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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF K SERA SERA BOX OFFICE PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of K SERA SERA BOX OFFICE PRIVATE LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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;

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Emphasis of Matters

The reports should be read together with the Notes to the financial statements and attention to following matters be given:

- a) Notes to the financial statements which describe the uncertainty related to the outcome of the pendencies of appeals and legal matters filed by the company as well as against the company.

Our opinion is not modified in respect of these matters.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

- a) We have sought and 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 account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company does not have any long-term contracts including derivatives contracts for which any provision is required;
 - iii. The Company is not required to transfer amounts to the Investor Education and Protection Fund.

For Agrawal Jain and Gupta
Chartered Accountants
Firm Reg. No. 013538C



CA Narayan Swami
PARTNER
Membership No. 409759
Place: Mumbai
Dated: 28.05.2015



Additional Information annexed to the Independent Auditors' Report

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of all fixed assets.
- (b) We are informed that these fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) The company has not disposed of any substantial part of its fixed assets so as to affect its going concern status;
- (ii) (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management, in our opinion the frequency of such verification is reasonable.
- (b) As per the information given to us, the procedures of physical verification of inventory followed by the management are in our opinion reasonable and adequate in relation to the size of the company and the nature of its business;
- (c) The company is maintaining proper records of inventory and In our opinion, discrepancies noticed on physical verification of inventory were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) The Company has granted loans to three bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(Amount in Lacs)

/no.	Name of Company	Opening Balance	Loan given	Repay	Max amount	Closing Balance
1.	K Sera Sera Miniplex Ltd.	-	0.36	-	0.36	0.36
2.	KSS Limited	54.78	22.56	-	77.34	77.34

- (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- (c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- (iv) According to the information and explanation given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. According to the information and explanation given to us, we have not come across continuing failure to any to correct major weaknesses in internal control;
- (v) According to the information and explanation given to us and records examined by us, The Company has not accepted any deposits from the public.



- (vi) We are informed that Maintenance of cost records has been prescribed by the Central Government under sub-section (1) of section 148 of the Act, are not applicable to the company.
- (vii) (a) According to the information and explanation given to us and records examined by us, the company is generally regular in depositing undisputed statutory dues including Income Tax, Excise Duty, cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us, there were no undisputed amounts payable in respect of Income Tax, Excise Duty, cess and any other statutory dues outstanding as on 31st March, 2015 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no any dues in respect of Income Tax and Sales Tax that have not been deposited with the appropriate authorities on account of dispute.
- (c) According to the information and explanations given to us, the company has not defaulted in transfer of amount to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.
- (viii) The company has accumulated losses of Rs 327.80 Lacs as at 31st March, 2015 and it has incurred cash profits of Rs 4.88 Lacs in the financial year ended on that date and cash losses of Rs 2.67 Lacs in the immediately preceding financial year;
- (ix) According to the records of the company examined by us, and the information and explanation given to us, the company has not defaulted in repayment of dues to any bank as at the balance sheet date;
- (x) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions;
- (xi) According to the information and explanation given to us and records examined by us, we have not come across any such cases where the funds raised on short-term basis have been used for long-term investments and vice versa;
- (xii) According to the information and explanation given to us and records examined by us, there has not been any fraud on or by the company has been noticed or reported during the year.

For Agrawal Jain and Gupta.

Chartered Accountants
Firm Reg. No. 013538C

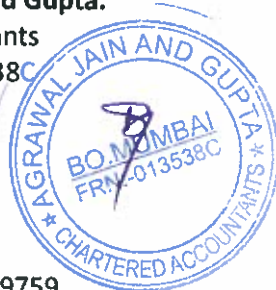


CA Narayan Swami
PARTNER

Membership No. 409759

Place: Mumbai

Dated: 28.05.2015



K Sera Sera Box Office Private Limited
CIN: U22130MH2009PTC193284
Balance Sheet as at 31st March, 2015

(Amount in Rupees)

Particulars	Note No	31-Mar-15	31-Mar-14
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3.1	300,000,000	300,000,000
(b) Reserves and Surplus	3.2	(32,780,111)	(32,753,516)
(2) Share Application money pending allotment			
		-	2,000,000
(3) Current Liabilities			
(a) Short-Term Borrowings	3.3	7,770,266	5,477,871
(b) Trade Payables	3.4	384,660	734,787
(c) Other Current Liabilities	3.5	2,500	1,063,813
(d) Short-Term Provisions	3.6	-	276,149
Total Equity & Liabilities		275,377,315	276,799,104
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Intangible Assets	3.7	3,489,492	3,489,492
Gross Block		3,489,492	3,489,492
Depreciation		-	-
Net Block		3,489,492	3,489,492
(b) Non-current investments	3.8	271,150,000	271,150,000
(c) Long term loans and advances	3.9	314,280	314,280
(2) Current Assets			
(a) Trade receivables	3.10	56,134	438,634
(b) Cash and cash equivalents	3.11	22,000	437,871
(c) Short-term loans and advances	3.12	-	108,570
(d) Other current assets	3.13	345,409	860,257
Total Assets		275,377,315	276,799,104

The accompanying notes are an integral part of the financial statements

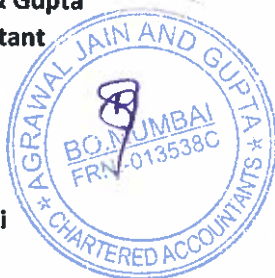
This is the Balance Sheet referred to in our Report of even date.

For Agrawal Jain & Gupta

For and on behalf of Board of Directors

Chartered Accountant

CA Narayan Swami



CA Narayan Swami

Partner

Membership No. : 409759

Firm Reg. No.: 013538C

Satish Panchariya

Satish Panchariya

Director

DIN:00042934

Hussain Shattaf

Hussain Shattaf

Director

DIN:02321306

Shamrao D. Ingulkar

Shamrao D. Ingulkar

Sr. Manager Accounts

(KSS Group)



Place: Mumbai

Dated: 28.05.2015

K Sera Sera Box Office Private Limited

CIN: U22130MH2009PTC193284

Profit & Loss Statement for the year ended on 31st March, 2015

(Amount in Rupees)

Particulars	Note No	31-Mar-15	31-Mar-14
Revenue from operations		-	-
Other Income	3.14	1,000,000	-
Total Revenue		1,000,000	-
Expenses:			
Financial Costs	3.15	1,060	5,148
Employee Benefit Expenses	3.16	240,000	-
Depreciation and Amortization Expenses	3.17	514,848	514,848
Other Administrative Expenses	3.18	270,687	261,689
Total Expenses		1,026,595	781,685
Profit before tax		(26,595)	(781,685)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit/(Loss) for the period		(26,595)	(781,685)
Earning per equity share:			
(1) Basic		(0.00)	(0.03)
(2) Diluted		(0.00)	(0.03)

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

For Agrawal Jain & Gupta
Chartered Accountant

CA Narayan Swami

CA Narayan Swami
Partner

Membership No. : 409759

Firm Reg. No.: 013538C



For and on behalf of Board of Directors

Satish Panchariya

Satish Panchariya
Director
DIN: 00042934

Hussain Shattaf

Hussain Shattaf
Director
DIN:02321306

Shamrao D. Ingulkar

Shamrao D. Ingulkar
Sr. Manager Accounts
(KSS Group)



Place: Mumbai

Dated: 28.05.2015

K Sera Sera Box office Private Limited
CIN: U22130MH2009PTC193284
Cash Flow Statement for the year ended 31st March, 2015

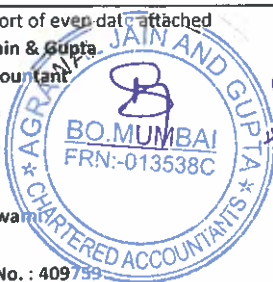
(Amount in Rupees)

Sr. No	Particulars	31-Mar-15	31-Mar-14
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit Before Tax	(26,595)	(781,747)
	Adjustments For:		
	Depreciation/Amortisation	514,848	514,848
	Provision For Income Tax	-	-
	Interest Cost	1,060	5,148
		515,908	519,996
	Operating Cash Flow Before Changes In Working Capital	489,313	(261,751)
	Adjustments For:		
	(Increase)/Decrease In Inventories	-	-
	(Increase)/Decrease In Sundry Debtors	382,500	-
	(Increase)/Decrease In Loans And Advances	108,570	25,287,057
	Increase/(Decrease) In Current Liabilities And Provisions	(1,687,589)	670,194
	Net Changes In Working Capital	(707,206)	25,695,500
	Taxes Paid	-	-
	Extraordinary Items	-	-
	Cash Generated From/(Used In) Operations	(707,206)	25,695,500
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase Of Fixed Assets	-	-
	Sale/Surrender Of Fixed Assets	-	-
	Purchase Of Investments	-	-
	Cash Generated /(Used In) From Investing Activities	-	-
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Interest Paid	(1,060)	(5,148)
	Share Application Money Pending On Allotment	(2,000,000)	(25,750,000)
	Proceeds From Issue Of Equity Share Capital		
	Proceeds From Borrowings	2,292,395	
	Repayment Of Borrowings		
	Cash Generated /(Used In) From Financing Activities	291,335	(25,755,148)
	Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(415,871)	(59,648)
	Cash And Cash Equivalents At The Beginning Of The Year	437,871	497,519
	Cash And Cash Equivalents At The End Of The Year	22,000	437,871
Note:			
1	Cash and cash equivalents at the year end comprise:		
	Cash On Hand	22,000	437,871
	Balance With Scheduled Banks In		
	- Current Accounts	-	-
	- Deposit Accounts	-	-
		22,000	437,871
2	The Cash Flow Statement Has Been Prepared Under Indirect Method As Set Out In Accounting Standard 3, 'Cash Flow Statement' Issued By The Institute Of Chartered Accountants Of India		

As per our report of even date attached
For Agrawal Jain & Gupta
Chartered Accountant

For and on behalf of Board of Directors

CA Narayan Swami
Partner
Membership No. : 409739
Firm Reg. No.: 013538C



Satish Panchariya
Director
DIN:00042934

Hussain Shattaf
Director
DIN:02321306

Shamrao D. Ingulkar
Sr. Manager Accounts
(KSS Group)

Place: Mumbai
Dated: 28.05.2015

K Sera Sera Box office Private Limited
Note Forming Integral Part of the Balance Sheet as at 31st March, 2015

3.1 Share Capital

Particulars	31-Mar-15		31-Mar-14	
	Nos.	Amount	Nos.	Amount
AUTHORIZED CAPITAL				
3,00,00,000 Equity Shares of Rs. 10/- each.	30,000,000	300,000,000	30,000,000	300,000,000
	30,000,000	300,000,000	30,000,000	300,000,000
ISSUED , SUBSCRIBED & PAID UP SHARES				
28,85,000 Equity Shares of Rs. 10/- each, Fully Paid up Share Capital	2,885,000	28,850,000	2,885,000	28,850,000
issued other then cash				
2,71,15,000 Equity Shares of Rs. 10/- each, Fully Paid up Share Capital	27,115,000	271,150,000	27,115,000	271,150,000
Total issued, subscribed and fully paid-up share capital	30,000,000	300,000,000	30,000,000	300,000,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	31-Mar-15		31-Mar-14	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	30,000,000	300,000,000	30,000,000	300,000,000
Add: Issued during the year	-	-	-	-
Add: Warrants converted during the year	-	-	-	-
Outstanding at the end of the year	30,000,000	300,000,000	30,000,000	300,000,000

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of `10 per share. Each holder of

(c) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	31-Mar-15		31-Mar-14	
	Nos.	% holding in the class	Nos.	% holding in the class
Asahi Infrastructure and Projects Limitec.	2,000,000	6.67%	2,000,000	6.67%
KSS Limited	27,425,000	91.42%	27,425,000	91.42%

As per records of the company, including its register of shareholders/ members and other

Note : 3.2 Reserves & Surplus

Particulars	31-Mar-15	31-Mar-14
Balance brought forward from previous year	(32,753,516)	(31,971,831)
Less: Tax on Regular Assessment Paid	-	-
Add: Profit for the period	(26,595)	(781,685)
	(32,780,111)	(32,753,516)

Note : 3.3 Short Term Borrowings

Particulars	31-Mar-15	31-Mar-14
Loan Repayable on Demand		
Interest free advance from related parties repayable on demand (unsecured)	7,770,266	5,477,871
	7,770,266	5,477,871



K Sera Sera Box office Pvt Ltd
Note Forming Integral Part of the Balance Sheet as at 31st March, 2015

Note : 3.4 Trades Payables

Particulars	31-Mar-15	31-Mar-14
Sundry Creditors	384,660	734,787
	384,660	734,787

Note : 3.5 Other Current Liabilities

Particulars	31-Mar-15	31-Mar-14
Advance for film production	-	1,000,000
Statutory Payable	2,500	24,313
Advance From customers	-	39,500
	2,500	1,063,813

Note : 3.6 Short Term Provisions

Particulars	31-Mar-15	31-Mar-14
Other Provisions- Expenses	-	178,371
Provision for Taxation	-	97,778
	-	276,149

Note :3.8 Non Current Investment

Particulars	31-Mar-15	31-Mar-14
Investment in Equity Instrument	271,150,000	271,150,000
	271,150,000	271,150,000

Current investments are carried in the financial statements at cost and Long-term investments are also carried at cost. However, provision for diminution in value is not recognize other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Note : 3.9 Long Term Loans and Advances

Particulars	31-Mar-15	31-Mar-14
Security Deposit		
a) Secured, Considered Good :		
Earnest Money Deposit	-	-
Other Deposit	14,280	14,280
b) Unsecured, Considered Good :	-	-
c) Doubtful	300,000	300,000
	314,280	314,280

Note : 3.10 Trade Receivables

Particulars	31-Mar-15	31-Mar-14
Sundry Debtor-Doubtful More than 6 Months	56,134	438,634
	-	-
	56,134	438,634

Note : 3.11 Cash & Cash Equivalent

Particulars	31-Mar-15	31-Mar-14
Cash-in-Hand		
Cash Balance	21,554	437,425
Petty Cash Balance	446	446
Sub Total (A)	22,000	437,871
Bank Balance		
In current accounts with bank In India with Noted banks	-	-
Sub Total (B)	-	-
	22,000	437,871



K Sera Sera Box office Pvt Ltd
Note Forming Integral Part of the Balance Sheet as at 31st March, 2015

Note : 3.12 Short Terms Loans and Advances

Particulars	31-Mar-15	31-Mar-14
Loans & Advances from related parties		
a) Secured, Considered Good :		
Advance to Associate Concerns	-	-
b) Unsecured, Considered Good :		
c) Doubtful		
Others		
Advance Recoverable in cash or in kind or for value to be considered good		
Advance Income Tax/Refund Due	-	108,570
Prepaid Expenses	-	-
	-	108,570

Note : 3.13 Other Current assets

Particulars	31-Mar-15	31-Mar-14
Miscellaneous expenditure	860,257	1,375,105
Add: Expenses During the year	-	-
Less: Misc. Expenses w/off	514,848	514,848
Less: Transfer to expenses a/c	-	-
	345,409	860,257

(Misc. expenses are written off over a period of 5 years)

Note : 3.14 Other Income

Particulars	31-Mar-15	31-Mar-14
Other Income	1,000,000	-
	1,000,000	-

Note : 3.15 Employee Benefit Expenses

Particulars	31-Mar-15	31-Mar-14
Salaries	240,000	-
	240,000	-

Note : 3.16 Financial Cost

Particulars	31-Mar-15	31-Mar-14
Bank Charges	1,060	5,148
	1,060	5,148

Note : 3.17 Depreciation & Amortization Expenses

Particulars	31-Mar-15	31-Mar-14
Preliminary Expenses W/O	514,848	514,848
	514,848	514,848

Note : 3.18 Other Administrative Expenses

Particulars	31-Mar-15	31-Mar-14
Audit Fees	28,090	44,944
Filing Fees	10,990	5,307
Legal Expenses	200	6,600
Membership & Subscription	1,440	1,440
Profession Tax Company	2,500	2,500
Commission & Brokerage	-	198,190
Other Expenses	227,467	2,708
	270,687	261,689



K Sera Sera Box Office Private Limited
Notes Forming Integral Part of the Balance Sheet as at 31st March, 2015

Note: 3.17 Fixed Asset

Sr. No	Particulars	Rate	Gross block		Depreciation/amortization			Net block			
			As at April 1, 2014	Adjustments	As at March 31, 2015	As at April 1, 2014	For the period	Deletion/ Adjustments	As at March 31, 2015	As at April 1, 2014	
	Intangible Assets										
	patent /copyright other IPRs		1,409,366	-	1,409,366	-	-	-	-	1,409,366	1,409,366
	IPRs 332 Mumbai to India		2,080,126	-	2,080,126	-	-	-	-	2,080,126	2,080,126
	IPRs - LKLG		3,489,492	-	3,489,492	-	-	-	-	3,489,492	3,489,492
	Total		3,489,492	-	3,489,492	-	-	-	-	3,489,492	3,489,492
	(Previous Year)		3,489,492	-	3,489,492	-	-	-	-	3,489,492	3,489,492



K SERA SERA BOX OFFICE PRIVATE LIMITED

Notes forming part of accounts for the year ended March 31, 2015

Notes to account

1. Summary of significant accounting policies

a. Basis of preparation of financial statements

The financial statements of the company have been prepared under historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act 2013 and comply in all material aspects with the accounting principles generally accepted in ,under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

The accounting policies have been consistently applied unless otherwise stated. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company considers 12 months to be its normal operating cycle.

2. Summary of significant accounting policies

b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods

c. Fixed assets

Tangible assets

Fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

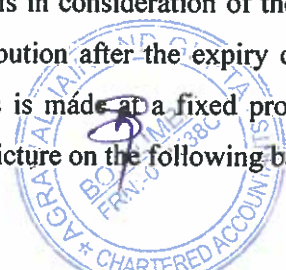
d. Depreciation/amortization

Tangible assets

Depreciation on fixed assets is calculated on a written down value method at based on the useful lives estimated by the management, or those prescribed under the Schedule II of the Companies Act, 2013, The company has used the following rates to provide depreciation on its fixed assets.

Intangible assets

The Company recognizes / creates rights in motion pictures as intangible asset in the form of Intellectual Property Rights (IPR's). The same is in consideration of the future economic benefits and availability of the aforesaid rights for re-distribution after the expiry of initial period of distribution agreement. The recognition / creation of IPR's is made at a fixed proportion of the production cost depending on the date of release of the motion picture on the following basis:



- i. At 30% of the production cost of the motion picture in case the picture is released within 90 days before the year end.
- ii. At 10% of the production cost of the motion picture in case the picture is released more than 90 days before the year end.

The said recognition of IPR rights is, however, subject to the management assessment of future economic benefits from exploitation of these rights having regards to the box office success of the movie and other relevant factors. In the event, the said recognition criteria are not met, the entire cost of motion picture is charged to the profit and loss account as 'cost of production'.

e. Depreciation/amortization

Tangible assets:

Depreciation on fixed assets is provided on written down value method at the rates and the manner prescribed under Schedule XIV of the Companies Act, 1956 or based on management estimates of useful lives of the fixed assets, whichever is higher.

Intangible assets:

The amortization of motion picture rights is made taking into consideration the following factors:

- The date of release/sale of the respective motion picture as referred in paragraph (c) above;
- The tenure of the distribution agreement; and
- Matching principle of accounting.

Based on above, the amortization of Intellectual Property Rights is carried out on the following basis:

Particulars	Picture is released within 90 days before the year end	Picture is released more than 90 days before the year end
In the immediately succeeding year of release/sale *	2/3 rd	-
Over the balance period of distribution agreement*	1/3 rd	1/3 rd
*The above amortization of Intellectual Property rights is subject to the management Estimate of future revenue potential.		

f. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are



capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g. Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

h. Investments

Investments are classified as current investments and long-term investments as per information and explanation given by the management.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities.

Current investments are carried in the financial statements at cost or FMV whichever is lower and Long-term investments are carried at cost. However, provision for diminution in value is not recognizing other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

i. Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

j. Inventories

Company not having any inventories.

k. Accounting for taxes on income

Current Tax

Tax expense comprises of current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.



Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

l. Retirement benefits

Company doesn't have any employee who has completed 5 year of continues services for provision for gratuity and other benefits. And Contributions payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and employee state insurance are charged to the profit and loss account if any.

m. Foreign currency transactions

i. Foreign currency transactions are recorded at exchange rates prevailing on the date of respective transactions.

ii. Current assets and current liabilities in foreign currencies existing at balance sheet date are translated at year-end rates.

n. Provision

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

o. Cash and cash equivalents

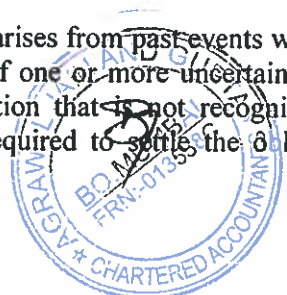
Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

p. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expenses.

q. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent



liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company doesn't have any contingent liability.

r. Preliminary Expenses

Preliminary expenses, if any, will be written off over a period of Five years.

3.19 Earnings per share

(Amount in Rupees)

Particulars	March 31, 2015	March 31, 2014
Net profit / (loss) after tax for the year	(26,595)	(7,81,685)
Weighted equity shares outstanding as at the year end	30,00,00,000	30,00,00,000
Nominal value per share (Rs.)	10	10
Earnings per share(Weighted Average)		
– Basic	(0.00)	(0.03)
– Diluted	(0.00)	(0.03)

3.20 Auditor's remuneration [excluding service tax]

(Amount in Rupees)

Particulars	March 31, 2015	March 31, 2014
Statutory audit	28,090	44,944
Total	28,090	44,944

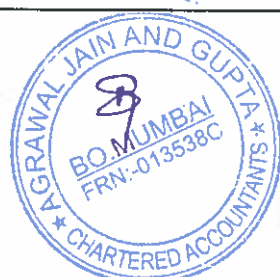
3.21 Related Party Disclosures

Related parties are classified as:

	Company:
1.	K Sera Sera Miniplex Limited
2.	KSS Ltd.

(Amount in Rupees)

Nature of transactions	Name of Company	March 31, 2015	March 31, 2014
Loans taken	K Sera Sera Miniplex Limited	36,005	-----
Loans taken	KSS Limited.	77,34,261	54,77,871



3.22. The Company did not have any transactions with Small Scale Industrial ('SME's') Undertakings during the year ended March 31, 2015 and hence there are no amounts due to such undertakings. The identification of SME's undertakings is based on the management's knowledge of their status.

The Company has not received any information from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with interest paid / payable as required under the said Act have not been furnished.

3.23. Balances in respect of sundry debtors, sundry creditors and loans and advances .
If any are taken as shown by books of accounts and are subject to confirmation and Consequent adjustments and reconciliations, if any.

For Agrawal Jain & Gupta
Chartered Accountants
FRN - 013538C

For and on behalf of Board of Directors



CA Narayan Swami
Partner
M. No - 409759



Sanish Panchariya
Director
DIN:00042934



Hussain Shattaf
Director
DIN: 02321306



Shamrao D. Ingulkar
Sr. Manager Accounts
(KSS Group)



Place: Mumbai
Date: 28.05.2015