



**Sixth
Annual Report
2011-2012**

BOARD OF DIRECTORS

Krishnakumar Subramanian,
Chairman & Managing Director

Dr. Narayan Raman

Hitesh Kadakia

Mohan Subramanain

AUDITORS

M/s P C Surana & Co.

Chartered Accountants

205/6 Standard House

83 Maharshi Karve Road

Marine Lines Mumbai 400 002

REGISTERED OFFICE

Mohan Mills Compound,

Kolshet Road, Dhokali,

Thane West, District Thane,

Maharashtra - 400607,

India.

REGISTRAR & SHARE TRANSFER

Link Intime India Pvt. Ltd.,

C-13, Kantilal Maganlal Industrial Estate,

Pannalal Silk Mills Compound,

LBS Marg, Bhandup (W),

Mumbai 400 078.

Tel. No.: 25963838 Fax: 25946969

Bankers

The SHAMRAO VITHAL CO-OP BANK LTD

ICICI Bank Ltd.

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NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the members of NEXTGEN ANIMATION MEDIAA LIMITED will be held on Wednesday, 23rd September, 2015 at 11.00 AM at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Statement of Profit and Loss of the Company for the year ended 30th June 2012 and the Balance Sheet as at that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Hitesh Kadakia, who retires by rotation, and being eligible offers himself for reappointment.
3. To ratify the appointment of M/s P.C.Surana & Co, Chartered Accountants, who have been appointed as the statutory auditors of the Company at the Extra Ordinary General Body Meeting of the Company held on 12.08.2015 for the three financial years consecutively from 2011-12 to 2013-14 and who retire at this meeting, being eligible and willing to act as Auditors, their appointment as statutory auditors of the Company be ratified to hold office till the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors.

On behalf of the Board of Directors

Place: Mumbai

Date: 20th August 2015

Krishnakumar Subramanian
Chairman and Managing Director

NOTES:

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote (on a poll only) instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the registered office of the Company not less than 48 hours before the meeting. The same should be duly signed and stamped in order to be effective.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 17th September, 2015 to 23rd September, 2015 (both days inclusive) in terms of Section 154 of the Companies Act, 1956.
4. As per the Circular No. MRD/Dop/Cir-05/2009 dated May 20, 2009 issued by Securities and Exchange Board of India (SEBI) it is mandatory to quote PAN for transfer of shares in physical form. Therefore, the transferee(s) is required to furnish a copy of their PAN card to the Company/Registrar and Share Transfer Agent of the Company for registration of transfer of shares.
5. Shareholders holding shares in physical form, are requested to intimate their change in address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to Link Intime India Pvt. Ltd., C-13, Kantilal Maganlal Industrial Estate, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400 078. Beneficial owners holding shares in electronic form are requested to intimate their change in address/ Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP) in order to get the same register.
6. Members are requested to quote their folio numbers/Client ID No. and contact details in all correspondence with the Company/Registrar and Share Transfer Agent.
7. Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
8. Pursuant to provisions of Section 109A of the Companies Act, 1956, every member or joint holders holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or the joint holders and register the same with Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent. Members or joint holders holding shares in demat form may contact their respective DP for availing this facility.
9. The Register of Directors' shareholding maintained under Section 307 of the Companies Act, 1956 will be made available for inspection by the Members on all working days during business hours during the period beginning fourteen days before the date of Annual General Meeting and ending three days after its conclusion.
10. For faster communication and for supporting in full measure, a green initiative taken by the Ministry of Corporate Affairs, allowing services of notice/documents including Annual Report through e-mail, the shareholders holding shares in electronic form are requested to kindly register/update their e-mail addresses with their respective depository participants. The shareholders holding shares in physical form are requested to register/update their email addresses with Registrar and Share Transfer Agent of the Company.

On behalf of the Board of Directors

Place: Mumbai

Date: 20th August 2015

Krishnakumar Subramanian
Chairman and Managing Director

DIRECTORS' REPORT

The Members

Your Directors are pleased to present you the Sixth Annual Report with the Audited consolidated Financial Statements for the fiscal year from 1st July 2011 to 30th June 2012.

Rs. In millions

Financial Results	Standalone		Consolidated	
	2011-12	2010-11	2011-12	2010-11
Sales	29.33	68.36	264.16	294.88
Profits/(Loss) before Interest				
Depreciation and Tax	(0.24)	18.58	20.06	32.41
Less: Interest	(2.60)	(2.45)	2.88	3.00
Less: Depreciation	(10.84)	(11.94)	10.84	11.64
Profit/(Loss) before Tax	(13.68)	4.19	6.34	17.77
Less: Provision for Tax				
(Net of prior period tax Adjustment)	-	10.00	1.00	10.00
Profit/(Loss) for the Year	(13.68)	14.19	5.34	27.77
Add:Brought forward balance of Profit & Loss Account	43.20	29.01	79.29	51.52
Balance carried to Balance Sheet	29.52	43.20	84.64	79.29

Dividend

Your Directors do not recommend any dividend.

Performance

During the year your Company has reported revenues at Rs. 29.33 million compared to Rs. 68.36 million during the previous year. The Company has incurred the net loss of Rs.13.68 million during the year against the net profit of Rs. 14.19 million earned during the previous year.

The review of the performance for the period ended June 30, 2012 and the business outlook of the Company is included in section on Management Discussion and Analysis included in Annexure "B" to this report.

Auditors Qualification

The auditors have qualified their audit report as a matter of emphasis regarding non provision for impairment in the value of Company's Intellectual Property Right. The Note no.17 of Notes to Financial Statements for the year is self explanatory.

Fixed deposits

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

Directors:

Mr. Hitesh Kadakia retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

Directors' Responsibility Statement

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed

- i) that in the preparation of the annual accounts for the financial year ended 30.06.2012, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that they 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 and of the profit or loss of the Company for that period;
- iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that they had prepared the annual accounts on a going concern basis.

Auditors:

The auditors M/s. P.C.Surana &Co, Chartered Accountants, Mumbai who have been appointed as the statutory auditors of the Company at the Extra Ordinary General Body Meeting of the Company held on 12.08.2015 for the three financial years

consecutively from 2011-12 to 2013-14 who retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if their appointment ratified.

Consolidated Accounts

We are enclosing the audited consolidated accounts for the period ended 30th June 2012.

The copy of Audited Financial Statement of WOS Ms. Advaitaa Technologies Inc. is available with the Secretarial Department.

Corporate Governance:

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a report on Corporate Governance is given in Annexure "A".

Management Discussion and Analysis

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a report on Management Discussion Analysis is given in Annexure "B".

Employee Particulars

Particulars of employees as required under section 217(2A) of the Companies Act, 1956, and the Companies (Particulars of Employee) Rules, 1975, as amended, forms part of this report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The particulars as prescribed under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are as follows :-

A. Conservation of Energy:

The Company's operations are not power intensive. Nevertheless, your Company has introduced various measures to conserve and minimize the use of energy.

B. Research & Development (R & D):

improve overall performance.

D. Foreign Exchange Earnings & Outgo:

Activities relating to Exports & Export Plans:

The Company is making continuous efforts to explore new foreign markets and to enlarge its shares in the existing markets for export of digital animation content.

Information on Foreign Exchange earnings and outgo are specified in the notes to the accounts.

Acknowledgements

Your directors place on record their appreciation of the

a) Specific areas in which R & D is carried out by the support extended by Customers, Investors, Bankers, Business Company:

R&D activities include tools development with the object of devising efficient methods of pre-production phase. The Company has in place a quality assurance team to ensure adherence to stringent quality norms.

b) Benefits derived as a result of the above R&D:

Reduction in cost and improvement in quality adaptability of Software Systems and Packages.

C. Technology Absorption, Adaptation & Innovation:

No technology has been imported. Indigenous technology available is continuously being upgraded to

Associates, Vendors, Share Holders and various Government Agencies. Your directors would also like to place on record the contribution made by the employees / consultants who have together contributed for the success of your Company.

On behalf of the Board of Directors

Krishnakumar Subramanian
Chairman and Managing Director

Mumbai, 20th August, 2015

ANNEXURE “A”

TO THE DIRECTORS’ REPORT ON CORPORATE GOVERNANCE

a) Company’s Philosophy

Nextgen Animation Mediaa Limited’s business objectives to be Next Generation content creator using world class technology distributed through all different platforms for animation and game development. This will result in a good performance and revenue that can be sustained over the long term for the customers, shareholders, employees, business partners and the national economy.

b) Board of Directors

During the period under review the Board of Directors comprised a Chairman with Managing Director and 3 Non Executive Directors.

During the period from 1/7/2011 to 31/6/2012, 6 Board Meetings were held on 31.08.11, 29.09.2011, 28.11.2011, 31.10.2011, 29.02.2012, 31.06.2012,,

The Composition of the Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also no. of other Directorships, etc. are as follows:

Name of Director	Category of Directorship/No. of other committees of where member/chairmanship	No. of Board meeting attended	Attendance at last AGM	No. of other Directorship
Mr. Krishnakumar Subramanian	Promoter- Chairman Chairman-1 Member -2	5	Yes	3
Mr. Mohan Subramanian	Director Chairman-1 Member - 2	5	Yes	3
Dr. Narayan Raman	Independent Non Executive Director Chairman-1 Member -1	4	Yes	2
Mr. Hitesh Kadakia	Independent Non Executive Director Chairman-Nil Member - Nil	2	No	Nil

Particulars of directors seeking reappointment at the existing Annual General Meeting

The information or details pertaining to the Director retiring in this meeting and offering himself for re-appointment is as under:

Name : Mr. Hitesh Kadakia
Date of Birth : 16th March, 1962
Experience in specific functional area : Mr. Hitesh Kadakia got his Bachelor Degree from Mumbai University
Qualifications : B. Sc Mumbai University
Other Company in which Directorship held : No
No. of Shares held on 30th June, 2012 : Nil
Other public Company : Nil
In which membership of committee : Nil

c) Audit committee

i) Terms of reference

The role and terms of reference of the Audit Committee covers the areas mentioned in clause 49 of the Listing Agreement with Stock Exchanges and section 292A of the Companies Act, 1956, besides other terms as may be referred to by the Board of Directors. The minutes of the Audit Committee Meetings are taken note of by the Board.

ii) Composition

The Audit Committee was reconstituted for the year July 2011 to June 2012 and comprised of 3 Directors. The committee held 5th meetings during the period from 01/07/11 to 30/06/12. The attendance of the members at the meetings were as follows:

Name of the member	Status	No. of meeting attended
Mr. Mohan Subramanian	Chairman	4
Mr. Krishnakumar Subramanian	Member	3
Dr. Narayan Raman	Member	4

d) Remuneration Committee

Qualification and experience of the employee, responsibilities handled, individual performance, etc.

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

Name of the member	Status
Mohan Subramanian	Chairman
Krishnakumar Subramanian	Member
Dr.Narayan Raman	Member

The Committee met once during the period 01/07/2011 to 30/06/2012 where all the members were present.

e) Shareholder's/Investor's grievance committee

i) Terms of reference

To look at redressing of shareholders and investors complaints like transfer of shares, non-receipt of Balance Sheet, non receipt of dividends etc. The minutes of the Shareholder's/Investor's Grievance Committee Meetings are taken note of by the Board.

ii) Composition

The Shareholder's/Investor's Grievance Committee comprised the following Directors:

Name of the member	Status
Mr. Krishnakumar Subramanian	Chairman
Mr. Mohan Subramanian	Member
Dr. Narayan Raman	Member

The Committee met once during the period 01/07/2011 to 30/06/2012 where all the members were present.

The Board has delegated the powers of approving transfer of shares to the Registrar and Share Transfer Agents M/s. Link Intime India Private Limited, Mumbai.

iii) Shareholders Complaints

Particulars		Total number of Shareholders letters
1.	No. of Shareholders complaints received during the period 1-7-2011 to 30-6-2012	98
2.	No. of Shareholders complaints mentioned above not resolved to the satisfaction of the shareholders	20
3.	Pending Share Transfers as on June 30, 2012	0

f) General Body Meeting

Particulars of the Extra Ordinary / Annual General Meetings held:

Financial Year	Date	Location
2008-2009	23-11-2009	The Shanmukhananda Fine Arts & Sangeetha Sabha, Conventional Hall, Sion (E), Mumbai-400022.
2009-2010	25-02-2011	The Shanmukhananda Fine Arts & Sangeetha Sabha, Conventional Hall, Sion (E), Mumbai-400022.
2010-2011	30-03-2012	Dr. M.S. Subbulakshmi Auditorium , Plot No. H Bhudaji road Extention Near King's Circle Railway Station Sion West Mumbai 400022

g) Disclosures

Related party transactions:

Please refer Note No. 20 of notes to accounts.

h) General Shareholders information

i) The Annual General Meeting is proposed to be held on 23rd September, 2015 at 11:00 AM at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071.

ii) Financial Calendar

Annual General Meeting : 23rd Septmber,2015

Payment of dividend : NIL

iii) Date of book Closures : 17th Sept,2015 to 23rd Sept,2015

iv) Dividend Payment Date : Not Applicable

v) Listing Equity Shares on Stock Exchanges : The Bombay Stock Exchange, Stock Code: 532999, Rolling Settlement (Presently Suspended)

vi) Registrar and share transfer agent : Link Intime India Private Limited,
C-13, Kantilal Manganlal Industrial Estate,
Pannalal Silk Mills Compound,
LBS Marg, Bhandup (west),
Mumbai-400078.

vii) Share Transfer System

The Company's Shares are traded on the Stock exchanges compulsory in demat mode. In case of transfers not on the floor of the stock exchange physical shares, which are lodged for transfer with the Transfer Agents are processed and returned to the shareholders within a period of 30 days.

viii) Distribution of shareholding as on 30th June 2012.

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Up to 5000	183865	98.451	55921690	9.02
5001 - 10000	1480	0.792	11077950	1.787
10001 - 20000	703	0.376	10192830	1.644
20001 - 30000	209	0.112	5255940	0.848
30001 - 40000	119	0.064	4330220	0.698
40001 - 50000	90	0.048	4141350	0.668
50001 - 100000	146	0.078	10484400	1.691
100001 and above	147	0.078	518537570	83.643
TOTAL	186759	100	619941950	100

ix) Category of Shareholders as on 30th June 2012.

Category	No of Shares	Percentage
Promoters	2,224	.0036%

Banks, Mutual funds	136	0.007%
Domestic Corporate bodies	7037767	11.523%
Indian Public and Others	121136408	19.5766%
Non-resident/OCBs/FII/Foreign Company Shares held through depository	42817360	69.0668%
TOTAL	61,994,195	100%

x) Dematerialization of Shares

As on 30th June, 2012, 99.86% of the Companies total Shares representing 61,909,199 shares were held in dematerialized form and the balance 0.014% representing 84,996 shares were held in physical form.

Address of Company

Mohan Mills Compound, Kolshet Road, Dhokali, Thane (W), District Thane, Maharashtra-400607.

Address of correspondence:

The Company's Registered Office is situated at:

Mohan Mills Compound, Kolshet Road, Dhokali, Thane (W), District Thane, Maharashtra-400607.

Shareholders Correspondence should be addressed to

Link Intime India Private Limited, C-13, Kantilal Maganlal Industrial Estate, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.

Shareholders holding share in electronic mode should address all their correspondence to their respective Depository Participants (DPs)

The Company has adopted the following non-mandatory requirements on Corporate Governance recommended under clause 49 of the listing agreement.

Remuneration committee comprising 2 directors has already been constituted for reviewing and deciding the Company's policy on specific remuneration packages for executive directors and senior executives of the Company.

On behalf of the Board of Directors

Krishnakumar Subramanian
Chairman and Managing Director

Mumbai, 20th August, 2015

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To The Board of Directors of Nextgen Animation Mediaa Limited. We have reviewed implementation of Corporate Governance procedure set by Nextgen Animation Mediaa Limited ("the Company") for the year ended June 30, 2012 with the relevant records and documents maintained by the Company and furnished to us for our review.

Based on our verification and information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges.

For **M/s P C SURANA & Co.**
Chartered Accountants
[Reg No. 110631W]

P C Surana
Partner

Membership No.017136

Mumbai, 20th August, 2015

CHAIRMAN AND MANAGING DIRECTOR CERTIFICATION

We the undersigned in our respective capacities as Chairman and Managing Director of Nextgen Animation Mediaa Limited ("the Company") to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 30th June, 2012 and that to the best of our knowledge and belief, we state that:
 - i. These statement do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:-
 - i. significant changes, if any, in internal control over financial reporting during the year.
 - ii. Significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Place: Mumbai

Date: 20th August,2015

Mr. Krishnakumar Subramanian
Chairman and Managing Director

ANNEXURE "B"

MANAGEMENT DISCUSSIONS & ANALYSIS

Indian Animation & Gaming Industry Outlook Industry Structure and development

Indian animation, gaming & VFX industry is a highly fragmented industry. It showed a healthy growth in 2011 on the back of the growth in the global animation industry and the subsequent work outsourced to Indian firms. The Indian Animation industry was worth US\$ 631 million in 2011 and is expected to grow at CAGR of 23% to reach US\$ 961 million by 2013. Indian production houses are slowly moving up the value chain. While initially, only post-production work outsourced from Hollywood studios used to be sent to India, Indian studios are now looking to create their own intellectual property, by collaborating with foreign studios. Also, with the popularity of 3D, a large amount of 2D-to-3D conversion is being done by indigenous studios. Indian players are primarily involved in the labour-intensive production and post-production activities, as a 'Service Provider' working on the revenue model of 'Work-For-Hire'. This means that most skill sets are at the lower end of the value chain. Though there are a few firms offering world-class capabilities for India to merge as a global animation hub, there is a need to upscale these capabilities across a wider section of the industry by focusing on owning the IP.

This Indian gaming industry continues to grow at a fast pace driven by mobile and online gaming. Social networking has been a boon for the gaming industry with online users becoming gaming addicts through this route. While console gaming gets users acquainted with new formats (like motion-sensitive and 3D games), PC gaming is not quite living up to the promise it has. Piracy remains a major issue for PC gaming, with game manufacturers looking to generate revenues from online subscription

Indian Outlook

The Indian animation industry which set out as an outsourcing hub to global companies is poised to witness a significant growth, both in terms of revenue and up scaling in the value chain. Increasingly, players are developing original characters, lines and voices. Further, Indian production houses are also slowly moving up the value chain. Where earlier only postproduction work outsourced from Hollywood studios used to be sent to India, Indian studios are now looking to create their own IP through innovative business models. Also, with the popularity of 3D, a large amount of 2D-to-3D conversion is being done by indigenous studios. As the industry gains expertise and tries to move up the value chain, it faces a few daunting challenges, which it needs to overcome to come close to realizing its potential

Opportunity and Threat

The ever-increasing focus towards Media and Entertainment has provided an opportunity for extensive use of Animation and gaming in almost all spheres of Media and Entertainment activity. The advantages available to Nextgen Animation Mediaa Limited are:

- Strategic alliance of Indian studios with foreign companies to share risk and built long term relationship;
- Availability of skilled professionals at competitive rates;
- With in-depth industry knowledge and experience; and

- Global delivery capability through inshore/offshore delivery Model.
- Brand of Blockbusters Movie Hanuman

Internal Control

The Company has an internal control function inbuilt into its operation environment to validate the efficiency of internal control systems, effect checks regularly and report to the management and the Audit Committee, comprising of independent Board members and the Internal auditors.

Segment wise revenue

The Company recognizes Animation Content Development as the single business segment that constitutes the primary basis of segmental reporting set out in financial statements.

Risks and Concerns

The Company, with its current strengths and going forward with strong business opportunities in the pipeline and revenue streams is definitely poised in a better position to grow. To address their growth needs and overall industry demands the Company has to be more innovative and look into good recruitment and compensation strategies for existing staff.

Operations

The Company has positioned itself in the area of Animation and Game development and the directors believe that its position is strengthened with the recent expansion, which the Company has embarked upon. In addition to the above, the directors see strength in the Nextgen Animation Mediaa Limited, a strong Business model, Management experience in the market of Europe & US. The Company has started a new project execution unit in Chennai in addition to Mumbai to strengthen its operational base. The Company has already executed VFX projects out for this unit for South Indian Film Production houses. The Company believes it is poised for a strong and robust growth.

Financial Performance**Share Capital**

The total issue paid-up share capital as on 30th June 2012 is Rs. 619,941,950

Company's sales and service income for the period ended June 30, 2012 is Rs. 2.38 crores and Loss of Rs. 1.37 crores during the year.

Fixed Assets

The Company has acquired nominal assets but there are no deletion during the period ended 30th June, 2012.

Investments

The investment in the WOS of the Company M/s Advaitaa Technologies Inc. an Animation and Games Content Provider is of Rs. 72.80 crores.

INDEPENDENT AUDITORS' REPORT For the year ended 30th June,2012

TO THE MEMBERS OF NEXTGEN ANIMATION MEDIAA LIMITED, MUMBAI

Reports on the Financial Statements

We have audited the accompanying financial statements of **M/s. NEXTGEN ANIMATION MEDIAA LIMITED** ("the Company") which comprise the Balance Sheet as at 30th June,2012 and the Statement of Profit & Loss for the year then ended and a summary of significant accounting policies and other explanatory information.

Managements 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 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.

Auditors' 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 misstatements.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors 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 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 according 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:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th June,2012

(ii) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and

(iii) Cash flow statement for the year ended 30th June,2012

Emphasis of Matter –

We Draw attention to note no. 17 to the Financial statements regarding non-provision for impairment in value of the Company's Intellectual Property rights carrying cost of Rs. 5553.00 lakhs.

Our opinion is not qualified in this matter.

Report of Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said 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 purposes of our audit ;
 - (b) In our opinion, proper books of accounts as required by law, have been kept by the company so far as appears from our examination of the books of the company;
 - (c) The Balance Sheet and Statement of Profit & Loss dealt with by this Report are in agreement with the books of accounts of the Company ;
 - (d) In our opinion, the Balance Sheet and Statement of Profit & Loss comply with the Accounting Standards referred to in section 211(3C) of Companies Act,1956 ;
 - (e) On the basis of written representations received from directors as on 30th June, 2012, and taken on record by the board of directors, in our opinion, none of the directors is disqualified as on 30th June, 2012 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 ;
 - (f) Non provision for impairment of the intellectual property rights as required under AS-26, non-provision deferred tax liability under AS-22.

For P C Surana & Co

Chartered Accountants
Registration No. 110631W

P C Surana
Partner

M. No. 017136

Mumbai, 20th August, 2015

ANNEXURE TO AUDITORS' REPORT

Referred to in the Auditor's Report of even date to the members of NEXTGEN ANIMATION MEDIAA LIMITED, MUMBAI on the financial statements for the year ended 30th June,2012

- | | |
|--|---|
| <p>i) a) The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.</p> <p>b) Most of the fixed assets of the Company have been physically verified.</p> <p>c) None of the fixed assets have been revalued during the year.</p> <p>ii) a) There is no physical stock.</p> <p>b) As the Company does not have any stock, question of physical verification does not arise.</p> <p>c) As no stock has been held by the Company clause does not apply.</p> <p>iii) The Company has maintained register under section 301 and updated the register.</p> <p>iv) In our opinion, and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to purchase of fixed assets and for the sale of goods.</p> <p>v) The Company has not entered into any transaction with referred to Sec 301 of the Companies Act of 1956,.</p> <p>vi) The Company has not accepted any Fixed Deposits from the public other than from director and their relatives during the year and therefore, the question of compliance with the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act,1956 and the rules framed there under does not arise.</p> <p>Vii) In our opinion, the Company has an adequate Internal Audit System commensurate with its size and nature of its business.</p> <p>viii) The Central Government has not prescribed the maintenance the cost accounting records by the Company under section 209(1)(d) of the Act for any of its product.</p> <p>ix) a) According to the information and explanations given to us, company has deposited the Provident fund to the authorities lately.</p> <p>b) As regards the disputed statutory liabilities we are unable to independently verify the existence of the same and we have relied on management representations for the same. With respect to the undisputed taxes the Company has not paid TDS during the financial year. We are unable to determine the exact disputed liabilities beyond six months . We are unable to comments on the outcome of any proceedings of enquiries/ adjudications pending statutory authorities.</p> | <p>x) There are no secured loans; hence the clause relating to repayment does not apply.</p> <p>xi) No loans or advances have been granted by the Company against pledge of shares and debentures and other securities.</p> <p>xii) The Company is not a chit fund or a nidhi mutual benefit fund/society.</p> <p>xiii) The Company is not dealing in or trading in Shares, Securities, Debentures and other instruments.</p> <p>xiv) According to the information and explanation given to us, the Company has not given any Corporate Guarantee during the year.</p> <p>xv) The Company has not received any Term Loan during the year and therefore the question of application for the purpose for which they were obtained does not arise.</p> <p>xvi) According to the information and explanations give to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.</p> <p>xvii) During the year the Company has not made any preferential allotment to parties and companies covered in the register maintained under Section 301 of the companies act, 1956.</p> <p>xviii) The Company has not issued any debentures during the year and therefore the question of creation of security or charge does not arise.</p> <p>xix) During the year, the Company has not raised any money by way of public issue and the question of disclosing the end use of money by the management does not arise.</p> <p>xx) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.</p> |
|--|---|

For P C Surana & Co
Chartered Accountants
[Registration No. 110631W]

P C Surana
Partner

M. No. 017136

Mumbai, 20th August 2015.

BALANCE SHEET AS AT 30th JUNE, 2012

Currency in Indian Rupees

	Notes	30 th June,2012	30 th June,2011
I. EQUITY AND LIABILITIES			
1. Share Holders Funds			
(a) Share Capital	2	619,941,950	619,941,950
(b) Reserves and Surplus	3	825,073,873	838,758,200
(c) Money received against Share warrents		-	-
		<u>1,445,015,823</u>	<u>1,458,700,150</u>
2. Share Application money pending allotment			
		-	-
3. Non Current Liabilities			
(a) Long Term Borrowings	4	84,890,583	26,577,220
(b) Defered Tax Liabilities (Net)		-	-
(c) Long Term Provision		-	-
		<u>84,890,583</u>	<u>26,577,220</u>
4. Current Liabilities			
(a) Short Term Borrowings		-	-
(b) Trade Payables		7,323,270	11,831,323
(c) Other Current Liabilities	5	1,202,308	694,475
(d) Short term Provisions	6	1,856,945	1,856,945
		<u>10,382,523</u>	<u>14,382,743</u>
Total Equity and Liabilities		<u><u>1,540,288,928</u></u>	<u><u>1,499,660,113</u></u>
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets	7		
(i) Tangible ssets		41,212,017	51,238,072
(ii) Intangible ssets - intellectual Property		555,300,613	555,300,613
(iii) Capital Work in Progress		-	-
(b) Non Current Investment	8	728,013,064	675,000,000
(c) Long Term Loans and Advances - Deposits		680,001	1,100,000
(d) Other Non Current Assests			
Misc. Exp.[to the extent not written off]		1,506,438	2,280,658
		<u>1,326,712,134</u>	<u>1,284,919,343</u>
2. Current Assets			
(a) Work in process		18,617,651	18,617,651
(b) Trade Receivables	9	94,145,341	112,484,842
(c) Cash and cash equivalentents	10	1,490,624	1,611,866
(d) Short Term Loans and Advances	11	99,323,178	82,026,411
		<u>213,576,794</u>	<u>214,740,770</u>
Total Assets		<u><u>1,540,288,928</u></u>	<u><u>1,499,660,113</u></u>
Significant Accounting Policies	1		
Other Notes on Accounts	17 to 23		

The accompanying notes are intergral part of the financial statements

As per our report of even date attached

For P C Surana & Co.

Chartered Accountants

Registration No. - 110631W

P C Surana

Partner

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian

Chairman and Managing Director

Mohan Subramanian

Director

Mumbai, 20th August, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30th JUNE,2012

Currency in Indian Rupees

	Notes	30th June,2012	30th June,2011
Revenue from Operations	12	23,853,337	68,360,340
Other Income	13	<u>5,474,624</u>	-
Total Revenue		<u>29,327,961</u>	<u>68,360,340</u>
Expenses:			
Software development charges		11,805,483	-
Total Employees Expenses	14	8,051,607	25,570,788
Financial Cost		2,604,880	2,450,766
Depreciation and Amortisation expenses	15	10,839,824	11,938,918
Other Expenses	16	<u>9,710,494</u>	<u>24,213,149</u>
Total Expenses		<u>43,012,289</u>	<u>64,173,621</u>
Profit Before Exceptional and Extraordinary items and Tax		(13,684,328)	4,186,719
Exceptional Items		-	-
Profit Before Extraordinary items and Tax		<u>(13,684,328)</u>	<u>4,186,719</u>
Extraordinary items		-	-
Profit Before Tax		<u>(13,684,328)</u>	<u>4,186,719</u>
Tax Expenses			
(a) Current Tax - Income Tax		-	800,000
(b) Deferred Tax		-	-
(c) Provsion of Tax (Earlier Years)		-	<u>(10,800,000)</u>
Profit/(Loss) for the year		<u>(13,684,328)</u>	<u>14,186,719</u>
Basic Earning per share after Extraordinary item		-0.22	0.23
Diluted Earning per share after Extraordinary item		-0.22	0.23
Significant Accounting Policies	1		
Other Notes on Accounts	17 to 23		

The accompanying notes are intergral part of the financial statements

As per our report of even date attached**For P C Surana & Co.**

Chartered Accountants

Registration No. - 110631W

P C Surana*Partner*

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian

Chairman and Managing Director

Mohan Subramanian*Director*Mumbai, 20th August, 2015

STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2012

PARTICULARS	As at 30-06-12 Rs.	As at 30-06-11 Rs.
Cash flows from operating activities		
Net Profit (Loss) after Tax and extraordinary item	(13,684,328)	14,186,719
Adjustments for :		
Depreciation	10,065,604	11,164,699
Preliminary Expenses & Filing fees written off	774,220	774,219
Sundry Balances written (back) / off	(3,455,374)	-
Provision for Doubtful Debts	-	-
Provision for Income Tax	-	-
Dividend Income	-	-
Un-realised Forex Gain	(2,019,250)	-
Interest paid	2,604,880	-
Operating Profit before Working Capital changes	(5,714,248)	26,125,637
Working capital changes		
(Increase)/ Decrease in Sundry Debtors	20,358,751	4,703,076
(Increase) Decrease in Short term Loans & Advances	(17,296,767)	(18,122,524)
Increase /(Decrease) in Trade Payables & Other current liabilities	(544,846)	(22,048,881)
(Increase) / Decrease in Work in Process	-	(13,088,347)
	2,517,138	(48,556,676)
Net Cash from operating activities	(3,197,109)	(22,431,039)
Cash flows from investing activities		
Purchase of Fixed Assets	(39,550)	-
Investment In Wholly owned subsidiary company	(53,013,064)	-
Interest paid	(2,604,880)	-
Dividend Income	-	-
Net cash (used in)/surplus from investing activities	(55,657,494)	-
Cash flows from financing activities		
Decrease in Long Term Deposits	419,999	-
Borrowings (Net)	58,313,363	23,807,671
Net cash (used in)/ surplus from financing activities	58,733,362	23,807,671
Net increase in Cash & Cash equivalents	(121,242)	1,376,632
Cash & Cash equivalents at the beginning of the year	1,611,866	235,234
Cash & Cash equivalents at the end of the year	1,490,624	1,611,866

The accompanying notes are intergral part of the financial statements

As per our report of even date attached

For P C Surana & Co.

Chartered Accountants

Registration No. - 110631W

P C Surana

Partner

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian

Chairman and Managing Director

Mohan Subramanian

Director

Mumbai, 20th August, 2015

Notes forming parts of Annual Accounts for the year ended June 30th 2012

(All the amounts are in Indian Rupees, unless otherwise indicated)

NOTES - I

Notes forming parts of annual accounts for the year ended 30th June 2012. (All the amounts are in Indian Rupees, unless otherwise indicated)

Company'S BACKGROUND

Nextgen Animation Mediaa Limited is in business of producing NEXT GENERATION digital animation content, Creating Intellectual Property Rights & Interactive digital games development using world class technology.

SIGNIFICANT ACCOUNTING POLICIES & BASIS OF ACCOUNTING

The financial statements are prepared on the basis of Historical cost convention in accordance with the Indian generally accepted Principles (GAAP). Applicable accounting standard issued by the institute of chartered accountants of India (ICAI) and the provision of the Company act 1956.

REVENUE RECOGNITION

Revenue from animation digital software development of fixed price contract is recognized according to the milestones achieved as specified in contracts on the basis of works completion method. With respect to time and materials contracts revenue is recognized proportionately over the period in which services are rendered. Interest is recognized using the time proportion method, based on rates Implicit in the transaction.

FIXED ASSETS, CAPITAL WORKS IN PROGRESS AND DEPRECIATION

Fixed assets are stated at the cost of acquisition including taxes, duties, freight, exchange gains/losses and other incidental expenses including interest related to acquisition and installation or transferred and accordingly the Gross Block, depreciation provided till the date of the appointed dated namely

1st July 2006 has been captured in the Accounts. Capital work in progress includes the cost of fixed assets and amount advanced towards capital projects under development.

The Company provides depreciation on straight-line basis at the rates and in the manner prescribed under schedule XIV of the companies Act, 1956.

IMPAIRMENT OF ASSETS

Management evaluates at regular intervals, Using External & Internal source whether there is any impairment of any assets. Impairment Occurs where the Carrying Value exceeds the

present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. Any loss on account of Impairment is expensed as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined.

ACCOUNTING OF INTELLECTUAL PROPERTY RIGHTS

The Company creates from time to time Intellectual Property on the sketches/ characters created by the employees / consultants of the Company. The Company has proprietary rights on the same and accordingly the valuations of these IPRs are done. Some of these sketches / characters have perpetual value and as such the management feels that this has an enduring value and as such is not subject to impairment and hence no provision is made as per the Accounting standard 26.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP require Management to make estimates and assumptions that effects the reported amount of assets and liabilities disclosure of contingent assets & Liabilities at the date of financials

Statements and the reported amounts of revenue & Expenses during the reporting periods. Examples of such estimates include estimates of useful life of assets and future obligations under employee retirement benefit plans. Actual results could differ from these estimates.

EMPLOYEE RETIREMENT BENEFITS

During the year under review, the Company has recruited employees who are also covered under the provident fund scheme and other allied acts and provisions. However the Company has not yet commenced the benefits like gratuity etc. as this is the third year of appointment of the employees and they have not completed the 5 years of service.

DEFERRED REVENUE EXPENDITURE

Deferred Revenue Expenditure is written equally over a period of five years.

TAXATION

The provision for current tax including deferred taxes has been provided on the basis of rates of taxes provided under Income tax act-1961

- (i) Transactions in foreign currency are accounted at the rate prevailing on the transaction date.

EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax (and include post tax effect of any extraordinary items.) The number of shares used in computing basic earnings per share is the weighed average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average shares considered for deriving basic earning per share, and also the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

RELATED PARTY TRANSACTIONS

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a

price is charged. Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party of exercise significant influence over the other party in making financial or operating decisions. Parties are considered to be related if they are subject to common control or common significant influence.

For **P C Surana & Co.**
Chartered Accountants
[Registration No. 110631W]

P C Surana
Partner
M. No. 017136
Mumbai, 20th August 2015.

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE,2012

Currency in Indian Rupees

	As at 30 th June,2012	As at 30 th June,2011
NOTE - 2 SHARE CAPITAL		
1 Authorised and Nominal		
6,70,00,000(Previous Year 6.70,00,000) Equity Shares of Rs. 10 each	<u>670,000,000</u>	<u>670,000,000</u>
2 Issued, Subscribed & Paid up		
61,994,195 (Previous Year 61,994,195) Equity Shares of Rs.10/- each	<u>619,941,950</u>	<u>619,941,950</u>
Total	<u>619,941,950</u>	<u>619,941,950</u>
3 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year		
Equity Shares outstanding at the beginning of the year	<u>619,941,950</u>	<u>619,941,950</u>
Add : Issued by allotment of Share Application Money	-	-
At the end of the year	<u>619,941,950</u>	<u>619,941,950</u>
4 Details of shareholding more than 5% shares in the Company	No.	%
	Nil	Nil
5 Terms attached to equity shares		
The Company has only one class of equity shares having par value of Rs 10/- share. Each holder of equity share is entitled to one vote per share.		
6 The Company issued 500,00,000 Equity Shares of Rs. 10/- each fully paid-up through GDSs at total security premium of Rs. 17.50 crores during the last five financial years.		

NOTE 3 - RESERVES AND SURPLUS

1 Capital Reserve		
Transfer on Demerger		
Balance as per last Balance Sheet	<u>71,394,740</u>	<u>71,394,740</u>
2 Securities Premium Account		
Balance as per last Balance Sheet	<u>175,000,000</u>	<u>175,000,000</u>
3 Reserve on account of IPR	<u>549,163,310</u>	<u>549,163,310</u>
4 Profit and Loss Account		
Balance as at the beginning of the year	<u>43,200,150</u>	<u>29,013,431</u>
ADD: Net (Loss)/Profit from Profit & Loas Account	<u>(13,684,328)</u>	<u>14,186,719</u>
Net surplus in the Account	<u>29,515,823</u>	<u>43,200,150</u>
Total	<u>825,073,873</u>	<u>838,758,200</u>

NOTE 4 - LONG TERM BORROWINGS

From Others		
From Directors and related parties	<u>59,217,232</u>	-
Inter Corporate deposits	<u>25,673,351</u>	<u>26,577,220</u>
Total	<u>84,890,583</u>	<u>26,577,220</u>

a) Inter corporate deposits from Indiabulls Financial Services Ltd. are secured by the personal specific assests and guarantees of the Directors of the Company.

b) The loans are repayable on demand

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE, 2012

Currency in Indian Rupees

	As at 30 th June, 2012	As at 30 th June, 2011
NOTE 5 - OTHER CURRENT LIABILITIES		
Taxes deducted at Sources Payable	309,067	291,143
Profession tax Payable	2,990	2,990
Contributions to Provident funds payable	890,251	400,342
Total	1,202,308	694,475

NOTE 6 - SHORT TERM PROVISIONS

Provision for Taxation	1,856,945	1,856,945
Total	1,856,945	1,856,945

NOTE 7- Fixed Assets

Sr. No.	Assets	Gross Block				Depreciation				Net Block as at	
		01/07/2011	Addition	Deletion	30/06/2012	01/07/2011	Addition	Deletion	30/06/2012	30/06/2012	30/06/2011
1	Computer Account	294,319,046	12,000	-	294,331,046	288,653,595	88,232	-	288,741,827	5,589,219	5,665,451
2	Electrical fitting	21,045,715	27,550	-	21,073,265	10,255,617	1,437,932	-	11,693,549	9,379,716	10,790,098
3	Furniture and Fixture	98,817,812	-	-	98,817,812	74,237,134	6,255,168	-	80,492,302	18,325,510	24,580,678
4	Office Equipment	36,132,486	-	-	36,132,486	25,930,642	2,284,272	-	28,214,914	7,917,572	10,201,844
TOTAL		450,315,059	39,550	-	450,354,609	399,076,988	10,065,604	-	409,142,592	41,212,017	51,238,071
Previous Year		450,315,059.00	-	0	450,315,059	389,038,798	11,642,288	-	400,681,086	67,423,280	62,402,771

	As at 30 th June, 2012	As at 30 th June, 2011
NOTE 8 - NON CURRENT INVESTMENTS		
Investment in the 100% wholly owned subsidiary foreign company- Advaitaa Technologies Inc.	728,013,064	675,000,000
Total	728,013,064	675,000,000

NOTE 9 TRADE RECEIVABLES**Unsecured, Considered Good**

1 Outstanding for a period exceeding six months	90,784,276	84,273,765
2 Other Debts	3,361,065	28,211,077
Total	94,145,341	112,484,842

NOTE 10 - CASH AND CASH EQUIVALENT

1 Cash		
Cash on hand	1,178,746	1,560,077
2 Bank Balances		
Bank Balances in Current Accounts	311,878	51,789
Total	1,490,624	1,611,866

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE,2012

Currency in Indian Rupees

	As at 30 th June,2012	As at 30 th June,2011
NOTE 11 - SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
1 Loans and Advances		
Advances recoverable in cash of kind or for value to be received.		
Considered good		
a Loans and Advances	98,491,772	80,595,185
b Balance with Revenue Authorities	40,000	1,431,226
c Advance for expenses	791,406	-
Total	99,323,178	82,026,411
NOTE 12- Revenue from Operation		
Domestic	1,682,080	2,371,224
Export	22,171,257	65,989,116
Total	23,853,337	68,360,340
NOTE 13- OTHER INCOME		
Gains on account of Exchange rates Difference	2,019,250	-
Sundry balance Written off	3,455,374	-
	5,474,624	-
NOTE 14 - EMPLOYEES EXPENSES		
1 Salaries and Wages	7,519,335	25,205,084
2 Contribution to PF, ESIC & Admn Charges	257,593	-
3 Staff Welfare Expenses	274,679	365,704
Total	8,051,607	25,570,788
NOTE 15 - DEPRECIATION AND AMORTISATION		
1 Depreciation as per schedule	10,065,604	11,164,699
2 Preliminary expenses Written off during the year	774,220	774,219
Total	10,839,824	11,938,918

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE,2012

Currency in Indian Rupees

	As at 30 th June,2012	As at 30 th June,2011
NOTE 16 - OTHER EXPENSES		
1 Rental Expenses	152,847	7,936,720
2 Security Charges	140,500	626,662
3 Bank Charges	27,721	22,614
4 Repairs and maintenance, Computer Peripherals	240,340	2,062,388
5 R&T Depository and Compliance charges	2,628,147	1,687,469
6 Director Remuneration	300,000	1,200,000
7 Electricity Charges	1,234,803	1,565,967
8 Motor car Expenses	561,529	490,667
9 Donation	14,000	1,406,501
10 Legal and Professional Expenses	259,897	78,210
11 Printing and Stationery	536,917	580,007
12 Postage and Courier charges	-	8,304
13 Sales Promotion Expenses	676,156	1,944,684
14 Communication Expenses	425,968	868,381
15 Travelling and Conveyance	463,104	2,726,771
16 Foreign Exchange losses	-	700,320
17 Auditors Remuneration	175,000	165,450
18 Miscellaneous expenses	1,873,566	142,034
Total Expenses	9,710,494	24,213,149

NOTE 16.1 - AUDITORS REMUNERATION

Statuary Audit fees	100,000	100,000
Taxation Matters	25,000	15,450
Other Services	50,000	50,000
	175,000	165,450

NOTE 16.2 - EXPENDITURE IN FOREIGN CURRENCY

Software Development Charges	10,153,348	19,619,032
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NOTE 17 - NON-PROVISION FOR IMPAIRMENT IN INTELLECTUAL PROPERTY RIGHTS

The Company has not provided for impairment in the value of its intellectual property rights as required under Accounting Standard (AS-26) on "Intangible Assets". However the Management of the Company is of the view that present value to be earned through the intellectual property rights is more than its carrying cost of Rs.5553.00 lakhs and accordingly no provision has been made.

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE,2012

Currency in Indian Rupees

NOTE - 18 SUNDRY DEBTORS

Balances of the Sundry Debtors are subject to confirmation and reconciliation, if any.

	As at 30 th June,2012	As at 30 th June,2011
NOTE - 19- EARNINGS IN FOREIGN CURRENCY	152,847	7,936,720

Exports of Softwares

NOTE 20 - RELATED PARTIES DISCOLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

Key Managerial Persons

Mr. Krishnakumar Subramanian	Chairman and Managing Director
Dr. Narayan Raman	Director
Mr. Mohan Subramanain	Director

Subsidiary Company

Advaitaa Technologies Inc.

Associates

Silverline Technologies Ltd.

Platinum Animation and Games Pvt. Ltd.

Bizznet Online Systems Pvt. Ltd.

Transactions during the year with related parties : (Rs. In Lacs)

Nature of Transaction

Nature of Transaction	Key Managerial Persons	Associates	Subsidiaries	Total
Directors Remuneration	3.00	0.00	0	3.00
Investments	0.00	0.00	513.00	513.00
Loans/Advances received (Net)	1.60	590.57	0.00	592.17
Loans / Advances given	23.15	261.17	0.00	284.32
Given Advances received back	7.00	343.20	0.00	350.20
Balances as on 30.06.2012				
Investments	0.00	0.00	7,280.13	7,280.13
Loans/Advances received (Net)	1.60	590.57	0.00	592.17
Loans / Advances given	44.20	270.67	0.00	314.87

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE,2012

Currency in Indian Rupees

Disclosure in Respect of Material Related Party Transaction during the year

Directora Remuneration Rs. 3.00 lakh (Previous Year Rs. 12.00Lakhs) paid to Mr. Krishnakumar Subramanian
Investment of Rs. 530.00 (Previous Year Rs. Nil) were made in only 100% Subsidiary company.

Loans/Advances received includes:-

From Mr. Mohan Subramanain Rs. 1.60 lakhs
From Silverline Technologies Ltd. Rs.585.57 Lakhs

Loans/Advances given includes:-

Mr. Krishnakumar Subramanian Rs.23.15 lakhs.
Bizznet Online Systems Pvt. Ltd. Rs.14.00 lakhs.
Platinum Animation and Games Pvt. Ltd. Rs.247.17 lakhs.

Given Advances received back includes:-

From Mr. Mohan Subramanain Rs. 7.00 lakhs
From Silverline Technologies Ltd. Rs.343.20 lakhs.

NOTE 21 - SEGMENT REPORTING

Animation content Development service is the Company's only single business segment ,hence only singal business segment ,hence the disclosure of segment wise information as required by Accounting Standard (AS) 17 on "Segment Reporting" is not applocable .

NOTE 22- CONTINGENT LIABILITIES AND COMMITMENTS

Claims against the Company /disputed liabilities not acknowledged as debts:

Disputed Income tax liabilities for which appeals by the company filed before the ITAT Mumbai.

For the Assessment Year 2007-08 Rs. 35.39 lacs and Rs. 199.47 for the Assessment Year 2009-10.

NOTE - 23

Figures of the prvious year have been regrouped/recast or reclassified wherever considered necessary.

The accompanying notes are intergral part of the financial statements

As per our report of even date attached

For P C Surana & Co.

Chartered Accountants

Registration No. - 110631W

P C Surana

Partner

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian

Chairman and Managing Director

Mohan Subramanian

Director

Mumbai, 20th August, 2015

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

I REGISTRATION DETAILS

Registration number	PTC172039	State code	11
Balance Sheet date	Date 30 Month 06 Year 2012		

II CAPITAL RAISED DURING THE Period (Rs in thousands)

Public issue*	0	Right Issue	0
Bonus	0	Private placements*	0
* ADR Issue including premium		*ADR swap including Premium	0
* GDR issue on swap basis- no premium			

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs in thousands)

Total Liabilities	95,273	Total Assets	95,273
Sources of funds		Application of funds	
Paid -up capital	619,942	Net fixed assets	596,513
Application money towards share warrants	-	Investments	728,013
Reserves & Surplus	825,073	Net current assets	203,194
Secured loans	25,673	Misc. expenditure	1,506
Unsecured loans	59,217	Accumulated losses	-

IV PERFORMANCE OF THE COMPANY - WITHOUT EXTRAORDINARY ITEM

Turnover	29,328	Total expenditure	43,012
Profit / (Loss) before tax	(13,684)	Profit / (Loss) after tax	(13,684)
Earnings per share (Rs.)	-0.22	Dividend rate %	0

V GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE Company

Item code	8524-90
Product description producing digital animation content using software and hardware technologies	

The accompanying notes are intergral part of the financial statements

As per our report of even date attached

For P C Surana & Co.

Chartered Accountants

Registration No. - 110631W

P C Surana

Partner

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian

Chairman and Managing Director

Mohan Subramanian

Director

Mumbai, 20th August, 2015

Sr no	Name of the subsidiary Company	Advaitaa Technologies Inc.
1	Financial year of the subsidiary ended	30/06/2012
2	Shares of subsidiary Company held on the above date and extent of holding	
	1) Equity shares	100%
	2) Extent of holding(%)	100%
3	Net aggregate amount of profits/ (losses)	
	of subsidiary for the above financial	
	year so far as they concern members of	
	Nextgen Animation Mediaa Limited	
	1) Dealt with in the accounts of Nextgen Animation Mediaa Limited	NIL
	2) Not - dealt with in the accounts of Nextgen Animation Mediaa Limited	US\$ 379,947
	Net aggregate amount of profits/ (losses) for previous year of the	
	subsidiary for the above financial year as far as they concern	
	members of Nextgen Animation Mediaa Limited I) Dealt with in the	
	accounts of Nextgen Animation Mediaa Limited	
4	1) Dealt with in the accounts of Nextgen Animation Mediaa Limited	Nil
	2) Not - dealt with in the accounts of Nextgen Animation Mediaa Limited	Nil

The accompanying notes are intergral part of the financial statements

As per our report of even date attached

For P C Surana & Co.

Chartered Accountants

Registration No. - 110631W

P C Surana

Partner

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian

Chairman and Managing Director

Mohan Subramanian

Director

Mumbai, 20th August, 2015

AUDITORS REPORT TO THE BOARD OF DIRECTORS OF NEXTGEN ANIMATION MEDIAA LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY

1. We have examined the attached Consolidated Balance Sheet of Nextgen Animation Mediaa Limited and its only subsidiary as at 30th June 2012 and the consolidated statement of profit and loss for the year ended on that date.
2. These financials are the responsibility of the management of Nextgen Animation Mediaa Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Generally Accepted Auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material aspects, in accordance with identified financial reporting framework, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis of our opinion.
3. We did not audit the financial statements of the subsidiary whose financial statements have been included in the consolidated financial statement for the period then ended. The Consolidated financial statements have been prepared based on the audited financial statements of the subsidiary. The details of the subsidiary are as under:
 - I. Advaitaa Technologies, Inc as on 30th June 2012
4. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standards (AS) 21, consolidated financial statements issued by the Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of the reports / certificates of other Auditors / Directors on separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, and
6. Attention is drawn to note no 16 regarding non-provision for impairment of the Intellectual property rights as required under AS- 26.
7. In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the qualification in para (6) above give a true and fair view with respect to the following
 - i. The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Nextgen Animation Mediaa Limited, its subsidiaries as at 30th June 2012.
 - ii. The Consolidated Profit and Loss Account gives a true and fair view of the consolidated result of operations of Nextgen Animation Mediaa Limited, its subsidiaries for the year ended 30th June 2012.
 - iii. The Consolidated Cash Flow statement gives a true and fair view of the Consolidated Cash flows for the year ended on that date.

For P C Surana & Co.
Chartered Accountants
Registration No. 110631W

P C Surana
Partner

Mumbai, 20th August, 2015

M. No. 017136

CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2012

Currency in Indian Rupees

	Notes	30 th June,2012	30 th June,2011
I. EQUITY AND LIABILITIES			
1. Share Holders Funds			
(a) Share Capital	2	619,941,950	619,941,950
(b) Reserves and Surplus	3	880,194,459	874,850,241
(c) Money received against Share warrents		-	-
		<u>1,500,136,409</u>	<u>1,494,792,191</u>
2. Share Application money pending allotment			
		-	-
3. Non Current Liabilities			
(a) Long Term Borrowings	4	84,890,583	35,064,739
(b) Defered Tax Liabilities (Net)		-	-
(c) Long Term Provision		-	-
		<u>84,890,583</u>	<u>35,064,739</u>
4. Current Liabilities			
(a) Short Term Borrowings		-	-
(b) Trade Payables		9,052,774	18,722,027
(c) Other Current Liabilities	5	1,202,308	694,475
(d) Short term Provisions	6	1,856,945	1,856,945
		<u>12,112,027</u>	<u>21,273,447</u>
Total Equity and Liabilities		<u><u>1,597,139,018</u></u>	<u><u>1,551,130,377</u></u>
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets	7		
(i) Tangible ssets		42,523,678	67,423,280
(ii) Intangible ssets - intellectual Property		555,300,613	555,300,613
(iii) Capital Work in Progress		-	-
(b) Non Current Investment		53,013,064	-
(c) Long Term Loans and Advances - Deposits		680,001	1,100,000
(d) Other Non Current Assests			
Misc. Exp.[to the extent not written off]		1,506,438	2,280,658
		<u>653,023,794</u>	<u>626,104,551</u>
Goodwill		663,604,804	673,444,347
2. Current Assets			
(a) Work in process		18,617,651	18,617,651
(b) Trade Receivables	8	137,781,066	139,480,444
(c) Cash and cash equivalentents	9	11,516,908	7,206,721
(d) Short Term Loans and Advances	10	112,594,795	86,276,663
		<u>280,510,420</u>	<u>251,581,479</u>
Total Assets		<u><u>1,597,139,018</u></u>	<u><u>1,551,130,377</u></u>
Significant Accounting Policies	1		
Other Notes on Accounts	16 to 22		

The accompanying notes are intergral part of the financial statements

As per our report of even date attached**For P C Surana & Co.**

Chartered Accountants

Registration No. - 110631W

P C Surana

Partner

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian

Chairman and Managing Director

Mohan Subramanian

Director

Mumbai, 20th August, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30TH JUNE, 2012

Currency in Indian Rupees

	Notes	30th June,2012	30th June,2011
Revenue from Operations	11	258,255,056	293,434,058
Other Income	12	<u>5,902,810</u>	<u>1,447,583</u>
Total Revenue		<u>264,157,866</u>	<u>294,881,641</u>
Expenses:			
Software development charges		213,025,678	200,282,402
Total Employees Expenses	13	7,995,807	27,798,065
Financial Cost		2,882,626	3,003,574
Depreciation and Amortisation expenses	14	10,839,824	11,642,288
Other Expenses	15	23,077,052	<u>34,386,132</u>
Total Expenses		<u>257,820,987</u>	<u>277,112,461</u>
Profit Before Exceptional and Extraordinary items and Tax		6,336,879	17,769,180
Exceptional Items		-	-
Profit Before Extraordinary items and Tax		<u>6,336,879</u>	<u>17,769,180</u>
Extraordinary items		-	-
Profit Before Tax		<u>6,336,879</u>	<u>17,769,180</u>
Tax Expenses			
(a) Current Tax - Income Tax		992,661	800,000
(b) Deferred Tax		-	-
(c) Provsion of Tax (Earlier Years)		-	<u>(10,800,000)</u>
Profit/(Loss) for the year		<u>5,344,218</u>	<u>27,769,180</u>
Basic Earning per share after Extraordinary item		0.09	0.83
Diluted Earning per share after Extraordinary item		0.09	0.83
Significant Accounting Policies	1		
Other Notes on Accounts	16 to 22		

The accompanying notes are intergral part of the financial statements

As per our report of even date attached**For P C Surana & Co.**

Chartered Accountants

Registration No. - 110631W

P C Surana*Partner*

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian

Chairman and Managing Director

Mohan Subramanian*Director*Mumbai, 20th August, 2015

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2012

Currency in Indian Rupees

PARTICULARS	As at 30/06/2012
Cash flows from operating activities	
Net Profit (Loss) after Tax and extraordinary item	5,344,218
Adjustments for :	
Depreciation	10,065,604
Preliminary Expenses & Filing fees written off	774,220
Sundry Balances written (back) / off	(3,455,374)
Provision for Doubtful Debts	-
Provision for Income Tax	-
Dividend Income	-
Un-realised Forex Gain	(2,019,250)
Interest paid	2,882,626.00
Operating Profit before Working Capital changes	13,592,044
Working capital changes	
(Increase)/ Decrease in Sundry Debtors	(3,718,628)
(Increase) Decrease in Short term Loans & Advances	22,862,758
Increase /(Decrease) in Trade Payables & Other current liabilities	9,161,420
(Increase) / Decrease in Work in Process	-
	<u>28,305,550</u>
Net Cash from operating activities	(14,713,506)
Cash flows from investing activities	
Purchase of Fixed Assets	(39,550)
Investment In Wholly owned subsidiary company	(53,013,064)
Interest paid	(2,882,626)
Dividend Income	-
Net cash (used in)/surplus from investing activities	(46,095,697)
Cash flows from financing activities	
Consideration received on sale of Land	14,873,548
Decrease in Long Term Deposits	419,999
Borrowings (Net)	49,825,844
Net cash (used in)/ surplus from financing activities	65,119,391
Net increase in Cash & Cash equivalents	4,310,187
Cash & Cash equivalents at the beginning of the year	7,206,721
Cash & Cash equivalents at the end of the year	11,516,908

The accompanying notes are intergral part of the financial statements

As per our report of even date attached**For P C Surana & Co.**

Chartered Accountants

Registration No. - 110631W

P C Surana*Partner*

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian

Chairman and Managing Director

Mohan Subramanian*Director*Mumbai, 20th August, 2015

NOTES TO THE CONSOLIDATED ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE, 2012**(All amounts in Indian rupees, unless otherwise indicated)****I Accounting policies and procedures****i. BASIS OF PREPARATION**

The accompanying financial statement have been presented for the year ended 30th June 2012 along with comparative information for year ended June 30, 2011. The financial statements have been prepared on a going concern basis under the historical cost conversion on the accrual basis of accounting in conformity with accounting principles generally accepted in India ("Indian GAAP") The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year's stated hereunder.

ii. CONSOLIDATION

The accounting Consolidated Financial Statements comprise the accounts of Nextgen Animation Mediaa Limited and its subsidiaries Advaitaa Technologies Inc, I the subsidiaries are owned 100% by Nextgen Animation Mediaa Limited.

iii. USE OF ESTIMATES

The preparation of Company's financial statements in conformity with generally accepted accounting principles

The Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period, actual results could differ from those estimates.

iv. FIXED ASSETS

Fixed assets are stated at the cost of acquisition less depreciation. including taxes, duties, freight, exchange gains/losses And Other incidental expenses, including interest related to acquisition and installation. Capital work in progress includes the cost of fixed assets and amount advanced towards capital projects under development. The company provides depreciation over the useful life of the asset.

v. GOODWILL

Goodwill acquired in a business combination and determined to have an indefinite useful life are not amortized, but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. For Goodwill, to the extent the carrying amount of a reporting unit exceeds the fair value of e reporting unit, the company would be required to perform the impairment test, as this is an indication that the reporting unit goodwill may be impaired

vi. SOFTWARE DEVELOPMENT EXPENDITURE

Cost of software that is embedded in the hardware Is capitalized and purchase of software for development is charged to Profit and Loss Account.

vii. TAXATION

The provision for current taxation is computed in accordance with the relevant tax regulation. Deferred tax is

recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward 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 in future.

viii CONVERSION OR TRANSLATION OF FOREIGN CURRENCY ITEMS

Transactions in foreign currency are accounted at the average rate prevailing during the period of the accounting year. Current assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing at the Balance Sheet date.

In respect of foreign current liabilities and current assets, translations are at the closing exchange rate. items are translated at the average exchange rate. Fixed Assets , investment and depreciation thereon are translated at the rates prevailing at the time of their acquisition.

ix. EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the company's earnings per share comprise the net profit after tax (and includes post tax effect of any extraordinary items.) The number of shares used in computing basic earnings per share is the weighed average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average shares considered for deriving basic earning per share, and also the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

x. SEGMENT REPORTING

The company provides comprehensive range of information technology services comprising software development, system solutions, application software system maintenance software to its customers across the industry. Accordingly, the company has identified IT services as a single business segment, which constitutes the primary basis of segmental reporting, set out in financial statements. Secondary segments are reported based on geographical location of the customers. Capital expenditure relates to fixed assets purchased during the period.

xi. RELATED PARTY TRANSACTIONS

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party of exercise significant influence over the other party in making financial or operating decisions. Parties are considered to be related if they are subject to common control or common significant influence.

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE,2012

Currency in Indian Rupees

	As at 30 th June,2012	As at 30 th June,2011		
NOTE - 2 SHARE CAPITAL				
1 Authorised and Nominal				
6,70,00,000(Previous Year 6.70,00,000) Equity Shares of Rs. 10 each	<u>670,000,000</u>	<u>670,000,000</u>		
2 Issued, Subscribed & Paid up				
61,994,195 (Previous Year 61,994,195) Equity Shares of Rs.10/- each	<u>619,941,950</u>	<u>619,941,950</u>		
Total	<u>619,941,950</u>	<u>619,941,950</u>		
3 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year				
Equity Shares outstanding at the beginning of the year	619,941,950	619,941,950		
Add : Issued by allotment of Share Application Money	-	-		
At the end of the year	<u>619,941,950</u>	<u>619,941,950</u>		
4 Details of shareholding more than 5% shares in the Company	No.	%	No.	%
	Nil	Nil	Nil	Nil
5 Terms attached to equity shares				
The Company has only one class of equity shres having par value of Rs 10/- share. Each holder of equity share is entitled to one vote per share.				
6	The Company issued 500,00,000 Equity Shares of Rs. 10/- each fully paid-up through GDSs at total security premium of Rs. 17.50 crores during the last five financial years.			

NOTE 3 - RESERVES AND SURPLUS

1 Capital Reserve		
Transfer on Demerger		
Balance as per last Balance Sheet	71,394,740	71,394,740
2 Securities Premium Account		
Balance as per last Balance Sheet	175,000,000	175,000,000
3 Reserve on account of IPR	549,163,310	549,163,310
4 Profit and Loss Account		
Balance as at the beginning of the year	79,292,191	51,523,011
ADD: Net (Loss)/Profit from Profit & Loas Account	<u>5,344,218</u>	<u>27,769,180</u>
Net surplus in the Account	<u>84,636,409</u>	<u>79,292,191</u>
Total	<u>880,194,459</u>	<u>874,850,241</u>

NOTE 4 - LONG TERM BORROWINGS**Unsecured****From Others**

From Directors and related parties	59,217,232	1,000,000
Inter Corporate deposits	<u>25,673,351</u>	<u>34,064,739</u>
Total	<u>84,890,583</u>	<u>35,064,739</u>

- a) Inter corporate deposits from Indiabulls Financial Services Ltd. are secured by the personal specific assests and guarantees of the Directors of the Company.
- b) The loans are repayable on demand

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE,2012

Currency in Indian Rupees

	As at 30 th June,2012	As at 30 th June,2011
NOTE 5 - OTHER CURRENT LIABILITIES		
Taxes deducted at Sources Payable	309,067	291,143
Profession tax Payable	2,990	2,990
Contributions to Provident funds payable	890,251	400,342
Total	1,202,308	694,475

NOTE 6 - SHORT TERM PROVISIONS

For Taxation	1,856,945	1,856,945
Total	1,856,945	1,856,945

NOTE 7- Fixed Assets

Sr. No.	Assets	Gross Block				Depreciation				Net Block as at	
		01/07/2011	Addition	Deletion	30/06/2012	01/07/2011	Addition	Deletion	30/06/2012	30/06/2012	30/06/2011
1	Land	3,280,873	-	3,280,873	-	-	-	-	-	-	3,280,873
2	Building	13,058,967	-	13,058,967	-	1,466,292	-	1,466,292	-	-	11,592,675
3	Computer Account	294,319,048	12,000	-	294,331,048	288,653,595	88,232	-	288,741,827	5,589,221	5,665,453
4	Electrical fitting	21,045,715	27,550	-	21,073,265	10,255,617	1,437,932	-	11,693,549	9,379,716	10,790,098
5	Furniture and Fixture	98,817,812	-	-	98,817,812	74,237,134	6,255,168	-	80,492,302	18,325,510	24,580,678
6	Office Equipment	37,581,951	-	0	37,581,951	26,068,448	2,284,272	-	28,352,720	9,229,231	11,513,503
TOTAL		468,104,366	39,550	16,339,840	451,804,076	400,681,086	10,065,604	1,466,292	409,280,398	42,523,678	67,423,280
Previous Year		443,802,457	17,789,305	0	468,104,366	389,038,798	11,642,288	0	400,681,086	67,423,280	62,402,771

	As at 30 th June,2012	As at 30 th June,2011
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NOTE 8 TRADE RECEIVABLES**Unsecured, Considered Good**

Outstanding for a period exceeding six months	134,420,001	84,273,765
Other Debts	3,361,065	55,206,679
Total	137,781,066	139,480,444

NOTE 9 - CASH AND CASH EQUIVALENT

Cash and Bank Balances	11,516,908	7,206,721
Total	11,516,908	7,206,721

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE,2012

Currency in Indian Rupees

	As at 30 th June,2012	As at 30 th June,2011
NOTE 10 - SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Loans and advances		
Advances recoverable in cash or in kind or for value to be received.		
Considered good		
Loans and advances	111,763,389	84,845,437
Balance with Revenue Authorities	40,000	1,431,226
Advance for expenses	791,406	-
Total	112,594,795	86,276,663
NOTE 11- Revenue from Operation		
Domestic	1,682,080	2,371,224
Export	256,572,976	291,062,834
Total	258,255,056	293,434,058
NOTE 12- OTHER INCOME		
Gain on sale of Land	428,186	-
Gains on account of Exchange rates Difference	2,019,250	1,447,583
Sundry balance Written off	3,455,374	-
Total	5,902,810	1,447,583
NOTE 13 - EMPLOYEES EXPENSES		
Salaries and Wages	7,519,335	25,205,084
Contribution to PF, ESIC & Admn Charges	257,593	-
Staff Welfare Expenses	218,879	2,592,981
Total	7,995,807	27,798,065
NOTE 14 - DEPRECIATION AND AMORTISATION		
Depreciation as per schedule	10,065,604	10,868,069
Preliminary expenses Written off during the year	774,220	774,219
Total	10,839,824	11,642,288

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE,2012

Currency in Indian Rupees

	As at 30 th June,2012	As at 30 th June,2011
NOTE 15 - OTHER EXPENSES		
Rental Expenses	855,367	8,104,885
Office Expenses	512,332	1,067,845
Bank Charges	133,603	109,742
Repairs and maintenance, Computer Peripherals	416,723	2,069,206
R&T Depository and Compliance charges	2,628,147	1,687,469
Director Remuneration	300,000	1,200,000
Electricity Charges	1,234,803	1,565,967
Motor car Expenses	561,529	490,667
Donation	84,453	1,429,226
Legal and Professional Expenses	813,633	456,127
Printing and Stationery	536,917	580,007
Postage and Courier charges	203,229	8,304
Sales Promotion Expenses	1,189,246	1,976,681
Communication Expenses	529,590	1,148,944
Travelling and Conveyance	10,175,292	9,945,231
Foreign Exchange losses	-	700,320
Auditors Remuneration	175,000	165,450
Miscellaneous expenses	2,727,188	1,680,061
Total Expenses	23,077,052	34,386,132

NOTE 15.1 - AUDITORS REMUNERATION

Statuary Audit fees	100,000	100,000
Taxation Matters	25,000	15,450
Other Services	50,000	50,000
	175,000	165,450

NOTE 15.2 - EXPENDITURE IN FOREIGN CURRENCY

Software Development Charges	10,153,348	19,619,032
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NOTE 16 - NON-PROVISION FOR IMPAIRMENT IN INTELLECTUAL PROPERTY RIGHTS

The Company has not provided for impairment in the value of its intellectual property rights as required under Accounting Standard (AS-26) on "Intangible Assets". However the Management of the Company is of the view that present value to be earned through the intellectual property rights is more than its carrying cost of Rs.5553.00 lakhs and accordingly no provision has been made.

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE,2012

Currency in Indian Rupees

NOTE - 17 SUNDRY DEBTORS

Balances of the Sundry Debtors are subject to confirmation and reconciliation, if any.

	As at 30 th June,2012	As at 30 th June,2011
NOTE - 18- EARNINGS IN FOREIGN CURRENCY	22,171,257	65,989,116

Exports of Softwares

NOTE 19 - RELATED PARTIES DISCOLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

Key Managerial Persons

Mr. Krishnakumar Subramanian	Chairman and Managing Director
Mr. Dr, Narayan Raman	Director
Mr. Mohan Subramanain	Director

Subsidiary Company

Advaitaa Technologies Inc.

Associates

Silverline Technologies Ltd.

Platinum Animation and Games Pvt. Ltd.

Bizznet Online Systems Pvt. Ltd.

Lakshmi Subramanian

Transactions during the year with related parties : (Rs. In Lacs)

Nature of Transaction

Nature of Transaction	Key Managerial Persons	Associates	Subsidiaries	Total
Directors Remuneration	3.00	0.00	0	3.00
Investments	0.00	0.00	513.00	513.00
Loans/Advances received (Net)	1.60	590.57	0.00	592.17
Loans / Advances given	23.15	261.17	0.00	284.32
Given Advances received back	7.00	343.20	0.00	350.20
Balances as on 30.06.2012				
Investments	0.00	0.00	7,280.13	7,280.13
Loans/Advances received (Net)	1.60	590.57	0.00	592.17
Loans / Advances given	44.20	270.67	0.00	314.87

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE,2012

Currency in Indian Rupees

Disclosure in Respect of Material Related Party Transaction during the year

Directora Remuneration Rs. 3.00 lakh (Previous Year Rs. 12.00 Lakhs) paid to Mr. Krishnakumar Subramanian

Investment of Rs. 530 lakhs were made in only 100% Subsidiary company.

Loans/Advances received includes:-

From Mr. Mohan Subramanain Rs. 1.60 lakhs

From Silverline Technologies Ltd. Rs.585.57 Lakhs

Loans/Advances given includes:-

Mr. Krishnakumar Subramanian Rs.23.15 lakhs.

Bizznet Online Systems Pvt. Ltd. Rs.14.00 lakhs.

Platinum Animation and Games Pvt. Ltd. Rs.247.17 lakhs.

Given Advances received back includes:-

From Mr. Mohan Subramanain Rs. 7.00 lakhs

From Silverline Technologies Ltd. Rs.343.20 lakhs.

NOTE 20 - SEGMENT REPORTING

Animation content Development service is the Company's only singal business segment ,hence only singal business segment ,hence the disclosure of segment wise information as required by Accounting Standard (AS) 17 on "Segment Reporting" is not applicoble .

NOTE 21- CONTINGENT LIABILITIES AND COMMITMENTS

Claims against the Company /disputed liabilities not acknowledged as debts:

Disputed Income tax liabilities for which appeals by the company filed before the ITAT Mumbai.

For the Assessment Year 2007-08 Rs. 35.39 lacs and Rs. 199.47 for the Assessment Year 2009-10.

NOTE - 22

Figures of the prvious year have been regrouped/recast or reclassified wherever considered necessary.

The accompanying notes are intergral part of the financial statements

As per our report of even date attached

For P C Surana & Co.

Chartered Accountants

Registration No. - 110631W

P C Surana

Partner

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian

Chairman and Managing Director

Mohan Subramanian

Director

Mumbai, 20th August, 2015

FORM 2 B
(See rules 4CCC and 5D)

NOMINATION FORM

(To be filled in by individual applying singly or jointly) (if jointly, only up to two persons)

I/We
and
the holders of Shares (Folio No.):

of Nextgen Animation Mediaa Limited wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of my/our death.

NAME AND ADDRESS OF NOMINEE:

Name :
Address :

Date of Birth*
(* to be furnished in case the nominee is a minor)

*The Nominee is a minor whose guardian is

Name and Address

Date :
(** To be deleted if not applicable)

Signature of shareholder:
Name :
Address :
Date :

Signature of shareholder:
Name :
Address :
Date :

Signature of two Witnesses

Name and Address Signature with date
1.
2.

INSTRUCTIONS:

- 1. The Nomination can be made by individuals only applying/holding shares on their own behalf singly or jointly upto two persons. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form.
2. A minor can be nominated by a holder of shares and in that event, the name and address of the Guardian shall be given by the holder.
3. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian can be a nominee on repatriable basis.
4. Nomination stands rescinded upon transfer of share made.
5. Transfer of share in favour of a nominee shall be valid discharge by a Company against the legal heir.
6. The nomination forms shall be submitted in duplicate. The duplicate copy of the same will be returned to you for your records after nomination is registered by the Company.

NEXTGEN ANIMATION MEDIAA LTD.

Registered Office: Mohan Mills Compound, Kolshet Road, Dhokali, Thane (W), District Thane, Maharashtra-400 607.

ATTENDANCE SLIP

Names of the Members: _____

Folio No. _____

Client ID No.: _____

DP ID No.: _____

No. of shares held: _____

Name of Proxy : _____

Members/ Proxy's Signature: _____

(To be signed and handed over at the entrance of the meeting hall)

I hereby record and confirm my presence at the Fourth Annual General Meeting of the Company held at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071. on Wednesday 23rd September, 2015 at 11:00 AM.

- NOTES:
1. Shareholder/proxyholder wishing to attend the meeting must bring the Attendance slip to the meeting and hand it over at the entrance duly signed.
 2. Shareholder/proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

NEXTGEN ANIMATION MEDIAA LTD.

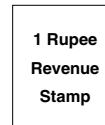
Registered Office: Mohan Mills Compound, Kolshet Road, Dhokali, Thane (W), District Thane, Maharashtra-400 607.

PROXY FORM

I/We _____ of
 _____ in the district of _____ being a member/
 members of the above named Company, hereby appoint _____ of
 _____ or failing him _____ of
 _____ in the district of _____ as my/

our Proxy to vote for me/us on my/our behalf at the Fifth Annual General Meeting of the Company held on Wednesday, 23rd September, 2015 at 11:00 AM. at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071 and at any adjournment thereof.

Signed this _____ day of _____ 2015



Signature

Notes:

1. The Proxy form duly completed should be deposited at the Registered office of the Company not less than 48 Hours before the time fixed for the meeting.
2. The proxy need not be a member of the Company.
3. All alterations made in the form of Proxy should be initialed.
4. In case of multiple proxies, proxy later in time shall be accepted.



BOOK - POST

If undelivered, please return to:

Link Intime India Private Limited

(Unit: Silverline Animation Technologies Limited)

C-13, Kantilal Maganlal Industrial Estate,
Pannalal Silk Mills Compound, LBS Marg,
Bhandup (West), Mumbai - 400 078.