



P. MURALI & CO.,

CHARTERED ACCOUNTANTS
6-3-655/2/3, SOMAJIGUDA,
HYDERABAD - 500 082. INDIA

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INDEPENDENT AUDITOR'S REPORT

To the Members of

VIRINCHI MEDIA AND ENTERTAINMENT PRIVATE LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of VIRINCHI MEDIA AND ENTERTAINMENT PRIVATE LIMITED ("The Company"), which comprise the Balance Sheet as at March 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

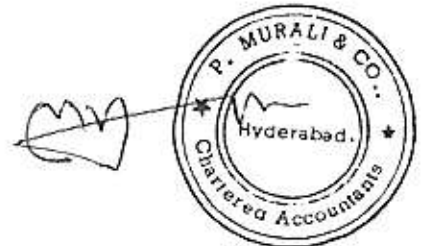
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect 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.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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





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Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:


(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

Report on Other Legal and Regulatory Requirements:

1. Since the Company is a private limited company with a paid up capital and reserves not more than rupees fifty lakhs and does not have loan outstanding exceeding rupees twenty five lakhs from any bank or financial institution and does not have a turnover exceeding rupees five Crores at any point of time during the financial year, requirement by the Companies (Auditors Report) order 2003 and as amended by the Companies (Auditor's Report)(Amendment) Order 2004, issued by the Central Government of India in terms of the sub-section(4A) of section 227 of the Companies Act, 1956 are not applicable to the Company.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet dealt with by this Report is in agreement with the books of account
 - d) In our opinion, the Balance Sheet comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect Section 133 of the Companies Act, 2013.
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

PLACE: HYDERABAD
DATE : 29.05.2014

For P.MURALI & Co.,
CHARTERED ACCOUNTANTS
FIRM'S REGN NO: 0072575


M.V. JOSHI
PARTNER
MEMBERSHIP NO. 024784



VIRINCHI MEDIA AND ENTERTAINMENT PRIVATE LIMITED

Notes to Accounts

A. SIGNIFICANT ACCOUNTING POLICIES:

a. General:

- (i) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Indian Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

(iii) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

b) Revenue Recognition:

- i) The Company follows the mercantile system of Accounting and recognises income and expenditure on accrual basis.
- ii) Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

c) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or Loss on disposal of intangible assets is recognised in the Statement of Profit and Loss.



VIRINCHI MEDIA AND ENTERTAINMENT PRIVATE LIMITED

Notes to Accounts

d) INVESTMENTS

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments.

d) Provisions

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.



VIRINCHI MEDIA AND ENTERTAINMENT PRIVATE LIMITED

Notes to Accounts

8) There are no dues to SSI Units outstanding for more than 45 days.

9) As there is no timing difference of depreciation/loss, the provision for deferred income tax liability does not arise as per Accounting Standard 22 (AS 22) issued by ICAI and hence deferred income tax liability has not been provided.

10) Auditors' Remuneration:

Particulars	31-03-2014	31-03-2013
	Rupees	Rupees
Audit Fee	5,618	5,618

11) Previous years' figures are restated/regrouped/rearranged wherever necessary in order to Conform to the current years' grouping and classifications.

12) Figures have been rounded off to the nearest rupee.

SIGNATURES TO NOTES 1 TO 12

AS PER OUR REPORT OF EVEN DATE

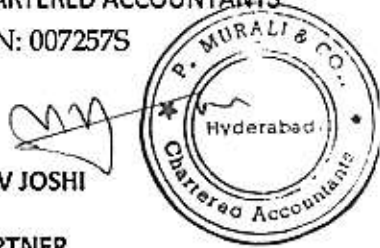
For and on behalf of Board

VIRINCHI MEDIA AND ENTERTAINMENT PRIVATE LIMITED

For P.MURALI & CO.,

CHARTERED ACCOUNTANTS

FRN: 007257S



M.V JOSHI

Sd/-

Sd/-

PARTNER

M.NO:024784

DIRECTOR

DIRECTOR

PLACE: HYDERABAD

DATE :29.05.2014

VIRINCHI MEDIA AND ENTERTAINMENT PVT LIMITED

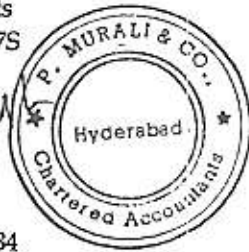
Balance Sheet as at 31st March, 2014

Particulars	Note No	As on 31/03/2014	As on 31/03/2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	1,00,000	1,00,000
(2) Non-Current Liabilities			
(a) Long-term borrowings	2	1,45,15,583	1,48,16,201
(3) Current Liabilities			
(a) Short Term Provisions	3	5,618	-
Total		1,46,21,201	1,49,16,201
II. Assets			
(1) Fixed Assets			
(a) Intangible assets	4	1,09,46,201	1,07,66,201
(2) Non-current Assets	5	34,50,000	40,50,000
(3) Current assets			
(a) Cash and cash equivalents	6	1,75,763	56,916
(b) Other current assets	7	49,237	43,084
Total		1,46,21,201	1,49,16,201

The accompanying Notes are an Integral Part of the Financial Statements
AS PER OUR REPORT OF EVEN DATE

For P.Murali & Co.,
Chartered Accountants
Firm Regn. No: 007257S

M V Joshi
Partner
Membership No. 024784



For Virinchi Media and Entertainment Pvt Ltd.

Director

Director

Place : Hyderabad
Date : 29.05.2014

VIRINCHI MEDIA AND ENTERTAINMENT PVT LIMITED

NOTES TO BALANCE SHEET

Note No 1: Share Capital

S.NO.	Particulars	As on 31/03/2014		As on 31/03/2013	
		No. of Shares		No. of shares	
a	Share Capital (For each class of capital)				
	(a) Authorised				
	(b) Issued				
	(c) Subscribed & Fully Paid Up				
	Total Equity Share capital		1,00,000		1,00,000
			1,00,000		1,00,000
b	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period: Equity Shares of Rs.10 Each, Fully paid up:	Number of Shares		Number of Shares	
	At the Beginning	10,000		10,000	
	At the end	10,000		10,000	
c	Details of Shareholder holding more than 5% shares of the company:	% of Share Holding			
	Equity Shares of Rs. 10 each Held By Virinchi Technologies Limited	100.00		100.00	

NOTE NO. 2: LONG TERM BORROWINGS

S.No.	Particulars	As at 31/03/2014	As at 31/03/2013
I	Unsecured Loans	1,45,15,583	1,48,16,201
	Total long term borrowings	1,45,15,583	1,48,16,201

NOTE NO. 3: CURRENT LIABILITIES

S.No.	Particulars	As at 31/03/2014	As at 31/03/2013
I	Audit fee payable	5,618	-
	Total long term borrowings	5,618	-

NOTE NO. 5: Non Current Assets

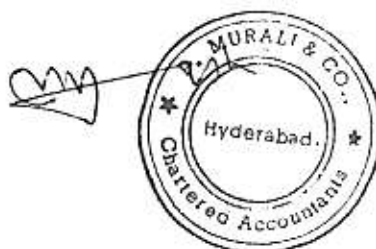
S.No.	Particulars	As at 31/03/2014	As at 31/03/2013
I	Advances Given	34,50,000	34,50,000
	Total long term borrowings	34,50,000	34,50,000

NOTE NO. 6: CASH AND BANK BALANCES

S. No.	Particulars	As at 31/03/2014	As at 31/03/2013
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	1,33,718	9,253
	b) Cash on hand	42,045	47,663
	Total Cash and Cash Equivalents	1,75,763	56,916

NOTE NO.7: OTHER CURRENT ASSETS

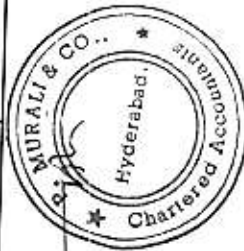
S. No.	Particulars	As at 31/03/2014	As at 31/03/2013
I	Unamortised Expenses	49,237	43,084
	Total non - current assets(net)	49,237	43,084



Note Number :4

FIXED ASSETS AS ON 31st MARCH, 2014

Sl. No.	Particulars	Gross Block						Depreciation/Amortization			Net Block as on 31.03.2014	Net Block as on 31.03.2013
		As on 01.04.2013	Additions during the year	Additions through Business acquisitions	Capitalised during the year	Sale / Deletions during the year	As on 31.03.2014	Dep. As on 01.04.2013	Dep. For the year 2013-2014	Impairment Loss / Reversal of Impairment Loss for the Year		
1	INTANGIBLE FIXED ASSETS TOTAL	1,07,66,201	1,50,000	-	-	-	1,09,16,201	-	-	-	-	1,07,66,201
		1,07,66,201	1,50,000	-	-	-	1,09,16,201	-	-	-	-	1,07,66,201



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