



**Eighth
Annual Report
2013-2014**

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.

CONTENTS

Notice of the Annual General Meeting	01
Directors' Report to the Shareholders	02-03
Report on Corporate Governance	04-08
Management Discussions & Analysis	09
Auditors' Report	10-11
Balance Sheet and P&L Account	12-13
Cash Flow Statement	14
Notes forming parts of Annual Accounts	15-21
Balance Sheet and P&L Account	
Cash Flow Statement Consolidated	22-25
Notes to the Consolidated	26-32
Nomination Form	33
Proxy Form/Attendance Slip 1	35

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the members of **NEXTGEN ANIMATION MEDIAA LIMITED** will be held on Wednesday, 23rd September, 2015 at 12.30 PM 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 2014 and the Balance Sheet as at that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mohan Subramanian, who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint M/s P.C. Surana & Co, Chartered Accountants [Reg No. 110631W], who retire at this meeting, being eligible and willing to act as Auditors, be appointed auditors of the Company 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, 20th 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, 20th August, 2015

DIRECTORS' REPORT**The Members**

Your Directors are pleased to present you the Eighth Annual Report with the Audited consolidated Financial Statements for the fiscal year from 1st July 2013 to 30th June 2014.

Financial Results

Rs. In millions

Particulars	Standalone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Sales	0.60	3.99	92.06	180.74
Profits/(Loss) before Interest				
Depreciation and Tax	(3.75)	(12.93)	10.95	(61.32)
Less: Interest	-	-	-	-
Less: Depreciation	(10.08)	(10.84)	(10.08)	(10.84)
Profit/(Loss) before Tax	(13.24)	(75.24)	0.87	(72.16)
Less: Provision for Tax (Net of prior period tax Adjustment)	-	-	-	-
Profit/(Loss) for the Year	(13.24)	(75.24)	0.87	(72.16)
Add: Brought forward balance of Profit & Loss Account	(45.72)	29.52	12.48	84.64
Balance carried to Balance Sheet	(58.96)	(45.72)	13.35	12.48

Dividend

Your Directors do not recommend any dividend.

Performance

During the year your Company has reported revenues at Rs. 0.60 million compared to Rs. 3.99 million during the previous year. The Company has incurred the net loss of Rs.13.24 million during the year against the net loss of Rs. 75.24 million earned during the previous year.

The review of the performance for the period ended June 30, 2014 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.16 of Notes to Financial Statements for the year is self explanatory.

Fixed deposits

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

Directors:

Mr. Mohan Subramanian 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 30.06.2014 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 retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

Consolidated Accounts

We are enclosing the audited consolidated accounts for the period ended 30th June 2014. 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 support extended by Customers, Investors, Bankers, Business Company:
R&D activities include tools development with the object of devising efficient methods of pre-production phase. The Company has in place a quality assurance team to ensure adherence to stringent quality norms.
- b) Benefits derived as a result of the above R&D:
Reduction in cost and improvement in quality adaptability of Software Systems and Packages.

C. Technology Absorption, Adaptation & Innovation:

No technology has been imported. Indigenous technology available is continuously being upgraded to 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, 20th August, 2015

ANNEXURE “A”**TO THE DIRECTORS’ REPORT ON CORPORATE GOVERNANCE****a) Company’s Philosophy**

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

b) Board of Directors

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

During the period from 1/7/2013 to 30/06/2014 Seven Board Meetings were held on 31.07.2013, 24.08.2013, 14.09.2013, 30.09.2013, 27.10.2013, 27.01.2014, 26.04.2014.

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

Name of Director	Category of Directorship/No. of other committees of where member/chairmanship	No. of Board meeting attended	Attendance at last AGM	No. of other Directorship
Mr. Krishnakumar Subramanian	Promoter- Chairman Chairman-1 Member -2	6	Yes	3
Mr. Mohan Subramanian	Director Chairman-1 Member - 2	6	Yes	3
Dr. Narayan Raman	Independent Non Executive Director Chairman-1 Member -1	5	Yes	4
Mr. Hitesh Kadakia	Independent Non Executive Director Chairman-Nil Member - Nil	4	No	Nil

Particulars of directors seeking reappointment at the existing Annual General Meeting

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

Name	:	Mr. Mohan Subramanian
Date of Birth	:	26/05/1956
Experience in specific functional area	:	Over 30 years of Experience as Entrepreneur
Qualifications	:	B.com Mumbai university
Other Company in which Directorship held	:	Silverline Technologies Limited Platinum Games And Animaion Pvt ltd Omega Direct Response (I) Pvt ltd
No. of Shares held on 30th June, 2014	:	Nil
Other public Company	:	Silverline Technologies limited
In which membership of committee	:	Chairman - Investors’ 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 2013 to June 2014 and comprised of 3 Directors. The committee held four meetings during the period from 01/07/13 to 30/06/14. 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
Mr. Hitesh Kadkia	Member	1

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
Mr. Mohan Subramanian	Chairman
Mr. Krishnakumar Subramanian	Member
Mr. Hitesh Kadkia	Member

The Committee met once during the period 01/07/2013 to 30/06/2014 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 was re-constituted on July 2009 and comprised the following Directors:

Name of the member	Status
Mr. Krishnakumar Subramanian	Chairman
Mr. Mohan Subramanian	Member
Mr. Hitesh Kadakia	Member

The Committee met once during the period 01/07/2013 to 30/06/2014 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 1-7-2013 to 30-6-2014	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, 2014	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 No. H Bhaudaji road Extention Near King's Circle Railway Station Sion West Mumbai 400022

g) Disclosures

Related party transactions:

Please refer Note No. 20 of notes to accounts.

h) General Shareholders information

- i) The Annual General Meeting is proposed to be held on 23rd September, 2015 at 12.30 PM at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071.
- ii) Financial Calendar
 - Annual General Meeting : 23rd September, 2015
 - Payment of dividend : NIL
- iii) Date of book Closures : 17th September, 2015 to 23rd September, 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 30th June 2014

No. of Shares	No. of Shareholders	% of Shareholders	Share Amount Rs	% 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
TOTAL	186759	100.0000	619941950	100.0000

ix) Category of Shareholders as on 30th June 2014

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%
TOTAL	61,994,195	100%

x) Dematerialization of Shares

As on 30th June, 2014, 99.86% of the Companies total Shares representing 61,909,199 shares were held in dematerialized form and the balance 0.014% representing 84,996 shares were held in physical form.

Address of Company

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

Address of correspondence:

The Company's Registered Office is situated at:

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

Shareholders Correspondence should be addressed to

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

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

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

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

On behalf of the Board of Directors

Krishnakumar Subramanian
Chairman and Managing Director

Mumbai, 20th August, 2015

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To The Board of Directors of Nextgen Animation Mediaa Limited. We have reviewed implementation of Corporate Governance procedure set by Nextgen Animation Mediaa Limited ("the Company") for the year ended June 30, 2014 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
Membership No.017136

Mumbai, 20th August, 2015

CHAIRMAN AND MANAGING DIRECTOR CERTIFICATION

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

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 30th June, 2014 and that to the best of our knowledge and belief, we state that:
 - i. These statement do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:-
 - i. significant changes, if any, in internal control over financial reporting during the year.
 - ii. Significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Place: Mumbai

Date: 20th August,2015

Mr. Krishnakumar Subramanian
Chairman & Managing Director

ANNEXURE "B"

MANAGEMENT DISCUSSIONS & ANALYSIS

Indian Animation & Gaming Industry Outlook Industry Structure and development

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

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

Indian Outlook

The Indian animation industry which set out as an outsourcing hub to global companies is poised to witness a significant growth, both in terms of revenue and up scaling in the value chain. Increasingly, players are developing original characters, lines and voices. Further, Indian production houses are also slowly moving up the value chain. Where earlier only post production 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 2014 is Rs. 61.99 crores. Company's sales and service income for the period ended June 30, 2014 is Rs. 6.50 lacs and loss of Rs. 1.32 crores during the year.

Fixed Assets

The Company has not acquired and there were no deletion of fixed assets during the period ended 30th June, 2014

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.

INDEPENDENT AUDITORS' REPORT

For the year ended 30th June, 2014

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, 2014 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") read with the general circular 15/2013 dated 13th September, 2013 of the ministry of affairs in respect of section 133 of the Companies Act, 2013. 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,2014
- (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,2014

Emphasis of Matter –

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

Our opinion is not qualified in this matter.

Report of Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by section 227 (3) of the Act, we report that :
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit ;
 - (b) In our opinion, proper books of accounts as required by law, have been kept by the company so far as appears from our examination of the books of the company;
 - (c) The Balance Sheet and Statement of Profit & Loss dealt with by this Report are in agreement with the books of accounts of the Company ;
 - (d) In our opinion, the Balance Sheet and Statement of Profit & Loss comply with the Accounting Standards referred to in section 211(3C) of Companies Act,1956 ;
 - (e) On the basis of written representations received from directors as on 30th June, 2014 , and taken on record by the board of directors, in our opinion, none of the directors is disqualified as on 30th June, 2014 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 ;
 - (f) Non provision for impairment of the intellectual property rights as required under AS-26, non-provision deferred tax liability under AS-22.

For P C Surana & Co.

Chartered Accountants
Registration No. 110631W

P C Surana
Partner
M. No. 017136

Mumbai, 20th August, 2015

ANNEXURE TO AUDITORS' REPORT

Referred to in the Auditor's Report of even date to the members of NEXTGEN ANIMATION MEDIAA LIMITED, MUMBAI on the financial statements for the year ended 30th June, 2014.

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

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

P C Surana
Partner

M. No. 017136

Mumbai, 20th August 2015.

BALANCE SHEET AS AT 30TH JUNE, 2014

CIN U92120MH2007PLC172039

Currency in Indian Rupees

PARTICULARS	Notes	30th June, 2014	30th June, 2013
I. EQUITY AND LIABILITIES			
1. Share Holders Funds			
(a) Share Capital	2	619,941,950	619,941,950
(b) Reserves and Surplus	3	736,591,356	749,829,668
(c) Money received against Share warrants		-	-
		1,356,533,306	1,369,771,618
2. Share Application money pending allotment			
		-	-
3. Non Current Liabilities			
(a) Long Term Borrowings	4	61,257,317	63,546,627
(b) Deferred Tax Liabilities (Net)		-	-
(c) Long Term Provision - Income Tax		-	-
		61,257,317	63,546,627
4. Current Liabilities			
(a) Short Term Borrowings		-	-
(b) Trade Payables		9,201,424	7,079,340
(c) Other Current Liabilities	5	50,000	1,037,323
(d) Short term Provisions	6	1,856,945	1,856,945
		11,108,369	9,973,608
Total Equity and Liabilities		1,428,898,992	1,443,291,854
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets	7		
(i) Tangible assets		21,080,809	31,146,413
(ii) Intangible assets - 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 - Deposit		0	-
(d) Other Non Current Assets		-	-
		1,304,394,486	1,314,460,090
2. Current Assets			
(a) Work in process		5,076,130	5,076,130
(b) Trade Receivables	9	22,794,366	25,269,587
(c) Cash and cash equivalents	10	418,719	1,367,391
(d) Short Term Loans and Advances	11	96,215,289	96,386,435
(e) Other Current Assets		-	-
Misc. Exp.[to the extent not written off]		-	732,218
		124,504,506	128,831,763
Total Assets		1,428,898,992	1,443,291,854
Significant Accounting Policies	1		
Other Notes on Accounts	16 to 22	-	-

The accompanying notes are intergral part of the financial statements

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

Chartered Accountants

Registration No. - 110631W

P C Surana

Partner

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian [DIN-01555329]

Chairman and Managing Director

Mohan Subramanian [DIN 01555249]

Director

Mumbai, 20th August, 2015

**FINANCIAL STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE, 2014**

CIN U92120MH2007PLC172039

Currency in Indian Rupees

Particulars	Notes	30th June, 2014	30th June, 2013
I Revenue from Operations	12	649,300	3,995,497
II Other Income		-	-
III Total Revenue (I+II)		649,300	3,995,497
IV Expenses:			
Software development charges		-	15,266,885
Total Employees Expenses	13	-	1,661,749
Financial Cost		-	-
Depreciation and Amortisation expenses	14	10,797,822	10,839,824
Other Expenses	15	3,089,789	51,471,243
Total Expenses (IV)		13,887,612	79,239,701
V Profit Before Exceptional and Extraordinary items and Tax		(13,238,312)	(75,244,204)
VI Exceptional Items		-	-
VII Profit Before Extraordinary items and Tax		(13,238,312)	(75,244,204)
VIII Extraordinary items		-	-
IX Profit Before Tax		(13,238,312)	(75,244,204)
X Tax Expenses			
(a) Current Tax - Income Tax		-	-
(b) Deferred Tax		-	-
(c) Provision of Tax (Earlier Years)		-	-
XI Profit/(Loss) for the period		(13,238,312)	(75,244,204)
Basic Earning per share after Extraordinary Item		-0.21	-1.21
Diluted Earning per share after Extraordinary Item		-0.21	-1.21

Significant Accounting Policies

1

Other Notes on Accounts

16 to 22

The accompanying notes are intergral part of the financial statements

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

Chartered Accountants

Registration No. - 110631W

P C Surana*Partner*

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian [DIN-01555329]

Chairman and Managing Director

Mohan Subramanian [DIN 01555249]*Director*Mumbai, 20th August, 2015

STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2014

CIN U92120MH2007PLC172039

Currency in Indian Rupees

	As at 30/06/2014	As at 30/06/2013
Cash flows from operating activities		
Net Profit (Loss) after Tax and extraordinary item	(13,238,312)	(75,244,204)
Adjustments for :		
Depreciation	10,065,604	10,065,604
Preliminary Expenses & Filing fees written off	732,218	774,220
Sundry Balances written (back) / off	-	-
Bad Debts written off	-	45,685,639
Dividend Income	-	-
Interest paid	-	-
Operating Profit before Working Capital changes	(2,440,490)	(18,718,741)
Working capital changes		
(Increase)/ Decrease in Sundry Debtors	2,475,221	23,190,114
(Increase) Decrease in Short term Loans & Advances	171,146.00	2,936,743
Increase /(Decrease) in Trade Payables & Other current liabilities	1,134,761	(408,915)
(Increase) / Decrease in Work in Process	-	13,541,520
	3,781,128	39,259,462
Net Cash from operating activities	1,340,638	20,540,721
Cash flows from investing activities		
Purchase of Fixed Assets	-	-
Interest paid	-	-
Dividend Income	-	-
Net cash (used in)/surplus from investing activities	-	-
Cash flows from financing activities		
Decrease in Long Term Deposits	-	680,001
Receipt (Repayments) of Borrowings (Net)	(2,289,310)	(21,343,955)
Net cash (used in)/ surplus from financing activities	(2,289,310)	(20,663,954)
Net increase in Cash & Cash equivalents	(948,672)	(123,233)
Cash & Cash equivalents at the beginning of the year	1,367,392	1,490,624
Cash & Cash equivalents at the end of the year	418,720	1,367,392

The accompanying notes are intergral part of the financial statements

As per our report of even date attached

For P C Surana & co.

Chartered Accountants

Registration No. - 110631W

P C Surana

Partner

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian [DIN-01555329]

Chairman and Managing Director

Mohan Subramanian [DIN 01555249]

Director

Mumbai, 20th August, 2015

NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED JUNE 30TH 2014

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

NOTES -1

Notes forming parts of annual accounts for the year ended 30th June 2014. (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 or 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE, 2014

Currency in Indian Rupees

S r. Particulars No	As at 30th June, 2014	As at 30th June, 2013
NOTE - 2 SHARE CAPITAL		
1 Authorised and Nominal 6,70,00,000(Previous Year 6.70,00,000) Equity Shares of Rs. 10 each	<u>670,000,000</u>	<u>670,000,000</u>
2 Issued, Subscribed & Paid up 61,994,195 (Previous Year 61,994,195) Equity Shares of Rs.10/- each	<u>619,941,950</u>	<u>619,941,950</u>
Total	<u>619,941,950</u>	<u>619,941,950</u>
3 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year		
Equity Shares outstanding at the beginning of the year	<u>619,941,950</u>	<u>619,941,950</u>
Add : Issued by allotment of Share Application Money	<u>0</u>	<u>0</u>
At the end of the year	<u>619,941,950</u>	<u>619,941,950</u>
4 Details of shareholding more than 5% shares in the Company	No. %Holding	No. %Holding
	Nil Nil	Nil Nil

5 Terms attached to equity shares

The Company has only one class of equity shares having par value of Rs 10/- share. Each holder of equity share is entitled to one vote per share.

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

S r. Particulars No	As at 30th June, 2014	As at 30th June, 2013
NOTE 3 - RESERVES AND SURPLUS		
1 Capital Reserve Transfer on Demerger Balance as per last Balance Sheet	<u>71,394,740</u>	<u>71,394,740</u>
2 Securities Premium Account Balance as per last Balance Sheet	<u>175,000,000</u>	<u>175,000,000</u>
3 Reserve on account of IPR	<u>549,163,310</u>	<u>549,163,310</u>
4 Profit and Loss Account Balance as at the beginning of the year	<u>(45,728,381)</u>	<u>29,515,822</u>
ADD: Net (Loss)/Profit from Profit & Loss Account	<u>(13,238,312)</u>	<u>(75,244,204)</u>
Net surplus in the Account	<u>(58,966,693)</u>	<u>(45,728,381)</u>
Total	<u>736,591,356</u>	<u>749,829,668</u>
NOTE 4 - LONG TERM BORROWINGS		
Unsecured		
From Others		
From Directors and related parties	<u>36,438,090</u>	<u>38,727,400</u>
From others	<u>24,819,227</u>	<u>24,819,227</u>
	<u>61,257,317</u>	<u>63,546,627</u>

a) Others includes Inter corporate deposits of Rs.352.13 lacs (Previous year Rs.313.81 lakhs) from Indiabulls Financial Services Ltd. are secured by the personal specific assets and guarantees of the Directors of the Company.

b) The loans are repayable on demand

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE, 2014

Currency in Indian Rupees

Particulars	As at 30th June, 2014	As at 30th June, 2013
NOTE 5 - OTHER CURRENT LIABILITIES		
Taxes deducted at Sources Payable	50,000	33,750
Profession tax Payable	-	2,990
Contributions to Provident funds payable	-	1,000,583
Total	50,000	1,037,323
NOTE 6 - SHORT TERM PROVISIONS		
Provision for Taxatrin	1,856,945	1,856,945
Total	1,856,945	1,856,945

NOTE 7- Fixed Assets

Sr. No.	Assets	Gross Block				Depreciation				Net Block as at	
		01-07-13	Addition	Deletion	30-06-14	01-07-13	Addition	Deletion	30-06-14	30-06-14	30-06-13
1	Computer Account	294,331,046	-	-	294,331,046	288,830,059	88,232	-	288,918,291	5,412,755	5,500,987
2	Electrical fitting	21,073,265	-	-	21,073,265	13,131,481	1,437,932	-	14,569,413	6,503,852	7,941,784
3	Furniture and Fixture	98,817,812	-	-	98,817,812	86,747,470	6,255,168	-	93,002,638	5,815,174	12,070,342
4	Office Equipment	36,132,486	-	-	36,132,486	30,499,186	2,284,272	-	32,783,458	3,349,028	5,633,300
TOTAL		450,354,609	-	-	450,354,609	419,208,196	10,065,604	-	429,273,800	21,080,809	31,146,413
Previous Year		450,354,609	-	-	450,354,609	409,142,592	10,065,604	-	419,208,196	31,146,413	41,212,017

Particulars	As at 30th June, 2014	As at 30th June, 2013
NOTE 8 - NON CURRENT INVESTMENTS		
Investment in the 100% wholly owned subsidiary foreign company- Advaitaa Technologies Inc.	728,013,064	728,013,064
Total	728,013,064	728,013,064

NOTE 9 - TRADE RECEIVABLES		
Unsecured, Considered Good		
Outstanding for a period exceeding six months	22,590,866	24,842,353
Other Debts	203,500	427,234
Total	22,794,366	25,269,587

NOTE 10 - CASH AND CASH EQUIVALENT		
Cash		
Cash on hand	410,869	1,238,075
Bank Balances		
Bank Balances in Current Account	7,850	129,316
Total	418,719	1,367,391

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE, 2014

Currency in Indian Rupees

Particulars	As at 30th June, 2014	As at 30th June, 2013
NOTE 11- SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Loans and advances		
Advances recoverable in cash of kind or for value to be considered good		
Loans and advances	96,175,289	96,346,435
TDs Account	40,000	40,000
Total	96,215,289	96,386,435
NOTE 12 - Revenue Account		
Domestic	75,260	420,000
Export	574,040	3,575,497
Total	649,300	3,995,497
NOTE 13 - EMPLOYEES EXPENSES		
Salaries and Wages	-	1,530,437
Contribution to PF, ESIC & Admn Charges	-	58,112
Staff Welfare Expenses	-	73,200
Total	-	1,661,749
NOTE 14 - DEPRECIATION AND AMORTISATION COST		
Depreciation as per schedule	10,065,604	10,065,604
Preliminary expenses Written off during the year	732,218	774,220
Total	10,797,822	10,839,824
NOTE 15 - OTHER EXPENSES		
Rental Expenses	-	964,776
Security Charges	-	9,134
Bank Charges	29,304	36,430
Repairs and maintenance, Computer Peripherals	-	7,115
R&T Depository and Compliance charges	2,091,287	1,797,976
Director Remuneration	-	300,000
Electricity Charges	-	430,279
Motor car Expenses	354,239	401,159
Donation	-	500
Legal and Professional Expenses	-	1,116,060
Printing and Stationery	440	560
Bad debts written off Net	-	45,685,639
Sales Promotion Expenses	16,152	82,035
Communication Expenses	45,747	143,673
Travelling and Conveyance	2,656	201,046
Audit Fees	162,500	162,500
Miscellaneous expenses	387,464	132,359
Total Rs.	3,089,789	51,471,243
NOTE 15.1 - AUDITORS REMUNERATION		
Statutory Audit fees	100,000	100,000
Taxation Matters	12,500	12,500
Other Services	50,000	50,000
	162,500	162,500
NOTE 15.2 - EXPENDITURE IN FOREIGN CURRENCY		
Software Development Charges	-	1,725,365

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE, 2014

Currency in Indian Rupees

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.

NOTE - 18- EARNINGS IN FOREIGN CURRENCY

Exports of Software	574,040	3,575,497
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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

Advaitaa Technologies Inc.

Associates

Silverline Technologies Ltd.

Platinum Animation and Games Pvt. Ltd.

Bizznet Online Systems Pvt. Ltd.

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

Nature of Transaction	Key Managerial Persons	Associates	Total
Directors Remuneration	0.00	0.00	0.00
	(3.00)	(0.00)	(3.00)
Loans/Advances received (Net)	4.24	0.00	4.24
	(0.00)	(1.50)	(1.50)
Received Loans/Advances paid back	0.00	27.13	27.13
	(0.00)	(206.39)	(206.39)
Loans / Advances given	2.13	0.00	2.13
	(0.00)	(0.23)	(0.23)
Given Advances received back (net)	0.00	0.69	0.69
	(11.68)	(0.00)	(11.68)

Figures in brackets and italics are of previous year.

Balances as on 30.06.2014

Investments in only 100% Subsidiary	0.00	0.00	7280.13 lakhs
Loans/Advances received (Net)	5.84	358.54	364.38
Loans / Advances given	17.90	286.96	304.86

Disclosure in Respect of Material Related Party Transaction during the year

Director Remuneration Rs. Nil (Previous Year Rs. 3.00 Lakhs) paid to Mr. Krishnakumar Subramanian

Loans/Advances received includes:-

From Mr. Mohan Subramanain Rs. 4.24 lakhs (Previous year Rs. Nil)

Received Loans/Advances paid back includes:-

Silverline Technologies Ltd. Rs. 27.13 lakhs (Previous year Rs.206.39 lakh)

Loans/Advances given includes:-

Mr. Krishnakumar Subramanian Rs. 2.13 lakh (Previous year Rs. Nil.)

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE, 2014

Currency in Indian Rupees

Bizznet Online Systems Pvt. Ltd. Rs. Nil (Previous year Rs.0.19 lakhs.)

Platinum Animation and Games Pvt. Ltd. Rs. Nil (Previous year Rs.0.04 lakhs.)

Given Advances received back includes:-

Mr. Krishnakumar Subramanian Rs. Nil (Previous year Rs.11.68 lakhs)

Bizznet Online Systems Pvt. Ltd. Rs. 0.48 lakh (Previous year Rs. Nil)

Platinum Animation and Games Pvt. Ltd. Rs. 0.21 lakh (Previous year Rs. Nil)

NOTE 20 - SEGMENT REPORTING

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

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 previous year have been regrouped/recast or reclassified wherever considered necessary.

Sr no	Name of the subsidiary Company		Advaitaa Technologies Inc.
1	Financial year of the subsidiary ended		30/06/2014
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 \$ 225,891
	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, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian [DIN-01555329]

Chairman and Managing Director

Mohan Subramanian [DIN 01555249]

Director

Mumbai, 20th August, 2015

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

1. We have examined the attached Consolidated Balance Sheet of Nextgen Animation Mediaa Limited and its subsidiaries as at 30th June 2014 and the Consolidated Profit & Loss Account.
2. These financials are the responsibility of Nextgen Animation Mediaa Limited management. 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 certain subsidiaries whose financial statements reflect total revenue and net assets for the period then ended. The Consolidated financial statements have been prepared based on the unaudited financial statements of the subsidiary. The details of the subsidiary are as under:
 - I. Advaitaa Technologies, Inc as on 30th June 2014
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 2014.
 - 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 2014.
 - 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 & Company
Chartered Accountants
Registration no 110631W

For and behalf of the Board

P C Surana – Partner
Membership Number: 017136

Krishnakumar Subramanian
Chairman and Managing Director

Mumbai, 20th August, 2015

Mohan Subramanian
Director

CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2014

Currency in Indian Rupees

PARTICULARS	Notes	30th June, 2014	30th June, 2013
I. EQUITY AND LIABILITIES			
1. Share Holders Funds			
(a) Share Capital	2	619,941,950	619,941,950
(b) Reserves and Surplus	3	808,901,124	808,026,499
(c) Money received against Share warrants		0	0
		<u>1,428,843,074</u>	<u>1,427,968,449</u>
2. Share Application money pending allotment		0	0
3. Non Current Liabilities			
(a) Long Term Borrowings	4	61,257,317	63,546,627
(b) Deferred Tax Liabilities (Net)			0
(c) Long Term Provision - Income Tax			
		<u>61,257,317</u>	<u>63,546,627</u>
4. Current Liabilities			
(a) Short Term Borrowings		0	0
(b) Trade Payables		9,507,883	7,507,624
(c) Other Current Liabilities	5	50,000	1,037,323
(d) Short term Provisions	6	1,856,945	1,856,945
		<u>11,414,828</u>	<u>10,401,892</u>
Total Equity and Liabilities		<u>1,501,515,220</u>	<u>1,501,916,969</u>
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets	7		
(i) Tangible assets		22,392,470	32,458,074
(ii) Intangible assets - intellectual Property		555,300,613	555,300,613
(iii) Capital Work in Progress			0
(b) Non Current Investment		53,013,064	53,013,064
(c) Long Term Loans and Advances - Deposit		0	0
(d) Other Non Current Assets			
		<u>629,394,486</u>	<u>639,460,090</u>
Goodwill		660,451,500	659,219,283
2. Current Assets			
(a) Work in process		5,076,131	5,076,131
(b) Trade Receivables	8	79,008,802	73,836,901
(c) Cash and cash equivalents	9	14,180,431	11,246,261
(d) Short Term Loans and Advances	10	112,092,209	111,034,425
(e) Other Current Assets			
Misc. Exp.[to the extent not written off]		0	732,218
		<u>210,357,573</u>	<u>201,925,936</u>
Total Assets		<u>1,501,515,220</u>	<u>1,501,916,969</u>

Significant Accounting Policies**Other Notes on Accounts**

The accompanying notes are integral part of the financial statements

The accompanying notes are intergral part of the financial statements

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

Chartered Accountants

Registration No. - 110631W

P C Surana

Partner

M. No.: 017136

Mumbai, 20th August, 2015

1

15 to 21

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian [DIN-01555329]

Chairman and Managing Director

Mohan Subramanian [DIN 01555249]

Director

Mumbai, 20th August, 2015

**CONSOLIDATED FINANCIAL STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE, 2014**

Currency in Indian Rupees

Particulars	Notes	30th June, 2014	30th June, 2013
Revenue from Operations	11	92,065,664	180,742,084
Other Income		-	-
Total Revenue		92,065,664	180,742,084
Expenses:			
Software development charges		69,445,946	175,569,851
Total Employees Expenses	12	-	1,702,645
Financial Cost		-	-
Depreciation and Amortisation expenses	13	10,797,822	10,839,824
Other Expenses	14	10,947,271	64,797,724
Total Expenses		91,191,039	252,910,044
Profit Before Exceptional and Extraordinary items and Tax		874,625	(72,167,960)
Exceptional Items		-	-
Profit Before Extraordinary items and Tax		874,625	(72,167,960)
Extraordinary items		-	-
Profit Before Tax		874,625	(72,167,960)
Tax Expenses			
(a) Current Tax - Income Tax		-	-
(b) Deferred Tax		-	-
(c) Provision of Tax (Earlier Years)		-	-
Profit/(Loss) for the period		874,625	(72,167,960)
Basic Earning per share after Extraordinary Item		0.01	-1.16
Diluted Earning per share after Extraordinary Item		0.01	-1.16
Significant Accounting Policies	1		
Other Notes on Accounts	15 to 21		

The accompanying notes are integral part of the financial statements

The accompanying notes are intergral part of the financial statements

As per our report of even date attached

For P C Surana & co.

Chartered Accountants

Registration No. - 110631W

P C Surana

Partner

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian [DIN-01555329]

Chairman and Managing Director

Mohan Subramanian [DIN 01555249]

Director

Mumbai, 20th August, 2015

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2014

Currency in Indian Rupees

	As at 30/06/2014 Rs.	As at 30/06/2013 Rs.
Cash flows from operating activities		
Net Profit (Loss) after Tax and extraordinary item	874,625	(72,167,960)
Adjustments for :		
Depreciation	10,065,604	10,065,604
Preliminary Expenses & Filing fees written off	732,218	774,220
Sundry Balances written (back) / off	-	-
Bad Debts written off	-	45,685,639
Dividend Income	-	-
Interest paid	-	-
Operating Profit before Working Capital changes	11,672,447	(15,642,497)
Working capital changes		
(Increase)/ Decrease in Sundry Debtors	(5,171,901)	18,258,526
(Increase) Decrease in Short term Loans & Advances	(1,057,784)	1,560,370
Increase /(Decrease) in Trade Payables & Other current liabilities	1,012,936	(1,710,134)
(Increase) / Decrease in Work in Process	-	13,541,520
	(5,216,749)	31,650,282
Net Cash from operating activities	6,455,698	16,007,786
Fluctuation in rate of Foreign Exchange	1,232,217	4,385,521
Cash flows from investing activities		
Purchase of Fixed Assets	-	-
Interest paid	-	-
Dividend Income	-	-
Net cash (used in)/surplus from investing activities	(1,232,217)	4,385,521
Cash flows from financing activities		
Decrease in Long Term Deposits	-	680,001
Receipt (Repayments) of Borrowings (Net)	(2,289,310)	(21,343,955)
Net cash (used in)/ surplus from financing activities	(2,289,310)	(20,663,954)
Net increase in Cash & Cash equivalents	2,934,171	(270,648)
Cash & Cash equivalents at the beginning of the year	11,246,261	11,516,908
Cash & Cash equivalents at the end of the year	14,180,431	11,246,261

The accompanying notes are intergral part of the financial statements

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

Chartered Accountants

Registration No. - 110631W

P C Surana

Partner

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian [DIN-01555329]

Chairman and Managing Director

Mohan Subramanian [DIN 01555249]

Director

Mumbai, 20th August, 2015

NOTES TO THE CONSOLIDATED ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE, 2014**(All amounts in Indian rupees, unless otherwise indicated)****A: Accounting policies and procedures****i. BASIS OF PREPARATION**

The accompanying financial statement have been presented for the year ended 30th June 2014 along with comparative information for year ended June 30, 2013. 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 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 or 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.

2. Figures have been rounded to the nearest Rupee.

Previous years figures have been regrouped / re-classified to conform with the current period's groupings, wherever necessary. Also previous year's figures are regrouped in the light of availability of certain audited statements which were not available in earlier years.

Particulars	As at 30th June, 2014 (Rs.)	As at 30th June, 2013 (Rs.)		
NOTE - 2 SHARE CAPITAL				
Authorised and Nominal				
6,70,00,000(Previous Year 6.70,00,000) Equity Shares of Rs. 10 each	<u>670,000,000</u>	<u>670,000,000</u>		
Issued, Subscribed & Paid up				
61,994,195 (Previous Year 61,994,195) Equity Shares of Rs.10/- each	<u>619,941,950</u>	<u>619,941,950</u>		
Total	<u>619,941,950</u>	<u>619,941,950</u>		
Reconciliation of Equity Shares outstanding at the beginning and at the end of the year				
Equity Shares outstanding at the beginning of the year	619,941,950	619,941,950		
Add : Issued by allotment of Share Application Money	<u>0</u>	<u>0</u>		
At the end of the year	<u>619,941,950</u>	<u>619,941,950</u>		
Details of shareholding more than 5% shares in the Company				
	No.	%Holding	No.	%Holding
	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 GDSs at total security premium of Rs. 17.50 crores during the last five financial years.

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE, 2014

Currency in Indian Rupees

Particulars	As at 30th June, 2014	As at 30th June, 2013
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 per last Balance Sheet	175,000,000	175,000,000
Reserve on account of IPR	549,163,310	549,163,310
Profit and Loss Account		
Balance as at the beginning of the year	12,468,449	84,636,409
ADD: Net (Loss)/Profit from Profit & Loss Account	874,625	(72,167,960)
Net surplus in the Account	13,343,074	12,468,449
Total	808,901,124	808,026,499
NOTE 4 - LONG TERM BORROWINGS		
Unsecured		
From Others		
From Directors and related parties	36,438,090	38,727,400
From others	24,819,227	24,819,227
	61,257,317	63,546,627
Others includes Inter corporate deposits of Rs.352.13 lacs (Previous year Rs.313.81 lakhs) 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		
NOTE 5 - OTHER CURRENT LIABILITIES		
Taxes deducted at Sources Payable	50,000	33,750
Profession tax Payable	0	2,990
Contributions to Provident funds payable	0	1,000,583
Total	50,000	1,037,323
NOTE 6 - SHORT TERM PROVISIONS		
For Taxation	1,856,945	1,856,945
Total	1,856,945	1,856,945

NOTE 7- Fixed Assets

Sr. No.	Assets	Gross Block				Depreciation				Net Block as at	
		01-07-13	Addition	Deletion	30-06-14	01-07-13	Addition	Deletion	30-06-14	30-06-14	30-06-13
1	Computer Account	294,331,048	-	-	294,331,048	288,830,059	88,232	-	288,918,291	5,412,757	5,500,989
2	Electrical fitting	21,073,265	-	-	21,045,715	13,131,481	1,437,932	-	14,569,413	6,503,852	7,914,234
3	Furniture and Fixture	98,817,812	-	-	98,817,812	86,747,470	6,255,168	-	93,002,638	5,815,174	12,070,342
4	Office Equipment	37,581,951	-	0	37,581,951	30,636,992	2,284,272	-	32,921,264	4,660,687	6,944,959
TOTAL		451,804,076	-	-	451,776,526	419,208,196	10,065,604	-	429,411,606	22,392,470	32,430,524
Previous Year		451,804,076	-	-	451,804,076	409,142,592	10,065,604	-	419,208,196	32,458,074	42,523,678

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE, 2014

Currency in Indian Rupees

Particulars	As at 30th June, 2014	As at 30th June, 2013
NOTE 8 - TRADE RECEIVABLES		
Unsecured, Considered Good		
Outstanding for a period exceeding six months	78,805,302	73,409,667
Other Debts	203,500	427,234
Total	79,008,802	73,836,901
NOTE 9 - CASH AND CASH EQUIVALENT		
Cash and bank balances	14,180,431	11,246,261
Total	14,180,431	11,246,261
NOTE 10 - SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Loans and advances		
Advances recoverable in cash or in kind or for value to be received		
Loans and advances	112,052,209	110,994,425
Balance with Revenue Authorities	40,000	40,000
Total	112,092,209	111,034,425
NOTE 11 - Revenue Account		
Domestic	75,260	420,000
Export	91,990,404	180,322,084
Total	92,065,664	180,742,084
NOTE 12 - EMPLOYEES EXPENSES		
Salaries and Wages	-	1,530,437
Contribution to PF, ESIC & Admin Charges	-	58,112
Staff Welfare Expenses	-	114,096
Total	-	1,702,645
NOTE 13 - DEPRECIATION AND AMORTISATION COST		
Depreciation as per schedule	10,065,604	10,065,604
Preliminary expenses Written off during the year	732,218	774,220
Total	10,797,822	10,839,824

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE, 2014

Currency in Indian Rupees

Particulars	As at 30th June, 2014	As at 30th June, 2013
NOTE 14 - OTHER EXPENSES		
Rental Expenses	1,104,840	1,940,572
Security Charges	-	474,199
Bank Charges	72,271	100,680
Repairs and maintenance, Computer Peripherals	295,422	328,744
R&T Depository and Compliance charges	2,091,287	1,797,976
Director Remuneration	-	300,000
Electricity Charges	-	430,279
Motor car Expenses	354,239	401,159
Donation	73,902	74,671
Legal and Professional Expenses	184,140	1,375,893
Printing and Stationery	440	560
Postage courier	309,294	288,244
Bad debts written off Net	-	45,685,639
Sales Promotion Expenses	402,478	254,718
Communication Expenses	348,289	277,873
Travelling and Conveyance	3,631,135	9,207,698
Audit Fees	162,500	162,500
Miscellaneous expenses	1,917,034	1,696,319
Total Rs.	10,947,271	64,797,724
NOTE 14.1 - AUDITORS REMUNERATION		
Statuary Audit fees	100,000	100,000
Taxation Matters	12,500	12,500
Other Services	50,000	50,000
	162,500	162,500
NOTE 14.2 - EXPENDITURE IN FOREIGN CURRENCY		
Software Development Charges	-	1,725,365

NOTE 15 - 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 - 16 SUNDRY DEBTORS

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

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE, 2014

Currency in Indian Rupees

NOTE - 17 EARNINGS IN FOREIGN CURRENCY

Exports of Software	574,040	3,575,497
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NOTE 18 - 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)

Nature of Transaction	Key Managerial Persons	Associates	Total
Directors Remuneration	0.00	0.00	0.00
	(3.00)	(0.00)	(3.00)
Loans/Advances received (Net)	4.24	0.00	4.24
	(0.00)	(1.50)	(1.50)
Received Loans/Advances paid back	0.00	27.13	27.13
	(0.00)	(206.39)	(206.39)
Loans / Advances given	2.13	0.00	2.13
	(0.00)	(0.23)	(0.23)
Given Advances received back (net)	0.00	0.69	0.69
	(11.68)	(0.00)	(11.68)

Figures in brackets and italics are of previous year.

Balances as on 30.06.2014

Investments in only 100% Subsidiary	0.00	0.00	7280.13 lakhs
Loans/Advances received (Net)	5.84	358.54	364.38
Loans / Advances given	17.90	286.96	304.86

Disclosure in Respect of Material Related Party Transaction during the year

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

Loans/Advances received includes:-

From Mr. Mohan Subramanain Rs. 4.24 lakhs (Previous year Rs. Nil)

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE, 2014

Currency in Indian Rupees

Received Loans/Advances paid back includes:-

Silvrline Technologies Ltd. Rs. 27.13 lakhs (Previous year Rs.206.39 lakh)

Loans/Advances given includes:-

Mr. Krishnakumar Subramanian Rs. 2.13 lakh (Previous year Rs. Nil.)

Bizznet Online Systems Pvt. Ltd. Rs. Nil (Previous year Rs.0.19 lakhs.)

Platinum Animation and Games Pvt. Ltd. Rs. Nil (Previous year Rs.0.04 lakhs.)

Given Advances received back includes:-

Mr. Krishnakumar Subramanian Rs. Nil (Previous year Rs.11.68 lakhs)

Bizznet Online Systems Pvt. Ltd. Rs. 0.48 lakh (Previous year Rs. Nil)

Platinum Animation and Games Pvt. Ltd. Rs. 0.21 lakh (Previous year Rs. Nil)

NOTE 19 - SEGMENT REPORTING

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

NOTE 20 - 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 - 21

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

The accompanying notes are intergral part of the financial statements

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

Chartered Accountants

Registration No. - 110631W

P C Surana*Partner*

M. No.: 017136

Mumbai, 20th August, 2015

For Nextgen Animation mediaa Limited

Krishnakumar Subramanian [DIN-01555329]

Chairman and Managing Director

Mohan Subramanian [DIN 01555249]*Director*Mumbai, 20th August, 2015

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

NOMINATION FORM

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

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

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

NAME AND ADDRESS OF NOMINEE:

Name :
Address :
Date of Birth*

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

*The Nominee is a minor whose guardian is

Name and Address
Date :

(** To be deleted if not applicable)

Signature of shareholder:
Name :
Address :
Date :

Signature of shareholder:
Name :
Address :
Date :

Signature of two Witnesses

Name and Address Signature with date
1.
2.

INSTRUCTIONS:

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

NEXTGEN ANIMATION MEDIAA LTD.

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

ATTENDANCE SLIP

Names of the Members: _____

Folio No. _____

Client ID No.: _____

DP ID No.: _____

No. of shares held: _____

Name of Proxy : _____

Members/ Proxy's Signature: _____

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

I hereby record and confirm my presence at the Fourth Annual General Meeting of the Company held at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071. on Wednesday 23rd September, 2015 at 12:30 PM.

- 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.

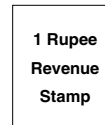
Registered Office: Mohan Mills Compound, Kolshet Road, Dhokali, Thane (W), District Thane, Maharashtra-400 607.

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 12:30 PM. at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071 and at any adjournment thereof.

Signed this _____ day of _____ 2015



Signature

Notes:

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



BOOK - POST

If undelivered, please return to:

Link Intime India Private Limited

(Unit: Silverline Animation Technologies Limited)

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