of Fixed Assets:**
- (a) The company has maintained proper records showing full particulars, including quantities details and situation of assets.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) During the year, the company has not disposed off substantial part of its fixed assets and therefore, going concern status of the company is not affected.
- (ii) **In respect of inventories:**
As informed, the Company does not have any inventory and such, clause 4 (ii) (a) to 4 (ii)(c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
- (iii) **In respect of Loan given or taken:**
- (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) The Company has taken loans from a party and two companies maintained under Section 301, as at the year end, the outstanding balance of such loans taken aggregated ₹ 14,25,200 and the maximum amount outstanding during the year was ₹ 27,97,624.28/-.
 - (c) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie, not prejudicial to the interest of the company.
- (iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size and nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. We have not observed any major weaknesses in the internal control system during the course of the audit.
- (v) In our opinion and according to the information and explanations given to us, transaction that needs to be entered into the register maintained under Section 301 of the Act, 1956 has been entered.
- (vi) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits from public within the meaning of section 58-A and 58AA of the Companies Act, 1956 and the rules framed there under.
- (vii) The company does not have an internal audit department.
- (viii) According to the information and explanation given to us the Central government of India has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any product of the company.
- (ix) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities

- (x) The Company has accumulated losses of ₹ 914.89 lacs which is less than 50% of the Net Worth of the Company as at the end of the financial year. The Company has incurred cash loss during the financial year under review and also in the immediately preceding financial year.
- (xi) The Company neither borrowed from financial institutions and banks nor issued any debentures during the year and hence this clause is not applicable to the Company.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence company is not required to maintain documents and records.
- (xiii) In our opinion, the company is not a Chit fund or a Nidhi fund or a mutual benefit fund/society. Accordingly, paragraph 4 (xiii) (a), (b), (c), (d) of the order are not applicable to the company.
- (xiv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) The Company has applied loans for the purpose for which the loans were obtained.
- (xvi) According to the information and explanations given to us and on an overall examination of the Balance sheet of the company, we are of the opinion that there are no funds raised on short term basis have been used for long term investment.
- (xvii) The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- (xviii) During the year, the Company did not have any outstanding debentures during the year. Hence, no security or charge has been created during the year.
- (xix) The Company has not raised money through public issue during the year. Accordingly, paragraph 4 (xx) of the Order is not applicable.
- (xx) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or before by the company has been noticed or reported during the course of our audit.

For Motilal & Associates
Chartered Accountants
FRN No. : 106584W

CA Motilal Jain
Proprietor
Membership No. 036811

Place : Mumbai
Date : 27th May, 2014

DIVINE MULTIMEDIA (INDIA) LIMITED
(FORMERLY KNOWN AS KALEIDOSCOPE FILMS LIMITED)

Balance Sheet as at 31st March, 2014			
Particulars	Note No.	31st March, 2014 (₹)	31st March, 2013 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	6,69,20,000	6,69,20,000
(b) Reserves and Surplus	2	9,07,70,524	17,63,70,548
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	14,25,200	37,97,624
(4) Current Liabilities			
(a) Short-Term Borrowings	4	2,03,66,904	2,13,66,904
(b) Trade Payables	5	17,71,316	21,64,418
(c) Other Current Liabilities	6	99,014	5,03,783
(d) Short-Term Provisions	7	76,122	15,00,788
TOTAL		18,14,29,080	27,26,24,064
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	28,08,957	30,85,849
(b) Long-Term Loans and Advances	9	9,74,70,775	16,19,25,775
(c) Non-current Investments	10	6,75,300	3,06,75,300
(2) Current Assets			
(a) Trade Receivables	11	19,42,263	1,28,14,823
(b) Cash and Cash Equivalents	12	69,62,637	18,597
(c) Short Term Loans and Advances	13	7,12,32,135	6,40,05,455
(d) Other Current Assets	14	3,37,014	98,266
TOTAL		18,14,29,080	27,26,24,064
As per our report of even date For Motilal and Associates Chartered Accountants (FRN No: 106584W)		For & On Behalf of the Board of Directors Divine Multimedia (India) Limited	
CA. Motilal Jain Proprietor Membership No: 036811		(Prakash Dhebar) (Smita Pandya) Managing Director Director	
Place : Mumbai Date : 27th May, 2014			

Statement of Profit and Loss for the Year ended 31st March, 2014			
Particulars	Note No.	31st March, 2014 (₹)	31st March, 2013 (₹)
I. Income			
Revenue from Operations	15	55,90,000	-
Other Incomes	16	(7,80,89,793)	1,31,42,052
Total Revenue		(7,24,99,793)	1,31,42,052
II Expenses:			
Purchases & Direct Expenses		55,90,000	-
Employees Benefits Expenses	17	1,58,900	17,77,839
Finance Costs	18	48,16,346	27,67,919
Depreciation and Amortization	8	2,76,892	2,76,892
Other Expenses	19	22,49,532	53,70,995
		1,30,91,670	1,01,93,645
III Profit before Prior Period Items & Tax (I - II)		(8,55,91,463)	29,48,407
IV Prior Period Items		-	-
V Profit before Tax (III - IV)		(8,55,91,463)	29,48,407
VI Tax Expense:			
Sort / Excess Provision for Tax		8,561	-
Provision for Current tax		-	9,70,000
VII Profit/ (Loss) for the period (V - VI)		(8,56,00,024)	19,78,407
VIII Earnings Per Equity Share			
Equity shares of par value Rs. 1/- each			
Basic		(1.28)	0.03
Diluted		(1.28)	0.03
Nominal Value of Shares ₹ 1 (Previous Year ₹1)			
No. of Equity Shares used in computation of above		6,69,20,000	6,69,20,000
As per our report of even date For Motilal and Associates Chartered Accountants (FRN No: 106584W)		For & on Behalf of the Board of Directors Divine Multimedia (India) Limited	
CA. Motilal Jain Proprietor Membership No: 036811		(Prakash Dhebar) Managing Director	Smita Pandya Director
Place : Mumbai Date : 27th May, 2014			

DIVINE MULTIMEDIA (INDIA) LIMITED
(FORMERLY KNOWN AS KALEIDOSCOPE FILMS LIMITED)

Cash flow statement for the ended 31st March, 2014		
	31st March 2014	31st March 2013
	₹	₹
Cash flows from operating activities		
Net profit before tax	(8,55,91,463)	29,48,407
Adjustments for		
Add : Non Cash Item/Items required to be disclosed separately		
Depreciation and amortisation	2,76,892	2,76,892
Profit on sales of Investments	-	(8,02,560)
Compensation Received	(10,00,000)	-
Finance cost	48,00,000	26,72,876
Interest income	(75,29,985)	(1,07,39,492)
Operating profit before working capital changes	(8,90,44,556)	(56,43,877)
Changes in Working Capital:		
Trade receivables	1,08,72,560	(46,49,291)
Other Current Assets	(2,38,748)	(98,266)
Short-term loans and advances	(72,26,680)	36,04,343
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(3,93,102)	(4,34,902)
Short Term Provision	(14,24,666)	(2,81,681)
Other current liabilities	(4,04,769)	(6,61,637)
Profit generated from operations	(8,78,59,960)	(81,65,310)
Tax paid (net of refunds)	(8,561)	(9,70,000)
Net Cash generated from operating activities	(8,78,68,521)	(91,35,310)
Cash flows from investing activities		
Purchase of Fixed Assets	-	(8,295)
Profit on Sales of Investments	-	8,02,560
Sales / (Purchase) of Investments	3,00,00,000	2,33,70,000
Movement of Loans & Advances	6,44,55,000	(4,23,29,148)
Compensation Received	10,00,000	-
Interest Income	75,29,985	1,07,39,492
Net cash generated from investing activities	10,29,84,985	(74,25,391)
Cash flows from financing activities		
Proceeds from long-term borrowings	(23,72,424)	70,000
Repayment of short-term borrowings	(10,00,000)	1,70,66,904
Finance cost	(48,00,000)	(26,72,876)
Net cash generated from financial activities	(81,72,424)	1,44,64,028
Net change in cash and cash equivalents	69,44,040	(20,96,673)
Cash and cash equivalents at the beginning of the year	18,598	21,15,271
Cash and cash equivalents at the end of the year	69,62,637	18,598
Notes forming part of the financial statements		
As per our report on even date		
For Motilal & Associates	For & on Behalf of the Board of Directors	
Chartered Accountants	Divine Multimedia (India) Limited	
Firm Registration Number: 106584W		
CA Motilal Jain	Prakash Dhebar	Smita Pandya
Proprietor	(Managing Director)	(Director)
Membership Number: 036811		
Place : Mumbai		
Date : 27th May, 2014		

Notes forming part of the financial statements								
Note 1 Share capital								
Particulars	31 March, 2013							
	(₹)							
(a) Authorised								
2,00,00,000 Equity Shares of ₹1/- each	20,00,00,000							
(Previous year 2,00,00,000 Equity Shares of ₹1/- each)	20,00,00,000							
(b) Issued , subscribed and fully paid up								
6,69,20,000 equity shares of ₹ 1/- each fully paid up with voting rights	6,69,20,000							
(Previous year 6,69,20,000 Equity Shares of ₹ 1/- each)	6,69,20,000							
Notes:								
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:								
Issued, subscribed and fully paid up								
Particulars	Opening balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other Changes	Closing balance
Equity shares with voting rights								
Year ended 31 March, 2014								
- Number of shares	6,69,20,000	-	-	-	-	-	-	6,69,20,000
- Amount (₹)	6,69,20,000	-	-	-	-	-	-	6,69,20,000
Year ended 31 March, 2013								
- Number of shares	6,69,20,000	-	-	-	-	-	-	6,69,20,000
- Amount (₹)	6,69,20,000	-	-	-	-	-	-	6,69,20,000
(ii) Details of shares held by each shareholder holding more than 5% shares:								
Class of shares/Name of shareholder	31 March, 2014		31 March, 2013					
	Number of shares held	% held	Number of shares held	% held				
Equity shares with voting rights								
Mono Herbicides Limited	75,01,559	11.21	74,23,407	11.09				
Manoj Javeri Stock Broking Pvt Ltd.	36,53,394	5.46	-	-				

NOTES ON FINANCIAL STATEMENTS		
Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE 2		
Reserves and Surplus		
(a) Securities Premium Account	18,22,60,000	18,22,60,000
(b) Surplus i.e. Balance in the Statement of Profit & Loss		
As per last Balance Sheet	(58,89,452)	(78,67,859)
(Short) / Excess Provision of earlier years	-	-
Addition during the year	(8,56,00,024)	19,78,407
	(9,14,89,476)	(58,89,452)
	9,07,70,524	17,63,70,548
NOTE 3		
Unsecured Loans		
Long-Term Borrowings		
From Directors	-	7,72,424
From Companies	14,25,200	30,25,200
	14,25,200	37,97,624
NOTE 4		
Unsecured Loans		
Short-Term Borrowings		
Loans from Director	-	10,00,000
Loan from Companies	2,03,66,904	2,03,66,904
	2,03,66,904	2,13,66,904
NOTE 5		
Trade Payable		
Dues to Micro, Small and Medium Enterprises	-	-
Other Trade Payable	17,71,316	21,64,418
	17,71,316	21,64,418
NOTE 6		
Other Current Liabilities		
Statutory Dues	99,014	5,03,783
Others	-	-
	99,014	5,03,783
NOTE 7		
Short-Term Provisions		
Provision for Taxation	15,63,617	30,64,617
Provision for Expenses	-	93,276
Provision For Penalty	17,00,000	17,00,000
Advance Tax	(31,87,495)	(33,57,105)
	76,122	15,00,788

Note - 8 Fixed Assets										
Assets	Gross Block			Depreciation Block			Net Block			
	As At 01/04/13	Addition / Deduction	Deduction/ Adjustment	As at 31/03/14	As At 01/04/13	Addition / Deduction	Adjustments During Year	As at 31/03/14	As At 31/03/13	
A) Tangible Assets										
Air Conditioner	2,63,986	-	-	2,63,986	12,781	12,540	-	25,321	2,38,665	
Computer	4,39,184	-	-	4,39,184	2,42,751	50,124	-	2,92,875	1,46,309	
Electrical Fittings	3,50,624	-	-	3,50,624	23,433	22,152	-	45,585	3,05,039	
Furniture	38,27,150	-	-	38,27,150	17,86,069	1,66,676	-	19,52,745	18,74,405	
Miscellaneous Assets	4,70,182	-	-	4,70,182	2,05,414	24,164	-	2,29,578	2,40,604	
Office Equipments	40,703	-	-	40,703	35,532	1,236	-	36,768	3,935	
Total of A	53,91,829	-	-	53,91,829	23,05,980	2,76,892	-	25,82,872	28,08,957	
Previous year	53,83,534	8,295	-	53,91,829	20,29,088	2,76,892	-	23,05,980	30,85,849	
									33,54,446	

DIVINE MULTIMEDIA (INDIA) LIMITED
(FORMERLY KNOWN AS KALEIDOSCOPE FILMS LIMITED)

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE 9		
Long Term Loans and Advances (Unsecured and Considered Goods)		
i) Capital Advances	4,51,00,000	10,40,00,000
ii) Security Deposits	1,58,275	16,13,275
iii) Loans to Companies	5,22,12,500	5,63,12,500
iv) Other Loans and Advances	-	-
	9,74,70,775	16,19,25,775
NOTE 10		
Non-current Investments		
Unquoted Other Investments:		
Investment in Equity Shares		
30,00,000 (P. Y. 30,00,000) Equity Shares of Bafna Relators Pvt. Ltd. (Face Value of ₹ 1 each fully paid up)	-	3,00,00,000
67,530 (P. Y. 67,530) Equity Shares of Vantage Entertainment Media Inc (Face Value of \$10 each fully paid up)	6,75,300	6,75,300
	6,75,300	306,75,300
NOTE 11		
Trade Receivables (Unsecured and Considered Good)		
More than Six Months	11,42,263	1,28,14,823
Others	8,00,000	-
	19,42,263	1,28,14,823
NOTE 12		
Cash and Cash Equivalents		
Balances with Bank	67,71,452	(7,092)
Cash on hand	1,91,185	25,690
	69,62,637	18,597
NOTE 13		
Short Term Loans and Advances (Unsecured and Considered Good)		
i) Loans to Companies	5,68,63,274	6,00,81,353
ii) Loan to Others	23,93,916	32,43,916
iii) Advance to Supplier	1,19,71,195	6,77,426
iv) Prepaid Expenses	3,750	2,760
v) Duty & Taxes Receivable	-	-
	7,12,32,135	6,40,05,455
NOTE 14		
Other Current Assets		
Service Tax	3,37,014	98,266
	3,37,014	98,266

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE 15		
Revenue From Operations		
Income from Sale of Goods	55,90,000	-
	55,90,000	-
NOTE 16		
Other Incomes		
Commission & Brokerage Income	-	16,00,000
Interest Income	75,29,985	1,07,39,492
Profit on sale of Investments	-	8,02,560
Compensation Received	10,00,000	-
Trading in F&O and Expenses	(4,88,69,778)	-
Long Term Loss on Sale of Shares Unquoted Shares	(1,27,50,000)	-
Loss on Cancellation Of Property	(2,50,00,000)	-
	(7,80,89,793)	1,31,42,052
NOTE 17		
Employees Benefits Expenses		
Salaries and Wages	1,58,900	17,77,839
Staff Welfare Expenses	-	-
	1,58,900	17,77,839
NOTE 18		
Finance Costs		
Interest Expenses	48,00,000	26,72,876
Other Borrowing Cost	16,346	95,043
	48,16,346	27,67,919
NOTE 19		
Other Expenses		
Advertisement Expenses	44,451	1,38,782
Audit Fees	39,326	28,090
Sundry Balance Written Off	61,560	1,82,555
Conveyance Expenses	-	30,000
Electricity Charges	1,59,034	1,18,774
Legal Fees	1,01,281	11,55,394
Miscellaneous Expenses	70,658	99,236
Office Expenses	56,172	55,353
Office Rent	15,75,000	27,00,000
Printing & Stationary	27,300	30,849
Professional Fees	17,000	6,91,000
Professional Tax	2,500	5,000
Repairs & Maintenance	55,795	31,690
Telephone Charges	39,455	97,327
Travelling Expenses	-	6,945
	22,49,532	53,70,995

**DIVINE MULTIMEDIA (INDIA) LIMITED
(FORMERLY KNOWN AS KALEIDOSCOPE FILMS LIMITED)**

Note 20 Related party transactions				
Description of relationship	Names of related parties			
Key Management Personnel (KMP)	Prakash Dhebar Smita Pandya Lokanath Mishra			
Relatives of KMP	Nil			
Company in which KMP/Relatives of KMP can exercise significant influence	Gujarat Capital Ventures Limited (Company in which Mr Prakash Dhebar is a Director) Suntech Consultants Private Limited (Company in which Mr Prakash Dhebar is a Director)			
Note: Related parties have been identified by the Management.				
Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:				
Particulars	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Transactions during the year				
Loans taken	6,00,000	-	-	6,00,000
	(-)	(-)	(70,000)	(70,000)
Repayment of Loans taken	13,72,424	-	-	13,72,424
	(-)	(-)	(-)	-
Balances outstanding at the end of the year				
Borrowings	(7,72,424)	(-)	(14,25,200)	(21,97,624)
	-	-	14,25,200	14,25,200

Note 21 - Notes for Financial Statements for the year ended 31st March, 2014

A. Significant Accounting Policies:

1. Basis Of Accounting:

The financial statements have been prepared under the historical cost convention on an accrual system based on principle of going concern and are in accordance with the generally accepted accounting principles and the accounting standards referred to in section 211 (3C) of the Companies Act, 1956.

2. Fixed Assets:

Fixed assets are capitalized at cost inclusive of freight, duties, taxes, insurance, installation and net of cenvat credit and VAT set off.

3. Depreciation:

Depreciation on fixed assets for own use has been provided based on straight-line method and at the rates prescribed by Schedule XIV of the Companies Act, 1956. Depreciation on assets added/disposed off during the year is provided on pro-rata basis from the date of addition or up to the date of disposal, as applicable.

4. Investments:

Long Term Investments are stated at cost except that there is permanent diminution in value of the said investment as required by AS-13. Current investments are carried at cost or market value.

5. Taxation:

Income tax expense comprises current tax, deferred tax charge or release and charge on account of fringe benefit tax. The deferred tax charge or credit is recognized using substantially enacted rates. In the case of unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only to the extent there is virtual certainty or realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.

6. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement except where virtual certainty is there.

7. Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported Period. Difference between the actual results and estimates are recognized in the Period in which the results and estimates are recognized in the Period in which the results are known or materialize.

8. Provisioning/Write-off of Doubtful Debts:

Unrealizable Debts and Sundry balances has been written-off to present true and fair view of the Management and as per the policy adopted by the Management of the company in the previous years.

B. Notes On Accounts:

1. **Contingent liabilities and commitments**

Claims against the company not acknowledged as debt -

- Contingent Liabilities

(i) Income Tax Demand for AY 2011-12 of ₹ 8,99,61,810/- (PY ₹ 8,99,61,810/-)

(ii) Income Tax Demand for AY 1994 -95 of ₹ 10,79,505/- (PY ₹ 10,79,505/-)

(iii) SEBI Penalty – ₹ 7,00,000/- (PY ₹ 7,00,000)

2. **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

Micro, Small and Medium Enterprises in terms of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors. The Company has not received any instruction from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures if any, relating to amounts unpaid as at the year end together with interest payable as required under the said Act have not been given.

3. **Earnings per share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

	31/03/2014 (₹)	31/03/2013 (₹)
Profit/(loss) after tax	8,56,00,024	19,78,407
Less : Dividends on convertible preference share & tax thereon	-	-
Net profit/(loss) for calculation of basic/diluted EPS	(8,56,00,024)	19,78,407
Weighted average number of equity shares in calculating basic EPS	6,69,20,000	6,69,20,000
Earnings per share (EPS) (basic/diluted)	(1.28)	0.03

	31st March, 2014 (₹)	31st March, 2013 (₹)
4. Value of imports calculated on CIF basis	Nil	Nil
5. Expenditure in foreign currency	Nil	Nil
6. Earnings in foreign exchange	Nil	Nil
7. Auditors Remunerations (including Service tax, where applicable)		
a) Audit Fees	39,326	28,090
b) Certification Charges	8,427	11,236
8. The balances appearing under unsecured loans, sundry creditors, loans and advances, and certain banks are subject to confirmation and reconciliation and consequential adjustment, if any, will be accounted for in the year of confirmation and/or reconciliation		
9. In the opinion of the Board, the Current Assets, Loans and Advances have value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.		

10. All known liabilities are provided for on the basis of available information/ estimates.
11. **Segment Reporting:**
The Company operates in one segment i.e. film productions and allied TV contents hence no separate disclosure of segment-wise information has been made as per Accounting Standards (AS-17) Segment Reporting issued by the Institute of Chartered Accountants of India.
12. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure

The accompanying notes are an integral part of the financial statements

For Motilal & Associates
Chartered Accountants
(FRN No.:106584W)

For and on behalf of Board of Directors
Divine Multimedia (India) Limited

CA. Motilal Jain
Proprietor
Membership No. 036811

(Prakash Dhebar)
Managing Director

(Smita Pandya)
Director

Place : Vadodara
Date : 27th May, 2014

DIVINE MULTIMEDIA (INDIA) LIMITED

SF/28, Silver Rock - Complex, Behind Makarpura Police Station, Makarpura Road, Baroda, Gujarat – 390 010.

The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies vide its circular no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 after considering certain provisions of the Information Technology Act, 2000, permitted the companies to send the notices / annual reports etc. through email to its members. To support this green initiative of the MCA whole heartedly, members who have not yet registered their email address, are requested to register their e-mail address with the Depository through their concerned Depository Participant and members who hold shares in physical mode are requested to intimate their e-mail address at which they would like to receive the above documents electronically, either to the company or to its Registrar and Share Transfer Agent. Shareholders are requested to fill the consent form below and send it to the Registrar and Share Transfer Agent, Purva Shareregistry (India) Private Limited or to the company

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011)

To,
Purva Shareregistry (India) Private Limited
Unit no. 9
Shiv Shakti Ind. Estate
J .R. Boricha marg
Opp. Kasturba Hospital Lane
Lower Parel (E)
Mumbai 400 011

Dear Sir,

I/We..... shareholder (s) of Divine Multimedia (India) Limited, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communication in electronic mode (through email).

I/We request you to kindly register my / our below mentioned email id in the Company's records for sending such communication through email.

Folio No...../DP ID No.*.....and Client ID.*.....

*Applicable for members holding shares in electronic form.

Name of the Sole / First Shareholder : _____
Name of the Joint Shareholders (if any) : _____

No. of Shares held : _____

E-mail id for receipt of documents in Electronic mode : _____

Date:

Place:

Signature: _____
(Sole / First Shareholder)

Note:

1. Shareholders are requested to inform the Company's Registrar and Share Transfer Agents as and when there is change in their registered email-id.
2. for shares held in demat form, shareholders are also requested to inform /update their email-ids to their respective Depository Participants.

PROXY FORM
(Form No. MGT-11)

CIN	L21100GJ1991PLC016644
Name of the Company	Divine Multimedia (India) Limited
Registered office	SF/28, Silver Rock Complex, Behind Makarpura Police Station, Makarpura Road, Baroda, Gujarat - 390 010.
Name of the Member(s)	
Registered Address	
Email - id	
Folio No. / Client ID	

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

1.	Name
	Address
	E-mail Id
	Signature

or failing him

2.	Name
	Address
	E-mail Id
	Signature

or failing him

3.	Name
	Address
	E-mail Id
	Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the company, to be held on the 27th day of September, 2014 at the registered office, SF/28, Silver Rock Complex, Behind Makarpura Police Station, Makarpura Road, Baroda, Gujarat - 390 010 at 5.30 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below

Resolution No.	Resolution
1	Adoption of Audited Financial Statements for the F.Y. 2013 - 2014
2	To appoint Smt. Smita Pandya (DIN:01517749) as a director liable to retire by rotation
3	Re-Appointment of M/s. Motilal and Associates, Chartered Accountants as Statutory Auditors

Signed this day of 2014

Signature of shareholder :

Signature of proxy holder(s) :

AFFIX REVENUE STAMP

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

DIVINE MULTIMEDIA (INDIA) LIMITED

ATTENDANCE SLIP

23RD ANNUAL GENERAL MEETING

Please fill in the Attendance Slip and hand it over at the entrance of the Meeting Hall.

Joint shareholder may obtain additional slip on request.

D. P. ID..... Folio No.....

Client ID..... No. of Share(s) held.....

Name of the Shareholder.....

Name of the Proxy:

I hereby record my presence at the 23rd Annual General Meeting of the Company to be held at the Registered Office of the Company at SF/28, Silver Rock Complex, Behind Makarpura Police Station, Makarpura Road, Baroda, Gujarat - 390 010 at 5.30 p.m..

Signature of the Attending Member: _____

Signature of Proxy : _____

Note :

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of meeting hall.
2. Bodies Corporate, whether a company or not, who are members, may attend through their authorised representatives appointed under Section 113 of the Companies Act, 2013. A copy of authorisation should be deposited with the Company

POLLING PAPER

(Form No. MGT-12)

(Form No. MGT-12) [Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

CIN : L21100GJ1991PLC016644
 Name of the Company : Divine Multimedia (India) Limited
 Registered Office : SF/28, Silver Rock Complex, Behind Makarpura Police Station,
 Makarpura Road, Baroda, Gujarat - 390 010

BALLOT PAPER

Sr. No.	Particulars	Details
1	Name of the First Named Shareholders (in Block letters)	
2	Postal Address	
3	Registered folio No. /*Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4	Class of Share	

I hereby exercise my vote in respect of Ordinary resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item	No. of shares held by me	I assent to the resolution	I dissent to the resolution.
1	Adoption of Audited Financial Statements for the F.Y. 2013 - 2014			
2	To appoint Smt. Smita Pandya (DIN: 01517749) as a director liable to retire by rotation			
3	Re-appointment of M/s. Motilal and Associates, Chartered Accountants as Statutory Auditors			

Place :

Date :

(Signature of the shareholder)

Book Post

Name and Complete Postal Address

If Undelivered please return to:

Divine Multimedia (India) Ltd.

SF/28, Silver Rock Complex,
Behind Makarpura Police Station,
Makarpura Road, Baroda,
Gujarat - 390 010
