



**Seventh  
Annual Report  
2012-2013**

**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 7<sup>th</sup> Annual General Meeting of the members of NEXTGEN ANIMATION MEDIAA LIMITED will be held on Wednesday, 23<sup>rd</sup> September, 2015 at 11.45AM at Alemu Hall, Opposite Ahobila Mutt Temple,t, 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 2013 and the Balance Sheet as at that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Narayan Raman 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**

**Krishnakumar Subramanian  
Chairman and Managing Director**

Mumbai, 20<sup>th</sup> August, 2015

**NOTES:**

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
7. 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.
8. 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.
9. 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**

**Krishnakumar Subramanian  
Chairman and Managing Director**

Mumbai, 20<sup>th</sup> August,2015

## 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 1<sup>st</sup> July 2012 to 30th June 2013.

### Financial Results

Rs. In millions

|  | Standalone |         | Consolidated   |         |
|--|------------|---------|----------------|---------|
|  | 2012-13    | 2011-12 | 2012-13        | 2011-12 |
| Sales  | 3.99       | 29.33   | <b>180.74</b>  | 264.16  |
| Profits/(Loss) before Interest                               |            |         |                |         |
| Depreciation and Tax   | (12.93)    | (0.24)  | <b>(61.32)</b> | 20.06   |
| Less: Interest   | -          | (2.60)  | -              | 2.88    |
| Less: Depreciation   | (10.84)    | (10.84) | <b>(10.84)</b> | 10.84   |
| Profit/(Loss) before Tax                                     | (75.24)    | (13.68) | <b>(72.16)</b> | 6.34    |
| Less: Provision for Tax (Net of prior period tax Adjustment) | -          | -       | -              | 1.00    |
| Profit/(Loss) for the Year                                   | (75.24)    | (13.68) | <b>(72.16)</b> | 5.34    |
| Add:Brought forward balance of Profit & Loss Account         | 29.52      | 43.20   | <b>84.64</b>   | 79.29   |
| Balance carried to Balance Sheet                             | (45.72)    | 29.52   | <b>12.48</b>   | 84.64   |

### Dividend

Your Directors do not recommend any dividend.

### Performance

During the year your Company has reported revenues at Rs. 3.99 million compared to Rs. 29.33 million during the previous year. The Company has incurred the net loss of Rs.75.24 million during the year against the net loss of Rs. 13.68 million earned during the previous year.

The review of the performance for the period ended June 30, 2013 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:

Dr. Naran Raman 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 30.06.2013, 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 2013.

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):**

- a) Specific areas in which R & D is carried out by the 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 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 support extended by Customers, Investors, Bankers, Business 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, 20<sup>th</sup> 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

During the period from 1/7/2012 to 30/6/2013, 6 Board Meetings were held on 30.07.2012, 30.08.2012, 30.09.2012, 27.01.2013, 12.05.2013, 26.06.2013.

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 on 3 <sup>rd</sup> December 2010 | No. of other Directorship |
|------------------------------|---|-------------------------------|---|---------------------------|
| Mr. Krishnakumar Subramanian | Promoter- Chairman<br>Chairman-1 Member -2                                    | 6                             | Yes   | 3                         |
| Mr. Mohan Subramanian        | Director Chairman-1 Member - 2  | 6                             | Yes   | 3                         |
| Dr. Narayan Raman            | Independent Non Executive Director<br>Chairman-1 Member -1                    | 6                             | Yes   | 4                         |
| Mr. Hitesh Kadakia           | Independent Non Executive Director<br>Chairman-Nil Member - Nil               | 3                             | 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                                     | : Dr.Narayan Raman   |
| Date of Birth                            | : 6th February, 1969   |
| Experience in specific functional area   | : Dr. Raman got his PhD from University of Tennessee, Memphis TN USA in the field of Medical sciences in 1996, and continued further as a senior scientist in the field of Cancer Biology. As a part of diversification and opportunities lying ahead, in 1997 he was involved in Media and Entertainment business. He is currently involved in the area of Telecom Solutions and Entertainment. |
| Qualifications                           | : Doctorate in Medical Science   |
| Other Company in which Directorship held | : Silverline Technologies Limited<br>Click Telicom Private Limited<br>Click Teleservices Private Limited<br>Brahma Intractive Networks Solutions Private Limited   |
| No. of Shares held on 30th June, 2012    | : Nil  |
| Other public Company                     | : Chairman - Investors’ Committee - Silverline Technologies limited  |
| In which member of committee             | : Remuneration committee – Silverline Technologies Limited   |

**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 2012 to June 2013 and comprised of 3 Directors. The committee held four meetings during the period from 01/07/12 to 30/06/13. 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   | 4                       |
| Dr. Narayan Raman            | Member   | 2                       |

**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 01/07/2012 to 30/06/2013 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 01/07/2012 to 30/06/2013 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 1-7-2012 to 30-6-2013                     | 129                                  |
| 2. No. of Shareholders complaints mentioned above not resolved to the satisfaction of the shareholders | 65                                   |
| 3. Pending Share Transfers as on June 30, 2013   | 0                                    |

**f) General Body Meeting**

Particulars of the Extra Ordinary / Annual General Meetings held:

| Financial Year | Date       | Location  |
|----------------|------------|---|
| 2008-09        | 23-11-2009 | The Shanmukhananda Fine Arts & Sangeetha Sabha, Conventional Hall, Sion (E), Mumbai-400022.                               |
| 2009-10        | 25-02-2011 | The Shanmukhananda Fine Arts & Sangeetha Sabha, Conventional Hall, Sion (E), Mumbai-400022.                               |
| 2010-11        | 30-03-2012 | Dr. M. S. Subbulakshmi Auditorium, Plot H, Bhaudaji Road Extn., Near King's Circle Rly. Stn., Sion (W), Mumbai - 400 022. |

**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 11.45 AM at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071.

ii) Financial Calendar

Annual General Meeting : 23<sup>rd</sup> Septmber,2015

Payment of dividend : NIL

iii) Date of book Closures : 17<sup>th</sup> 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

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 30<sup>th</sup> June 2013.

| No. of Shares  | No. of Shareholders | % of Shareholders | No. of Shares    | % of Shares     |
|----------------|---------------------|-------------------|------------------|-----------------|
| Up to 5,000    | 183865              | 98.4510           | 55921690         | 9.0200          |
| 5001- 10000    | 1480                | 0.792             | 11077950         | 1.787           |
| 10001- 20000   | 703                 | 0.376             | 10192830         | 1.644           |
| 20001- 30000   | 209                 | 0.1120            | 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 & above | 147                 | 0.078             | 518537570        | 83.643          |
| <b>TOTAL</b>   | <b>186759</b>       | <b>100.0000</b>   | <b>619941950</b> | <b>100.0000</b> |

ix) Category of Shareholders as on 30<sup>th</sup> June 2013.

| 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 Clearing Member | 42817360          | 69.0668%    |
| <b>TOTAL</b>   | <b>61,994,195</b> | <b>100%</b> |

x) Dematerialization of Shares

As on 30<sup>th</sup> June 2013., 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, 20<sup>th</sup> 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, 2013 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  
[F.R.No.110631W]

**P C Surana**  
Partner

Mumbai, 20<sup>th</sup> Augustm,2015

Membership No.017136

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## 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 30<sup>th</sup> June, 2013 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: 20<sup>th</sup> August,2015

**Mr. Krishnakumar Subramanian**  
Chairman & Managing Director

## ANNEXURE "B"

## MANAGEMENT DISCUSSIONS &amp; 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 2013 is Rs. 619,941,950

Company's sales and service income for the period ended June 30, 2013 is Rs. 39.95 lacs and loss of Rs. 7.52 crores after tax.

**Fixed Assets**

The Company has not acquired and there were no deletion of fixed assets during the period ended 30th June, 2013.

**Investments**

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

## Auditors' Report

**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,2013 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,2013
- (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,2013

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 30<sup>th</sup> June, 2013, and taken on record by the board of directors, in our opinion, none of the directors is disqualified as on 30<sup>th</sup> June, 2013 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, 20<sup>th</sup> 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 30<sup>th</sup> June,2013**

- i) a) The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.
- b) Most of the fixed assets of the Company have been physically verified.
- c) None of the fixed assets have been revalued during the year.
- ii) a) There is no physical stock.
- b) As the Company does not have any stock, question of physical verification does not arise.
- c) As no stock has been held by the Company clause does not apply.
- iii) The Company has maintained register under section 301 and updated the register.
- 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.
- v) The Company has not entered into any transaction with referred to Sec 301 of the Companies Act of 1956,.
- 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.
- Vii) In our opinion, the Company has an adequate Internal Audit System commensurate with its size and nature of its business.
- 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.
- ix) a) According to the information and explanations given to us, company has deposited the Provident fund payment to the authorities lately.
- 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.
- x) There are no secured loans; hence the clause relating to repayment does not apply.
- xi) No loans or advances have been granted by the Company against pledge of shares and debentures and other securities.
- xii) The Company is not a chit fund or a nidhi mutual benefit fund/society.
- xiii) The Company is not dealing in or trading in Shares, Securities, Debentures and other instruments.
- xiv) According to the information and explanation given to us, the Company has not given any Corporate Guarantee during the year.
- 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.
- 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.
- 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.
- xviii) The Company has not issued any debentures during the year and therefore the question of creation of security or charge does not arise.
- 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.
- 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.

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

**P C Surana**  
Partner  
M. No. 017136  
Mumbai, 20<sup>th</sup> August,2015

BALANCE SHEET AS AT 30<sup>th</sup> JUNE, 2013

Currency in Indian Rupees

|   | Notes    | 30 <sup>th</sup> June,2013 | 30 <sup>th</sup> June,2012 |
|---|----------|----------------------------|----------------------------|
| <b>I. EQUITY AND LIABILITIES</b>                    |          |                            |                            |
| <b>1. Share Holders Funds</b>                       |          |                            |                            |
| (a) Share Capital                                   | 2        | 619,941,950                | 619,941,950                |
| (b) Reserves and Surplus                            | 3        | 749,829,668                | 825,073,873                |
| (c) Money received against Share warrents           |          | -                          | -                          |
|   |          | <b>1,369,771,618</b>       | <b>1,445,015,823</b>       |
| <b>2. Share Application money pending allotment</b> |          |                            |                            |
|   |          | -                          | -                          |
| <b>3. Non Current Liabilities</b>                   |          |                            |                            |
| (a) Long Term Borrowings                            | 4        | 63,546,627                 | 84,890,583                 |
| (b) Defered Tax Liabilities (Net)                   |          | -                          | -                          |
| (c) Long Term Provision                             |          | -                          | -                          |
|   |          | <b>63,546,627</b>          | <b>84,890,583</b>          |
| <b>4. Current Liabilities</b>                       |          |                            |                            |
| (a) Short Term Borrowings                           |          | -                          | -                          |
| (b) Trade Payables                                  |          | 7,079,340                  | 7,323,270                  |
| (c) Other Current Liabilities                       | 5        | 1,037,323                  | 1,202,308                  |
| (d) Short term Provisions                           | 6        | 1,856,945                  | 1,856,945                  |
|   |          | <b>9,973,608</b>           | <b>10,382,523</b>          |
| <b>Total Equity and Liabilities</b>                 |          | <b>1,443,291,854</b>       | <b>1,540,288,928</b>       |
| <b>II. ASSETS</b>                                   |          |                            |                            |
| <b>1. Non Current Assets</b>                        |          |                            |                            |
| (a) Fixed Assets                                    | 7        |                            |                            |
| (i) Tangible ssets                                  |          | 31,146,413                 | 41,212,017                 |
| (ii) Intangible ssets - intellectual Property       |          | 555,300,613                | 555,300,613                |
| (iii) Capital Work in Progress                      |          | -                          | -                          |
| (b) Non Current Investment                          | 8        | 728,013,064                | 728,013,064                |
| (c) Long Term Loans and Advances - Deposits         |          | -                          | 680,001                    |
| (d) Other Non Current Assests                       |          | -                          | -                          |
| Misc. Exp.[to the extent not written off]           |          | -                          | -                          |
|   |          | <b>1,314,460,090</b>       | <b>1,325,205,695</b>       |
| <b>2. Current Assets</b>                            |          |                            |                            |
| (a) Work in process                                 |          | 5,076,131                  | 18,617,651                 |
| (b) Trade Receivables                               | 9        | 25,269,588                 | 94,145,341                 |
| (c) Cash and cash equivalents                       | 10       | 1,367,392                  | 1,490,624                  |
| (d) Short Term Loans and Advances                   | 11       | 96,386,435                 | 99,323,178                 |
| (e) Other Current Assests                           |          | -                          | -                          |
| Misc. Exp.[to the extent not written off]           |          | 732,218                    | 1,506,438                  |
|   |          | <b>128,831,764</b>         | <b>215,083,233</b>         |
| <b>Total Assets</b>                                 |          | <b>1,443,291,854</b>       | <b>1,540,288,928</b>       |
| <b>Significant Accounting Policies</b>              | 1        | -                          | -                          |
| <b>Other Notes on Accounts</b>                      | 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, 20<sup>th</sup> August, 2015

For Nextgen Animation mediaa Limited

**Krishnakumar Subramanian**

Chairman and Managing Director

**Mohan Subramanian**

Director

Mumbai, 20<sup>th</sup> August, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2013

Currency in Indian Rupees

|  | Notes    | 30 <sup>th</sup> June,2013 | 30 <sup>th</sup> June,2012 |
|--|----------|----------------------------|----------------------------|
| Revenue from Operations  | 12       | 3,995,497                  | 23,853,337                 |
| Other Income   | 13       | -                          | 5,474,624                  |
| <b>Total Revenue</b>   |          | <b>3,995,497</b>           | <b>29,327,961</b>          |
| <b>Expenses:</b>   |          |                            |                            |
| Software development charges                                     |          | 15,266,885                 | 11,805,483                 |
| Total Employees Expenses   | 14       | 1,661,749                  | 8,051,607                  |
| Financial Cost   |          | -                          | 2,604,880                  |
| Depreciation and Amortisation expenses                           | 15       | 10,839,824                 | 10,839,824                 |
| Other Expenses   | 16       | 51,471,243                 | 9,710,494                  |
| <b>Total Expenses</b>  |          | <b>79,239,701</b>          | <b>43,012,289</b>          |
| <b>Profit Before Exceptional and Extraordinary items and Tax</b> |          | <b>(75,244,204)</b>        | <b>(13,684,328)</b>        |
| <b>Exceptional Items</b>   |          | -                          | -                          |
| <b>Profit Before Extraordinary items and Tax</b>                 |          | <b>(75,244,204)</b>        | <b>(13,684,328)</b>        |
| <b>Extraordinary items</b>                                       |          | -                          | -                          |
| <b>Profit Before Tax</b>   |          | <b>(75,244,204)</b>        | <b>(13,684,328)</b>        |
| <b>Tax Expenses</b>  |          |                            |                            |
| (a) Current Tax - Income Tax                                     |          | -                          | -                          |
| (b) Deferred Tax   |          | -                          | -                          |
| (c) Provsion of Tax (Earlier Years)                              |          | -                          | -                          |
| <b>Profit/(Loss) for the year</b>                                |          | <b>(75,244,204)</b>        | <b>(13,684,328)</b>        |
| Basic Earning per share after Extraordinary item                 |          | (1.21)                     | (0.22)                     |
| Diluted Earning per share after Extraordinary item               |          | (1.21)                     | (0.22)                     |
| <b>Significant Accounting Policies</b>                           | 1        |                            |                            |
| <b>Other Notes on Accounts</b>                                   | 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, 20<sup>th</sup> August, 2015

For Nextgen Animation mediaa Limited

**Krishnakumar Subramanian**

Chairman and Managing Director

**Mohan Subramanian**

Director

Mumbai, 20<sup>th</sup> August, 2015

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2013

Currency in Indian Rupees

|   | As at<br>30/06/2013 | As at<br>30/06/2012 |
|---|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                         |                     |                     |
| Net Profit (Loss) after Tax and extraordinary item                  | (75,244,204)        | (13,684,328)        |
| Adjustments for :   |                     |                     |
| Depreciation  | 10,065,604          | 10,065,604          |
| Preliminary Expenses & Filing fees written off                      | 774,220             | 774,220             |
| Sundry Balances written (back) / off                                | -                   | (3,455,374)         |
| Bad Debts written off   | 45,685,639          | -                   |
| Dividend Income   | -                   | -                   |
| Un-realised Forex Gain  | -                   | (2,019,250)         |
| Interest paid   | -                   | 2,604,880           |
| <b>Operating Profit before Working Capital changes</b>              | <b>(18,718,741)</b> | <b>(5,714,248)</b>  |
| <b>Working capital changes</b>                                      |                     |                     |
| (Increase)/ Decrease in Sundry Debtors                              | 23,190,114          | 20,358,751          |
| (Increase) Decrease in Short term Loans & Advances                  | 2,936,743           | (17,296,767)        |
| Increase /( Decrease) in Trade Payables & Other current liabilities | (408,915)           | (544,846)           |
| (Increase) / Decrease in Work in Process                            | 13,541,520          | -                   |
|   | <b>39,259,462</b>   | <b>2,517,138</b>    |
| <b>Net Cash from operating activities</b>                           | <b>20,540,721</b>   | <b>(3,197,110)</b>  |
| <b>Cash flows from investing activities</b>                         |                     |                     |
| Purchase of Fixed Assets  | -                   | (39,550)            |
| Investment In Wholly owned subsidiary company                       | -                   | (53,013,064)        |
| Interest paid   | -                   | (2,604,880)         |
| Dividend Income   | -                   | -                   |
| <b>Net cash (used in)/surplus from investing activities</b>         | <b>-</b>            | <b>(55,657,494)</b> |
| <b>Cash flows from financing activities</b>                         |                     |                     |
| Decrease in Long Term Deposits                                      | 680,001             | 419,999             |
| Repayments of Borrowings (Net)                                      | (21,343,955)        | 58,313,363          |
| <b>Net cash (used in)/ surplus from financing activities</b>        | <b>(20,663,954)</b> | <b>58,733,362</b>   |
| <b>Net increase in Cash &amp; Cash equivalents</b>                  | <b>(123,233)</b>    | <b>(121,242)</b>    |
| Cash & Cash equivalents at the beginning of the year                | 1,490,624           | 1,611,866           |
| Cash & Cash equivalents at the end of the year                      | <b>1,367,392</b>    | <b>1,490,624</b>    |

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, 20<sup>th</sup> August, 2015

For Nextgen Animation mediaa Limited

**Krishnakumar Subramanian**

Chairman and Managing Director

**Mohan Subramanian**

Director

Mumbai, 20<sup>th</sup> August, 2015



**Notes forming parts of Annual Accounts for the year ended June 30<sup>th</sup> 2013  
(All the amounts are in Indian Rupees, unless otherwise indicated)**

**NOTES -1**

Notes forming parts of annual accounts for the year ended 30th June 2013. (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, 20<sup>th</sup> August,2015

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30<sup>th</sup> JUNE,2013

Currency in Indian Rupees

| Particulars  | As at                      |                            |            |          |
|--|----------------------------|----------------------------|------------|----------|
|  | 30 <sup>th</sup> June,2013 | 30 <sup>th</sup> June,2012 |            |          |
| <b>NOTE - 2 SHARE CAPITAL</b>  |                            |                            |            |          |
| <b>Authorised and Nominal</b>  |                            |                            |            |          |
| 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>         |            |          |
| <b>Issued, Subscribed &amp; Paid up</b>  |                            |                            |            |          |
| 61,994,195 (Previous Year 61,994,195) Equity Shares of Rs.10/- each                            | <u>619,941,950</u>         | <u>619,941,950</u>         |            |          |
| <b>Total</b>   | <u>619,941,950</u>         | <u>619,941,950</u>         |            |          |
| <b>Reconciliation of Equity Shares outstanding at the beginning and at the end of the year</b> |                            |                            |            |          |
| 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>         |            |          |
| <b>Details of shareholding more than 5% shares in the Company</b>                              |                            |                            |            |          |
|  | <b>No.</b>                 | <b>%</b>                   | <b>No.</b> | <b>%</b> |
|  | Nil                        | Nil                        | Nil        | Nil      |

**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.

The Company issued 500,00,000 Equity Shares of Rs. 10/- each fully paid-up through GDS's at total security premium of Rs. 17.50 crores during the last five financial years.

**NOTE 3 - RESERVES AND SURPLUS****Capital Reserve**

Transfer on Demerger

|                                   |            |            |
|-----------------------------------|------------|------------|
| Balance as per last Balance Sheet | 71,394,740 | 71,394,740 |
|-----------------------------------|------------|------------|

**Securities Premium Account**

|   |             |             |
|---|-------------|-------------|
| Balance as at the beginning of the Year | 175,000,000 | 175,000,000 |
|---|-------------|-------------|

|                                  |                    |                    |
|----------------------------------|--------------------|--------------------|
| <b>Reserve on account of IPR</b> | <b>549,163,310</b> | <b>549,163,310</b> |
|----------------------------------|--------------------|--------------------|

**Profit and Loss Account**

|   |            |            |
|---|------------|------------|
| Balance as at the beginning of the year | 29,515,823 | 43,200,150 |
|---|------------|------------|

|   |              |              |
|---|--------------|--------------|
| ADD: Net (Loss)/Profit from Profit & Loas Account | (75,244,204) | (13,684,328) |
|---|--------------|--------------|

|                            |                     |                   |
|----------------------------|---------------------|-------------------|
| Net surplus in the Account | <u>(45,728,382)</u> | <u>29,515,823</u> |
|----------------------------|---------------------|-------------------|

|              |                    |                    |
|--------------|--------------------|--------------------|
| <b>Total</b> | <u>749,829,668</u> | <u>825,073,873</u> |
|--------------|--------------------|--------------------|

**NOTE 4 - LONG TERM BORROWINGS**

Unsecured

From Others

|                                    |            |            |
|------------------------------------|------------|------------|
| From Directors and related parties | 38,727,400 | 59,217,232 |
|------------------------------------|------------|------------|

|             |                   |                   |
|-------------|-------------------|-------------------|
| From others | <u>24,819,227</u> | <u>25,673,351</u> |
|-------------|-------------------|-------------------|

|  |                   |                   |
|--|-------------------|-------------------|
|  | <u>63,546,627</u> | <u>84,890,583</u> |
|--|-------------------|-------------------|

Others includes Inter corporate deposits of Rs.313.81 lacs from Indiabulls Financial Services Ltd. are secured by the personal specific assets and guarantees of the Directors of the Company.

The loans are repayable on demand

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2013

Currency in Indian Rupees

| Particulars                               | As at                       | As at                       |
|---|-----------------------------|-----------------------------|
|   | 30 <sup>th</sup> June, 2013 | 30 <sup>th</sup> June, 2012 |
| <b>NOTE 5 - OTHER CURRENT LIABILITIES</b> |                             |                             |
| Taxes deducted at Sources Payable         | 33,750                      | 309,067                     |
| Profession tax Payable                    | 2,990                       | 2,990                       |
| Contributions to Provident funds payable  | 1,000,583                   | 890,251                     |
| <b>Total</b>                              | <b>1,037,323</b>            | <b>1,202,308</b>            |

**NOTE 6 - SHORT TERM PROVISIONS**

|                        |                  |                  |
|------------------------|------------------|------------------|
| Provision for Taxation | 1,856,945        | 1,856,945        |
| <b>Total</b>           | <b>1,856,945</b> | <b>1,856,945</b> |

**NOTE 7 - FIXED ASSETS**

| Sr. No.       | Particulars           | Gross assets |          |          |             | Fixed assets Depreciation |            |          |             | As at      | As At      |
|---------------|-----------------------|--------------|----------|----------|-------------|---------------------------|------------|----------|-------------|------------|------------|
|               |                       | 01/07/2012   | Addition | Deletion | 30/06/2013  | 01/07/2012                | Addition   | Deletion | 30/06/2013  | 30/06/2013 | 30/06/2012 |
| 1             | Computer Account      | 294,331,046  | -        | -        | 294,331,046 | 288,741,827               | 88,232     | -        | 288,830,059 | 5,500,987  | 5,589,219  |
| 2             | Electrical fitting    | 21,073,265   | -        | -        | 21,073,265  | 11,693,549                | 1,437,932  | -        | 13,131,481  | 7,941,784  | 9,379,716  |
| 3             | Furniture and Fixture | 98,817,812   | -        | -        | 98,817,812  | 80,492,302                | 6,255,168  | -        | 86,747,470  | 12,070,342 | 18,325,510 |
| 4             | Office Equipment      | 36,132,486   | -        | -        | 36,132,486  | 28,214,914                | 2,284,272  | -        | 30,499,186  | 5,633,300  | 7,917,572  |
| <b>Total</b>  |                       | 450,354,609  | -        | -        | 450,354,609 | 409,142,592               | 10,065,604 | -        | 419,208,196 | 31,146,413 | 41,212,017 |
| Previous Year |                       | 450,315,059  | 39,550   | -        | 450,354,609 | 399,076,988               | 10,065,604 | -        | 409,142,592 | 41,212,017 | 51,238,071 |

**NOTE 8 - NON CURRENT INVESTMENTS**

|  |                    |                    |
|--|--------------------|--------------------|
| Investment in the 100% wholly owned subsidiary foreign company- Advaitaa Technologies Inc. | 728,013,064        | 728,013,064        |
| <b>Total</b>   | <b>728,013,064</b> | <b>728,013,064</b> |

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

|   |                   |                   |
|---|-------------------|-------------------|
| Outstanding for a period exceeding six months | 24,842,354        | 90,784,276        |
| Other Debts                                   | 427,234           | 3,361,065         |
| <b>Total</b>                                  | <b>25,269,588</b> | <b>94,145,341</b> |

**NOTE 10 - CASH AND CASH EQUIVALENT****Cash**

|              |           |           |
|--------------|-----------|-----------|
| Cash on hand | 1,238,076 | 1,178,746 |
|--------------|-----------|-----------|

**Bank Balances**

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Bank Balances in Current Account | 129,316          | 311,878          |
| <b>Total</b>                     | <b>1,367,392</b> | <b>1,490,624</b> |

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30<sup>th</sup> JUNE,2013

Currency in Indian Rupees

| Particulars  | As at                      | As at                      |
|--|----------------------------|----------------------------|
|  | 30 <sup>th</sup> June,2013 | 30 <sup>th</sup> June,2012 |
| <b>NOTE 11 - SHORT TERM LOANS AND ADVANCES</b>                                 |                            |                            |
| <b>Unsecured, Considered Good</b>  |                            |                            |
| <b>Loans and advances</b>  |                            |                            |
| <b>Unsecured, Considered Good</b>  |                            |                            |
| <b>Advances recoverable in cash of kind or for value to be considered good</b> |                            |                            |
| Loans and advances   | 96,346,435                 | 98,491,772                 |
| TDS Account  | 40,000                     | 40,000                     |
| Advance for expenses   | -                          | 791,406                    |
| <b>Total</b>   | <b>96,386,435</b>          | <b>99,323,178</b>          |
| <hr/>  |                            |                            |
| Particulars  | 2012-13                    | 2011-12                    |
| <b>NOTE 12 - Revenue Account</b>   |                            |                            |
| Domestic   | 420,000                    | 1,682,080                  |
| Export   | 3,575,497                  | 22,171,257                 |
| <b>Total</b>   | <b>3,995,497</b>           | <b>23,853,337</b>          |
| <hr/>  |                            |                            |
| <b>NOTE 13 - OTHER INCOME</b>  |                            |                            |
| Gains on account of Exchange rates Difference                                  | -                          | 2,019,250                  |
| Sundry balance Written off   | -                          | 3,455,374                  |
| <b>Total</b>   | <b>-</b>                   | <b>5,474,624</b>           |
| <hr/>  |                            |                            |
| <b>NOTE 14 - EMPLOYEES EXPENSES</b>  |                            |                            |
| Salaries and Wages   | 1,530,437                  | 7,519,335                  |
| Contribution to PF, ESIC & Admn Charges  | 58,112                     | 257,593                    |
| Staff Welfare Expenses   | 73,200                     | 274,679                    |
| <b>Total</b>   | <b>1,661,749</b>           | <b>8,051,607</b>           |
| <hr/>  |                            |                            |
| <b>NOTE 15 - DEPRECIATION AND AMORTISATION COST</b>                            |                            |                            |
| Depreciation as per schedule   | 10,065,604                 | 10,065,604                 |
| Preliminary expenses Written off during the year                               | 774,220                    | 774,220                    |
| <b>Total</b>   | <b>10,839,824</b>          | <b>10,839,824</b>          |

**NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30<sup>th</sup> JUNE,2013**

Currency in Indian Rupees

| <b>Particulars</b>                            | <b>2012-13</b>    | <b>2011-12</b>   |
|---|-------------------|------------------|
| <b>NOTE 16 - OTHER EXPENSES</b>               |                   |                  |
| Rental Expenses                               | 964,776           | 152,847          |
| Security Charges                              | 9,134             | 140,500          |
| Bank Charges                                  | 36,431            | 27,721           |
| Repairs and maintenance, Computer Peripherals | 7,115             | 240,340          |
| R&T Depository and Compliance charges         | 1,797,976         | 2,628,147        |
| Director Remuneration                         | 300,000           | 300,000          |
| Electricity Charges                           | 430,279           | 1,234,803        |
| Motor car Expenses                            | 401,159           | 561,529          |
| Donation                                      | 500               | 14,000           |
| Legal and Professional Expenses               | 1,116,060         | 259,897          |
| Printing and Stationery                       | 560               | 536,917          |
| Bad debts written off Net                     | 45,685,639        | -                |
| Sales Promotion Expenses                      | 82,035            | 676,156          |
| Communication Expenses                        | 143,674           | 425,968          |
| Travelling and Conveyance                     | 201,046           | 463,104          |
| Auditors Remuneration                         | 162,500           | 175,000          |
| Miscellaneous expenses                        | 132,359           | 1,873,566        |
| <b>Total</b>                                  | <b>51,471,243</b> | <b>9,710,494</b> |

**NOTE 16.1 - AUDITORS REMUNERATION**

|                     |                |                |
|---------------------|----------------|----------------|
| Statuary Audit fees | 100,000        | 100,000        |
| Taxation Matters    | 12,500         | 15,450         |
| Other Services      | 50,000         | 50,000         |
|                     | <b>162,500</b> | <b>165,450</b> |

**NOTE 16.2 - EXPENDITURE IN FOREIGN CURRENCY**

|                              |           |            |
|------------------------------|-----------|------------|
| Software Development Charges | 1,725,365 | 10,153,348 |
|------------------------------|-----------|------------|

**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.

**NOTE - 18 SUNDRY DEBTORS**

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

**NOTE - 19- EARNINGS IN FOREIGN CURRENCY**

|                      |           |            |
|----------------------|-----------|------------|
| Exports of Softwares | 3,575,497 | 22,171,257 |
|----------------------|-----------|------------|

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2013

Currency in Indian Rupees

**NOTE 20 - RELATED PARTIES DISCLOSURES**

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)**

| <b>Nature of Transaction</b>                          | <b>Key Managerial Persons</b> | <b>Associates</b> | <b>Subsidiaries</b> | <b>Total</b> |
|---|-------------------------------|-------------------|---------------------|--------------|
| Directors Remuneration                                | 3.00                          | 0.00              | 0                   | 3.00         |
|   | (3.00)                        | (0.00)            | (0.00)              | (3.00)       |
| Investments   | 0                             | 0                 | 0                   | 0.00         |
|   | (0.00)                        | (0.00)            | (513.00)            | (513.00)     |
| Loans/Advances received (Net)                         | 0.00                          | 1.50              | 0.00                | 1.50         |
|   | (1.60)                        | (590.57)          | (0.00)              | (592.17)     |
| Received Loans/Advances paid back                     | 0.00                          | 206.39            | 0.00                | 206.39       |
|   | (0.00)                        | (0.00)            | (0.00)              | (0.00)       |
| Loans / Advances given                                | 0.00                          | 0.23              | 0.00                | 0.23         |
|   | (23.15)                       | (261.17)          | (0.00)              | (284.32)     |
| Given Advances received back (net)                    | 11.68                         | 0                 | 0                   | 11.68        |
|   | (7.00)                        | (343.20)          | 0.00                | (350.20)     |
| Figures in brackets and italics are of previous year. |                               |                   |                     |              |
| <b>Balances as on 30.06.2013</b>                      |                               |                   |                     |              |
| Investments   | 0.00                          | 0.00              | 7,280.13            | 7,280.13     |
| Loans/Advances received (Net)                         | 1.60                          | 385.67            | 0.00                | 387.27       |
| Loans / Advances given                                | 32.52                         | 270.90            | 0.00                | 303.42       |

**NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30<sup>th</sup> JUNE,2013**

Currency in Indian Rupees

**Disclosure in Respect of Material Related Party Transaction during the year**

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

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 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 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, 20<sup>th</sup> August, 2015

For Nextgen Animation mediaa Limited

**Krishnakumar Subramanian**

Chairman and Managing Director

**Mohan Subramanian**

*Director*

Mumbai, 20<sup>th</sup> August, 2015



| Sr no | Name of the subsidiary Company  |  | Advaitaa Technologies Inc. |
|-------|---|--|----------------------------|
| 1     | Financial year of the subsidiary ended  |  | 30/06/2013                 |
| 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   |  | US\$ 56,115                |
|       | 1) Dealt with in the accounts of Nextgen Animation Mediaa Limited   |  | NIL                        |
|       | 2) Not - dealt with in the accounts of Nextgen Animation Mediaa Limited   |  |                            |
|       | 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, 20<sup>th</sup> August, 2015

For Nextgen Animation mediaa Limited

**Krishnakumar Subramanian**

Chairman and Managing Director

**Mohan Subramanian**

*Director*

Mumbai, 20<sup>th</sup> 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 2013 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:
  1. Advaitaa Technologies, Inc as on 30th June 2013
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 2013.
    - 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 2013.
    - 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  
M. No. 017136  
Mumbai, 20<sup>th</sup> August, 2015

CONSOLIDATED BALANCE SHEET AS AT 30<sup>TH</sup> JUNE, 2013

Currency in Indian Rupees

| PARTICULARS   | Notes | 30th June,2013              | 30th June,2012              |
|---|-------|-----------------------------|-----------------------------|
| <b>I. EQUITY AND LIABILITIES</b>                    |       |                             |                             |
| <b>1. Share Holders Funds</b>                       |       |                             |                             |
| (a) Share Capital                                   | 2     | 619,941,950                 | 619,941,950                 |
| (b) Reserves and Surplus                            | 3     | 808,026,499                 | 880,194,459                 |
| (c) Money received against Share warrents           |       | -                           | -                           |
|   |       | <u>1,427,968,449</u>        | <u>1,500,136,409</u>        |
| <b>2. Share Application money pending allotment</b> |       |                             |                             |
|   |       | -                           | -                           |
| <b>3. Non Current Liabilities</b>                   |       |                             |                             |
| (a) Long Term Borrowings                            | 4     | 63,546,627                  | 84,890,583                  |
| (b) Deferred Tax Liabilities (Net)                  |       | -                           | -                           |
| (c) Long Term Provision                             |       | -                           | -                           |
|   |       | <u>63,546,627</u>           | <u>84,890,583</u>           |
| <b>4. Current Liabilities</b>                       |       |                             |                             |
| (a) Short Term Borrowings                           |       | -                           | -                           |
| (b) Trade Payables                                  |       | 7,507,624                   | 9,052,774                   |
| (c) Other Current Liabilities                       | 5     | 1,037,323                   | 1,202,308                   |
| (d) Short term Provisions                           | 6     | 1,856,945                   | 1,856,945                   |
|   |       | <u>10,401,892</u>           | <u>12,112,027</u>           |
| <b>Total Equity and Liabilities</b>                 |       | <u><u>1,501,916,969</u></u> | <u><u>1,597,139,018</u></u> |
| <b>II. ASSETS</b>                                   |       |                             |                             |
| <b>1. Non Current Assets</b>                        |       |                             |                             |
| (a) Fixed Assets                                    | 7     |                             |                             |
| (i) Tangible ssets                                  |       | 32,458,074                  | 42,523,678                  |
| (ii) Intangible ssets - intellectual Property       |       | 555,300,613                 | 555,300,613                 |
| (iii) Capital Work in Progress                      |       | -                           | -                           |
| (b) Non Current Investment                          |       | 53,013,064                  | 53,013,064                  |
| (c) Long Term Loans and Advances - Deposits         |       | -                           | 680,001                     |
| (d) Other Non Current Assests                       |       |                             |                             |
| Misc. Exp.[to the extent not written off]           |       | -                           | -                           |
| Goodwill  |       | 659,219,283                 | 663,604,804                 |
| <b>2. Current Assets</b>                            |       |                             |                             |
| (a) Work in process                                 |       | 5,076,131                   | 18,617,651                  |
| (b) Trade Receivables                               | 8     | 73,836,901                  | 137,781,066                 |
| (c) Cash and cash equivalentents                    | 9     | 11,246,261                  | 11,516,908                  |
| (d) Short Term Loans and Advances                   | 10    | 111,034,425                 | 112,594,795                 |
| (e) Other Current Assests                           |       |                             |                             |
| Misc. Exp.[to the extent not written off]           |       | 732,218                     | 1,506,438                   |
| <b>Total Assets</b>                                 |       | <u><u>1,501,916,969</u></u> | <u><u>1,597,139,018</u></u> |

**Significant Accounting Policies****Other Notes on Accounts**

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, 20<sup>th</sup> August, 2015

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16 to 22

For Nextgen Animation mediaa Limited

**Krishnakumar Subramanian**

Chairman and Managing Director

**Mohan Subramanian**

Director

Mumbai, 20<sup>th</sup> August, 2015

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2013**

Currency in Indian Rupees

| <b>Partiulars</b>  | <b>Notes</b> | <b>30<sup>th</sup> June,2013</b> | <b>30<sup>th</sup> June,2012</b> |
|--|--------------|----------------------------------|----------------------------------|
| Revenue from Operations  | 11           | <b>180,742,084</b>               | 258,255,056                      |
| <b>Other Income</b>  | 12           | -                                | 5,902,810                        |
| Total Revenue  |              | <b>180,742,084</b>               | <b>264,157,866</b>               |
| <b>Expenses:</b>   |              |                                  |                                  |
| Software development charges                                     |              | <b>175,569,851</b>               | 213,025,678                      |
| Total Employees Expenses   | 13           | <b>1,702,645</b>                 | 7,995,807                        |
| Financial Cost   |              | -                                | 2,882,626                        |
| Depreciation and Amortisation expenses                           | 14           | <b>10,839,824</b>                | 10,839,824                       |
| Other Expenses   | 15           | <b>64,797,724</b>                | 23,077,052                       |
| <b>Total Expenses</b>  |              | <b>252,910,044</b>               | <b>257,820,987</b>               |
| <b>Profit Before Exceptional and Extraordinary items and Tax</b> |              | <b>(72,167,960)</b>              | 6,336,879                        |
| <b>Exceptional Items</b>   |              | -                                | -                                |
| <b>Profit Before Extraordinary items and Tax</b>                 |              | <b>(72,167,960)</b>              | 6,336,879                        |
| <b>Extraordinary items</b>                                       |              | -                                | -                                |
| <b>Profit Before Tax</b>   |              | <b>(72,167,960)</b>              | 6,336,879                        |
| <b>Tax Expenses</b>  |              |                                  |                                  |
| (a) Current Tax - Income Tax                                     |              | -                                | 992,661                          |
| (b) Deferred Tax   |              | -                                | -                                |
| (c) Provsion of Tax (Earlier Years)                              |              | -                                | -                                |
| <b>Profit/(Loss) for the period</b>                              |              | <b>(72,167,960)</b>              | <b>5,344,218</b>                 |
| Basic Earning per share after Extraordinary Item                 |              | <b>-1.16</b>                     | 0.09                             |
| Diluted Earning per share after Extraordinary Item               |              | <b>-1.16</b>                     | 0.09                             |
| <b>Significant Accounting Policies</b>                           | 1            |                                  |                                  |
| <b>Other Notes on Accounts</b>                                   | 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, 20<sup>th</sup> August, 2015

For Nextgen Animation mediaa Limited

**Krishnakumar Subramanian**

Chairman and Managing Director

**Mohan Subramanian***Director*Mumbai, 20<sup>th</sup> August, 2015

**Consolidated STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2013**

Currency in Indian Rupees

| <b>Partiulars</b>   | <b>30<sup>th</sup> June,2013</b> | <b>30<sup>th</sup> June,2012</b> |
|---|----------------------------------|----------------------------------|
| <b>Cash flows from operating activities</b>                         |                                  |                                  |
| Net Profit (Loss) after Tax and extraordinary item                  | (72,167,960)                     | 5,344,218                        |
| Adjustments for :   |                                  |                                  |
| Depreciation  | 10,065,604                       | 10,065,604                       |
| Preliminary Expenses & Filing fees written off                      | 774,220                          | 774,220                          |
| Sundry Balances written (back) / off                                | -                                | (3,455,374)                      |
| Provision for Doubtful Debts  | -                                | -                                |
| Provision for Income Tax  | -                                | -                                |
| Bad Debts written off   | 45,685,639                       | -                                |
| Dividend Income   | -                                | -                                |
| Un-realised Forex Gain  | -                                | (2,019,250)                      |
| Interest paid   | -                                | 2,882,626.00                     |
| <b>Operating Profit before Working Capital changes</b>              | <b>(15,642,497)</b>              | <b>13,592,044</b>                |
| <b>Working capital changes</b>                                      |                                  |                                  |
| (Increase)/ Decrease in Sundry Debtors                              | 18,258,526                       | (3,718,628)                      |
| (Increase) Decrease in Short term Loans & Advances                  | 1,560,370                        | 22,862,758                       |
| Increase /( Decrease) in Trade Payables & Other current liabilities | (1,710,134)                      | 9,161,420                        |
| (Increase) / Decrease in Work in Process                            | 13,541,520                       | -                                |
|   | <b>31,650,282</b>                | <b>28,305,550</b>                |
| <b>Net Cash from operating activities</b>                           | <b>16,007,786</b>                | <b>(14,713,506)</b>              |
| <b>Fluctuation in rate of Foreign Exchange</b>                      | <b>4,385,521</b>                 | <b>9,839,543</b>                 |
| <b>Cash flows from investing activities</b>                         |                                  |                                  |
| 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                | <b>4,385,521</b>                 | <b>(46,095,697)</b>              |
| <b>Cash flows from financing activities</b>                         |                                  |                                  |
| <b>Consideration received on sale of Land</b>                       | -                                | 14,873,548                       |
| <b>Decrease in Long Term Deposits</b>                               | <b>680,001</b>                   | 419,999                          |
| Repayments of Borrowings (Net)                                      | (21,343,955)                     | 49,825,844                       |
| Net cash (used in)/ surplus from financing activities               | <b>(20,663,954)</b>              | <b>65,119,391</b>                |
| <b>Net increase in Cash &amp; Cash equivalents</b>                  | <b>(270,648)</b>                 | <b>4,310,187</b>                 |
| <b>Cash &amp; Cash equivalents at the beginning of the year</b>     | <b>11,516,908</b>                | <b>7,206,721</b>                 |
| Cash & Cash equivalents at the end of the year                      | <b>11,246,261</b>                | <b>11,516,908</b>                |
| <b>Cash &amp; Cash equivalents at the end of the year</b>           | <b>1,490,624</b>                 | <b>1,611,866</b>                 |

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, 20<sup>th</sup> August, 2015

For Nextgen Animation mediaa Limited

**Krishnakumar Subramanian**

Chairman and Managing Director

**Mohan Subramanian**

Director

Mumbai, 20<sup>th</sup> August, 2015

## NOTES TO THE CONSOLIDATED ANNUAL REPORT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2013 (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 2013 along with comparative information for year ended June 30, 2012. 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 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.

- (ii) Current assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing at the Balance Sheet date.

- (iii) Exchange difference related to acquisition of fixed assets is adjusted to the cost of those assets.

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

#### 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 30<sup>th</sup> JUNE,2013

Currency in Indian Rupees

| Particulars  | As at                      |                            |            |          |
|--|----------------------------|----------------------------|------------|----------|
|  | 30 <sup>th</sup> June,2013 | 30 <sup>th</sup> June,2012 |            |          |
| <b>NOTE - 2 SHARE CAPITAL</b>  |                            |                            |            |          |
| <b>Authorised and Nominal</b>  |                            |                            |            |          |
| 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>         |            |          |
| <b>Issued, Subscribed &amp; Paid up</b>  |                            |                            |            |          |
| 61,994,195 (Previous Year 61,994,195) Equity Shares of Rs.10/- each                            | <u>619,941,950</u>         | <u>619,941,950</u>         |            |          |
| <b>Total</b>   | <u>619,941,950</u>         | <u>619,941,950</u>         |            |          |
| <b>Reconciliation of Equity Shares outstanding at the beginning and at the end of the year</b> |                            |                            |            |          |
| 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>         |            |          |
| <b>Details of shareholding more than 5% shares in the Company</b>                              |                            |                            |            |          |
|  | <b>No.</b>                 | <b>%</b>                   | <b>No.</b> | <b>%</b> |
|  | Nil                        | Nil                        | Nil        | Nil      |

**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.

The Company issued 500,00,000 Equity Shares of Rs. 10/- each fully paid-up through GDS's at total security premium of Rs. 17.50 crores during the last five financial years.

**NOTE 3 - RESERVES AND SURPLUS****Capital Reserve**

Transfer on Demerger

|                                   |            |            |
|-----------------------------------|------------|------------|
| Balance as per last Balance Sheet | 71,394,740 | 71,394,740 |
|-----------------------------------|------------|------------|

**Securities Premium Account**

|   |             |             |
|---|-------------|-------------|
| Balance as at the beginning of the Year | 175,000,000 | 175,000,000 |
|---|-------------|-------------|

|                                  |                    |                    |
|----------------------------------|--------------------|--------------------|
| <b>Reserve on account of IPR</b> | <b>549,163,310</b> | <b>549,163,310</b> |
|----------------------------------|--------------------|--------------------|

**Profit and Loss Account**

|   |            |            |
|---|------------|------------|
| Balance as at the beginning of the year | 84,636,409 | 79,292,191 |
|---|------------|------------|

|   |              |           |
|---|--------------|-----------|
| ADD: Net (Loss)/Profit from Profit & Loas Account | (72,167,960) | 5,344,218 |
|---|--------------|-----------|

|                            |                   |                   |
|----------------------------|-------------------|-------------------|
| Net surplus in the Account | <u>12,468,449</u> | <u>84,636,409</u> |
|----------------------------|-------------------|-------------------|

|              |                    |                    |
|--------------|--------------------|--------------------|
| <b>Total</b> | <u>808,026,499</u> | <u>880,194,459</u> |
|--------------|--------------------|--------------------|

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

|  |   |   |
|--|---|---|
|  | - | - |
|--|---|---|

**From Others**

|                                    |            |            |
|------------------------------------|------------|------------|
| From Directors and related parties | 38,727,400 | 59,217,232 |
|------------------------------------|------------|------------|

|             |                   |                   |
|-------------|-------------------|-------------------|
| From others | <u>24,819,227</u> | <u>25,673,351</u> |
|-------------|-------------------|-------------------|

|  |                   |                   |
|--|-------------------|-------------------|
|  | <u>63,546,627</u> | <u>84,890,583</u> |
|--|-------------------|-------------------|

Others includes Inter corporate deposits of Rs.313.81 lacs from Indiabulls Financial Services Ltd. are secured by the personal specific assests and guarantees of the Directors of the Company.

The loans are repayable on demand

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30<sup>th</sup> JUNE,2013

Currency in Indian Rupees

| Particulars                               | As at                      | As at                      |
|---|----------------------------|----------------------------|
|   | 30 <sup>th</sup> June,2013 | 30 <sup>th</sup> June,2012 |
| <b>NOTE 5 - OTHER CURRENT LIABILITIES</b> |                            |                            |
| Taxes deducted at Sources Payable         | 33,750                     | 309,067                    |
| Profession tax Payable                    | 2,990                      | 2,990                      |
| Contributions to Provident funds payable  | 1,000,583                  | 890,251                    |
| <b>Total</b>                              | <b>1,037,323</b>           | <b>1,202,308</b>           |

**NOTE 6 - SHORT TERM PROVISIONS**

|                        |                  |                  |
|------------------------|------------------|------------------|
| For Taxation Provision | 1,856,945        | 1,856,945        |
| <b>Total</b>           | <b>1,856,945</b> | <b>1,856,945</b> |

**NOTE 7 - FIXED ASSETS**

| Sr. No.       | Particulars           | Gross assets |          |            |             | Fixed assets Depreciation |            |           |             | As at      | As At      |
|---------------|-----------------------|--------------|----------|------------|-------------|---------------------------|------------|-----------|-------------|------------|------------|
|               |                       | 01/07/2012   | Addition | Deletion   | 30/06/2013  | 01/07/2012                | Addition   | Deletion  | 30/06/2013  | 30/06/2013 | 30/06/2012 |
| 1             | Computer Account      | 294,331,048  | -        | -          | 294,331,048 | 288,741,827               | 88,232     | -         | 288,830,059 | 5,500,989  | 5,589,221  |
| 2             | Electrical fitting    | 21,045,715   | -        | -          | 21,045,715  | 11,693,549                | 1,437,932  | -         | 13,131,481  | 7,914,234  | 9,379,716  |
| 3             | Furniture and Fixture | 98,817,812   | -        | -          | 98,817,812  | 80,492,302                | 6,255,168  | -         | 86,747,470  | 12,070,342 | 18,325,510 |
| 4             | Office Equipment      | 37,581,951   | -        | 0          | 37,581,951  | 28,352,720                | 2,284,272  | -         | 30,636,992  | 6,944,959  | 9,229,231  |
| <b>Total</b>  |                       | 451,776,526  | -        | -          | 451,776,526 | 409,280,398               | 10,065,604 | -         | 419,346,002 | 32,430,524 | 42,523,678 |
| Previous Year |                       | 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 |

**NOTE 8 - TRADE RECEIVABLES****Unsecured, Considered Good**

|   |                   |                    |
|---|-------------------|--------------------|
| Outstanding for a period exceeding six months | 73,409,667        | 134,420,001        |
| Other Debts                                   | 427,234           | 3,361,065          |
| <b>Total</b>                                  | <b>73,836,901</b> | <b>137,781,066</b> |

**NOTE 9 - CASH AND CASH EQUIVALENT****Cash**

|                       |                   |                   |
|-----------------------|-------------------|-------------------|
| Cash and Bank Balance | 11,246,261        | 11,516,908        |
| <b>Total</b>          | <b>11,246,261</b> | <b>11,516,908</b> |



NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30<sup>th</sup> JUNE,2013

Currency in Indian Rupees

| Particulars  | As at                      | As at                      |
|--|----------------------------|----------------------------|
|  | 30 <sup>th</sup> June,2013 | 30 <sup>th</sup> June,2012 |
| <b>NOTE 10 - SHORT TERM LOANS AND ADVANCES</b>                             |                            |                            |
| <b>Unsecured, Considered Good</b>  |                            |                            |
| <b>Loans and advances</b>  |                            |                            |
| <b>Unsecured, Considered Good</b>  |                            |                            |
| <b>Advances recoverable in cash or in kind or for value to be received</b> |                            |                            |
| Loans and advances   | 110,994,425                | 111,763,389                |
| TDS Account  | 40,000                     | 40,000                     |
| Advance for expenses   | -                          | 791,406                    |
| <b>Total</b>   | <b>111,034,425</b>         | <b>112,594,795</b>         |
| <b>NOTE 11 - Revenue Account</b>   |                            |                            |
| Domestic   | 420,000                    | 1,682,080                  |
| Export   | 180,322,084                | 256,572,976                |
| <b>Total</b>   | <b>180,742,084</b>         | <b>258,255,056</b>         |
| <b>NOTE 12 - OTHER INCOME</b>  |                            |                            |
| <b>Gain on sale of Land</b>  | -                          | 428,186                    |
| Gains on account of Exchange rates Difference                              | -                          | 2,019,250                  |
| Sundry balance Written off   | -                          | 3,455,374                  |
| <b>Total</b>   | <b>-</b>                   | <b>5,902,810</b>           |
| <b>NOTE 13 - EMPLOYEES EXPENSES</b>  |                            |                            |
| Salaries and Wages   | 1,530,437                  | 7,519,335                  |
| Contribution to PF, ESIC & Admn Charges                                    | 58,112                     | 257,593                    |
| Staff Welfare Expenses   | 114,096                    | 218,879                    |
| <b>Total</b>   | <b>1,702,645</b>           | <b>7,995,807</b>           |
| <b>NOTE 14 - DEPRECIATION AND AMORTISATION COST</b>                        |                            |                            |
| Depreciation as per schedule   | 10,065,604                 | 10,065,604                 |
| Preliminary expenses Written off during the year                           | 774,220                    | 774,220                    |
| <b>Total</b>   | <b>10,839,824</b>          | <b>10,839,824</b>          |

**NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30<sup>th</sup> JUNE,2013**

Currency in Indian Rupees

| <b>Particulars</b>                            | <b>2012-13</b>    | <b>2011-12</b>    |
|---|-------------------|-------------------|
| <b>NOTE 15 - OTHER EXPENSES</b>               |                   |                   |
| Rental Expenses                               | 1,940,572         | 855,367           |
| Office Expenses                               | 474,199           | 512,332           |
| Bank Charges                                  | 100,680           | 133,603           |
| Repairs and maintenance, Computer Peripherals | 328,744           | 416,723           |
| R&T Depository and Compliance charges         | 1,797,976         | 2,628,147         |
| Director Remuneration                         | 300,000           | 300,000           |
| Electricity Charges                           | 430,279           | 1,234,803         |
| Motor car Expenses                            | 401,159           | 561,529           |
| Donation                                      | 74,671            | 84,453            |
| Legal and Professional Expenses               | 1,375,893         | 813,633           |
| Printing and Stationery                       | 560               | 536,917           |
| Postage and Courier                           | 288,244           | 203,229           |
| Bad debts written off Net                     | 45,685,639        | -                 |
| Sales Promotion Expenses                      | 254,718           | 1,189,246         |
| Communication Expenses                        | 277,873           | 529,590           |
| Travelling and Conveyance                     | 9,207,698         | 10,175,292        |
| Auditors Remuneration                         | 162,500           | 175,000           |
| Miscellaneous expenses                        | 1,696,319         | 2,727,188         |
| <b>Total</b>                                  | <b>64,797,724</b> | <b>23,077,052</b> |

**NOTE 15.1 - AUDITORS REMUNERATION**

|                     |                |                |
|---------------------|----------------|----------------|
| Statuary Audit fees | 100,000        | 100,000        |
| Taxation Matters    | 12,500         | 15,450         |
| Other Services      | 50,000         | 50,000         |
|                     | <b>162,500</b> | <b>165,450</b> |

**NOTE 15.2 - EXPENDITURE IN FOREIGN CURRENCY**

|                              |           |            |
|------------------------------|-----------|------------|
| Software Development Charges | 1,725,365 | 10,153,348 |
|------------------------------|-----------|------------|

**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.

**NOTE - 17 SUNDRY DEBTORS**

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2013**

Currency in Indian Rupees

**NOTE - 18- EARNINGS IN FOREIGN CURRENCY**

|                      |                  |            |
|----------------------|------------------|------------|
| Exports of Softwares | <b>3,575,497</b> | 22,171,257 |
|----------------------|------------------|------------|

**NOTE 19 - RELATED PARTIES DISCLOSURES**

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**

Adviaitaa 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)**

| <b>Nature of Transaction</b>       | <b>Key Managerial Persons</b> | <b>Associates</b> | <b>Subsidiaries</b> | <b>Total</b> |
|------------------------------------|-------------------------------|-------------------|---------------------|--------------|
| Directors Remuneration             | 3.00                          | 0.00              | 0                   | 3.00         |
|                                    | (3.00)                        | (0.00)            | (0.00)              | (3.00)       |
| Investments                        | 0                             | 0                 | 0                   | 0.00         |
|                                    | (0.00)                        | (0.00)            | (513.00)            | (513.00)     |
| Loans/Advances received (Net)      | 0.00                          | 1.50              | 0.00                | 1.50         |
|                                    | (1.60)                        | (590.57)          | (0.00)              | (592.17)     |
| Received Loans/Advances paid back  | 0.00                          | 206.39            | 0.00                | 206.39       |
|                                    | (0.00)                        | (0.00)            | (0.00)              | (0.00)       |
| Loans / Advances given             | 0.00                          | 0.23              | 0.00                | 0.23         |
|                                    | (23.15)                       | (261.17)          | (0.00)              | (284.32)     |
| Given Advances received back (net) | 11.68                         | 0                 | 0                   | 11.68        |
|                                    | (7.00)                        | (343.20)          | 0.00                | (350.20)     |

Figures in brackets and italics are of previous year.

**Balances as on 30.06.2013**

|                               |       |        |          |          |
|-------------------------------|-------|--------|----------|----------|
| Investments                   | 0.00  | 0.00   | 7,280.13 | 7,280.13 |
| Loans/Advances received (Net) | 1.60  | 385.67 | 0.00     | 387.27   |
| Loans / Advances given        | 32.52 | 270.90 | 0.00     | 303.42   |

**NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30<sup>th</sup> JUNE,2013**

Currency in Indian Rupees

**Disclosure in Respect of Material Related Party Transaction during the year**

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

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 applocable .

**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, 20<sup>th</sup> August, 2015

For Nextgen Animation mediaa Limited

**Krishnakumar Subramanian**

Chairman and Managing Director

**Mohan Subramanian**

*Director*

Mumbai, 20<sup>th</sup> 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 11:45 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.**

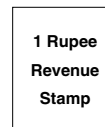
Registered Office: Mohan Mills Compound, Kolshet Road, Dhokali, Thane (W), District Thane, Maharashtra-400 607.

**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 11:45 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,  
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