

# 37<sup>th</sup> Annual Report

2021-2022



## **COLORCHIPS NEW MEDIA LIMITED**

**(Formerly Known As Millitoons Entertainment Limited)**

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**Board of Directors**

|                                  |                                  |
|----------------------------------|----------------------------------|
| Mr. Ramabhotla Srinivasa Sudhish | : Chairman and Managing Director |
| Mr. Srinivasa Murthy Banda       | : Independent Director           |
| Mr. Siram R L V N Kishore        | : Non-Executive Director         |
| Ms. Krishnapriya Vincent         | : Independent Director           |

**KMP**

|                            |                           |
|----------------------------|---------------------------|
| Mr. Srinivasa Rao Kakkerla | : Chief Financial Officer |
|----------------------------|---------------------------|

**Registered Office**

House No. 8-3-833/85 & 85A, Plot No. 85,  
Phase 1, Kamalapur Colony, Hyderabad  
500073, India

**Email ID:** cs@colorchipsindia.com

**Website:** www.colorchipsindia.com

**Statutory Auditors**

M/s. S N Murthy & Co.,  
*Chartered Accountants*  
1-8-30, Upstairs, Chikkadapally,  
Hyderabad – 500 020, T.S.

**Bankers**

Allahabad Bank  
HDFC Bank

**Registrar & Share Transfer Agents:**

Kfin Technologies Private Limited  
Karvy Selenium Tower B,  
Plot Nos. 31 & 32, Financial District  
Nanakramguda | Serilingampally Mandal  
Hyderabad - 500032 | India  
Email ID: praveen.chaturvedi@karvy.com

**Listed at:**

BSE Limited

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE THIRTY SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. COLORCHIPS NEW MEDIA LIMITED WILL BE HELD ON SATURDAY, THE 24<sup>TH</sup> DAY OF SEPTEMBER, 2022, AT 11:30 A.M. THROUGH VIDEO CONFERENCE ("VC")/ OTHER AUDIO VISUAL MEANS ("OAVM") FACILITY TO TRANSACT THE FOLLOWING BUSINESS:**

**Ordinary Business**

1. To receive, consider and adopt the Audited Financial Statements, including Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2022 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Srinivasa Sudhish Ramabhotla, (DIN: 00027816) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company:

**“RESOLVED THAT** pursuant to provisions of Section 139 and 141 and 142 of Companies Act, 2013, Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of Companies Act, 2013 and the consent of the shareholders of the Company be and is hereby accorded for appointment of M/s. Pavan & Associates, Chartered Accountants, (Firm Registration No. 012132S) as Statutory Auditors of the Company for a period of 5 years from the conclusion of 37<sup>th</sup> Annual General Meeting of the Company till the conclusion of 42<sup>nd</sup> Annual General Meeting of the Company.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are here-

by authorized to prepare, sign and file with the Registrar of Companies, Telangana, E-Forms for the purpose of giving effect to the aforesaid resolution and also to authorized to do all such acts, things, matters or deeds as may be deem necessary or expedient to carry out the above resolution.”

**Special Business**

4. **Re-appointment of Mr. Ramabhotla Srinivasa Sudhish (DIN: 00027816) as Managing Director.**

To consider and, if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the rules made there under, as amended from time to time, read with Schedule V to the Act, and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Ramabhotla Srinivasa Sudhish as Managing Director of the Company for a period of 3 Years with effect from 1<sup>st</sup> February, 2022 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of 3 years from the date of his appointment), with liberty to the Board of Directors of the Company (hereinafter referred to as “the Board” (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between

the Board and Mr. Ramabhotla Srinivasa Sudhish.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

**5. Re appointment of Mr. Srinivasa Murthy Banda (holding DIN: 03165686) as an Independent Director of the Company.**

**“RESOLVED THAT** pursuant to the provisions of sections 149, 150, 151 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory amendment(s) thereto or reenactment (s) thereof for the time being in force, Mr. Srinivasa Murthy Banda (holding DIN: 03165686), Independent Director of the Company, whose period of office is liable to expire, and who has submitted declaration that he meets the criteria of independence under section 149 (6) of the Companies Act, 2013 and who is eligible for re appointment for a second term under the provisions of the Companies Act, 2013 and rules made thereunder and in respect of whom the Company has received a notice in writing from a member proposing Mr. Srinivasa Murthy Banda (holding DIN: 03165686), for the office of Director, be an is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from conclusion of this 37<sup>th</sup> Annual General Meeting up

to the conclusion of 42<sup>nd</sup> Annual General Meeting to be held in the year 2027.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

**6. Re appointment of Ms. Vincent Krishnapriya (holding DIN: 07443638) as an Independent Director of the Company.**

**“RESOLVED THAT** pursuant to the provisions of sections 149, 150, 151 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory amendment(s) thereto or reenactment (s) thereof for the time being in force, Ms. Vincent Krishnapriya (holding DIN: 07443638), Independent Director of the Company, whose period of office is liable to expire, and who has submitted declaration that he meets the criteria of independence under section 149 (6) of the Companies Act, 2013 and who is eligible for re appointment for a second term under the provisions of the Companies Act, 2013 and rules made thereunder and in respect of whom the Company has received a notice in writing from a member proposing Ms. Vincent Krishnapriya (holding DIN: 07443638), for the office of Director, be an is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from conclusion of this 37<sup>th</sup> Annual General Meeting up to the

conclusion of 42<sup>nd</sup> Annual General Meeting to be held in the year 2027.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

**7. Sub-Division of Equity Shares from the Face Value of Rs.10/- to Face Value of Rs.2/- per share.**

To Consider, and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provision of Section 61(d), 64 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and the provisions of Memorandum of Association and Articles of Association of the Company and subject to such other approvals, consent, permissions and sanctions as may be necessary from the appropriate authorities or bodies, consent of the members of the company be and is hereby accorded for the sub-division of each of the Equity Share of the Company having a face value of Rs.10/- (Rupees Ten Only) each in the Equity Share Capital of the Company sub-divided into Five (Five) Equity Shares having a face value of Rs.2/- each (“Sub-division”).

**RESOLVED FURTHER THAT** pursuant to the sub-division of the equity shares of the Company,

all the issued, subscribed and paid up equity shares of face value of Rs.10/- (Rupees Ten only) each of the Company existing on the record date to be fixed by the Company shall stand sub-divided into equity shares of face value of Rs.2/- (Rupees Two only) each fully paid up, without altering the aggregate amount of such capital and shall rank pari passu in all respects with the existing fully paid equity share of Rs.10/- each of the company.

**RESOLVED FURTHER THAT** upon sub-division of equity shares as aforesaid, the existing share certificate(s) in relation to the existing equity shares of the nominal value of Rs.10/- (Rupees Ten only) each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the “Record Date” to be fixed by the Company and Company may without requiring the surrender of existing share certificate(s) directly issue and dispatch the new share certificate(s) of the company, in lieu thereof, subject to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and in the case of members who hold the equity shares / opt to receive the sub-divided equity shares in dematerialized form, the subdivided equity shares of nominal value of Rs.2/- (Rupee Two only) each shall be credited to the respective beneficiary account of the members with their respective depository participants and the Company shall undertake such corporate actions as may be necessary in relation to the existing equity shares of the Company.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company (“the Board”) (which expression shall also include a duly authorised Committee thereof) be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, docu-

ments and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution and to delegate all or any of the powers herein vested in the Board to any Director(s), Officer(s) of the Company as may be required to give effect to this above resolution.”

**8. Alteration of Capital Clause of Memorandum of Association of the Company.**

To Consider, and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Section 13 read with Section 61 of Companies Act, 2013 and all other applicable provisions, if any, and subject to the approvals, consents, permission and sanctioned as may be necessary from the appropriate authorities or bodies, the existing Clause V of the Memorandum of Association of the Company be and are hereby substituted as follows:

**V. “The Authorised Capital of the Company is Rs.18,50,00,000/- (Rupees Eighteen Crores and Fifty Lakhs only) divided into 9,25,00,000 (Nine Crores and Twenty Five Lakhs) Equity Shares of Rs.@2/- (Rupees Two only) each.”**

The Board has power to increase or reduce and alter the capital in accordance with the provisions of the Companies Act, 2013 and the regulations of the Company and to vary, modify or rescind in such manner as may for the time being be provided by the regulation of the Company.”

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or any

committee of board thereof be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to do all such acts, deeds, matters, and things to give such directions as may be necessary or expedient to give effect to the said resolution”.

**By order of the Board  
For COLORCHIPS NEW MEDIA LIMITED**

**SD/-**

**RAMABHOTLA SRINIVASA SUDHISH  
MANAGING DIRECTOR**

**DIN: 00027816**

**1<sup>st</sup> September, 2022**

**Hyderabad**

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs has permitted all the Companies to hold their respective Annual General Meetings through video conferencing (VC) or other audio-visual means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars dated 05<sup>th</sup> May, 2020 and Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 and Circular No. 19/2021 dated 08<sup>th</sup> December, 2021 and 21/2021 dated 14<sup>th</sup> December, 2021 and Circular dated 05<sup>th</sup> May, 2022 and Circular No. 2/2022 and all other relevant circulars issued from time to time. Accurate Securities and Registry Private Limited through NSDL will be providing the facility for voting through remote e-voting. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 19C below and is also available on the website of the Company at [www.colorchipsindia.com](http://www.colorchipsindia.com).

2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
  3. Institutional/Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [cssaradacertifications@gmail.com](mailto:cssaradacertifications@gmail.com) or [cs@colorchipsindia.com](mailto:cs@colorchipsindia.com) with copy marked to [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  4. The Register of Members and Transfer Books of the Company will be closed from Saturday, the 17<sup>th</sup> day of September, 2022 to Saturday, the 22<sup>nd</sup> day of September, 2022 (both days inclusive).
  5. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to RTA of the Company. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
  6. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/Real Time Gross Settlement (RTGS)/Direct Credit, etc. As directed by SEBI, the Members holding shares in physical form are requested to submit particulars of their bank account along with the original cancelled cheque bearing the name of the Member to RTA/Company to update their Bank Account details. Members holding shares in demat form are requested to update their Bank Account details with their respective Depository Participant.
  7. SEBI has decided that securities of listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form.
- ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING ANNUAL REPORT**
8. In Compliance with the MCA circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses



are registered with the Company, Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.colorchipsindia.com](http://www.colorchipsindia.com), website of the stock exchange i.e. [www.bseindia.com](http://www.bseindia.com)..

9. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

10. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

11. Members are requested to:

(a) intimate to RTA, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;

(b) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialized form;

(c) quote their folio numbers/Client ID/DP ID in all correspondence;

(d) Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names; and

(e) Register their Permanent Account Number (PAN) with their Depository Participants, in case of Shares held in dematerialized form and RTA/ Company, in case of Shares held in physical form, as directed by SEBI.

12. Non-Resident Indian Members are requested to inform Registrar and Share Transfer Agent of the Company in any change in their residential status on return to India for permanent settlement, particulars of their bank account maintained

in India with complete name, branch account type, account number and address of the bank with pin code number, if not furnished earlier.

13. The Notice of AGM along with the Annual Report 2021-22 is being sent to all the Members whose name appear in the Register of Members/List of Beneficial Owners received from the RTA as on 26<sup>th</sup> August 2022 by electronic mode to those members whose email address is registered with the Company / RTA / Depositories.

14. The Annual Report of the Company circulated to the Members of the Company will be made available on the Company's website at [www.colorchipsindia.com](http://www.colorchipsindia.com).

15. Members holding shares in physical mode and who have not updated their email addresses with the company are requested to update their email addresses by writing to the company at [cs@colorchipsindia.com](mailto:cs@colorchipsindia.com) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialized mode are requested to register or update their email addresses with the relevant Depository Participants.

16. The Company is pleased to provide the members the facility to vote on the items of business mentioned in the notice through electronic means in accordance with the provisions of section 108 of the Companies Act, 2013, read with relevant rules made thereunder and Regulation 44 of the SEBI (LODR) Regulations, 2015, as amended, and in this regard the Company

has appointed Accurate Securities and Registry Private Limited for providing e voting services through NSDL to the members of the Company.

17. Subject to the receipt of requisite number of votes, the resolutions mentioned in the Notice shall be deemed to be passed at the Annual General Meeting of the Company. The result declared, along with the Scrutinizer's Report, will be placed on the Company's website after the result is declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to BSE Ltd.

18. Mrs. Sarada Putcha, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

**19. PROCEDURE AND THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:**

- (a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the

Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on all the Resolutions proposed to be considered at the 37<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the 37<sup>th</sup> Annual General Meeting (AGM) ("remote e-voting") will be provided by (Accurate Securities and Registry Private Limited through NSDL).

- (b) The Company has engaged the services of ACCURATE SECURITIES AND REGISTRY PRIVATE LIMITED for providing e voting services through NSDL. In case any member required help regarding e voting can contact with Accurate Securities and Registry Private Limited at [info@accuratesecurities.com](mailto:info@accuratesecurities.com), or at +91-79-48000319.
- (c) The remote e-voting period begins on 21.09.2022, at 9:00 A.M. and ends on 23.09.2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 16.09.2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 16.09.2022.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

- A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

- i) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders  | Login Method   |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li data-bbox="624 533 1449 1099">1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under <b>“IDeAS”</b> section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on <b>“Access to e-Voting”</b> under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li data-bbox="624 1137 1449 1294">2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a>. Select <b>“Register Online for IDeAS”</b> Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li data-bbox="624 1346 1449 1912">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>“Login”</b> which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> |

|   |   |
|---|---|
| <p>Individual Shareholders holding securities in demat mode with CDSL</p>                                     | <ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol> |
| <p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>   |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type  | Helpdesk details  |
|---|---|
| <p>Individual Shareholders holding securities in demat mode with NSDL</p> | <p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30 or Accurate Securities and Registry Private Limited at <a href="mailto:info@accuratesecurities.com">info@accuratesecurities.com</a> or at +91-79-48000319</p> |

|   |   |
|---|---|
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43 or Accurate Securities and Registry Private Limited <a href="mailto:info@accuratesecurities.com">info@accuratesecurities.com</a> or at +91-79-48000319.</p> |
|---|---|

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:  |
|--|---|
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.     | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****   |
| c) For Members holding shares in Physical Form.                | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cssaradacertifications@gmail.com](mailto:cssaradacertifications@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at ACCURATE SECURITIES AND REGISTRY PRIVATE LIMITED at [info@accuratesecurities.com](mailto:info@accuratesecurities.com)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) by email to [cs@colorchipsindia.com](mailto:cs@colorchipsindia.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) to [cs@colorchipsindia.com](mailto:cs@colorchipsindia.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. [Login](#)

method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**B. Voting at e-AGM:**

- i) Only those members/shareholders, who will be present in the e-AGM through video conferencing facility and have not cast their vote through remote e-voting & are otherwise not barred from doing so, are eligible to vote through e-voting in the e-AGM.

- ii) However, members who have voted through remote e-voting will be eligible to attend the e-AGM.
- iii) Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- iv) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

**C. Instructions for members for attending the e-AGM:**

- i) Members may attend the Meeting through VC/OAVM viz. Zoom App. at <https://us06web.zoom.us/j/81369168174> Meeting ID: 813 6916 8174 respectively through smart phone or laptop, connected through broadband.
- ii) While all efforts would be made to make the VC/ OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches
- iii) Members can login and join 15 (fifteen) minutes prior to the schedule time, join the meeting at scheduled time; window for joining shall be kept open till the expiry of 30 (Thirty) minutes after the schedule time;

or the closing of the meeting, whichever is earlier.

**D. General Instructions:**

- i) The Board of Directors has appointed Mrs. Sarada Putcha, Practicing Company Secretary (ACS No. 21717 CP No. 8735) as the Scrutinizer to the e-voting process and e-voting at the e-AGM in a fair and transparent manner.
- ii) The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the thirty sixth AGM and announce the start of the casting of vote through the e-voting system of NSDL.
- iii) The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in



the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer’s report of the total votes cast in favour and against, if any, to the Chairman of the Company, who shall countersign the same.

- iv) The Scrutinizer shall submit her report to the Chairman of the Company, who shall declare the result of the voting.
- v) The results declared along with the scrutinizer’s report shall be placed on the Company’s website [www.colorchipsindia.com](http://www.colorchipsindia.com) and on the website of NSDL <https://www.evoting.nsdl.com> and shall also be communicated to the stock exchanges. The resolutions shall be deemed to be passed at the AGM of the Company.

**20.** The voting results declared along with the Scrutinizer’s Report will be placed on the company’s website [www.colorchipsindia.com](http://www.colorchipsindia.com) immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results will also be immediately forwarded to the BSE Ltd.

**Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013:**

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”), given hereunder sets out all material facts relating to the special business mentioned at the said Items of the accompanying Notice dated 1<sup>st</sup> September, 2022 and necessary information or details in respect of the aforesaid items are as under:

**ITEM NO. 4**

Mr. Srinivasa Sudhish Ramabhotla, aged 54 years is the Managing Director of the Company having over 30 years of industry experience in

business management and strategy. He has done Graduation in Law and was accorded by Hon’ble Doctorate from Burkes University, UK and was also an Alumni of Harvard University Business School, Boston, USA.

Mr. Srinivasa Sudhish Ramabhotla holds Directorship in the following Companies:

- Ravikaanth Portfolio Services Private Limited;
- Vega Music Private Limited;

His current term of appointment as the Managing Director of the Company expired on 31.01.2022. Considering his Knowledge on various aspects in relation to Company’s affairs and long business experience, the Board of Directors is of the opinion to reappoint Mr. Srinivasa Sudhish Ramabhotla for further period of 3 years with effect from 01.02.2022.

In accordance with Section 196 and 197 of the Companies Act, 2013, and other applicable provisions, read with Schedule V to the Act and Articles of Associations of the Company, the terms and conditions for the re-appointment and remuneration are now being placed before the members for their approval by way of Special Resolution.

Pursuant to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013, where in any financial year, the Company has Nil Profits or inadequate profits, therefore the Managing Director shall be paid remuneration as mentioned herewith.

Information required under Section II, Part II of Schedule V of the Companies Act, 2013 is as follows:

| <b>I. General Information</b> |                       |  |
|-------------------------------|-----------------------|--|
| 1.                            | Nature of Industry    | The Company is engaged in Media and Entertainment Sector.      |
| 2.                            | Date or expected date | The Company was incorporated on 10 <sup>th</sup> May, 1985 and |

|   |  |  |  |    |   |
|---|--|--|--|----|---|
|   | of commencement of commercial production.  | it is fully Active and Operational.  |  |    | vard University Business School, Boston, USA.   |
| 3.  | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Not Applicable.  |  |    | The Details of Membership / Chairmanship in Committees of the Company or other Companies of Mr. Srinivasa Sudhish Ramabhotla as on date are detailed in the Report on Corporate Governance.   |
| 4.  | Financial Performance based on given indicators.   | <p>Financial Performance for the Financial Year 2021-2022 is as follows:</p> <p>Total Revenue: Rs. 2,13,36,895;</p> <p>Total Expenses: 2,49,83,118;</p> <p>Profit Before Tax: Rs.(36,46,223)</p> <p>Net Profit: Rs. 35,06,857</p>  |  | 2. | Past Remuneration<br>N.A  |
| 5.  | Foreign Investments or Collaborations, if any.   | Nil  |  | 3. | Recognition or Awards<br>Mr. Srinivasa Sudhish Ramabhotla has received a number of awards by various organizations in recognition of his contributions and accomplishments in various fields such as Udhya Prathibha Ratan Award by All Indian Business Development Association, Gem of India Award by All India Achievers Association, Rashtriya Ratan Award & Indira Gandhi Sadhbhavana Award by Global Economic Council, Samaikya Bharata Gourav Satkar by Delhi Telugu Academy Award for contribution to Indian Animation Industry from M/s. Toon Boom Technologies (Canada) and was also a jury member of International Emmy Awards Committee, 2006. |
| <b>II. Information about the Appointee:</b> |  |  |  |    |   |
| 1.  | Background details   | Mr. Srinivasa Sudhish Ramabhotla (DIN: 00027816) aged 54 years, is the Managing Director of the Company having over 30 years of industry experience in business management and strategy. He has done Graduation in Law and was accorded by Hon'ble Doctorate from Burkes University, UK and was also an Alumni of Har- |  | 4. | Job Profile and his Sustainability<br>Overall Control of the Company and reviewing the work of all directors and taking necessary steps to improve the performance of the Company.  |
|   |  |  |  | 5. | Remuneration Proposed<br>The Overall Remuneration including perquisites and commission in any one financial year shall not exceed 5% of the net profits or any such higher limits prescribed from time to time under Section 197 read with rules  |

|    |   |  |   |
|----|---|--|---|
|    |   | <p>made thereunder along with Schedule V of the Companies Act, 2013. In case of any doubts/discrepancies/clarification that may arise with respect to payment of remuneration, the same shall be determined and decided by the Nomination and Remuneration Committee.</p> <p>In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration as minimum remuneration subject to the ceiling mentioned in Schedule V of the Companies Act, 2013.</p> <p>The Composition of the remuneration payable to Mr. Srinivasa Sudhish Ramabholla (DIN: 00027816) may be varied as desired by him and accepted by the Nomination and Remuneration Committee.</p> | <p>relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.</p> <p>Lakh Six Thousand and Eighty Four) equity shares in the Company as on 31<sup>st</sup> march, 2022. None of the Directors or Key Managerial Personnel is related to Mr. Srinivasa Sudhish Ramabholla.</p> |
|    |   | <b>III. Other Information:</b>   |   |
|    |   | 1. Reasons of Loss or inadequate profits.  | On a consolidated basis, the Company made loss of Rs. (36,58,454). The performance for the year under review was affected due to overall fluctuations in the market and slowdown growth in industry.  |
|    |   | 2. Steps taken or proposed to be taken for improvement.  | The Company has taken necessary steps to stabilize the existing projects and new business acquisitions in the similar line of the business.   |
|    |   | 3. Expected increase in productivity and profits in measurable terms.  | The Company has drawn up an Annual Business Plan which shall endeavor to achieve improved margins in current and upcoming financial year.   |
|    |   | <b>IV. Other Disclosures:</b>  |   |
|    |   | The other disclosures as required on all elements of remuneration package such as salary, benefits, bonuses, pensions, details of fixed components and performance linked incentives along with performance criteria, service contract details, notice period, severance fees, etc. have been made in the Directors' Report under the heading "Corporate Governance Report" forming part of the Annual Report for 2021-22.   |   |
|    |   | <b>ITEM NO. 5</b>  |   |
|    |   | In accordance with Section 149(10) and (11) 150, 151 of the Companies Act, 2013, read with schedule IV and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory amend-   |   |
| 6. | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | Considering the general industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.  |   |
| 7. | Pecuniary   | He holds 50,06,084 (Fifty  |   |

ment(s) thereto or reenactment (s) thereof for the time being in force, an Independent Director shall hold office for a term up to five years on the Board of the Company, but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such re-appointment in the Boards' Report.

Mr. Srinivasa Murthy Banda (holding DIN: 03165686), is eligible to be appointed as an Independent Director of the Company in pursuance with Section 149, 150, 151 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014.

Based on his skills, experience, knowledge and performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board, in line with the Company's policy on Director's appointment and remuneration has proposed the re-appointment Mr. Srinivasa Murthy Banda, as an Independent Director for a second term of five years from the conclusion of this 37<sup>th</sup> Annual General Meeting up to the conclusion of 42<sup>nd</sup> Annual General Meeting to be held in the year 2027.

The Company has received a notice in writing pursuant to Section 160 of the Act, from a Member signifying his intention to propose the Candidature of Mr. Srinivasa Murthy Banda (holding DIN: 03165686), as an Independent Director, to be re-appointed under the provisions of Section 149(10) of Companies Act, 2013.

The Company has received requisite consent/declarations for appointment of Mr. Srinivasa Murthy Banda, as an Independent Director as required under the Act and rules made thereunder.

In the opinion of the Board and based on the Board's evaluation, Mr. Srinivasa Murthy Banda (holding DIN: 03165686), fulfills the conditions specified in the SEBI Listing Regulations, the Act and the Rules framed thereunder for his re-appointment as an Independent Director from

the Company and he is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Srinivasa Murthy Banda, as an Independent Director, the Board recommends the resolution set forth in Item No. 5 relating to the re-appointment of Mr. Srinivasa Murthy Banda, as an Independent Director of the Company, who shall be not liable to retire by rotation, by way of Special Resolution.

A brief profile and other information as required under Regulation 36 of SEBI Listing Regulations and Secretarial Standard-2 issued by ICSI is provided as Annexure (Additional Information) to this Notice.

Except Mr. Srinivasa Murthy Banda, no other director(s) and Key Managerial Personnel(s) or their relatives, is in any way, concerned or interested, financially or otherwise, in this resolution.

#### ITEM NO. 6

In accordance with Section 149(10) and (11) 150, 151 of the Companies Act, 2013, read with schedule IV and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory amendment(s) thereto or reenactment (s) thereof for the time being in force, an Independent Director shall hold office for a term up to five years on the Board of the Company, but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such re-appointment in the Boards' Report.

Ms. Vincent Krishnapriya (holding DIN: 07443638), is eligible to be appointed as an Independent Director of the Company in pursuance with Section 149, 150, 151 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014.

Based on her skills, experience, knowledge and performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board, in line with the Company's policy on Director's appointment and remuneration has proposed the re-appointment Ms. Vincent Krishnapriya, as an Independent Director for a second term of five years from the conclusion of this 37<sup>th</sup> Annual General Meeting up to the conclusion of 42<sup>nd</sup> Annual General Meeting to be held in the year 2027.

The Company has received a notice in writing pursuant to Section 160 of the Act, from a Member signifying his intention to propose the Candidature of Ms. Vincent Krishnapriya (holding DIN: 07443638), as an Independent Director, to be re-appointed under the provisions of Section 149(10) of Companies Act, 2013.

The Company has received requisite consent/declarations for appointment of Ms. Vincent Krishnapriya, as an Independent Director as required under the Act and rules made thereunder.

In the opinion of the Board and based on the Board's evaluation, Ms. Vincent Krishnapriya, fulfills the conditions specified in the SEBI Listing Regulations, the Act and the Rules framed thereunder for her re-appointment as an Independent Director from the Company and she is independent of the Management.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Ms. Vincent Krishnapriya, as an Independent Director, the Board recommends the resolution set forth in Item No. 6 relating to the re-appointment of Ms. Vincent Krishnapriya, as an Independent Director of the Company, who shall be not liable to retire by rotation, by way of Special Resolution.

A brief profile and other information as required under Regulation 36 of SEBI Listing Regulations and Secretarial Standard-2 issued by ICSI is provided as Annexure (Additional Information) to this Notice.

Except Ms. Vincent Krishnapriya, no other director(s) and Key Managerial Personnel(s) or their relatives, is in any way, concerned or interested, financially or otherwise, in this resolution.

**ITEM NO. 7**

With a view to broad base the investor base by encouraging the participation of the retail investors and also with a view to enhance the liquidity of the Company's Equity Shares in the stock market, the Board of Directors recommended sub-division of the nominal value and paid-up value of (Authorised, Issued, Subscribed and paid-up) of the company from 1 (One) equity share of Rs.10/- (Rupees Ten only) each into 5 (Five) equity shares of Rs.2/- (Rupees Two only) each pursuant to the provisions of Section 61(1)(d) of Companies Act, 2013, rules made thereunder and other applicable provisions. The record date for the aforesaid sub-division of equity shares shall be fixed by the Board in order to ascertain the list of members whose shares shall be sub-divided, as proposed above and the same shall be notified to the members through appropriate medium after the approval of the members is obtained for the said sub-division.

In the opinion of the Board, proposed sub-division of the equity shares is in the best interest of the Company and its investors and therefore the Board at its meeting held on September 1<sup>st</sup>, 2022, approved the aforesaid sub-division subject to requisite approval of the members. There shall not be any change in the amount of authorized, subscribed and paid-up share capital of the Company consequent upon sub-division of equity shares.

The aforesaid sub-division of equity shares of Rs.10/- (Rupees Ten only) each into equity shares of Rs.2/- (Rupees Two only) each proposed under Item No. 6 of this Notice would require amendment to existing Capital Clause V of the Memorandum of Association of the Company as set out under Item No. 7 of this Notice.

Pursuant to Sections 61, 64 and other applicable provisions of the Act and the Rules made thereunder, approval of the members by way of Ordinary Resolution is required for sub-division of Face Value of Equity Shares and carrying out any amendment to the Memorandum and Articles of Association of the Company.

**ITEM NO. 8**

Pursuant to the provisions of Section 13 of the Companies Act, 2013 approval of the members is required for amendment to Clause V of the Memorandum of Association. The Board recommends the Resolution at item No. 7 of this Notice, for approval of the Members.

The aforesaid sub-division of equity shares of Rs.10/- (Rupees Ten only) each into Five (5) equity shares of Rs. 2/- (Rupees Two only) each fully paid would require amendment to existing Capital Clause V of the Memorandum of Association. After approval of the resolutions set out at Item No 6, the Board of Directors or Committee thereof will fix the record date for the purpose of ascertaining the list of members whose shares shall be sub-divided, as proposed above and the same shall be notified to the members through appropriate medium.

A copy of the Memorandum of Association along with proposed amendments will be open for inspection by the Members at the Registered Office of the Company during business hours on all working days up to the date of this meeting.

The board recommends passing the resolution, as an Ordinary Resolution, with or without modifications.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolutions, except to the extent of equity shares held by them in the Company.

**By order of the Board  
FOR COLORCHIPS NEW MEDIA LIMITED**

**SD/-  
RAMABHOTLA SRINIVASA SUDHISH  
MANAGING DIRECTOR  
DIN: 00027816**

**01/09/2022  
Hyderabad**

**ADDITIONAL INFORMATION**

**(Pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 – Information of Directors Proposed to be Re-appointed**

| <b>Name of Director</b> | <b>Srinivasa Sudhish<br/>Ramabhotla</b> | <b>Srinivasa Murthy Banda</b> | <b>Krishnapriya<br/>Vincent</b> |
|-------------------------|---|-------------------------------|---------------------------------|
| <b>Date of Birth</b>    | 01.10.1967                              | 03.01.1973                    | 13.11.1965                      |

|   |   |   |                            |
|---|---|---|----------------------------|
| Date of Appointment   |   |   |                            |
| Relationship with Directors   | Nil   | Nil   | Nil                        |
| Qualification   | Hon. Doctorate alumni of HBS; C.A; L.L.B  | Alumni from IIM Calcutta  | Bachelor of Science        |
| Experience and Expertise in Specific Functional areas                   | Serial Entrepreneur and varied managerial experience  | Expertise in Pharma and IT Industry   | Expert in Animation Sector |
| Board Membership of Companies as on 31 <sup>st</sup> March, 2022        | <ol style="list-style-type: none"> <li>1. Ravikaanth Portfolio Services Private Limited;</li> <li>2. Vega Music Private Limited.</li> </ol> | <ol style="list-style-type: none"> <li>1. SKY-E IT Solutions Private Limited;</li> <li>2. Aam Sky Geospatial Solutions Private Limited;</li> <li>3. Salus Soft Solutions Private Limited;</li> <li>4. Qualitics GIT Solutions Private Limited.</li> </ol> | Nil                        |
| Number of Shares held in the Company as on 31 <sup>st</sup> March, 2022 | 50,06,084   | Nil   | Nil                        |

**DIRECTOR'S REPORT**

Dear Members,

Your Directors have pleasure in presenting herewith the 37<sup>th</sup> Annual Report on the business of the Company together with the Financial Statements for the financial year ended March 31, 2022.

**1. FINANCIAL HIGHLIGHTS**

(Amount in Rs.)

| PARTICULARS                   | STANDALONE         |                      |
|-------------------------------|--------------------|----------------------|
|                               | 31.03.2022         | 31.03.2021           |
| Total Revenue                 | 2,13,36,895        | 2,36,40,668          |
| Total Expenses                | 2,49,83,118        | 5,33,36,825          |
| <b>Profit/loss before Tax</b> | <b>(36,46,223)</b> | <b>(2,96,96,157)</b> |
| Tax Expense                   | 0                  | 0                    |
| Deferred Tax                  | (71,53,080)        | 79,55,434            |
| <b>Profit/loss after Tax</b>  | <b>35,06,857</b>   | <b>(3,76,51,591)</b> |

**2. DIVIDEND**

Due to the COVID-19 pandemic following its impact on the Company's business activities, there was no scope to develop and enhance the business activities, thus, the Company could not generate the distributable profits for the FY 2021-22 and hence no dividend is proposed.

**3. CHANGES IN SHARE CAPITAL**

There was no change in the share capital of the Company during the year under review.

However, the Company intended to sub-divide the Equity Shares from Face Value of Rs. 10/- to face Value of Rs.2/- each.

The Board recommended the proposal of sub-division of equity shares in their meeting held on 01<sup>st</sup> September, 2022. Therefore the Authorized Equity Share Capital of the Company shall be sub-divided into 5 (Five) Equity Shares having Face Value of Rs.2/- each.

Consequently, the Board altered the Capital Clause of Memorandum of Association of the Company, in order to give effect to the proposed sub-division of Equity Shares. Hence, the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted as follows:

***V. "The Authorised Capital of the Company is Rs.18,50,00,000/- (Rupees Eighteen Crores and Fifty Lakhs only) divided into 9,25,00,000 (Nine Crores and Twenty five Lakhs) Equity Shares of Rs.2/- (Rupees Two only) each."***

No equity shares with differential rights as to dividend, voting or otherwise were issued during the year under review.

No shares (including sweat equity shares) were issued to the employees of the Company under any scheme.



**4. CHANGE IN THE NATURE OF BUSINESS:**

There is no change in the nature of business during the FY 2021-22.

**5. MATERIAL CHANGES AND COMMITMENTS**

There were no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**6. TRANSFER TO RESERVES**

No amount has been transferred to the general reserves during the year under review. Details of reserves and surplus are disclosed in Note No 13 of the financial statements.

**10. MEETING OF INDEPENDENT DIRECTORS:**

During the year under review, the Independent Directors met on 14.02.2022 inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into ac-

**11. BOARD MEETINGS**

During the year, 7 (Seven) meetings of the Board of Directors were held as more particularly disclosed in the attached Report on Corporate Governance. The intervening gap between any two meetings was within the prescribed period. The number and dates of meetings held by the Board and its Committees, attendance of Directors and details of remuneration paid to them is giv-

**7. DEPOSITS**

The Company has neither accepted nor renewed any deposits from public as defined under the provisions of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014.

**8. SUBSIDIARIES**

Vega Music Private Limited is the only Wholly Owned Subsidiary of the Company, which is engaged in motion picture, radio, television and other entertainment activities.

**9. DETAILS OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

Nil

count the views of the Executive and Non-Executive Directors.

- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.  
All the Independent Directors were present at the Meeting.

en separately in Corporate Governance Report in terms of Section 134(3)(b) of the Companies Act, 2013.

**12. BOARD EVALUATION**

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee Governance.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfillment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings. The Chairman of the Board had one-on-one meetings with the Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of Board/Committee processes. Further, the Independent Directors at their meeting, reviewed the performance of Board, Chairman of the Board and of Non-Executive Directors.

**13. CHANGE IN DIRECTORS OR KEY MANAGERIAL PERSONNEL:**

There is no change in the position of Directors of the Company during the year under review.

Mr. Rahul Gour, Company Secretary, has tendered his resignation as Company Secretary of the Company w.e.f 30.06.2022.

**14. COMMITTEES OF THE BOARD**

The number of committees of the Board, its compositions, meetings etc., forms part of the Corporate Governance Report accompanied to this Annual Report.

**15. STATUTORY AUDITORS**

M/s. Pavan & Associates., Chartered Accountants, Hyderabad, Firm Registration Number: 012132S were appointed as Statutory Auditors of the Company for a period of 5 Years, to hold office from the Conclusion of 37<sup>th</sup> Annual General Meeting of the Company till the conclusion of 42<sup>nd</sup> Annual General Meeting of the Company. They

have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company.

**16. AUDITORS' REPORT**

The Auditors' Report for the FY 2021-22 does not contain any qualification, reservation or adverse remarks. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments. There were no frauds reported by the auditor in the Audit Report.

**17. SECRETARIAL AUDIT REPORT**

Sarada Putcha, Practicing Company Secretary, (C.P. No. 8735) has conducted the secretarial audit of the Company for the financial year 2021-22, as required under Section 204 of the Companies Act, 2013 and rules made thereunder. The secretarial audit report for FY 2021-22 forms part of this Annual Report as **Annexure – I**. The report does not contain any qualifications/observations except for not filing of the Form IEPF with the Registrar of Companies.

**Management response to sole observation made by the Secretarial Auditors:**

The Company is in the process of obtaining the data from the HDFC Bank for filing the relevant IEPF form with the Registrar.

**18. INTERNAL AUDITORS**

M/s S N Murthy & Co., Chartered Accountants, Hyderabad, (FRN: 014554S) were appointed as Internal Auditors of the Company for a period of 5 years to hold office from the Conclusion of 37<sup>th</sup> Annual General Meeting of the Company till the conclusion

of 42<sup>nd</sup> Annual General Meeting of the Company.

**19. MATERIAL EVENTS**

No material events and commitments affecting the financial position of your Company have occurred after the closure of the Financial Year 2021-22 till the date of this Report.

**20. CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Section 135 of the Companies Act, 2013 in connection with corporate social responsibility are not applicable to the Company for the financial year under review.

**21. INTERNAL FINANCIAL CONTROLS**

The Company has adequate internal financial controls which commensurate with the size of the business of the Company.

**22. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (5) of the Companies Act, 2013, Your Directors' confirm that:

- i. in preparation of annual accounts for the financial year ended 31<sup>st</sup> March, 2022 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2022 and of the

profit and loss of the Company for the year;

- iii. the Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors had prepared the annual accounts on a going concern basis;
- v. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**23. REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors and Senior Management personnel and fix their remuneration. The Remuneration Policy is posted on the website of the Company.

**24. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

A vigil mechanism for directors and employees to report genuine concerns has been established. The vigil mechanism policy has been uploaded on the website of the Company.

**25. RISK MANAGEMENT POLICY**

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. There are no material risks which threaten the very existence of the company.

**26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO**

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed herewith as **Annexure-II**.

**27. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure –III**.

The Boards Report along with annual return and other annexures are also uploaded at the investor section of the Company's website - [www.colorchipsindia.com](http://www.colorchipsindia.com).

**28. PARTICULARS OF EMPLOYEES**

Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the financial year no employee was in receipt of remuneration of Rs. 1.02 Crore or more, or were employed for part of the year was in receipt of Rs. 8.5 Lakh or more a month.

Disclosure under Rule 5 of the Companies (Appointment & Remuneration of Manage-

rial Personnel) Rules, 2014 is enclosed as **Annexure – IV**.

**29. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report is enclosed as **Annexure - V** to this report.

**30. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of investment made by the Company are given in the Notes to the Financial Statements.

During the year under review, the Company has not granted any Loans or given guarantees covered under Section 186 of the Companies Act, 2013.

**31. CORPORATE GOVERNANCE**

A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report.

**32. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business.

There were materially significant related party transactions with the Company's Promoters, Directors, Management or their

relatives, which could have had a potential conflict with the interests of the Company.

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, in Form AOC-2 and disclosures under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed as **Annexure-VI** to this report.

**33. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE**

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

**34. COST RECORDS**

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.

**35. SECRETARIAL STANDARDS**

The Company has complied with all the applicable provisions of the secretarial standards as applicable to the Company.

**36. LISTING**

Your Company's shares are listed on the BSE Limited and the Company is in the process of paying listing fee for the Financial Year 2022-23.

**37. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

**(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the year:

No. of complaints received: Nil

No. of complaints disposed off: Nil

**38. HUMAN RESOURCES**

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.

**39. INSIDER TRADING REGULATIONS**

The Company has adopted a 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations). The Code is applicable to Promoters, Member of Promoter's Group, all Directors

and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)' in compliance with the SEBI (PIT) Amendment Regulations, 2018. This Code is displayed on the Company's website.

#### **40. ACKNOWLEDGEMENT**

Your Directors place on record their appreciation of the continued patronage extend-

ed to the Company by bankers, dealers, customers, suppliers, employees and shareholders. The trust reposed in your Company by its esteemed customers helped stabilized growth during the year review.

**FOR AND ON BEHALF OF THE BOARD**  
**SD/-**  
**RAMABHOTLA SRINIVASA SUDHISH**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00027816**

**01/09/2022**  
**Hyderabad**

**Annexure – I**  
**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
 FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH,  
 2022

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

**To**  
**The Members**  
**Colorchips New Media Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Colorchips New Media Limited** bearing CIN: L74110TG1985PLC051404 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on March 31, 2022 according to the applicable provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder.
  - ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report: -
- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

The listed entity has complied with the provisions of the above Regulations and circulars/guidelines there-under except in respect of the matters specified below:

| S. No | Compliance requirement (regulations /circulars/guidelines including specific clause)   | Deviations   |
|-------|--|--|
| 1     | Reg 7(1)<br>Non-compliance with requirement to appoint a qualified company secretary as the compliance officer for the quarter ended June 2021                   | BSE has levied fine of Rs. 1,05,020/-plus GST. The Company has made all efforts to appoint company secretary and subsequently paid fine levied by BSE. |
| 2     | Reg 7(1)<br>Non-compliance with requirement to appoint a qualified company secretary as the compliance officer for the quarter ended September, 2021             | BSE has levied fine of Rs. 90,000/-plus GST. The Company has made all efforts to appoint company secretary and subsequently paid fine levied by BSE.   |
| 3     | Reg 33 of SEBI (LODR), 2015<br>Non-submission of the financial results within the period prescribed under this regulation for the quarter ended September, 2021. | BSE has levied fine of Rs.1,45,000/-plus GST The Company is in the process of paying fine.   |
| 4     | Reg 29(2) /29 (3)<br>Delay in furnishing prior intimation about board meeting.   | BSE has levied fine of Rs.10,000/-. The Company is in the process of paying fine.  |

- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

regarding the Companies Act, 2013 and dealings with client;

- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- g. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

3. The industry specific major laws that applicable to the company are:

- a. Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016 under the Environment (Protection) Act, 1986:
- b. Food Safety and Standards Act, 2006
- c. Petroleum Act 1934
- d. The Indian Copyright Act, 1957
- e. The Patents Act, 1970
- f. The Trade Marks Act, 1999
- g. The Indian Boilers Act, 1923
- h. The Explosives Act 1983
- i. Manufacture Storage and Import of Hazardous Chemical Rules, 1989
- j. Public Liability Insurance Act, 1991

4. I have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India.

The above laws as may be applicable to the Company are based on the Compliance Certifi-



cate issued by the Managing Director and submitted to the Board of Directors of the Company. During the Audit Period under review and as per the explanation and clarifications given to me and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except *that*:

- *the Company has not filed Form IEPF 2 with the Registrar of Companies;*

I further report that, during the year under review:

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same has been subject to review by statutory financial audit and other designated professionals;

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non -Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Whenever required, the Board has also met with a notice shorter than seven days.

Decisions at the Board Meetings, as represented by the management, were taken by majority and recorded as part of the minutes.

As per the explanations given to me and the representations made by the Management and relied upon by me, I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Sarada Putcha  
Company Secretary in practice  
SD/-  
Sarada Putcha  
M. No.: A21717  
C.P. No.: 8735  
UDIN: A021717D000889210**

**01.09.2022  
Hyderabad**

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

#### **Annexure A**

**To  
The Members  
Colorchips New Media Limited**

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on

test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. In view of the limitations imposed during the lockdown of the country due to the pandemic spread of the COVID-19 disease, the audit was conducted based on the information and documents provided by the management of the company.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Sarada Putcha  
Company Secretary in practice  
SD/-  
Sarada Putcha  
M. No.: A21717  
C.P. No.: 8735**

**Date: 01.09.2022**

**Place: Hyderabad**

**Annexure – II**

**STATEMENT PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014**

**(A) Conservation of energy-**

(i) the steps taken or impact on conservation of energy: Nil

(ii) the steps taken by the company for utilizing alternate sources of energy: Nil

(iii) the capital investment on energy conservation equipment: Nil

**(B) Technology absorption-**

(i) the efforts made towards technology absorption: Nil

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution: Nil

Foreign Exchange outgo during the year in terms of actual outflows:

Total Foreign exchange Outgo: Nil

Total Foreign exchange earned: Nil

**FOR AND ON BEHALF OF THE BOARD**

**SD/-**

**RAMABHOTLA SRINIVASA SUDHISH**

**CHAIRMAN & MANAGING DIRECTOR**

**DIN: 00027816**

**01.09.2022**

**Hyderabad**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31-03-2022**

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

|   |  |
|---|--|
| CIN   | L52110TG1985PLC051404  |
| Registration Date   | May 10, 1985   |
| Name of the Company   | Colorchips New Media Limited (formerly known as Millitoons Entertainment Limited)  |
| Category/Sub-Category of the Company                                      | Company limited by Shares/<br>Indian Non-Government Company  |
| Address of the Registered office and contact details                      | House No. 8-3-833/85 & 85A, Plot No. 85, Phase 1, Kamalapur Colony, Hyderabad TG 500073 IN<br>Contact: 040 6535 9666<br>Email id: <a href="mailto:info@colorchipsindia.com">info@colorchipsindia.com</a>   |
| Whether listed company  | Yes – listed on BSE  |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | Kfin Technologies Private Limited<br>Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, Telangana.<br>Contact No.: 040 - 67161500<br>E-Mail: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Business activities contributing 10 % or more of the total turnover of the company

| Sl. No | Name and Description of main products/ services | NIC Code of the Product/ service | % Total turnover of the company |
|--------|---|----------------------------------|---------------------------------|
| 1      | Digital Media                                   | 5911                             | 100%                            |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| Sl. No | Name and Address of The company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares Held | Applicable Section |
|--------|---------------------------------|---------|--------------------------------|------------------|--------------------|
|        | -                               | -       | -                              | -                | -                  |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

*(i) Category-wise Share Holding*

| Category of Shareholders         | No. of Shares held at the beginning of the year [As on 31-March-2021] |          |                 |                   | No. of Shares held at the end of the year [As on 31-March-2022] |          |                 |                   | % Change during the year |
|----------------------------------|---|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
|                                  | Demat   | Physical | Total           | % of Total Shares | Demat   | Physical | Total           | % of Total Shares |                          |
| <b>A. Promoters</b>              |   |          |                 |                   |   |          |                 |                   |                          |
| <b>(1) Indian</b>                |   |          |                 |                   |   |          |                 |                   |                          |
| a) Individual/HUF                | 5006094   | -        | 5006094         | 29.43             | 5006094   | -        | 5006094         | 29.43             | -                        |
| b) Central Govt                  | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| c) State Govt(s)                 | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| d) Bodies Corp.                  | 7730471   | -        | 7730471         | 45.45             | 7730471   | -        | 7730471         | 45.45             | -                        |
| e) Banks / FI                    | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| f) Any other                     | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| <b>Sub Total (A) (1)</b>         | <b>12736565</b>   |          | <b>12736565</b> | <b>74.88</b>      | <b>12736565</b>   |          | <b>12736565</b> | <b>74.88</b>      | <b>-</b>                 |
| <b>(2) Foreign</b>               |   |          |                 |                   |   |          |                 |                   |                          |
| a) NRI Individuals               | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| b) Other Individuals             | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| c) Bodies Corp.                  | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| d) Banks / FI                    | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| e) Any other                     | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| <b>Sub Total (A) (2)</b>         | <b>-</b>  | <b>-</b> | <b>-</b>        | <b>-</b>          | <b>-</b>  | <b>-</b> | <b>-</b>        | <b>-</b>          | <b>-</b>                 |
| <b>Total (A)</b>                 | <b>12736565</b>   |          | <b>12736565</b> | <b>74.88</b>      | <b>12736565</b>   |          | <b>12736565</b> | <b>74.88</b>      | <b>-</b>                 |
| <b>B. Public Shareholding</b>    |   |          |                 |                   |   |          |                 |                   |                          |
| <b>1. Institutions</b>           |   |          |                 |                   |   |          |                 |                   |                          |
| a) Mutual Funds                  | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| b) Banks / FI                    | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| c) Central Govt                  | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| d) State Govt(s)                 | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| e) Venture Capital Funds         | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| f) Insurance Companies           | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| g) FIIs                          | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |
| h) Foreign Venture Capital Funds | -   | -        | -               | -                 | -   | -        | -               | -                 | -                        |

**COLORCHIPS NEW MEDIA LIMITED**

|  |                 |             |                 |              |                 |             |                 |              |          |
|--|-----------------|-------------|-----------------|--------------|-----------------|-------------|-----------------|--------------|----------|
| i) Others (specify)  | -               | -           | -               | -            | -               | -           | -               | -            | -        |
| <b>Sub-total (B)(1):-</b>  | -               | -           | -               | -            | -               | -           | -               | -            | -        |
| <b>2. Non-Institutions</b>   |                 |             |                 |              |                 |             |                 |              |          |
| a) Bodies Corp.  |                 |             |                 |              |                 |             |                 |              |          |
| i) Indian  | 4060080         | -           | 4060080         | 23.87        | 4032412         | -           | 4032412         | 23.71        | -0.16    |
| ii) Overseas   | -               | -           | -               | -            | -               | -           | -               | -            | -        |
| b) Individuals   | -               | -           | -               | -            | -               | -           | -               | -            | -        |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 151870          | 1990        | 153860          | 0.90         | 184294          | 1990        | 186284          | 1.10         | 0.2      |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 55300           | 0           | 55300           | 0.33         | 54500           | 0           | 54500           | 0.32         | -0.01    |
| c) Others (specify)  | -               | -           | -               | -            | -               | -           | -               | -            | -        |
| Non-Resident Indians   | 69              | 0           | 69              | 0            | 69              | 0           | 69              | 0            | 0        |
| Overseas Corporate Bodies  | -               | -           | -               | -            | -               | -           | -               | -            | -        |
| Foreign Nationals  | -               | -           | -               | -            | -               | -           | -               | -            | -        |
| Clearing Members   | 4026            | -           | 4026            | 0.02         | 70              | -           | 70              | 0.00         | -0.02    |
| Trusts   | -               | -           | -               | -            | -               | -           | -               | -            | -        |
| Foreign Bodies - D R   | -               | -           | -               | -            | -               | -           | -               | -            | -        |
| <b>Sub-total (B)(2):-</b>  |                 | 1990        |                 |              |                 | 1990        |                 |              |          |
| <b>Total Public (B)</b>  | <b>4271345</b>  | <b>1990</b> | <b>4273335</b>  | <b>25.12</b> | <b>4271345</b>  | <b>1990</b> | <b>4273335</b>  | <b>25.12</b> | <b>-</b> |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | -               | -           | -               | -            | -               | -           | -               | -            | -        |
| <b>Grand Total (A+B+C)</b>   | <b>17007910</b> | <b>1990</b> | <b>17009900</b> | <b>100</b>   | <b>17007910</b> | <b>1990</b> | <b>17009900</b> | <b>100</b>   | <b>-</b> |

**(ii) Shareholding of Promoters**

| S. No        | Shareholder's Name                            | Shareholding at the beginning of the year as on 31 <sup>st</sup> March 2021 |                                  |   | Shareholding at the end of the year on 31 <sup>st</sup> March 2022 |                                  |   | % change |
|--------------|---|---|----------------------------------|---|--|----------------------------------|---|----------|
|              |   | No. of Shares   | % of total Shares of the company | %of Shares Pledged / Encumbered to total shares | No. of Shares  | % of total Shares of the company | %of Shares Pledged / encumbered to total shares |          |
| 1            | Ramabhotla Srinivasa Sudhish                  | 5006084   | 29.43                            | -   | 5006084  | 29.43                            | -   | -        |
| 2            | Sree Lakshmi Ramabhotla                       | 10  | 0.00                             | -   | 10   | 0.00                             | -   | -        |
| 3            | Ravikaanth Portfolio Services Private Limited | 7730471   | 45.45                            | -   | 7730471  | 45.45                            | -   | -        |
| <b>TOTAL</b> |   | <b>12736565</b>   | <b>74.88</b>                     | <b>-</b>  | <b>12736565</b>  | <b>74.88</b>                     | <b>-</b>  | <b>-</b> |

**(iii) Change in Promoters' Shareholding:**

| S. No        | Shareholder's Name                            | Shareholding at the beginning of the year as on 31 <sup>st</sup> March 2021 |                                  |   | Shareholding at the end of the year on 31 <sup>st</sup> March 2022 |                                  |   | % change |
|--------------|---|---|----------------------------------|---|--|----------------------------------|---|----------|
|              |   | No. of Shares   | % of total Shares of the company | %of Shares Pledged / Encumbered to total shares | No. of Shares  | % of total Shares of the company | %of Shares Pledged / encumbered to total shares |          |
| 1            | Ramabhotla Srinivasa Sudhish                  | 5006084   | 29.43                            | -   | 5006084  | 29.43                            | -   | -        |
| 2            | Sree Lakshmi Ramabhotla                       | 10  | 0.00                             | -   | 10   | 0.00                             | -   | -        |
| 3            | Ravikaanth Portfolio Services Private Limited | 7730471   | 45.45                            | -   | 7730471  | 45.45                            | -   | -        |
| <b>TOTAL</b> |   | <b>12736565</b>   | <b>74.88</b>                     | <b>-</b>  | <b>12736565</b>  | <b>74.88</b>                     | <b>-</b>  | <b>-</b> |

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| S. No | Name of the Shareholder | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-------|-------------------------|---|----------------------------------|---|----------------------------------|
|       |                         | No. of Shares                             | % of total Shares of the company | No. of Shares                           | % of total Shares of the company |

**COLORCHIPS NEW MEDIA LIMITED**

|     |  |                |              |                |              |
|-----|--|----------------|--------------|----------------|--------------|
| 1.  | <b>Locero Media &amp; Consulting Private Limited<sup>#</sup></b> | Nil            | Nil          | Nil            | Nil          |
|     | Change during the year   | Nil            | Nil          | Nil            | Nil          |
|     | At the end of the year   | <b>Nil</b>     | <b>Nil</b>   | <b>Nil</b>     | <b>Nil</b>   |
| 2.  | <b>Tranello Info Solutions Private Limited<sup>#</sup></b>       | Nil            | Nil          | Nil            | Nil          |
|     | Change during the year   | Nil            | Nil          | Nil            | Nil          |
|     | At the end of the year   | <b>Nil</b>     | <b>Nil</b>   | <b>Nil</b>     | <b>Nil</b>   |
| 3.  | <b>Viniato Advisors Private Limited</b>                          | 4051737        | 23.82        | 4051737        | 23.82        |
|     | Change during the year   | 20000          | 0.12         | 4031737        | 23.70        |
|     | At the end of the year   | <b>4031737</b> | <b>23.70</b> | <b>4031737</b> | <b>23.70</b> |
| 4.  | <b>Prabhakar Rao Mandava</b>                                     | 55300          | 0.325        | 55300          | 0.325        |
|     | Change during the year   | (800)          | 0.00         | 54500          | 0.320        |
|     | At the end of the year   | <b>54500</b>   | <b>0.320</b> | <b>54500</b>   | <b>0.320</b> |
| 5.  | <b>Lanka V N Muralidhar</b>                                      | <b>7375</b>    | <b>0.04</b>  | <b>7375</b>    | <b>0.04</b>  |
|     | Change during the year   | (167)          | 0.00         | 7208           | 0.04         |
|     | At the end of the year   | <b>7208</b>    | <b>0.04</b>  | <b>7208</b>    | <b>0.04</b>  |
| 6.  | <b>Kaushika Hemant Khajanchi</b>                                 | 5619           | 0.03         | -              | -            |
|     | Change during the year   | Nil            | Nil          | 5619           | 0.03         |
|     | At the end of the year   | <b>5619</b>    | <b>0.03</b>  | <b>5619</b>    | <b>0.03</b>  |
| 7.  | <b>Kundan Chhotalal Bhanderi*</b>                                | Nil            | Nil          | Nil            | Nil          |
|     | Change during the year   | 5588           | 0.033        | -              | -            |
|     | At the end of the year   | <b>5588</b>    | <b>0.033</b> | <b>5588</b>    | <b>0.033</b> |
| 8.  | <b>Ashish Patiyal*</b>   | Nil            | Nil          | Nil            | Nil          |
|     | Change during the year   | -              | -            | 4333           | 0.025        |
|     | At the end of the year   | <b>4333</b>    | <b>0.025</b> | <b>4333</b>    | <b>0.025</b> |
| 9.  | <b>Kashinath Prabhakar Athavale*</b>                             | Nil            | Nil          | Nil            | Nil          |
|     | Change during the year   | -              | -            | 3993           | 0.023        |
|     | At the end of the year   | <b>3993</b>    | <b>0.023</b> | <b>3993</b>    | <b>0.023</b> |
| 10. | <b>Chhotalal Ramjibhai Bhanderi*</b>                             | Nil            | Nil          | Nil            | Nil          |
|     | Change during the year   | -              | -            | 3751           | 0.022        |
|     | At the end of the year   | <b>3751</b>    | <b>0.022</b> | <b>3751</b>    | <b>0.022</b> |
| 11. | <b>Ganesh Parshuram Shinde*</b>                                  | 3001           | 0.017        | 3001           | 0.017        |
|     | Change during the year   | (600)          | 0.00         | 3601           | 0.021        |
|     | At the end of the year   | <b>3601</b>    | <b>0.021</b> | <b>3601</b>    | <b>0.021</b> |



**COLORCHIPS NEW MEDIA LIMITED**

|   |   |                |              |             |             |
|---|---|----------------|--------------|-------------|-------------|
| 12.   | <b>Hiraben Ratilal Modi</b>                         | <b>3400</b>    | <b>0.01</b>  | <b>3400</b> | <b>0.01</b> |
|   | Change during the year                              | Nil            | Nil          | Nil         | Nil         |
|   | At the end of the year                              | <b>3400</b>    | <b>0.01</b>  | <b>3400</b> | <b>0.01</b> |
| 13.   | <b>Manoj Ashok Kumar Bharakhada<sup>#</sup></b>     | 4478           | 0.02         | 4478        | 0.02        |
|   | Change during the year                              | (4478)         | 0.02         | -           | -           |
|   | At the end of the year                              | <b>Nil</b>     | <b>Nil</b>   | <b>Nil</b>  | <b>Nil</b>  |
| 14.   | <b>Kishan Narayanprasad Agarwal<sup>#</sup></b>     | <b>2600</b>    | <b>0.01</b>  | <b>2600</b> | <b>0.01</b> |
|   | Change during the year                              | Nil            | Nil          | Nil         | Nil         |
|   | At the end of the year                              | <b>2600</b>    | <b>0.01</b>  | <b>2600</b> | <b>0.01</b> |
| 15.   | <b>Mangesh Vijay Shelar<sup>#</sup></b>             | 15139          | 0.089        | 15139       | 0.089       |
|   | Change during the year                              | <b>(15139)</b> | <b>0.089</b> | <b>Nil</b>  | <b>Nil</b>  |
|   | At the end of the year                              | <b>Nil</b>     | <b>Nil</b>   | <b>Nil</b>  | <b>Nil</b>  |
| 16.   | <b>Interface financial Services ltd<sup>#</sup></b> | 7398           | 0.04         | 7398        | 0.04        |
|   | Change during the year                              | (7398)         | 0.04         | -           | -           |
|   | At the end of the year                              | <b>Nil</b>     | <b>Nil</b>   | <b>Nil</b>  | <b>Nil</b>  |
| 17.   | <b>Daniel Geevarghese<sup>#</sup></b>               | 5917           | 0.03         | 5917        | 0.03        |
|   | Change during the year                              | (5917)         | 0.03         | Nil         | Nil         |
|   | At the end of the year                              | <b>Nil</b>     | <b>Nil</b>   | <b>Nil</b>  | <b>Nil</b>  |
| * Marked shareholders were not present in the list of top ten shareholders as on 01.04.2021 and are reflecting in the above list since they are in the top ten list as on 31.03.2022.               |   |                |              |             |             |
| # Marked shareholders ceased to be in the list of top ten shareholders as on 31.03.2022, however they are reflected in the above list since they were present in the top ten list as on 01.04.2021. |   |                |              |             |             |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| S. No | For each of the Directors and KMP   | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|-------|-------------------------------------|---|-------------------|---|-------------------|
|       |                                     | No. of Shares                             | % of total Shares | No. of Shares                           | % of total Shares |
| 1     | <b>Ramabhotla Srinivasa Sudhish</b> |   |                   |   |                   |
|       | At the beginning of the year        | 5006094                                   | 29.43             | 5006094                                 | 29.43             |
|       | Changes during the year             | 10  | 0.00              | 5006084                                 | 29.43             |
|       | At the end of the year              | <b>5006084</b>                            | <b>29.43</b>      | <b>5006084</b>                          | <b>29.43</b>      |
| 2     | <b>RLVN Kishore Siram</b>           |   |                   |   |                   |

|   |                              |            |               |            |               |
|---|------------------------------|------------|---------------|------------|---------------|
|   | At the beginning of the year | 732        | 0.0043        | 732        | 0.0043        |
|   | Changes during the year      | NIL        | NIL           | NIL        | NIL           |
|   | At the end of the year       | <b>732</b> | <b>0.0043</b> | <b>732</b> | <b>0.0043</b> |
| 3 | <b>Krishna priya Vincent</b> |            |               |            |               |
|   | At the beginning of the year | -          | -             | -          | -             |
|   | Changes during the year      | -          | -             | -          | -             |
|   | At the end of the year       | -          | -             | -          | -             |
| 4 | <b>Srinivas Murthy Banda</b> |            |               |            |               |
|   | At the beginning of the year | -          | -             | -          | -             |
|   | Changes during the year      | -          | -             | -          | -             |
|   | At the end of the year       | -          | -             | -          | -             |
| 5 | <b>Srinivas Rao Kakkera</b>  |            |               |            |               |
|   | At the beginning of the year | 306        | 0.00          | 306        | 0.00          |
|   | Changes during the year      | NIL        | NIL           | NIL        | NIL           |
|   | At the end of the year       | <b>306</b> | <b>0.00</b>   | <b>306</b> | <b>0.00</b>   |

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Amount in INR

|  | Secured Loans<br>excluding<br>deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|--|--|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |  |                    |          |                       |
| i) Principal Amount  | Nil                                    | 13,95,000          | Nil      | 13,95,000             |
| ii) Interest due but not paid                              |  |                    |          |                       |
| iii) Interest accrued but not due                          |  |                    |          |                       |
| <b>Total (I + ii + iii)</b>                                | Nil                                    | 13,95,000          | Nil      | 13,95,000             |
| <b>Change in Indebtedness during the financial year</b>    |  |                    |          |                       |
| • Addition   |  |                    |          |                       |
| • Reduction  | NIL                                    | 13,95,000          | NIL      | 13,95,000             |
| <b>Net Change</b>  | NIL                                    | 13,95,000          | NIL      | 13,95,000             |
| <b>Indebtedness at the end of the financial year</b>       |  |                    |          |                       |
| i) Principal Amount  | Nil                                    | NIL                | Nil      | Nil                   |
| ii) Interest due but not paid                              |  |                    |          |                       |
| iii) Interest accrued but not due                          |  |                    |          |                       |
| <b>Total (I + ii + iii)</b>                                | Nil                                    | NIL                | Nil      | Nil                   |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| Sl. No                        | Particulars of Remuneration   | Name of MD/WTD/ Manager      | Total Amount      |
|-------------------------------|---|------------------------------|-------------------|
| 1.                            | Gross salary  | Srinivasa Sudhish Ramabhotla | 5,40,000          |
|                               | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                              |                   |
|                               | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                            |                   |
|                               | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |                              |                   |
| 2.                            | Stock Option  | -                            | -                 |
| 3.                            | Sweat Equity  | -                            | -                 |
| 4.                            | Commission  | -                            | -                 |
|                               | - as % of profit<br>- others, specify...  |                              |                   |
| 5.                            | Others, please specify  | -                            | -                 |
| <b>Total (A)</b>              |   | -                            | -                 |
| <b>Ceiling as per the Act</b> |   |                              | <b>5,40,000/-</b> |

**B. Remuneration to other directors:**

| S.No                                  | Particulars of Remuneration                    | Name of Directors | Total Amount |
|---------------------------------------|--|-------------------|--------------|
| 1.                                    | <b>Independent Directors</b>                   |                   | -            |
|                                       | • Fee for attending board / committee meetings | -                 |              |
|                                       | • Commission                                   | -                 |              |
|                                       | • Others, please specify                       | -                 |              |
| <b>Total (1)</b>                      |  | -                 | -            |
| 2.                                    | <b>Other Non-Executive Directors</b>           |                   | -            |
|                                       | • Fee for attending board / committee meetings | -                 |              |
|                                       | • Commission                                   | -                 |              |
|                                       | • Others, please specify (Salary)              | -                 |              |
| <b>Total (2)</b>                      |  | -                 | -            |
| <b>Total (B) = (1+2)</b>              |  | -                 | -            |
| <b>Total Managerial Remuneration</b>  |  | -                 |              |
| <b>Overall Ceiling as per the Act</b> |  | N.A.              | -            |

**C. Remuneration to KMP Other Than MD/Manager/WTD**

| S.No | Particulars of Remuneration | KMP        |               | Total Amount |
|------|-----------------------------|------------|---------------|--------------|
|      |                             | Rahul Gour | Srinivasa Rao |              |
|      |                             | CS         | CFO           |              |

**COLORCHIPS NEW MEDIA LIMITED**

|                               |  |                 |          |                 |
|-------------------------------|--|-----------------|----------|-----------------|
| 1.                            | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 2,40,000        | -        | 2,40,000        |
| 2.                            | Stock Option   | -               | -        | -               |
| 3.                            | Sweat Equity   | -               | -        | -               |
| 4.                            | Commission<br>- as % of profit<br>- others, specify...   | -               | -        | -               |
| 5.                            | Others, please specify   | -               | -        | -               |
| <b>Total (A)</b>              |  | <b>2,40,000</b> | <b>-</b> | <b>2,40,000</b> |
| <b>Ceiling as per the Act</b> |  | <b>N.A.</b>     |          | <b>-</b>        |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type                             | Section of The Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|----------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| Penalty                          | -                            | -                 | -   | -                            | -                                  |
| Punishment                       | -                            | -                 | -   | -                            | -                                  |
| Compounding                      | -                            | -                 | -   | -                            | -                                  |
| <b>OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                    |
| Penalty                          | -                            | -                 | -   | -                            | -                                  |
| Punishment                       | -                            | -                 | -   | -                            | -                                  |
| Compounding                      | -                            | -                 | -   | -                            | -                                  |

**FOR AND ON BEHALF OF THE BOARD**

**SD/-**

**RAMABHOTLA SRINIVASA SUDHISH  
CHAIRMAN & MANAGING DIRECTOR  
DIN:00027816**

**Date: 01.09.2022**

**Place: Hyderabad**

**Annexure – IV**

**Disclosures under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

The ratio of the remuneration of each director to the median remuneration of the employees of the company:

No remuneration was paid to directors during the year under review.

1. ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive officer, Company Secretary or manager, if any, in the Financial Year:

There was no increase in the salaries paid to Chief Financial Officer of the Company.

The remuneration currently being paid to CFO is in line with the industry standards. There were no exceptional circumstances for increase in the managerial remuneration of any person.

2. The median remuneration of employees' of the Company during the financial year

The median remuneration of the employees cannot be interpreted for the financial year 2021-22, since there are no working employees on the rolls of the Company.

3. There are no Permanent employees on the rolls of the Company as on March 31, 2022.

4. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The Company had not paid any salaries to managerial personnel. There was no increase in the salaries of employees.

Further, the remuneration currently being paid to CFO is in line with the industry standards. There were no exceptional circumstances for increase in the managerial remuneration of any person.

5. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company has not paid any remuneration to directors during the year under review.

There are no employees who are in receipt of remuneration more than Rs. One Crore and Two Lakh per annum or Rs. Eight Lakhs and Fifty Thousand per month.

At present, there are no working employees in the Company for the financial year 2021-22.

**FOR AND ON BEHALF OF THE BOARD**

**SD/-**

**RAMABHOTLA SRINIVAS**

**CHAIRMAN & MANAGING DIRECTOR**

**DIN: 00027816**

**01.09.2022**

**Hyderabad**

Annexure V

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**Business Review:**

The main focus of the Company is production of films, domestic productions in the space of theatrical, web, TV and launching channels on new technologies. The Company already owns Digital Channels. The Company has rich resources of IPR's. In the year 2021, the global economy regained and recovered with a rise of 4.2% to 5.9% but due to war outbreak between Ukraine and Russia in the month of February, the global growth rate had a downward steep and projected at 2.9% for the year 2022.

From the beginning of 2021, the globe had to face a Black swan event - COVID-19 (Second Wave). Panic stricken governments across the world implemented partially thought through measures like isolations, lockdown and widespread closures to slowdown the spread of the virus to protect lives and allow health care systems to cope. However, as it was second wave, many countries have been able to cope up with the situation and implemented best ways to provide protection to their people and it is believed that by the mid of the year most of the counties including India progressed and the contraction as improved and at present it is in control.

The Indian economy which was already reeling from a slowdown due to the first wave of COVID -19 has also been hugely affected by the Second wave of COVID -19 pandemic. However, as India has taken an initiative and launched Vaccine on 16<sup>th</sup> January, 2021. The vaccination of frontline workers started from February 2<sup>nd</sup> and the next phase of inoculation commenced from March 1<sup>st</sup> for people over 60 years of age and those aged 45. The coun-

try launched vaccination for all people aged more than 45 years from April 1<sup>st</sup>, 2021. Indian economy grew at 20.3% in Q1 following with a decline at 8.5% in Q2 and 5.4% in Q3 and in Q4 the growth rate fell to 4.1% which is the slowest pace in a year (fiscal year 2022). While the Second wave lockdown has slowdown both the demand as well as the supply side of the economy, its effects will continue to send consumption shocks for some time as job and wage losses impact the middle classes. India's unemployment rate was 11.84% in May 2021, down from 7.83% in 2022, indicating that the unemployment rate in the country is at consistent levels.

Even when the lockdown regulations are eased post June end, issues like labor availability as well as the possibility of supply chain disruptions will affect sectors such as manufacturing and construction before they can run at normal efficiency. Sectors like Tourism, Hospitality and Aviation will continue to be under stress as COVID-19 will change habits and the way of life for everyone. However, at present the economy as well as the businesses have picked up consistently with moderate rapidity.

**Media and Entertainment Industry:**

The Indian Media and Entertainment (M&E) industry is making significant strides. Proving its resilience to the world, Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenue. The Media and Entertainment industry has shown immense resilience and has bounced back post the COVID blip. The industry is primed to drive a continuously growing user base, consuming

more and more content, through innovations on multiple fronts.

M&E as a sector normally grows and outperforms India's nominal GDP, but being by nature, a discretionary spend, the M&E sector fell much higher than India's nominal GDP. India's nominal GDP grew by 6.2% in FY 2020 and fell (-) 1.4% in FY 2021. When GDP recovered 19% in FY 2022, M&E recovered 16% in 2021, while advertising recovered 25%, outpacing GDP growth.

In 2021, Indian M&E sector grew by 16.4% to Rs.1,61,400 Crore still 11% short of pre-pandemic 2019 levels, due to the second wave of COVID-19 which impacted the April – June quarter.

While television remained the largest segment, digital media cemented its position as a strong number two segment followed by a resurgent print. Digital media has put enormous choice and power in the hands of consumers, and Indian consumers have taken to it in a massive way. To navigate this shift of power to consumers, media companies need to look towards strategic and technological innovation.

The M&E sector has gone medium agnostic, given that the sector is redefining itself across these 4 verticals. Video (TV, video OTT, short video), Experiential (online gaming, cinemas, events, OOH), Textual (print, online news) and Audio (radio, music, audio OTT). Video remained the largest earning segment in 2021, holding on to its gains of 2020 as work-from-home and school-from-home remained significant for most Indians throughout 2021. The pandemic-impacted year, 2020, caused a fall in the share of experiential but it is expected to recover by 2024. Text has probably seen a permanent loss due to the fall of print circulation, but is expected to grow its share on the

back of online advertising and print and digital subscription growth. Audio revenue models remain largely ad supported, and their revenue share is likely to therefore remain stable.

In 2022, media and entertainment companies may experience a familiar landscape influenced by consumer behavior dynamism, technological innovation, competitive intensity, and industry reshaping.

Television sector grew 5% in 2021. Television advertising was just 2% short of 2019 levels. Subscription revenue continued to fall for the second year in a row; experiencing a 6.2% de-growth due to a reduction of six million pay TV homes and a fall in consumer-end ARPUs. Connected TV sets, however, increased to 1 Crore.

Number of television channels reduced marginally to 906. Pay channels increased by 21, while free-to-air (FTA) channels reduced by 26, which reflects a move by broadcasters to build stronger subscription revenue products through bouquets. 62% of channels were free-to-air as compared to 64% in 2020. News channels comprised 43% of total channels.

Ad insertions were significantly higher in the first three quarters of 2021, before dipping marginally below the 2020 number in Q4. The sustained growth in ad volumes consequently led to an average rate growth of 3% for the year.

Television subscription revenues in India decreased 6% in 2021 due to a fall in ARPUs as customers adjusted their packs and a reduction in the paid subscriber base by around six million television homes. The fall in homes has been attributed to both cord-cutting at the top end as well as movement to free television (Free Dish) at the bottom end of the customer pyramid. 56% of viewership was in re-

gional languages. 29% of channels were in Hindi and generated 43% of viewership; 10% of channels were in English but generated just 1% of viewership.

**Digital leading growth:**

Digital advertising is expected to OutSpace Television to become the largest medium in the year 2022. Digital media grew 29% in 2021 to reach Rs.30,300 Crore while digital advertising grew 29% in 2021 to reach Rs.24,600 Crore. In addition, advertising by SME and long-tail advertisers reached Rs.11,700 Crore.

Ad rates of premium properties increased, but average rates continued to reduce as inventory volumes increased by over 30%. E-commerce platforms earned over Rs.5,500 Crore in advertising, which is 16% of total digital advertising (up from 12% in 2020).

Digital media grew the most at Rs.6,800 Crore and consequently, increased its contribution to the M&E sector from 16% in 2019 to 19% in 2021. Indians spent 4.7 hours a day on their phones in 2021, aggregating 70,000 Crore hours of consumption (second highest in the world). However, India was ranked 20<sup>th</sup> in terms of consumer spend.

Video subscription revenues grew 27% in 2021 to Rs.5,400 Crore, and amount which is over 50% of broadcasters’ share of TV subscription revenues. Due to a plethora of free video and audio options, just three million consumers bought music subscriptions, generating Rs.160 Crore. With the abundance of free news available online and through aggregators, news subscription was led by exclusive, premium content – generated Rs.90 Crore.

Advertising on e-commerce, the rise of influencers and short format videos along with

OTT has witnessed growth in 2021, which would continue in 2022. Digital advertising stayed stable on the back of increased allocation of ad spends by advertisers who accelerated their investments in digital sales channels. SME advertisers continued to increase their spends on digital advertising and experimented more with online e-commerce platforms.

**Outlook:**

Covid-19 pandemic had a huge negative impact on all industries including the Media and Entertainment industry since ad-spend pressure will continue to linger on the back of weak economy and lower domestic consumption, but there has been a progressive swing in all industries post pandemic.

**Internal Control System and their adequacy:**

The Company through its management is responsible for establishing and maintaining adequate internal control over financial reporting commensurate with its size and nature of business. Our internal control systems are effective to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with the generally accepted principles of accounting. The internal control systems provide for well-defined policies, guidelines, authorizations and approval procedures.

**Opportunities:**

The way in which we consume news and entertainment has changed dramatically over the past decade, creating both challenges and opportunities for traditional broadcasters. Think about it: Millennial spend more time streaming content than watching it on television, and more than 30 percent of them are viewing shows on their mobile devices.



The following are the opportunities:

- The rising interest in shorter forms of content such as serialized web and YouTube segments that are a mere six to ten minutes in length.,
- Content creators have a relationship with the end consumer like never before and derived insights about users allow for content and ads to be more personalized.
- Companies that can figure out how to push discovery of their content to consumers or help them discover it for themselves will have a leg up in this competitive space.

**Threats:**

1. Competition from other countries like Taiwan, Philippines, Korea and China;
2. Ever changing technology;
3. Lack of awareness in foreign countries;
4. Inadequate funding for capex and investment in manpower;
5. Lack of support from government.

**Challenges, Risks and Concerns:**

Digitization forms a new business frontier, with geographical barriers to trade in Asia being leapfrogged by technology. The rapid growth of both domestic and cross-border e-commerce, and particularly smart phone-focused mobile commerce (m-commerce) has created real-time access to previously inaccessible markets across Asia. It has also catalyzed entire new business models and value chains, and added speed and dynamism to both B2B and B2C procurement processes. As a result, individual entrepreneurs and tech start-ups as well as regional and multinational firms can utilize a multiplicity of channels to interact with existing, newly acquired and prospective customers and clients at any time

of the day or night. But the catalytic impact of digitization also brings unique challenges. Cutting through the cluttered desert of data engages the region’s brightest analytical and marketing minds, while cross-border trading and trading in untapped areas within the same country can create unexpected logistical, distribution and after-sales service challenges.

As a result, the quest to seamlessly manage digital and traditional channels is becoming more complex and more resource-intensive, and choosing a specialist Market Expansion Services partner to help deliver real competitive advantage is a critical business decision.

**Discussion on Financial Performance with respect to Operational Performance:**

During the year under review the Company has achieved a turnover of Rs.1,44,63,741/-, profit after tax for the current financial year was Rs.35,06,857/-. The paid-up capital of the Company as on March 31, 2022 is Rs.17,00,99,000/- comprising of 1,70,09,900 equity shares of Rs. 10/- each.

**Human Resources Development and Industrial Relations:**

The Company firmly believes that Human Assets are more critical than physical and financial assets as they are the ones who manage and sustain the growth of physical and financial assets of the company. The Company is well on its way in establishing an integrated system of workforce, which endeavors to develop the capability of its employees that clearly aligns with the business objectives and performance. Further, we also encourage individual and team awards to sustain and institutionalize the various workforce practices. This helped in giving lots of encouragement to the

workforce who have been striving hard to achieve various goals.

**Cautionary Statement:**

Statements in this Management Discussion and Analysis describing the Company's objective, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Certain observations made on the industry and other players also reflect on opinion by the management and the management

accepts no liability on such opinions. Actual results might differ materially from those either expressed or implied.

**FOR AND ON BEHALF OF THE BOARD  
SD/-**

**RAMABHOTLA SRINIVASA SUDHISH  
CHAIRMAN & MANAGING DIRECTOR  
DIN: 00027816**

**01.09.2022  
Hyderabad**

**Annexure VI  
FORM NO. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2022, which were not at arm's length basis.

**2. Details of contracts or arrangements or transactions at arm's length basis:**

The details of contracts or arrangements or transactions at arm's length basis for the year ended 31<sup>st</sup> March, 2022, are as follows:

| Name of the Related Party  | Relationship            | Nature of Transaction                 | Transaction Value Rupees | Balance Outstanding – Receivables / (-) Payables as on date of Balance Sheet Rupees | Amount written off / back |
|----------------------------|-------------------------|---------------------------------------|--------------------------|---|---------------------------|
| Vega Music Private Limited | Wholly-Owned Subsidiary | Advance received for Content Creation | 30,58,232                | Nil   | Nil                       |
| R S Sudhish                | Managing Director       | Salaries                              | 5,40,000                 | Nil   | Nil                       |

**FOR AND ON BEHALF OF THE BOARD**

**SD/-**

**RAMABHOTLA SRINIVAS SUDHISH  
CHAIRMAN & MANAGING DIRECTOR  
DIN: 00027816**

**01.09.2022  
Hyderabad**

**REPORT ON CORPORATE GOVERNANCE**

**1. Company’s philosophy on Code of Governance:**

Over the years, the Company has shown a commitment towards effective corporate governance and has always been at the forefront of benchmarking its internal systems and policies with global practices. The Company believes in showing a greater degree of responsibility and accountability. It is committed to provide fair, transparent and equitable treatment to all its stakeholders.

At Colorchips, we have always sought to be a value driven organization, where our growth and success is directed by our values. A report on Corporate Governance as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

**2. Board of Directors**

The composition of Board is in consonance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31<sup>st</sup> March, 2022, Board of Colorchips consisted of 4 members. Out of the four directors, two are Independent Directors, one Non-executive - Non-Independent Director and one Promoter director of the Company. The names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting (AGM) held on 30<sup>th</sup> September, 2021, and also the number of Directorships and committee positions held by them in public limited companies are as follows:

Membership/Chairmanship of Audit Committees and Stakeholders' Relationship Committee

| Name of the Director                             | Category                        | Directorship and names of other listed entities and category of Directorship | Directorships in other Indian Public Companies | Memberships held in committees* | Chairmanships held in committees* | Relationship between directors interse |
|--|---------------------------------|--|--|---------------------------------|-----------------------------------|--|
| Mr. Ramabhotla Srinivasa Sudhish (DIN: 00027816) | Promoter                        | -  | -  | 2                               | -                                 | NA                                     |
| Ms. Krishnapriya Vincent (DIN 07443638)          | Non-Executive - Independent     | -  | -  | -                               | 1                                 | NA                                     |
| Mr. Srinivasa Murthy Banda (DIN 03165686)        | Non-Executive - Independent     | -  | -  | 1                               | 1                                 | NA                                     |
| Mr. RLVN Kishore Siram (DIN: 08208141)           | Non-Executive – Non-Independent | -  | -  | 1                               | -                                 | NA                                     |

**3. Number of board meetings and attendance of the directors at meetings of the board and at the last annual general meeting**

The Board of Directors met Seven times during the year under review on 22<sup>nd</sup> June, 2021, 14<sup>th</sup> August, 2021, 28<sup>th</sup> August, 2021, 6<sup>th</sup> September, 2021, 29<sup>th</sup> September, 2021, 13<sup>th</sup> November, 2021, and on 14<sup>th</sup> February, 2022. The Requisite quorum was present for all the Meetings. The Board met at least once in a calendar quarter and the maximum time gap between any two Meetings was not more than one hundred and twenty days. These Meetings were well attended. The 36<sup>th</sup> Annual General Meeting was held on 30<sup>th</sup> September, 2021. The attendance of the Directors at these Meetings was as under:

| Name of the Director             | Number of Board Meeting Attended | Attendance at the last AGM |
|----------------------------------|----------------------------------|----------------------------|
| Mr. Ramabhotla Srinivasa Sudhish | 7                                | Yes                        |
| Ms. Krishnapriya Vincent         | 7                                | Yes                        |
| Mr. Srinivasa Murthy Banda       | 7                                | Yes                        |
| Mr. RLVN Kishore Siram           | 7                                | Yes                        |

**4. Number of shares held by directors**

| Name of the Director             | Designation   | No. of Shares held |
|----------------------------------|---------------|--------------------|
| Mr. Ramabhotla Srinivasa Sudhish | Chairman & MD | 50,06,084          |
| Ms. Krishnapriya Vincent         | Director      | Nil                |
| Mr. Srinivasa Murthy Banda       | Director      | Nil                |
| Mr. RLVN Kishore Siram           | Director      | 732                |

**5. Skills / Expertise / Competencies of the Board of Directors**

The following is the list of core skills / expertise /competencies identified by the Board of Directors that are required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision making.
- Financial and management skills
- Technical/Professional skills and specialized knowledge in relation to Company's business.

**6. Meeting Of Independent Directors**

As stipulated by the Code of Independent Directors under the Act and the Listing Regulations, one Meeting of Independent Directors was held during the year.

This Meeting was conducted to enable Independent Directors to discuss matters relating to Company's affairs and put forth their views without the presence of Non-Independent Directors and members of the Management. At these Meeting, the Independent Directors reviewed the

performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors, assessed the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committees which is necessary for the Board to effectively and reasonably perform and discharge their dues. All the Independent Directors were present at the Meeting.

In the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

#### **7. Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a formal evaluation of the performance of the Boards, its committees and of individual directors has been made and also the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees has been done.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and

contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The Performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

#### **8. Familiarization Programme**

At the time of appointing a Director, a formal letter of appointment is given, which inter alia explains the role, function, dues and responsibilities expected from a Director of the Company. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, briefings are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries businesses and operations, industry and regulatory updates, strategy, finance, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarization Programme for Directors are available on the Company's website at the link: [www.colorchipsindia.com/investor-relations](http://www.colorchipsindia.com/investor-relations)

#### **9. Committees of the Board**

Your Company has three Board level Committees - Audit Committee, Nomination and Remuneration Committee,

Stakeholders' Relationship Committee. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee Members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of Meetings held during the financial year and the related attendance, are provided below:

**i) Audit Committee**

The Company has a qualified and independent Audit committee and consists of 2 Independent Directors, who shall provide assistance to the Board of Directors in fulfilling its responsibilities.

The composition of the Audit committee is in accordance with the requirements of the Regulation under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also Section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014.

The Audit Committee meets regularly as required and exercises its powers in accordance with the framework define by the Board. The terms of reference of the Audit Committee are as set out by the Board which is in accordance with the aforesaid provisions.

During the year under review, four meetings of the Committee were held on 22<sup>nd</sup> June, 2021, 14<sup>th</sup> August, 2021, 13<sup>th</sup> November, 2021, and on 14<sup>th</sup> February, 2022. The gap between two meetings did not exceed one hundred and Twenty days. There were no changes in the constitution of the Audit Committee. The composition of the Audit Committee and

the details of meetings attended by each of the members are given below:

| Name of the Director             | Designation | Category                  | No of Meetings attended |
|----------------------------------|-------------|---------------------------|-------------------------|
| Ms. Krishnapriya Vincent         | Chairman    | Independent Non executive | 4                       |
| Mr. Srinivasa Murthy Banda       | Member      | Independent Non executive | 4                       |
| Mr. Ramabhotla Srinivasa Sudhish | Member      | Executive                 | 4                       |

**The terms of reference of the Audit Committee are as under:**

1. Overview of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of auditors and fixation of audit fee.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>ii. Changes, if any, in accounting policies and practices and reasons for the same.</li> <li>iii. Major accounting entries involving estimates based on the exercise of judgment by management.</li> <li>iv. Significant adjustments made in the financial statements arising out of audit finding.</li> <li>v. Compliance with listing and other legal requirements relating to financial statements.</li> <li>vi. Disclosure of any related party transactions.</li> <li>vii. Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements.</li> <li>viii. Management Discussion and Analysis of financial conditions and results of operations.</li> </ul> | <ul style="list-style-type: none"> <li>10. Review of the financial statements of subsidiary Companies.</li> <li>11. Review and monitor the auditor's independence, performance, and effectiveness of audit process.</li> <li>12. Approval or any subsequent modification of transactions of the Company with related parties.</li> <li>13. Valuation of undertakings or assets of the Company, wherever necessary.</li> <li>14. Evaluation of internal financial controls and risk management systems.</li> <li>15. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.</li> <li>16. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.</li> <li>17. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control system.</li> <li>18. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.</li> </ul> |
| <ul style="list-style-type: none"> <li>5. Review of Statement of significant related party transactions submitted by the management.</li> <li>6. Review of management letters/letters of internal control weaknesses issued by the statutory auditors.</li> <li>7. Review of internal audit reports relating to internal control weaknesses.</li> <li>8. Review of appointment, removal and terms of remuneration of the Internal Auditor.</li> <li>9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.</li> </ul>   |  |



19. Discussion with internal auditors of any significant findings and follow up there on.
20. Reviewing the risk management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
21. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concerns.
22. To review the functioning of the Whistle Blower Mechanism.
23. Approval of appointment / reappointment, remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
24. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee. The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.

**ii) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Company has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 as well as in terms of Regulation 19 of the Listing Regulations and comprises requisite number of Independent Di-

rectors. Mr. Srinivasa Murthy Banda non-executive Independent Director is the Chairman of the Committee.

The Committee met once during the year i.e., on 14<sup>th</sup> February, 2022.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by each of the members are given below:

| Name of the Director       | Designation | Category                      | No of Meetings attended |
|----------------------------|-------------|-------------------------------|-------------------------|
| Mr. Srinivasa Murthy Banda | Chairman    | Independent Non-Executive     | 1                       |
| Ms. Krishnapriya Vincent   | Member      | Independent Non executive     | 1                       |
| Mr. RLVN Kishore Siram     | Member      | Non-Independent Non executive | 1                       |

**The terms of reference of the Nomination and Remuneration Committee are as under:**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board. Devising a policy on Board diversity.
3. Identifying persons who are qualified to become directors and who may be ap-

pointed in senior management in accordance with the criteria laid down, and recommend to the Board the reappointment and removal.

4. To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
5. To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions, etc.
6. Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
7. Payment / revision of remuneration payable to Managerial Personnel.
8. While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
9. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
10. Any other functions / powers / duties as may be entrusted by the Board from me to me.

The Company has adopted a Policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the  Company at [thelinkww.colorchipsindia.com/investor-relations](http://thelinkww.colorchipsindia.com/investor-relations).

The committee under the guidance of Board has formulated the criteria and frame work for the performance evaluation of every Director of the Board including independent Directors and identified the ongoing training and education programs to ensure that the independent Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and dues

#### **Remuneration of Directors**

##### **Non-Executive Directors:**

There were no pecuniary relationships or transactions of the Non-Executive Independent Directors vis-à-vis the Company

##### **Executive Directors:**

- i) The Company has not paid Remuneration to its Directors.
- ii) Company has not granted any Stock options during the year.
- iii) Service contracts, notice period, severance fees: Company does not have any service contract with the Directors of the Company.

##### **iii) Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee has been formed in compliance of Regulations under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178(5) of the Companies Act, 2013. The Committee comprises of two Whole-time Directors and one Independent Director. Mr. Srinivasa Murthy Banda, Independent Non-Executive Director heads the committee.

**The terms of reference of the Stakeholders' Relationship Committee are as under:**

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and

ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**iv) Corporate social responsibility**

The provisions of section 135 of the companies act, 2013 in connection with corporate social responsibility are not applicable to the company.

**v) Risk Management Policy**

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. There are no material risks which threaten the very existence of the company.

**10. General Body Meetings:**

- i. Venue and time of the preceding of last three Annual General Meetings held:

| Financial Year Ended | Date                             | Day       | Venue   | Time       | Special Resolutions passed at the AGMs by the Shareholders |
|----------------------|----------------------------------|-----------|---|------------|--|
| March 31, 2021       | 30 <sup>th</sup> September, 2021 | Thursday  | Through Video Conference ("VC") / Other Audio-Visual Means ("OVAM") | 11:30 A.M. | -  |
| March 31, 2020       | 30 <sup>th</sup> September, 2020 | Wednesday | Through Video Conference ("VC") / Other Audio-Visual Means ("OVAM") | 11:30 A.M. | -  |
| March 31, 2019       | 30 <sup>th</sup> September, 2019 | Monday    | Registered office of the Company                                    | 5.30 P.M.  | -  |

- ii. No special resolution was passed through Postal Ballot in FY 2018-19.
- iii. No special resolution was passed through Postal Ballot in FY 2019-20.
- iv. No special resolution was passed through Postal Ballot in FY 2020-21.

| S.NO | GENERAL INFORMATION TO SHAREHOLDERS                           |   |
|------|---|---|
| I    | Annual General Meeting Date, Time and Venue                   | Saturday, 24 <sup>th</sup> September, 2022 at 11.30 A.M via. Video conferencing through ZOOM app:<br>Link: <a href="https://us06web.zoom.us/j/81369168174">https://us06web.zoom.us/j/81369168174</a><br>Meeting ID: 813 6916 8174         |
| Ii   | Date of Book Closure  | 17.09.2022 to 24.09.2022 (For the purpose of AGM).  |
| Iii  | Financial year  | 1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022.  |
| Iv   | Dividend Payment Date   | NA  |
| V    | Name and address of the Stock Exchange                        | BSE Ltd, Phiroze Jeejee bhoy Towers, Dalal Street, Mumbai -400001.  |
| Vi   | Listing on Stock Exchanges                                    | The Company has paid the annual listing fees for the year 2022-2023 to the above stock exchange.  |
| Vii  | Stock Code<br>ISIN no. for both NSDL and CDSL                 | 540023<br><b>INE621I01026</b>   |
| Viii | Registrar and Share Transfer Agents                           | KFin Technologies Private Limited is the RTA of the Company.<br>Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, Telangana. Contact No.: 040-67161500; E-Mail: einward.ris@karvy.com |
| Ix   | Share Transfer System   | As per SEBI circulars securities of listed companies can be transferred only in Dematerialized form and hence members are advised to Dematerialized the shares held by them for any transfer of shares.                                   |
| X    | Outstanding GDRs/ADRs/Warrants or any Convertible Instruments | As on 31 <sup>st</sup> March, 2022, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments  |
| Xi   | Address for the correspondence                                | Srinivasa Rao Kakkera<br>Compliance officer<br>Colorchips New Media Limited<br>Plot No 85, Phase 1, Kamalapuri Colony, Hyderabad– 500073, Telangana<br>Email: <a href="mailto:info@colorchipsindia.com">info@colorchipsindia.com</a>      |

**11. FINANCIAL REPORTING CALENDAR (INDICATIVE)**

|   |  |
|---|--|
| Quarter ending 30 <sup>th</sup> June, 2022        | : First or Second Week of August, 2022 |
| Half-year ending 30 <sup>th</sup> September, 2022 | : Fourth Week of October, 2022         |
| Quarter ending 31 <sup>st</sup> December, 2022    | : Fourth Week of January, 2023         |
| Year ending 31 <sup>st</sup> March, 2023          | : First or second week of May, 2023    |

**12. PLANT LOCATION**

The Company owns 3 acres (i.e., 1,30,680sqft.) of land in IT SEZ, Vizag.

**13. MONTH-WISE MARKET PRICE DATA DURING THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

| MONTH          | BSE   |       |
|----------------|-------|-------|
|                | High  | Low   |
| April 2021     | 28.05 | 25.10 |
| May 2021       | 39.05 | 27.80 |
| June 2021      | 51.15 | 39.80 |
| July 2021      | 62.80 | 37.55 |
| August 2021    | 52.50 | 38.30 |
| September 2021 | 51.00 | 35.00 |
| October 2021   | 41.60 | 29.05 |
| November 2021  | 36.55 | 24.50 |
| December 2021  | 35.00 | 21.10 |
| January 2022   | 39.55 | 23.25 |
| February 2022  | 41.00 | 31.30 |
| March 2022     | 35.50 | 28.35 |

**14. DISTRIBUTION SCHEDULE AS ON 31<sup>ST</sup> MARCH 2022**

| Sl. No.      | Nominal Value    | Amount in Rs.    | % of Total Capital | No. of Share-holders | % of total Holders |
|--------------|------------------|------------------|--------------------|----------------------|--------------------|
| 1.           | Upto 5000        | 73986            | 0.4350             | 1692                 | 95.64              |
| 2.           | 5001 to 10000    | 31498            | 0.1852             | 41                   | 2.31               |
| 3.           | 10001 to 20000   | 23549            | 0.1384             | 16                   | 0.90               |
| 4.           | 20001 to 30000   | 14878            | 0.0875             | 6                    | 0.33               |
| 5.           | 30001 to 40000   | 20903            | 0.1229             | 6                    | 0.33               |
| 6.           | 40001 to 50000   | 4333             | 0.0255             | 1                    | 0.05               |
| 7.           | 50001 to 100000  | 18415            | 0.1083             | 3                    | 0.16               |
| 8.           | 100000 and above | 16822338         | 98.89              | 4                    | 0.22               |
| <b>Total</b> |                  | <b>170099000</b> | <b>100</b>         | <b>1769</b>          | <b>100</b>         |

**15. DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

As on 31<sup>st</sup> March, 2022, 99.99% of the total No. of shares is in dematerialized form. There were no pending transfers as on 31<sup>st</sup> March, 2022.

**16. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES SUCH AS BSE SENSEX:**

| S. No. | Month              | Colorchips Share Price | Sensex Price |
|--------|--------------------|------------------------|--------------|
| 1.     | April 30, 2021     | 27.50                  | 48782.36     |
| 2.     | May 31, 2021       | 39.05                  | 51937.44     |
| 3.     | June 30, 2021      | 45.45                  | 52482.71     |
| 4.     | July 31, 2021      | 47.75                  | 52586.84     |
| 5.     | August 31, 2021    | 43.20                  | 57552.39     |
| 6.     | September 30, 2021 | 39.70                  | 59126.36     |
| 7.     | October 31, 2021   | 29.05                  | 59306.93     |
| 8.     | November 30, 2021  | 33.35                  | 57064.87     |
| 9.     | December 31, 2021  | 22.20                  | 58253.82     |
| 10.    | January 31, 2022   | 35.60                  | 58014.17     |
| 11.    | February 28, 2022  | 36.10                  | 56247.28     |
| 12.    | March 31, 2022     | 29.50                  | 58568.51     |

**17. OTHER DISCLOSURES**

**i. Compliance with Governance Framework**

The Company has complied with the requirements of the Listing Regulations

**ii. Details on non-compliance by the Company, penalties and strictures imposed on the Company by stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

The listed entity has complied with the provisions of the above Regulations and circulars/guidelines thereunder except in respect of the matters specified in the Secretarial audit report. There were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial year.

**iii. Related Party Transactions**

During the Financial Year 2021-22, there were materially significant transactions or arrangements entered into between the Company and its Promoters, Directors or their Relatives or the Management, Subsidiaries, etc., that may have potential conflict with the interests of the Company at large. Further, details of related party transactions are presented in Notes to Accounts

in the Financial Statements section in the Annual Report and in Annexure VI. The Related Party policy is hosted in the website of the Company at the link <http://www.colorchipsindia.com/investorrelations>

**iv. Details of establishment of Vigil Mechanism / Whistle Blower Policy.**

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial year. The Company has adopted a Vigil Mechanism and Whistle Blower Policy and the same is uploaded on the website of the Company. The whistleblowers may lodge their complaints/concern with the Officers designated under the Policy or with the Chairman of the Audit Committee, whose contact details are provided in the Whistle Blower Policy of the Company. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company at the web link: <http://www.colorchipsindia.com/investorrelations>.

**v. Mandatory and non-mandatory requirements**

The Company has complied with the mandatory requirements

**vi. Means of Communications**

- The Annual Report of the Company, the quarterly/half-yearly and the annual financial results are displayed on the Company's website at

[www.colorchipsindia.com/investorrelations](http://www.colorchipsindia.com/investorrelations).

- The Company publishes its quarterly, half-yearly and annual results in (English) and any one of (in regional language) dailies.
- The Company discloses to the Stock Exchange, all information required to be disclosed under the Listing Regulations including all material information of the Company and other price sensitive information. The Company also files various compliances and other disclosures required to be filed electronically on the BSE Listing Centre of BSE Limited.
- The Company's website [www.colorchipsindia.com](http://www.colorchipsindia.com) contains separate dedicated section 'Investor Relations' where in full Annual Report is also available in a user friendly and downloadable format.

**vii. Code of Conduct for the Board & Senior Management Personnel**

The Company has laid down a Code of Conduct which has been effectively adopted by the Board Members and Senior Management Personnel of the Company.

**viii. Compliance Certificate from Auditors**

Certificate from Auditors of the Company M/s. S.N Murthy & Co., confirming compliance with the conditions of Corporate Governance as stipulated Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Re-

quirements) Regulations, 2015 is annexed herewith.

**ix. Insider trading**

As required under the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has framed Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices and Policy for Procedure of Inquiry in Case of Leak of Unpublished Price Sensitive Information ("UPSI") for Details Please refer to the Company's website: [www.colorchipsindia.com](http://www.colorchipsindia.com)

**x. CEO/CFO Certification**

Ramabhotla Srinivasa Sudhish, Managing Director and Srinivasa Rao Kakkera, Chief Financial Officer, had issued certificate under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is annexed and forms part of this report.

**xi. Certificate of Non-Disqualification of Directors**

Certificate from Company Secretary in Practice stipulated under clause C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations is annexed herewith.

**xii. Secretarial Standards**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India

**xiii.** The Company has complied with all the requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46.



**CEO/CFO CERTIFICATION TO THE BOARD**

**[Pursuant to Regulation 17 (8) under Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

We, Ramabhotla Srinivasa Sudhish, Managing Director and Srinivasa Rao Kakkera, Chief Financial Officer, to the best of our knowledge and belief, certify that:

- a) We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended March 31, 2022 and to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain 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) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's code of conduct.
- c) We accept responsibility 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 and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - i. significant changes in the internal control over financial reporting during the year;
  - ii. significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. that there are no instances of significant fraud of which they have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

Sd/-

Ramabhotla Srinivasa Sudhish  
Chairman and Managing Director  
Din: 00027816

Srinivasa Rao Kakkera  
CFO

Place: Hyderabad  
Date: 01.09.2022

**DECLARATION ON CODE OF CONDUCT**

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the company. It is further confirmed that all directors and senior management personnel of the company have affirmed compliance with the code of conduct of the company for the financial year ended on March 31<sup>st</sup>, 2022 as envisaged in the Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the listing agreement with stock exchange.

**Ramabhotla Srinivasa Sudhish**  
**Chairman and Managing Director**  
**DIN: 00027816**

**Place:** Hyderabad

**Date:** 01.09.2022

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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members,  
Colorchips New Media Limited

We have examined the compliance of conditions of Corporate Governance by Colorchips New Media Limited ('the Company') for the year ended 31<sup>st</sup> March, 2022, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of condition of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement / Listing Regulations as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S.N. Murthy & Co.,  
Chartered Accountants  
(Firm Regn No. 002217S)**

**(P V S N Murthy)  
Proprietor**

**Place:** Hyderabad  
**Date:** 01.09.2022

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

To  
The Members  
Colorchips New Media Limited

As required by item 10 (i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, we certify that none of the directors on the board of Colorchips New Media Limited have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

**For Sarada Putcha**  
**Practicing Company Secretary**  
**Sd/-**  
**M. No. 21717**  
**C P No. 8735**  
**UDIN: A021717D000889188**

**Place:** Hyderabad  
**Date:** 01.09.2022

**S.N. Murthy & Co.,  
Chartered Accountants**

**1-8-30, Chikkadpally  
Hyderabad**

**INDEPENDENT AUDITOR’S REPORT**

**To  
The Members of  
The Colorchips New Media Limited  
Hyderabad**

**Report on Standalone Ind AS Financial Statements**

We have Audited the accompanying standalone Ind AS financial statements of Col-orchips New Media Limited (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, and the Statement of Profit and Loss (including Other Comprehensive In-come), the Cash Flow Statement and the

Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| S.No | The key audit matter   | Auditor’s response   |
|------|--|--|
| 1.   | <p><b>Revenue Recognition</b></p> <p>See accounting policies in Note 1.a to the Financial Statements Revenue is recognized, net of sales related taxes, when persuasive evidence of an arrangement exists, the fees are fixed or determinable, the product is delivered or services have been rendered and collectability is reasonably assured. The Company considers the terms of each arrangement to determine the appropriate accounting treatment</p> | <p>In view of the significance of the matter we applied following audit procedures in this area, among others to obtain sufficient appropriate audit evidence</p> <ol style="list-style-type: none"> <li>1. We assessed and tested the effectiveness of relevant controls, including automated controls, over revenue within each of the revenue streams.</li> <li>2. We also considered the adequacy of the Company’s disclosures and the accounting policies included in the standalone financial statements.</li> </ol> |

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS 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 there under.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circum-

stances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of

- i. the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2022, and
- ii. its profits (financial performance including other comprehensive income),
- iii. its cash flows (cash flows for the year ended on that) and
- iv. The changes in equity for the year ended on that date.

**S.N. Murthy & Co.,  
Chartered Accountants**

**1-8-30, Chikkadpally  
Hyderabad**

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) With respect to the adequacy of the internal financial controls over finan-

cial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company doesn't have any pending litigations on its financial position in its Standalone Ind AS financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There are no amounts which are required to be transferred to the Investor Education and Protection during the year ended 31<sup>st</sup> March 2022.

**For S N MURTHY & Co  
Chartered Accountants  
FRN No. 0022175  
SD/-  
P V S N Murthy  
(Proprietor)  
M.No.21862  
UDIN: 22021862AIZHNN4343**

**Place: Hyderabad  
Date: 14.05.2022**



**Annexure- A**

**A statement on the matters specified in paragraphs 3 and 4 of the CARO, 2016**

As required by the Companies (Auditor's Report) order, 2016 issued by the Government of India in terms of Section 143(11) of the Companies Act, 2013, we report that:

|    |    |   |
|----|----|---|
| 1. | a. | The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets  |
|    | b. | The company has a phased Programme of verification of fixed assets that is reasonable having regard to the size of the company and the nature of its business. As per the Phased Programme, during the year, the management has carried out physical verification of fixed assets and discrepancies noted have been properly dealt within the books of account. |
|    | c. | According to the information and explanations given to us by the management, all the title deeds of immovable properties are held in the name of the company.   |
| 2. | a. | The company has conducted physical verification of its inventory during the year in a phased manner.  |
|    | b. | In our opinion, having regard to the size of the company and nature of its business, the frequency of inventory verification process is reasonable and commensurate.  |
|    | c. | Any material discrepancies were noticed, between book stocks and physical stocks have been properly dealt in books of account.  |
| 3. |    | In our opinion and according to the information and explanations given to us, the company has not entered any contract or arrangement with the entities in which the directors are interested within the meaning under section 189 of the Companies Act, 2013   |
| 4. |    | In our opinion and according to the information and explanations given to us, there are no such loans, investments, guarantees and securities to which provision of section 185 and 186 of the companies Act, 2013 are applicable.  |
| 5. |    | The company has not accepted the deposits   |
| 6. |    | Clause (vi) of paragraph 3 of the Companies (Auditor's Report) order 2016, relating to maintenance of cost records is not applicable to the Company.  |
| 7. | a. | There were no undisputed amounts payable in respect of Provident Fund, ESI, Income-tax, Sales Tax, Wealth Tax, service tax, customs duty, Excise duty, VAT, Cess and statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.   |
|    | b. | There were no dues outstanding in respect of Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or VAT or Cess on account of any dispute.  |
| 8. |    | According to information and explanation given to us and based on records of the com-   |

|     |  |   |
|-----|--|---|
|     |  | pany examined by us, the company has not defaulted in repayment of loans, or borrowings to any financial institution, bank, Government or due to debenture holders.   |
| 9.  |  | The company did not raise any money by way of initial public offer (IPO) or further public offer (FPO) (including debt instruments) and term loans raised are used for the purpose for which it was raised during the year.   |
| 10. |  | There is no fraud by the Company or any fraud on the Company by its officers and employees has been noticed or reported during the year.  |
| 11. |  | The Company has not paid managerial remuneration as per provisions of section 197 of the Companies Act, 2013.   |
| 12. |  | The Company is not a Nidhi Company Accordingly, Paragraph 3(xii) of the order is not applicable   |
| 13. |  | According to the information and explanations given to us, and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. |
| 14. |  | According to the information and explanations given to us, and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;   |
| 15. |  | According to the information and explanations given to us, and based on our examination of the records of the company the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.   |
| 16. |  | The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934   |

**Annexure – B to the Independent Auditors of even date on the Standalone Financial Statements of the Colorchips New Media Limited**

(Referred to in paragraph 2(e) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of Colorchips New Media Limited.

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Controls over financial reporting of Colorchips New Media Limited. (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the

financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unau-

thorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S N MURTHY & Co**  
**Chartered Accountants**  
**FRN No. 002217S**  
**P V S N Murthy**  
**M.No.21862**  
**Place: Hyderabad**  
**Date: 14.05.2022**

# COLORCHIPS NEW MEDIA LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2022

Amount in Rs.

| Particulars                          | Notes | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|--------------------------------------|-------|--------------------|--------------------|
| <b>Assets</b>                        |       |                    |                    |
| <b>Non-Current Assets</b>            |       |                    |                    |
| Property , Plant and equipment       | 3     | 93358857           | 107179032          |
| Intangible assets                    | 4     | 0                  | 197975812          |
| Capital Work in Progress             |       | 0                  | 0                  |
| <b>Financial Assets</b>              |       |                    |                    |
| a. Investments                       | 5     | 214486149          | 0                  |
| b. Loans                             |       |                    |                    |
| c. Restricted Deposits               |       |                    |                    |
| d. Other Financial Assets            | 6     |                    | 2330               |
| Other non-current Assets             |       |                    |                    |
| <b>Total Non-Current Assets</b>      |       | <b>307845006</b>   | <b>305157174</b>   |
| <b>Current Assets</b>                |       |                    |                    |
| Inventory of film and other rights   | 7     | 0                  | 0                  |
| <b>Financial Assets</b>              |       |                    |                    |
| a. Trade Receivables                 | 8     |                    | 2414174            |
| b. Cash and Cash equivalents         | 9     | 1020708            | 2827208            |
| c. Restricted Deposits               |       |                    |                    |
| d. Loans and advances                | 10    | 494700             | 436100             |
| e. Other financial assets            |       |                    |                    |
| Other current assets                 | 11    | 949472             | 989192             |
| <b>Total current assets</b>          |       | <b>2464880</b>     | <b>6666675</b>     |
| <b>Total Assets</b>                  |       | <b>310309886</b>   | <b>311823849</b>   |
| <b>Equity and Liabilities</b>        |       |                    |                    |
| <b>Equity</b>                        |       |                    |                    |
| Equity share capital                 | 12    | 170099000          | 170099000          |
| Other equity                         | 13    | 133072542          | 129565685          |
| <b>Total equity</b>                  |       | <b>303171542</b>   | <b>299664685</b>   |
| <b>Liabilities</b>                   |       |                    |                    |
| <b>Non-Current Liabilities</b>       |       |                    |                    |
| Financial Liabilities                |       | -                  | -                  |
| a. Borrowings                        |       | -                  | -                  |
| b. Trade payables                    |       | -                  | -                  |
| c. Other financial liabilities       |       | -                  | -                  |
| Employee benefit obligations         |       | -                  | -                  |
| Deferred tax liabilities             | 14    | 1503110            | 8656190            |
| Other non-current liabilities        |       |                    |                    |
| <b>Total Non-Current Liabilities</b> |       | <b>1503110</b>     | <b>8656190</b>     |
| <b>Current Liabilities</b>           |       |                    |                    |

## COLORCHIPS NEW MEDIA LIMITED

|                                     |    |                  |                  |
|-------------------------------------|----|------------------|------------------|
| a. Borrowings                       | 15 | 0                | 1395000          |
| b. Acceptances                      |    |                  | -                |
| c. Trade payables                   |    | 4760552          | 716984           |
| d. Other Financial Liabilities      | 16 | 872511           | 1350312          |
| Employee benefit obligations        |    |                  |                  |
| Current tax liabilities             | 17 | 0                | 0                |
| Other current liabilities           | 18 | 2170             | 40677            |
| <b>Total Current liabilities</b>    |    | <b>5635233</b>   | <b>3502973</b>   |
| <b>Total Liabilities</b>            |    | <b>7138343</b>   | <b>12159163</b>  |
| <b>Total Equity and Liabilities</b> |    | <b>310309886</b> | <b>311823849</b> |

Notes 1 to 27 form an integral part of these standalone financial statements

As per our report of even date

**For S N Murthy & Co.,**  
**Chartered Accountants**  
**FRN: 002217S**  
**Sd/-**  
**PVSN Murthy**  
**(Proprietor)**  
**M.No. 21862**

**For and on behalf of Board of Directors**

**Sd/-**

**R. S. Sudhish**  
**(Managing Director)**  
**Din: 00027816**

**Sd/-**

**Srinivas Murthy Banda**  
**(Director)**  
**DIN: 03165686**

**Date: 14.05.2022**  
**Place: Hyderabad**

**Sd/-**

**Srinivasa Rao Kakkera**  
**Compliance Officer**

## COLORCHIPS NEW MEDIA LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

| Particulars                                    | Notes | Amount in Rs.           |                         |
|--|-------|-------------------------|-------------------------|
|  |       | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| <b>Revenue</b>                                 |       |                         |                         |
| Revenue from operations (net)                  | 19    | 14463741                | 23590668                |
| Other income                                   | 20    | 6873154                 | 50000                   |
| <b>Total Revenue</b>                           |       | <b>21336895</b>         | <b>23640668</b>         |
| <b>Expenses</b>                                |       |                         |                         |
| Payment to channel Partners                    | 21    | 4096406                 | 8224360                 |
| Changes in inventories of film rights          | 22    | 0                       | 0                       |
| Employee benefit expenses                      | 23    | 2893175                 | 6679979                 |
| Finance costs (net)                            | 24    | 30987                   | 28718                   |
| Depreciation and amortization expenses         | 25    | 14377113                | 32499744                |
| Other expenses                                 | 26    | 3585437                 | 5904024                 |
| <b>Total Expenses</b>                          |       | <b>24983118</b>         | <b>53336825</b>         |
| Profit Before tax                              |       | -3646223                | -29696157               |
| <b>Tax expenses</b>                            |       |                         |                         |
| Current tax                                    |       |                         |                         |
| Deferred Tax Expense/(Income)                  |       | -7153080                | 7955434                 |
| Short/(excess) provision of earlier years      |       |                         |                         |
|  |       | -7153080                | 7955434                 |
| <b>Profit after tax for the year</b>           |       | <b>3506857</b>          | <b>-37651591</b>        |
| <b>Other comprehensive income</b>              |       |                         |                         |
| Provision for Income tax Written off           |       | 0                       | 0                       |
| <b>Total Comprehensive income for the year</b> |       | <b>0</b>                | <b>0</b>                |
| <b>Earnings per share</b>                      | 27    |                         |                         |
| Basic (in Rs.) (Nominal value Rs.10)           |       | 0.2062                  | -2.2135                 |
| Diluted (in Rs.) (Nominal value Rs. 10)        |       | 0.2062                  | -2.2135                 |

Notes 1 to 27 form an integral part of these standalone financial statements.

As per our report of even date

**For S N Murthy & Co.,**  
Chartered Accountants  
FRN: 002217S

Sd/-  
PVS N Murthy  
(Proprietor)  
M.No. 21862

Date: 14.05.2022  
Place: Hyderabad

**For and on behalf of Board of Directors**

Sd/-  
R. S. Sudhish  
(Managing Director)  
Din: 00027816

Sd/-  
Srinivas Murthy Banda  
(Director)  
DIN: 03165686

Sd/-  
Srinivasa Rao Kakkera  
Compliance Officer

| <b>3. Property, Plant and Equipment</b>  |                 |                  |                                 |   |                         |                                  |                  |
|--|-----------------|------------------|---------------------------------|---|-------------------------|----------------------------------|------------------|
| Details of company's property, plant and equipment and their carrying amounts are as follows:  |                 |                  |                                 |   |                         |                                  |                  |
| <b>Gross Carrying amount</b>   | <b>Land</b>     | <b>Buildings</b> | <b>Furniture &amp; Fixtures</b> | <b>Motor Vehicles</b>                       | <b>Office Equipment</b> | <b>Data processing Equipment</b> | <b>Total</b>     |
| <b>Balance as at 31 March 2021</b>   | <b>10193041</b> | <b>102786685</b> | <b>1390668</b>                  | <b>7369469</b>                              | <b>1715453</b>          | <b>6144855</b>                   | <b>129600171</b> |
| Additions  | 0               | 268965           | 0                               | 0   | 117600                  | 27000                            | 413565           |
| Adjustments/disposals  | 0               | 0                | 0                               | 7369469                                     | 0                       | 0                                | 7369469          |
| <b>Balance as at 31 March 2022</b>   | <b>10193041</b> | <b>103055650</b> | <b>1390668</b>                  | <b>0</b>                                    | <b>1833053</b>          | <b>6717855</b>                   | <b>122644267</b> |
| <b>Accumulated Depreciation</b>  |                 |                  |                                 |   |                         |                                  |                  |
| <b>Balance as at 31 March 2021</b>   | <b>0</b>        | <b>12855300</b>  | <b>879725</b>                   | <b>2109132</b>                              | <b>759064</b>           | <b>5817918</b>                   | <b>22421139</b>  |
| Depreciation Charge  | 0               | 8554543          | 96850                           | 438327                                      | 224893                  | 97117                            | 9411730          |
| Adjustments/disposals  | 0               | 0                | 0                               | 2547459                                     | 0                       | 0                                | 2547459          |
| <b>Balance as at 31 March 2022</b>   | <b>0</b>        | <b>21409843</b>  | <b>976575</b>                   | <b>0</b>                                    | <b>983957</b>           | <b>5915035</b>                   | <b>29285410</b>  |
| <b>Net Carrying Amount</b>   |                 |                  |                                 |   |                         |                                  |                  |
| <b>Balance as at 31 March 2021</b>   | <b>10193041</b> | <b>89931385</b>  | <b>510943</b>                   | <b>5260337</b>                              | <b>956389</b>           | <b>326937</b>                    | <b>107179032</b> |
| <b>Balance as at 31 March 2022</b>   | <b>10193041</b> | <b>81645807</b>  | <b>414093</b>                   | <b>0</b>                                    | <b>849096</b>           | <b>256820</b>                    | <b>93358857</b>  |
| As explained in note 48, the Company has used Indian GAAP carrying value of its property, plant and equipment on date of transition as deemed cost, accordingly, the net carrying amount as per Indian GAAP as on 1 April 2016 has been considered as gross carrying value under Ind-AS 101. |                 |                  |                                 |   |                         |                                  |                  |
| <b>4. Intangible Assets</b>  |                 |                  |                                 |   |                         |                                  |                  |
| <b>Particulars</b>   |                 |                  | <b>Software &amp; Website</b>   | <b>Audio, Music Albums &amp; Copyrights</b> |                         |                                  | <b>Total</b>     |
| <b>Gross Carrying amount</b>   |                 |                  |                                 |   |                         |                                  |                  |
| <b>Balance as at 31 March 2021</b>   |                 |                  | <b>174801</b>                   | <b>219502052</b>                            |                         |                                  | <b>219676853</b> |
| Additions  |                 |                  | 37015                           | 5480403                                     |                         |                                  | 5517418          |
| Adjustments/disposals  |                 |                  | 211816                          | <b>224982455</b>                            |                         |                                  | 225194271        |
| <b>Balance as at 31 March 2022</b>   |                 |                  | <b>0</b>                        | <b>0</b>                                    |                         |                                  | <b>0</b>         |
| <b>Accumulated Depreciation</b>  |                 |                  |                                 |   |                         |                                  |                  |
| <b>Balance as at 31 March 2021</b>   |                 |                  | <b>73026</b>                    | <b>21628015</b>                             |                         |                                  | <b>21701041</b>  |
| Depreciation Charge  |                 |                  | 16365                           | 8902811                                     |                         |                                  | 8919176          |
| Adjustments/disposals  |                 |                  | 89391                           | 35030826                                    |                         |                                  | 30620217         |
| <b>Balance as at 31 March 2022</b>   |                 |                  | <b>0</b>                        | <b>0</b>                                    |                         |                                  | <b>0</b>         |
| <b>Net Carrying Amount</b>   |                 |                  |                                 |   |                         |                                  |                  |
| <b>Balance as at 31 March 2021</b>   |                 |                  | <b>101775</b>                   | <b>197894037</b>                            |                         |                                  | <b>197975812</b> |
| <b>Balance as at 31 March 2022</b>   |                 |                  | <b>0</b>                        | <b>0</b>                                    |                         |                                  | <b>0</b>         |



**5. Investments**

Amount in Rs.

| Particulars   | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|---|--------------------|--------------------|
| <b>Non-current investments</b>  |                    |                    |
| <b>Investment in Equity Shares of sub-sidiaries accounted at cost</b> |                    |                    |
| <b>Vega Music Private Limited</b>                                     | 204486149          | 0                  |
| <b>Investment In Mutual Fund</b>                                      |                    |                    |
| i) ICICI Prudential MF  | 10000000           | 0                  |
| <b>Total</b>  | <b>214486149</b>   | <b>0</b>           |

**6. Other Financial Assets**

| Particulars           | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|-----------------------|--------------------|--------------------|
| Deposits to<br>Others | 0                  | 2330               |
| <b>Total</b>          | <b>0</b>           | <b>2330</b>        |

**7. Inventories**

| Particulars  | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|--|--------------------|--------------------|
| Inventory of Copy rights Film Autography, Animat-<br>ed, Cartoon and other | 0                  | 0                  |
| <b>Total</b>   | <b>0</b>           | <b>0</b>           |

**8. Trade Receivables**

| Particulars                                   | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|---|--------------------|--------------------|
| Secured, considered good                      |                    |                    |
| Unsecured, considered good                    | 0                  | 2414174            |
| Considered doubtful                           |                    |                    |
| Dues from related parties                     |                    |                    |
| Less: Provision for doubtful receiva-<br>bles |                    |                    |
| <b>Total</b>                                  | <b>0</b>           | <b>2414174</b>     |

**9. Cash and Cash Equivalents**

| Particulars         | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|---------------------|--------------------|--------------------|
| Cash on hand        | 866231             | 2208812            |
| Cheques on hand     |                    |                    |
| Balances with banks |                    |                    |
| In current accounts | 149949             | 596888             |
| In deposit accounts | 4528               | 21508              |
| <b>Total</b>        | <b>1020708</b>     | <b>2827208</b>     |

**10. Loans and Advances**

## COLORCHIPS NEW MEDIA LIMITED

| Particulars                      | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|----------------------------------|--------------------|--------------------|
| Amounts due from related parties |                    |                    |
| Loans and advances to employees  | 0                  | 56000              |
| Other loans & Advances           | 194700             | 80100              |
| Security deposits                | 300000             | 300000             |
| <b>Total</b>                     | <b>494700</b>      | <b>436100</b>      |

### 11. Other Current Assets

| Particulars              | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|--------------------------|--------------------|--------------------|
| Prepaid expenses         | 0                  | 0                  |
| Advance payment of taxes | 813844             | 813844             |
| TDS Receivable           | 135628             | 175348             |
| <b>Total</b>             | <b>949472</b>      | <b>989192</b>      |

### 12. Equity Share Capital

| Particulars   | As at 31-Mar-22 |                  | As at 31-Mar-21  |                  |
|---|-----------------|------------------|------------------|------------------|
|   | Number          | Amount           | Number           | Amount           |
| <b>Authorized Share Capital</b>                     |                 |                  |                  |                  |
| Equity shares of Rs. 10 each (Previous Year Rs.1/-) | 18500000        | 185000000        | 185000000        | 185000000        |
| <b>Issued, Subscribed and fully paid up</b>         |                 |                  |                  |                  |
| Equity shares of Rs. 10 each (Previous Year Rs.1/-) | 17009900        | 170099000        | 170099000        | 170099000        |
| <b>Total</b>  | <b>17009900</b> | <b>170099000</b> | <b>170099000</b> | <b>170099000</b> |

### Reconciliation of paid-up share capital (Equity Shares)

| Particulars                           | As at 31-Mar-22 |                  | As at 31-Mar-21  |                  |
|---------------------------------------|-----------------|------------------|------------------|------------------|
|                                       | Number          | Amount           | Number           | Amount           |
| Balance at the beginning of the year  | 17009900        | 170099000        | 170099000        | 170099000        |
| Add: Issued during the year           |                 |                  |                  |                  |
| Add: Bonus issue                      |                 |                  |                  |                  |
| <b>Balance at the end of the year</b> | <b>17009900</b> | <b>170099000</b> | <b>170099000</b> | <b>170099000</b> |

### Details of Shareholders holding more than 5% of the shares in the company

|                                       | As at 31-Mar-22 |                        | As at 31-Mar-21 |                        |
|---------------------------------------|-----------------|------------------------|-----------------|------------------------|
|                                       | Number          | % Holding in the class | Number          | % Holding in the class |
| <b>Promoter</b>                       |                 |                        |                 |                        |
| Ramabhotla Srinivasa Sudhish          | 50,06,084       | 29.43                  | 50,06,094       | 29.43                  |
| Ravikaanth Portfolio Services Private | 77,30,471       | 45.45                  | 77,30,471       | 45.45                  |

## COLORCHIPS NEW MEDIA LIMITED

|                                  |  |                 |              |                 |              |
|----------------------------------|--|-----------------|--------------|-----------------|--------------|
| Limited                          |  |                 |              |                 |              |
| <b>Total</b>                     |  | <b>12736555</b> | <b>74.88</b> | <b>12736565</b> | <b>74.88</b> |
| <b>Non-Promoter</b>              |  |                 |              |                 |              |
| Viniato Advisors Private Limited |  | 4032412         | 23.71        | 4051737         | 23.82        |
| <b>Total</b>                     |  | <b>4032412</b>  | <b>23.71</b> | <b>4051737</b>  | <b>23.82</b> |

### Rights, preferences, restrictions of equity shares

The Company has only one class of equity shares having par value of Rs.10/- per share. Every shareholder is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors and approved by the Shareholders in the Annual General Meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 13. Other equity

| Particulars   | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|---|--------------------|--------------------|
| <b>Securities Premium</b>                             |                    |                    |
| Balance at the beginning of the year                  | 165537750          | 165537750          |
| Add: Additions for                                    |                    |                    |
| Less: Bonus Issue                                     |                    |                    |
| Balance at the end of the year                        | 165537750          | 165537750          |
| <b>Revaluation Reserve</b>                            |                    |                    |
| Balance at the beginning of the year                  | 0                  | 0                  |
| Add: Additions for                                    |                    |                    |
| Less: Withdrawal                                      | 0                  | 0                  |
| Balance at the end of the year                        | 0                  | 0                  |
| <b>Retained Earnings</b>                              |                    |                    |
| Balance at the beginning of the year                  | -35972065          | 1679526            |
| Add: Net profit after tax for the year                | 3506857            | -37651591          |
| Other Comprehensive income                            |                    |                    |
| Adjustment on account of                              |                    |                    |
| Appropriation: Dividend and Dividend distribution tax |                    |                    |
| Balance at the end of the year                        | -32465208          | -35972065          |
| <b>Total</b>  | <b>133072542</b>   | <b>129565685</b>   |

### 14. Deferred Tax Liabilities (Net)

| Particulars                     | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|---------------------------------|--------------------|--------------------|
| Deferred tax liability on       |                    |                    |
| Depreciation on tangible assets | 1503110            | 8656190            |
| <b>Total</b>                    | <b>1503110</b>     | <b>8656190</b>     |
| Deferred tax asset on           |                    |                    |

Provision for expenses allowed on  
payment basis  
Others

|                                       |                |                |
|---------------------------------------|----------------|----------------|
| Total                                 | 0              | 0              |
| MAT credit recoverable                |                |                |
| <b>Deferred tax liabilities (net)</b> | <b>1503110</b> | <b>8656190</b> |

**Reconciliation of statutory rate of tax and effective rate of tax**

| Particulars   | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|---|--------------------|--------------------|
| <b>Profit before tax</b>  | -3646223           | -29696157          |
| Tax expense   | 0                  | 0                  |
| <b>Tax rate as a % of profit before tax</b>                             | 0.00%              | 0.00%              |
| <b>Adjustments</b>  |                    |                    |
| Non-deductible expenses for tax<br>purpose                              |                    |                    |
| Effect of change in deferred tax balances due to<br>change in tax rates |                    |                    |
| Tax impact of earlier years   |                    |                    |
| Others  | -7153080           | 0                  |
| At India's statutory income tax rate of 25% (31<br>March 2021: 26%)     | 26%                | 26%                |

**15. Borrowings**

| Particulars                                       | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|---|--------------------|--------------------|
| Unsecured Loans from Directors<br>(Related Party) | 0                  | 1395000            |
| <b>Total</b>                                      | <b>0</b>           | <b>1395000</b>     |

**16. Other Financial Liabilities**

| Particulars            | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|------------------------|--------------------|--------------------|
| Unclaimed dividend     |                    |                    |
| Employee dues          | 152511             | 1281312            |
| Other expenses payable | 720000             | 69000              |
| <b>Total</b>           | <b>872511</b>      | <b>1350312</b>     |

**17. Current Tax Liabilities**

| Particulars                         | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|-------------------------------------|--------------------|--------------------|
| Provision for corporate taxes (net) | 0                  | 0                  |
| <b>Total</b>                        | <b>0</b>           | <b>0</b>           |

**18. Other Current Liabilities**

| Particulars              | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|--------------------------|--------------------|--------------------|
| Duties and taxes payable | 2170               | 40677              |
| <b>Total</b>             | <b>2170</b>        | <b>40677</b>       |

**19. Revenue from operations (net)**

| Particulars                        | Amount in Rs.           |                         |
|------------------------------------|-------------------------|-------------------------|
|                                    | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| Revenue from Services              | 14463741                | 23590668                |
| Revenue from sale of books (Goods) | 0                       | 0                       |
| <b>Total</b>                       | <b>14463741</b>         | <b>23590668</b>         |

**20. Other Income**

| Particulars                       | Amount in Rs.           |                         |
|-----------------------------------|-------------------------|-------------------------|
|                                   | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| Interest Income                   | 3934                    | 0                       |
| Other non-operating Income        | 56723                   | 50000                   |
| Recovery of bad debts written off | 6812497                 |                         |
| <b>Total</b>                      | <b>6873154</b>          | <b>50000</b>            |

**21. Payment to Channel Partners**

| Particulars                                  | Amount in Rs.           |                         |
|--|-------------------------|-------------------------|
|  | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| Payment to channel partners & media expenses | 4096406                 | 8224360                 |
| <b>Total</b>                                 | <b>4096406</b>          | <b>8224360</b>          |

**22. Changes in inventory**

| Particulars                  | Amount in Rs.           |                         |
|------------------------------|-------------------------|-------------------------|
|                              | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| Opening Stock                |                         |                         |
| Finished goods - Film Rights | 0                       | 199121393               |
| Closing Stock                |                         |                         |
| Finished goods - Film Rights | 0                       | 0                       |
| <b>Total</b>                 | <b>0</b>                | <b>0</b>                |

**23. Employee Benefit expenses**

Amount in Rs.

| Particulars                | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
|----------------------------|-------------------------|-------------------------|
| Salaries and bonus         | 1581619                 | 5581669                 |
| Staff Welfare expenses     | 509464                  | 196810                  |
| ESI Employer Portion       | 16637                   | 42894                   |
| PF Employer Portion        | 84792                   | 138606                  |
| Managerial Remuneration    | 540000                  | 720000                  |
| Employees Health Insurance | 160663                  | 0                       |
| <b>Total</b>               | <b>2893175</b>          | <b>6679979</b>          |

#### 24. Finance Costs

| Particulars                       | Amount in Rs.           |                         |
|-----------------------------------|-------------------------|-------------------------|
|                                   | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| Other borrowing costs             | 30987                   | 26586                   |
| Interest on late payment of taxes |                         | 2132                    |
| <b>Total</b>                      | <b>30987</b>            | <b>28718</b>            |

#### 25. Depreciation and amortization expenses

| Particulars                       | Amount in Rs.           |                         |
|-----------------------------------|-------------------------|-------------------------|
|                                   | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| Depreciation on tangible assets   | 14377113                | 11591269                |
| Amortization on intangible assets | 0                       | 20908475                |
| <b>Total</b>                      | <b>14377113</b>         | <b>32499744</b>         |

#### 26. Other Expenses

| Particulars                        | Amount in Rs.           |                         |
|------------------------------------|-------------------------|-------------------------|
|                                    | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| Membership & Subscription expenses | 569400                  | 650090                  |
| Electricity expenses               | 77404                   | 151247                  |
| Communication Expenses             | 67965                   | 123431                  |
| Repairs & Maintenance              | 176647                  | 287296                  |
| Payments to auditors               | 30000                   | 25000                   |
| Legal & Professional expenses      | 829049                  | 459042                  |
| Insurance                          | 0                       | 24299                   |
| Security Charges                   | 396000                  | 381002                  |
| Travelling & Conveyance            | 146073                  | 58779                   |
| Selling & Distribution Expenses    | 130382                  | 43068                   |
| Miscellaneous expenses             | 128765                  | 2207910                 |
| Office Maintenance                 | 212816                  | 277342                  |

|               |                |                |
|---------------|----------------|----------------|
| Office Rent   | 600000         | 1215518        |
| Rates & Taxes | 220936         | 0              |
| <b>Total</b>  | <b>3585437</b> | <b>5904024</b> |

**27. Earnings per share**

|  | Amount in Rs.           |                         |
|--|-------------------------|-------------------------|
|  | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| <b>a) Computation of net profit for the year</b>                         |                         |                         |
| Profit after tax attributable to equity shareholders                     | 3506857                 | -37651591               |
| <b>b) Computation of number of shares for Basic Earnings Per Share</b>   |                         |                         |
| Weighted average number of equity shares                                 | 17009900                | 17009900                |
| <b>Total</b>   |                         |                         |
| <b>c) Computation of number of shares for Diluted Earnings Per Share</b> |                         |                         |
| Weighted average number of equity shares                                 | 17009900                | 17009900                |
| <b>Total</b>   |                         |                         |
| <b>d) Nominal value of shares</b>  |                         |                         |
| <b>e) Computation</b>  |                         |                         |
| Basic  | 0.2062                  | -2.2135                 |
| Diluted  | 0.2062                  | -2.2135                 |

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

| Particulars   | 2021-2022       | 2020-2021        |                  |
|---|-----------------|------------------|------------------|
| <b>Cash Flows from Operating Activities</b>                 |                 |                  |                  |
| Profit Before Tax   | 3506857         | -37651591        |                  |
| Adjustments for:  |                 |                  |                  |
| (+) Depreciation  | 14377113        | 32499744         |                  |
| (-) Other Income  | -6873154        | -50000           |                  |
| <b>Operating Profit Before Working Capital Changes</b>      | <b>1101081</b>  | <b>(5201847)</b> |                  |
| <b><u>Adjustments for changes in Working Capital:</u></b>   |                 |                  |                  |
| (+) Increase/ (-) Decrease in short term borrowings         | -1395000        | 1395000          |                  |
| (-) Increase in Sundry Debtors                              | 2414174         | -14177           |                  |
| (-) Increase/ (+) Decrease in Stock                         | -               | -                |                  |
| (+) Increase/ (-) Decrease in Trade Payables                | 4043568         | -3528173         |                  |
| (+) Increase/ (-) Decrease in other Current Liabilities     | -516308         | 828988           |                  |
| (+) Decrease/ (-) Increase in other Current Assets          | 39720           | 1182970          |                  |
| (-) Increase in Short Term Loans and Advances               | -58600          | 6216504          |                  |
| <b><u>Cash Generated from Operations</u></b>                | <b>15538370</b> | <b>879265</b>    |                  |
| Income Taxes Paid   |                 |                  |                  |
| <b>Cash Flow before Extra-ordinary Items</b>                | 15538370        | 879265           |                  |
| (-) Extra-ordinary Items                                    |                 |                  |                  |
| <b>Net Cash from Operating Activities</b>                   | <b>15538370</b> |                  | <b>879265</b>    |
| <b>Cash Flows from Investing Activities</b>                 |                 |                  |                  |
| (-) Purchase of Fixed Assets                                | -5930983        | -12924159        |                  |
| (-) Increase in Capital-work-progress                       | -               | -                |                  |
| (+) Income received   | 6873154         | 50000            |                  |
| (+) Sale of Non-Current Investments                         | -10000000       | 1350000          |                  |
| <b>Net cash from Investing activities</b>                   |                 | <b>-9057829</b>  | <b>-11524159</b> |
| <b>Cash flows from Financing Activities</b>                 |                 |                  |                  |
| Deferred Tax  | -7153080        | 7955434          |                  |
| Decrease in deposits  |                 |                  |                  |
| Dividends Paid  |                 |                  |                  |
| (+) others  | -1133961        | 170333           |                  |
| <b>Net cash from Financing activities</b>                   |                 | <b>-8287041</b>  | <b>8125767</b>   |
| <b>Net increase in cash and cash equivalents</b>            |                 | <b>(1806500)</b> | <b>(2519127)</b> |
| <b>Cash and Cash equivalents at beginning of the period</b> |                 | <b>2827208</b>   | <b>5346335</b>   |
| <b>Cash and Cash equivalents at end of the period</b>       |                 | <b>1020708</b>   | <b>2827208</b>   |

For S N Murthy & Co  
Chartered Accountants  
FRN No. 0022175  
Sd/-  
(P V S N Murthy)  
Proprietor  
M. No. 21862

Date: 14.05.2022

Place: Hyderabad



**S.N. Murthy & Co.,  
Chartered Accountants**

**1-8-30, Chikkadpally  
Hyderabad**

**INDEPENDENT AUDITORS REPORT ON AUDIT  
OF CONSOLIDATED FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF COTOR-  
CHIPS NEW MEDIA LIMITED**

**Opinion**

We have audited the accompanying Statement of Consolidated Financial Results of COLORCHIPS NEW MEDIA LIMITED (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), for the quarter and year ended March 31, 2022 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- (i) includes the results of the subsidiaries as given in the Annexure to this report;
- (ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the quarter and year ended March 31, 2022.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified

under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the "ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

**Management's Responsibilities for the Consolidated Financial Results**

This Statement which includes consolidated financial results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the consolidated financial statements for the three months and year ended March 31, 2022. This responsibility includes preparation and presentation of the Consolidated Financial Results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Ind AS, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding

of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included In the Group are responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guaran-

tee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit 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 such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going con-

cern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor/s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial

**For S N Murthy & Co**  
**Chartered Accountants**  
**FRN No. 002217S**  
**PVSN Murthy**

Results of which we are the independent auditors.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**M. No. 21862**  
**UDIN: 22021862AAIZHN4343**  
**Place: Hyderabad**  
**Date: 14.05.2022**

# COLORCHIPS NEW MEDIA LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup>MARCH 2022

Amount in Rs.

| Particulars                          | Notes | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|--------------------------------------|-------|--------------------|--------------------|
| <b>Assets</b>                        |       |                    |                    |
| <b>Non-Current Assets</b>            |       |                    |                    |
| Property , Plant and equipment       | 3     | 97725034           | 107179032          |
| Intangible assets                    | 4     | 190419638          | 197975812          |
| Capital Work in Progress             |       | 0                  | 0                  |
| <b>Financial Assets</b>              |       |                    |                    |
| a. Investments                       | 5     | 11150022           | 0                  |
| b. Loans                             |       |                    |                    |
| c. Restricted Deposits               |       |                    |                    |
| d. Other Financial Assets            | 6     | 0                  | 2330               |
| Other non-current Assets             |       |                    |                    |
| <b>Total Non-Current Assets</b>      |       | <b>299294694</b>   | <b>305157174</b>   |
| <b>Current Assets</b>                |       |                    |                    |
| Inventory of film and other rights   | 7     | 0                  | 0                  |
| <b>Financial Assets</b>              |       |                    |                    |
| a. Trade Receivables                 | 8     | 10806187           | 2414174            |
| b. Cash and Cash equivalents         | 9     | 5104223            | 2827208            |
| c. Restricted Deposits               |       |                    |                    |
| d. Loans and advances                | 10    | 579700             | 436100             |
| e. Other financial assets            |       |                    |                    |
| Other current assets                 | 11    | 1022804            | 989192             |
| <b>Total current assets</b>          |       | <b>17512914</b>    | <b>6666675</b>     |
| <b>Total Assets</b>                  |       | <b>316807608</b>   | <b>311823849</b>   |
| <b>Equity and Liabilities</b>        |       |                    |                    |
| <b>Equity</b>                        |       |                    |                    |
| Equity share capital                 | 12    | 170099000          | 170099000          |
| Other equity                         | 13    | 134057016          | 129565685          |
| <b>Total equity</b>                  |       | <b>304156016</b>   | <b>299664685</b>   |
| <b>Liabilities</b>                   |       |                    |                    |
| <b>Non-Current Liabilities</b>       |       |                    |                    |
| <b>Financial Liabilities</b>         |       |                    |                    |
| a. Borrowings                        |       | -                  | -                  |
| b. Trade payables                    |       | -                  | -                  |
| c. Other financial liabilities       |       | -                  | -                  |
| Employee benefit obligations         |       | -                  | -                  |
| Deferred tax liabilities             | 14    | 1766610            | 8656190            |
| Other non-current liabilities        |       |                    |                    |
| <b>Total Non-Current Liabilities</b> |       | <b>1766610</b>     | <b>8656190</b>     |
| <b>Current Liabilities</b>           |       |                    |                    |

## COLORCHIPS NEW MEDIA LIMITED

|                                     |    |                  |                  |
|-------------------------------------|----|------------------|------------------|
| a. Borrowings                       | 15 | 0                | 1395000          |
| b. Acceptances                      |    |                  | -                |
| c. Trade payables                   |    | 9177235          | 716984           |
| d. Other Financial Liabilities      | 16 | 1221638          | 1350312          |
| Employee benefit obligations        |    |                  |                  |
| Current tax liabilities             | 17 | 109561           | 0                |
| Other current liabilities           | 18 | 376547           | 40677            |
| <b>Total Current liabilities</b>    |    | <b>10884981</b>  | <b>3502973</b>   |
| <b>Total Liabilities</b>            |    | <b>12651591</b>  | <b>12159163</b>  |
| <b>Total Equity and Liabilities</b> |    | <b>316807608</b> | <b>311823849</b> |

Notes 1 to 27 form an integral part of these consolidated financial statements

As per our report of even date

**For S N Murthy & Co.,**  
**Chartered Accountants**  
**FRN: 002217S**  
**Sd/-**  
**PVSN Murthy**  
**(Proprietor)**  
**M.No. 21862**

**For and on behalf of Board of Directors**

**Sd/-**

**R. S. Sudhish**  
**(Managing Director)**  
**Din: 00027816**

**Sd/-**

**Srinivas Murthy Banda**  
**(Director)**  
**DIN: 03165686**

**Date: 14.05.2022**  
**Place: Hyderabad**

**Sd/-**

**Srinivasa Rao Kakkera**  
**Compliance Officer**

**COLORCHIPS NEW MEDIA LIMITED**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

| Particulars                                    | Notes | Amount in Rs.           |                         |
|--|-------|-------------------------|-------------------------|
|  |       | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| <b>Revenue</b>                                 |       |                         |                         |
| Revenue from operations (net)                  | 19    | 45394703                | 23590668                |
| Other income                                   | 20    | 10829708                | 50000                   |
| <b>Total Revenue</b>                           |       | <b>56224411</b>         | <b>23640668</b>         |
| <b>Expenses</b>                                |       |                         |                         |
| Payment to channel Partners                    | 21    | 15083122                | 8224360                 |
| Changes in inventories of film rights          | 22    | 0                       | 0                       |
| Employee benefit expenses                      | 23    | 6408401                 | 6679979                 |
| Finance costs (net)                            | 24    | 69178                   | 28718                   |
| Depreciation and amortization expenses         | 25    | 31679020                | 32499744                |
| Other expenses                                 | 26    | 6215816                 | 5904024                 |
| <b>Total Expenses</b>                          |       | <b>59455537</b>         | <b>53336825</b>         |
| Profit Before tax                              |       | -3231126                | -29696157               |
| <b>Tax expenses</b>                            |       |                         |                         |
| Current tax                                    |       | 0                       | 0                       |
| Deferred Tax Expense/(Income)                  |       | -6889580                | 7955434                 |
| Short/(excess) provision of earlier years      |       |                         |                         |
|  |       | -6819580                | 7955434                 |
| <b>Profit after tax for the year</b>           |       | <b>3588454</b>          | <b>-37651591</b>        |
| <b>Other comprehensive income</b>              |       |                         |                         |
| Provision for Income tax Written off           |       | 0                       | 0                       |
| <b>Total Comprehensive income for the year</b> |       | <b>0</b>                | <b>0</b>                |
| <b>Earnings per share</b>                      | 27    |                         |                         |
| Basic (in Rs.) (Nominal value Rs.10)           |       | 0.2110                  | -2.2135                 |
| Diluted (in Rs.) (Nominal value Rs. 10)        |       | 0.2110                  | -2.2135                 |

Notes 1 to 27 form an integral part of these consolidated financial statements.

As per our report of even date

**For S N Murthy & Co.,**  
Chartered Accountants  
FRN: 002217S

Sd/-  
PVS N Murthy  
(Proprietor)  
M.No. 21862

Date: 14.05.2022  
Place: Hyderabad

**For and on behalf of Board of Directors**

Sd/-  
R. S. Sudhish  
(Managing Director)  
Din: 00027816

Sd/-  
Srinivas Murthy Banda  
(Director)  
DIN: 03165686

Sd/-  
Srinivasa Rao Kakkera  
Compliance Officer

**5. Investments**

| <b>3. Property, Plant and Equipment</b>  |                 |                               |   |                       |                         |                                  |                  |
|--|-----------------|-------------------------------|---|-----------------------|-------------------------|----------------------------------|------------------|
| Details of company's property, plant and equipment and their carrying amounts are as follows:  |                 |                               |   |                       |                         |                                  |                  |
| <b>Gross Carrying amount</b>   | <b>Land</b>     | <b>Buildings</b>              | <b>Furniture &amp; Fixtures</b>             | <b>Motor Vehicles</b> | <b>Office Equipment</b> | <b>Data processing Equipment</b> | <b>Total</b>     |
| <b>Balance as at 31 March 2021</b>   | <b>10193041</b> | <b>102786685</b>              | <b>1390668</b>                              | <b>7369469</b>        | <b>1715453</b>          | <b>6144855</b>                   | <b>129600171</b> |
| Additions  | 0               | 268965                        | 0   | 5375237               | 117600                  | 48830                            | 5810632          |
| Adjustments/disposals  | 0               | 0                             | 0   | 7369469               | 0                       | 0                                | 7369469          |
| <b>Balance as at 31 March 2022</b>   | <b>10193041</b> | <b>103055650</b>              | <b>1390668</b>                              | <b>5375237</b>        | <b>1833053</b>          | <b>6193685</b>                   | <b>128041334</b> |
| <b>Accumulated Depreciation</b>  |                 |                               |   |                       |                         |                                  |                  |
| <b>Balance as at 31 March 2021</b>   | <b>0</b>        | <b>12855300</b>               | <b>879725</b>                               | <b>2109132</b>        | <b>759064</b>           | <b>5817918</b>                   | <b>22421139</b>  |
| Depreciation Charge  | 0               | 8554543                       | 96850                                       | 1466988               | 224893                  | 99346                            | 10442620         |
| Adjustments/disposals  | 0               | 0                             | 0   | 2547459               | 0                       | 0                                | 2547459          |
| <b>Balance as at 31 March 2022</b>   | <b>0</b>        | <b>21409843</b>               | <b>976575</b>                               | <b>1028661</b>        | <b>983957</b>           | <b>5917264</b>                   | <b>30316300</b>  |
| <b>Net Carrying Amount</b>   |                 |                               |   |                       |                         |                                  |                  |
| <b>Balance as at 31 March 2021</b>   | <b>10193041</b> | <b>89931385</b>               | <b>510943</b>                               | <b>5260337</b>        | <b>956389</b>           | <b>326937</b>                    | <b>107179032</b> |
| <b>Balance as at 31 March 2022</b>   | <b>10193041</b> | <b>81645807</b>               | <b>414093</b>                               | <b>4346576</b>        | <b>849096</b>           | <b>276421</b>                    | <b>97725034</b>  |
| As explained in note 48, the Company has used Indian GAAP carrying value of its property, plant and equipment on date of transition as deemed cost, accordingly, the net carrying amount as per Indian GAAP as on 1 April 2016 has been considered as gross carrying value under Ind-AS 101. |                 |                               |   |                       |                         |                                  |                  |
| <b>4. Intangible Assets</b>  |                 |                               |   |                       |                         |                                  |                  |
| <b>Particulars</b>   |                 | <b>Software &amp; Website</b> | <b>Audio, Music Albums &amp; Copyrights</b> | <b>Total</b>          |                         |                                  |                  |
| <b>Gross Carrying amount</b>   |                 |                               |   |                       |                         |                                  |                  |
| <b>Balance as at 31 March 2021</b>   |                 | <b>174801</b>                 | <b>219502052</b>                            | <b>219676853</b>      |                         |                                  |                  |
| Additions  |                 | 138790                        | 208115490                                   | 208254280             |                         |                                  |                  |
| Adjustments/disposals  |                 | 211816                        | 224982455                                   | 225194271             |                         |                                  |                  |
| <b>Balance as at 31 March 2022</b>   |                 | <b>101775</b>                 | <b>202635087</b>                            | <b>202736862</b>      |                         |                                  |                  |
| <b>Accumulated Depreciation</b>  |                 |                               |   |                       |                         |                                  |                  |
| <b>Balance as at 31 March 2021</b>   |                 | <b>73026</b>                  | <b>21628015</b>                             | <b>21701041</b>       |                         |                                  |                  |
| Depreciation Charge  |                 | 28913                         | 21207487                                    | 21236400              |                         |                                  |                  |
| Adjustments/disposals  |                 | 89391                         | 35030826                                    | 30620217              |                         |                                  |                  |
| <b>Balance as at 31 March 2022</b>   |                 | <b>12548</b>                  | <b>12304676</b>                             | <b>12317224</b>       |                         |                                  |                  |
| <b>Net Carrying Amount</b>   |                 |                               |   |                       |                         |                                  |                  |
| <b>Balance as at 31 March 2021</b>   |                 | <b>101775</b>                 | <b>197894037</b>                            | <b>197975812</b>      |                         |                                  |                  |
| <b>Balance as at 31 March 2022</b>   |                 | <b>89227</b>                  | <b>190330411</b>                            | <b>190419638</b>      |                         |                                  |                  |

Amount in Rs.

## COLORCHIPS NEW MEDIA LIMITED

| Particulars  | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|--|--------------------|--------------------|
| <b>Non-current investments</b>   |                    |                    |
| <b>Investment in Equity Shares of sub-<br/>sidiaries accounted at cost</b> |                    |                    |
| <b>Vega Music Private Limited</b>  | 1150022            | 0                  |
| <b>Investment In Mutual Fund</b>   |                    |                    |
| i) ICICI Prudential MF   | 10000000           | 0                  |
| <b>Total</b>   | <b>11150022</b>    | <b>0</b>           |

### 6. Other Financial Assets

| Particulars           | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|-----------------------|--------------------|--------------------|
| Deposits to<br>Others | 0                  | 2330               |
| <b>Total</b>          | <b>0</b>           | <b>2330</b>        |

### 7. Inventories

| Particulars  | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|--|--------------------|--------------------|
| Inventory of Copy rights Film Autography, Animat-<br>ed, Cartoon and other | 0                  | 0                  |
| <b>Total</b>   | <b>0</b>           | <b>0</b>           |

### 8. Trade Receivables

| Particulars                                   | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|---|--------------------|--------------------|
| Secured, considered good                      |                    |                    |
| Unsecured, considered good                    | 10806187           | 2414174            |
| Considered doubtful                           |                    |                    |
| Dues from related parties                     |                    |                    |
| Less: Provision for doubtful receiva-<br>bles |                    |                    |
| <b>Total</b>                                  | <b>10806187</b>    | <b>2414174</b>     |

### 9. Cash and Cash Equivalents

| Particulars         | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|---------------------|--------------------|--------------------|
| Cash on hand        | 952477             | 2208812            |
| Cheques on hand     |                    |                    |
| Balances with banks |                    |                    |
| In current accounts | 4147218            | 596888             |
| In deposit accounts | 4528               | 21508              |
| <b>Total</b>        | <b>5104223</b>     | <b>2827208</b>     |

### 10. Loans and Advances

| Particulars | As at | As at |
|-------------|-------|-------|
|-------------|-------|-------|



## COLORCHIPS NEW MEDIA LIMITED

|                                  | 31-Mar-22     | 31-Mar-21     |
|----------------------------------|---------------|---------------|
| Amounts due from related parties |               |               |
| Loans and advances to employees  | 85000         | 56000         |
| Other loans & Advances           | 194700        | 80100         |
| Security deposits                | 300000        | 300000        |
| <b>Total</b>                     | <b>594700</b> | <b>436100</b> |

### 11. Other Current Assets

| Particulars              | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|--------------------------|--------------------|--------------------|
| Prepaid expenses         | 0                  | 0                  |
| Advance payment of taxes | 839618             | 813844             |
| TDS Receivable           | 183186             | 175348             |
| <b>Total</b>             | <b>1022804</b>     | <b>989192</b>      |

### 12. Equity Share Capital

| Particulars   | As at 31-Mar-22 |                  | As at 31-Mar-21  |                  |
|---|-----------------|------------------|------------------|------------------|
|   | Number          | Amount           | Number           | Amount           |
| <b>Authorized Share Capital</b>                     |                 |                  |                  |                  |
| Equity shares of Rs. 10 each (Previous Year Rs.1/-) | 18500000        | 185000000        | 185000000        | 185000000        |
| <b>Issued, Subscribed and fully paid up</b>         |                 |                  |                  |                  |
| Equity shares of Rs. 10 each (Previous Year Rs.1/-) | 17009900        | 170099000        | 170099000        | 170099000        |
| <b>Total</b>  | <b>17009900</b> | <b>170099000</b> | <b>170099000</b> | <b>170099000</b> |

### Reconciliation of paid-up share capital (Equity Shares)

| Particulars                           | As at 31-Mar-22 |                  | As at 31-Mar-21  |                  |
|---------------------------------------|-----------------|------------------|------------------|------------------|
|                                       | Number          | Amount           | Number           | Amount           |
| Balance at the beginning of the year  | 17009900        | 170099000        | 170099000        | 170099000        |
| Add: Issued during the year           |                 |                  |                  |                  |
| Add: Bonus issue                      |                 |                  |                  |                  |
| <b>Balance at the end of the year</b> | <b>17009900</b> | <b>170099000</b> | <b>170099000</b> | <b>170099000</b> |

### Details of Shareholders holding more than 5% of the shares in the company

|   | As at 31-Mar-22 |                        | As at 31-Mar-21 |                        |
|---|-----------------|------------------------|-----------------|------------------------|
|   | Number          | % Holding in the class | Number          | % Holding in the class |
| <b>Promoter</b>                               |                 |                        |                 |                        |
| Ramabhotla Srinivasa Sudhish                  | 50,06,084       | 29.43                  | 50,06,094       | 29.43                  |
| Ravikaanth Portfolio Services Private Limited | 77,30,471       | 45.45                  | 77,30,471       | 45.45                  |

## COLORCHIPS NEW MEDIA LIMITED

|                                  |  |                 |              |                 |              |
|----------------------------------|--|-----------------|--------------|-----------------|--------------|
| <b>Total</b>                     |  | <b>12736555</b> | <b>74.88</b> | <b>12736565</b> | <b>74.88</b> |
| <b>Non-Promoter</b>              |  |                 |              |                 |              |
| Viniato Advisors Private Limited |  | 4032412         | 23.71        | 4051737         | 23.82        |
| <b>Total</b>                     |  | <b>4032412</b>  | <b>23.71</b> | <b>4051737</b>  | <b>23.82</b> |

### Rights, preferences, restrictions of equity shares

The Company has only one class of equity shares having par value of Rs.10/- per share. Every shareholder is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors and approved by the Shareholders in the Annual General Meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 13. Other equity

| Particulars   | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|---|--------------------|--------------------|
| <b>Securities Premium</b>                             |                    |                    |
| Balance at the beginning of the year                  | 165537750          | 165537750          |
| Add: Additions for                                    |                    |                    |
| Less: Bonus Issue                                     |                    |                    |
| Balance at the end of the year                        | 165537750          | 165537750          |
| <b>Revaluation Reserve</b>                            |                    |                    |
| Balance at the beginning of the year                  | 0                  | 0                  |
| Add: Additions for                                    |                    |                    |
| Less: Withdrawal                                      | 0                  | 0                  |
| Balance at the end of the year                        | 0                  | 0                  |
| <b>Retained Earnings</b>                              |                    |                    |
| Balance at the beginning of the year                  | -35069188          | 1679526            |
| Add: Net profit after tax for the year                | 3588454            | -37651591          |
| Other Comprehensive income                            |                    |                    |
| Adjustment on account of                              |                    |                    |
| Appropriation: Dividend and Dividend distribution tax |                    |                    |
| Balance at the end of the year                        | -31480734          | -35972065          |
| <b>Total</b>  | <b>134057016</b>   | <b>129565685</b>   |

### 14. Deferred Tax Liabilities (Net)

| Particulars                                     | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|---|--------------------|--------------------|
| Deferred tax liability on                       |                    |                    |
| Depreciation on tangible assets                 | 1766610            | 8656190            |
| <b>Total</b>                                    | <b>1766610</b>     | <b>8656190</b>     |
| Deferred tax asset on                           |                    |                    |
| Provision for expenses allowed on payment basis |                    |                    |
| Others  |                    |                    |

**COLORCHIPS NEW MEDIA LIMITED**

|                                       |                |                |
|---------------------------------------|----------------|----------------|
| Total                                 | 0              | 0              |
| MAT credit recoverable                |                |                |
| <b>Deferred tax liabilities (net)</b> | <b>1503110</b> | <b>8656190</b> |

**Reconciliation of statutory rate of tax and effective rate of tax**

| Particulars  | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|--|--------------------|--------------------|
| <b>Profit before tax</b>   | -3231126           | -29696157          |
| Tax expense  | 70000              | 0                  |
| <b>Tax rate as a % of profit before tax</b>                          | 0.00%              | 0.00%              |
| <b>Adjustments</b>   |                    |                    |
| Non-deductible expenses for tax purpose                              |                    |                    |
| Effect of change in deferred tax balances due to change in tax rates |                    |                    |
| Tax impact of earlier years  |                    |                    |
| Others   | -6889580           | 0                  |
| At India's statutory income tax rate of 25% (31 March 2021: 26%)     | 26%                | 26%                |

**15. Borrowings**

| Particulars                                    | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|--|--------------------|--------------------|
| Unsecured Loans from Directors (Related Party) | 0                  | 1395000            |
| <b>Total</b>                                   | <b>0</b>           | <b>1395000</b>     |

**16. Other Financial Liabilities**

| Particulars            | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|------------------------|--------------------|--------------------|
| Unclaimed dividend     |                    |                    |
| Employee dues          | 1221638            | 1281312            |
| Other expenses payable | 0                  | 69000              |
| <b>Total</b>           | <b>1221638</b>     | <b>1350312</b>     |

**17. Current Tax Liabilities**

| Particulars                         | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|-------------------------------------|--------------------|--------------------|
| Provision for corporate taxes (net) | 0                  | 0                  |
| <b>Total</b>                        | <b>0</b>           | <b>0</b>           |

**18. Other Current Liabilities**

| Particulars              | As at<br>31-Mar-22 | As at<br>31-Mar-21 |
|--------------------------|--------------------|--------------------|
| Duties and taxes payable | 39561              | 40677              |
| Provisions               | 376547             | 0                  |
| <b>Total</b>             | <b>416108</b>      | <b>40677</b>       |

**19. Revenue from operations (net)**

| Particulars                        | Amount in Rs.           |                         |
|------------------------------------|-------------------------|-------------------------|
|                                    | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| Revenue from Services              | 45394703                | 23590668                |
| Revenue from sale of books (Goods) | 0                       | 0                       |
| <b>Total</b>                       | <b>45394703</b>         | <b>23590668</b>         |

**20. Other Income**

| Particulars                       | Amount in Rs.           |                         |
|-----------------------------------|-------------------------|-------------------------|
|                                   | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| Interest Income                   | 6695                    | 0                       |
| Other non-operating Income        | 56723                   | 50000                   |
| Recovery of bad debts written off | 6812497                 |                         |
| Profit on Sale of Assets          | 3953793                 |                         |
| <b>Total</b>                      | <b>10829708</b>         | <b>50000</b>            |

**21. Payment to Channel Partners**

| Particulars                                  | Amount in Rs.           |                         |
|--|-------------------------|-------------------------|
|  | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| Payment to channel partners & media expenses | 15083122                | 8224360                 |
| <b>Total</b>                                 | <b>15083122</b>         | <b>8224360</b>          |

**22. Changes in inventory**

| Particulars                  | Amount in Rs.           |                         |
|------------------------------|-------------------------|-------------------------|
|                              | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| Opening Stock                |                         |                         |
| Finished goods - Film Rights | 0                       | 199121393               |
| Closing Stock                |                         |                         |
| Finished goods - Film Rights | 0                       | 0                       |
| <b>Total</b>                 | <b>0</b>                | <b>0</b>                |

**23. Employee Benefit expenses**

| Particulars            | Amount in Rs.           |                         |
|------------------------|-------------------------|-------------------------|
|                        | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| Salaries and bonus     | 4629591                 | 5581669                 |
| Staff Welfare expenses | 826718                  | 196810                  |

|                            |                |                |
|----------------------------|----------------|----------------|
| ESI Employer Portion       | 16637          | 42894          |
| PF Employer Portion        | 84792          | 138606         |
| Managerial Remuneration    | 690000         | 720000         |
| Employees Health Insurance | 160663         | 0              |
| <b>Total</b>               | <b>6408401</b> | <b>6679979</b> |

**24. Finance Costs**

| Particulars                       | Amount in Rs.           |                         |
|-----------------------------------|-------------------------|-------------------------|
|                                   | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| Other borrowing costs             | 69178                   | 26586                   |
| Interest on late payment of taxes |                         | 2132                    |
| <b>Total</b>                      | <b>69178</b>            | <b>28718</b>            |

**25. Depreciation and amortization expenses**

| Particulars                       | Amount in Rs.           |                         |
|-----------------------------------|-------------------------|-------------------------|
|                                   | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| Depreciation on tangible assets   | 10442620                | 11591269                |
| Amortization on intangible assets | 21236400                | 20908475                |
| <b>Total</b>                      | <b>31679020</b>         | <b>32499744</b>         |

**26. Other Expenses**

| Particulars                        | Amount in Rs.           |                         |
|------------------------------------|-------------------------|-------------------------|
|                                    | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
| Membership & Subscription expenses | 651990                  | 650090                  |
| Electricity expenses               | 178035                  | 151247                  |
| Communication Expenses             | 80330                   | 123431                  |
| Repairs & Maintenance              | 213262                  | 287296                  |
| Payments to auditors               | 35000                   | 25000                   |
| Legal & Professional expenses      | 947249                  | 459042                  |
| Insurance                          | 0                       | 24299                   |
| Security Charges                   | 396000                  | 381002                  |
| Travelling & Conveyance            | 1198050                 | 58779                   |
| Selling & Distribution Expenses    | 130382                  | 43068                   |
| Miscellaneous expenses             | 335664                  | 2207910                 |
| Office Maintenance                 | 289588                  | 277342                  |
| Office Rent                        | 1200000                 | 1215518                 |
| Rates & Taxes                      | 228916                  | 0                       |
| ROC Filing Fees                    | 331350                  |                         |
| <b>Total</b>                       | <b>6215816</b>          | <b>5904024</b>          |

**27. Earnings per share**

COLORCHIPS NEW MEDIA LIMITED

Amount in Rs.

| Particulars  | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
|--|-------------------------|-------------------------|
| <b>a) Computation of net profit for the year</b>                         |                         |                         |
| Profit after tax attributable to equity shareholders                     | 3588454                 | -37651591               |
| <b>b) Computation of number of shares for Basic Earnings Per Share</b>   |                         |                         |
| Weighted average number of equity shares                                 | 17009900                | 17009900                |
| <b>Total</b>   |                         |                         |
| <b>c) Computation of number of shares for Diluted Earnings Per Share</b> |                         |                         |
| Weighted average number of equity shares                                 | 17009900                | 17009900                |
| <b>Total</b>   |                         |                         |
| <b>d) Nominal value of shares</b>  |                         |                         |
| <b>e) Computation</b>  |                         |                         |
| Basic  | 0.2110                  | -2.2135                 |
| Diluted  | 0.2110                  | -2.2135                 |

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

| Particulars   | 2021-2022       |  | 2020-2021        |  |
|---|-----------------|--|------------------|--|
| <b>Cash Flows from Operating Activities</b>               |                 |  |                  |  |
| Profit Before Tax   | 3588454         |  | -37651591        |  |
| Adjustments for:  |                 |  |                  |  |
| (+) Depreciation  | 31679020        |  | 32499744         |  |
| (-) Other Income  | -10829708       |  | -50000           |  |
| <b>Operating Profit Before Working Capital Changes</b>    | <b>24437766</b> |  | <b>(5201847)</b> |  |
| <b><i>Adjustments for changes in Working Capital:</i></b> |                 |  |                  |  |
| (+) Increase/ (-) Decrease in short term borrowings       | -1395000        |  | 1395000          |  |
| (-) Increase in Sundry Debtors                            | -8392013        |  | -14177           |  |
| (-) Increase/ (+) Decrease in Stock                       | -               |  | -                |  |
| (+) Increase/ (-) Decrease in Trade Payables              | 8460251         |  | -3528173         |  |
| (+) Increase/ (-) Decrease in other Current Liabilities   | 316757          |  | 828988           |  |
| (+) Decrease/ (-) Increase in other Current Assets        | -33612          |  | 1182970          |  |
| (-) Increase in Short Term Loans and Advances             | -143600         |  | 6216504          |  |
| <b>Cash Generated from Operations</b>                     | <b>23250549</b> |  | <b>879265</b>    |  |
| Income Taxes Paid   |                 |  |                  |  |
| <b>Cash Flow before Extra-ordinary Items</b>              | <b>23250549</b> |  | <b>879265</b>    |  |
| (-) Extra-ordinary Items                                  |                 |  |                  |  |
| <b>Net Cash from Operating Activities</b>                 | <b>23250549</b> |  | <b>879265</b>    |  |
| <b>Cash Flows from Investing Activities</b>               |                 |  |                  |  |

**COLORCHIPS NEW MEDIA LIMITED**

|   |           |                  |           |                  |
|---|-----------|------------------|-----------|------------------|
| (-) Purchase of Fixed Assets                                | -9825908  |                  | -12924159 |                  |
| (-) Increase in Capital-work-progress                       | -         |                  | -         |                  |
| (+) Income received   | 6875915   |                  | 50000     |                  |
| (+) Sale of Non-Current Investments                         | -10000000 |                  | 1350000   |                  |
| <b>Net cash from Investing activities</b>                   |           | <b>-12949993</b> |           | <b>-11524159</b> |
| <b>Cash flows from Financing Activities</b>                 |           |                  |           |                  |
| Deferred Tax  | -6889580  |                  | 7955434   |                  |
| Decrease in deposits  |           |                  |           |                  |
| Dividends Paid  |           |                  |           |                  |
| (+) others  | -1133961  |                  | 170333    |                  |
| <b>Net cash from Financing activities</b>                   |           | <b>-8023541</b>  |           | <b>8125767</b>   |
| <b>Net increase in cash and cash equivalents</b>            |           | <b>2277015</b>   |           | <b>(2519127)</b> |
| <b>Cash and Cash equivalents at beginning of the period</b> |           | <b>2827208</b>   |           | <b>5346335</b>   |
| <b>Cash and Cash equivalents at end of the period</b>       |           | <b>5104223</b>   |           | <b>2827208</b>   |

In terms of our attached report of even date

For S N Murthy & Co  
Chartered Accountants  
FRN No. 002217S  
Sd/-  
(P V S N Murthy)  
Proprietor  
M. No. 21862

Date: 14.05.2022  
Place: Hyderabad

## Summary of Significant Accounting Policies

### Corporate Information

Colorchips New Media Limited (the 'Company') was incorporated in India, under the Companies Act, 1956. The Company is a global player within the Indian media and entertainment industry and is primarily engaged in the business of film production, exploitation and distribution. It operates on a vertically integrated studio model controlling content as well as distribution and exploitation across multiple formats globally, including cinema, digital, home entertainment and television syndication. Its shares are listed on leading stock exchanges in India (BSE Scrip Code: 540023).

These financial statements were authorized for issue in accordance with a resolution of the Directors on 14/05/2022.

### Basis of preparation

The Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31<sup>st</sup> March 2021 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA.

The standalone financial statements have been prepared on a historical cost basis.

All assets and liabilities have been classified as current or noncurrent 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.

### 1. Significant accounting policies

#### a. Revenue recognition

Revenue is recognized, net of sales related taxes, when persuasive evidence of an arrangement exists, the fees are fixed or determinable, the product is delivered or services have been rendered and collectability is reasonably assured. The Company considers the terms of each arrangement to determine the appropriate accounting treatment.

The following additional criteria apply in respect of various revenue streams within filmed entertainment:

**Books:** Revenue is recognized when the goods are dispatched. Provision is made for physical returns where applicable.

**Other - DVD, CD and video distribution revenue** is recognized on the date the product is delivered or if licensed in line with the revenue recognition criteria. Provision is made for physical returns where applicable. Digital and ancillary media revenues are recognized at the earlier of when the content is accessed or declared. Visual effects, production and other fees for services rendered by the Company and overhead recharges are recognized in the period in which they are earned and in certain cases, the stage of production is used to determine the proportion recognized in the period.

#### Other income

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.



Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable.

**b. Property, plant and equipment and depreciation**

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes etc. up to the date the asset is ready for its intended use. Depreciation is provided under straight line method at the rates and in the manner prescribed under Schedule II to the Companies Act, 2013. Residual value of property, plant and equipment is considered as nil for calculation of depreciation.

**c. Intangible assets**

Intangible assets acquired by the Company are stated at cost less accumulated amortization less impairment loss, if any.

Other intangible assets, which comprise internally generated and acquired software used within the Entity's digital, home entertainment and internal accounting activities, are stated at cost less amortization less provision for impairment. The average life of the assets is the lesser of 5 years or the remaining life of the asset. The amortization charge is recognized in the Statement of profit and loss.

**d. Impairment of non-financial assets**

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at the cash generating unit level. All individual assets or

cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external or internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their 'value in use'.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Film and content rights are stated at the lower of unamortized cost and estimated recoverable amounts. In accordance with Ind AS 36 Impairment of Assets, film content costs are assessed for indication of impairment on a library basis as the nature of the Company's business, the contracts it has in place and the markets it operates in do not yet make an ongoing individual film evaluation feasible with reasonable certainty. Impairment losses on content advances are recognized when film production does not seem viable and refund of the advance is not probable.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist.

**e. Borrowing costs**

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost with any difference between the proceeds (net of transaction costs) and the redemption value recognized in the Statement of profit and loss within finance costs over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

**f. Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on risk exposure arising from financial assets like debt instruments measured at amortized cost e.g., trade receivables and deposits.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL

is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of profit and loss. This amount is reflected under the head 'other expenses' in the Statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**g. Inventories**

Inventories primarily comprise of books, film rights and are valued at the lower of cost and net realizable value. Cost in respect of goods for resale is defined as purchase price, including appropriate labour costs and other overhead costs. Cost in respect of raw materials is purchase price.

Purchase price is assigned using a weighted average basis. Net realizable value is defined as anticipated selling price or anticipated revenue less cost to completion.

**h. Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligations and can be reliably measured. Provisions are measured at Management’s best estimate of the expenditure required to settle the obligations at the statement of financial position date and are discounted to present value where the effect is material.

**i. Foreign Currency**

Transactions in foreign currencies are translated at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated at the prevailing rates of exchange at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating

monetary items at rates different from those at which they were initially recorded are recognized in the Statement of profit and loss in the period in which they arise. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The Company’s functional currency and the presentation currency is same i.e., Indian Rupee (₹)

**j. Financial Assets**

Financial assets are divided into the following categories:

- financial assets carried at amortized cost
- financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit and loss;

Financial assets are assigned to the different categories by management on initial recognition, depending on the nature and purpose of the financial assets. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available. Financial Assets like Investments in Subsidiaries are measured at Cost as allowed by Ind-AS 27 – Separate Financial Statements and hence are not fair valued.

**k. Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give

rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These are non-derivative financial assets that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank and cash balances) are measured subsequent to initial recognition at amortized cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognized in the Statement of profit and loss.

In accordance with Ind AS 109: Financial Instruments, the Company recognizes impairment loss allowance on trade receivables and content advances based on historically observed default rates. Impairment loss allowance recognized during the year is charged to Statement of profit and loss.

**I. Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are non-derivative financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**m. Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. It includes non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. Gains and losses arising from invest-

ments classified under this category is recognized in the Statement of profit and loss when they are sold or when the investment is impaired.

In the case of impairment, any loss previously recognized in other comprehensive income is transferred to the Statement of profit and loss. Impairment losses recognized in the Statement of profit and loss on equity instruments are not reversed through the Statement of profit and loss. Impairment losses recognized previously on debt securities are reversed through the Statement of profit and loss when the increase can be related objectively to an event occurring after the impairment loss was recognized in the Statement of profit and loss.

When the Company considers that fair value of financial assets can be reliably measured, the fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company applies its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. Equity instruments measured at fair value through profit or loss that do not have a quoted price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment at the end of each reporting period.

An assessment for impairment is undertaken at least at each balance sheet date.

A financial asset is derecognized only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for de recognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Company retains the contractual rights to

receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for de-recognition if the Company transfers substantially all the risks and rewards of ownership of the asset, or if the Company neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

**n. Financial liabilities**

Financial liabilities are classified as either ‘financial liabilities at fair value through profit or loss’ or ‘other financial liabilities’. Financial liabilities are subsequently measured at amortized cost using the effective interest method or at fair value through profit or loss.

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading such as a derivative, except for a designated and effective hedging instrument, or if upon initial recognition it is thus designated to eliminate or significantly reduce measurement or recognition inconsistency or it forms part of a contract containing one or more embedded derivatives and the contract is designated as fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value. Any gains or losses arising of held for trading financial liabilities are recognized in Statement of profit and loss. Such gains or losses incorporate any interest paid and are included in the “other gains and losses” line item.

Other financial liabilities (including borrowing and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or a shorter period, to the net carrying amount on initial recognition.

A financial liability is derecognized only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires. Changes in liabilities’ fair value that are reported in profit or loss are included in the Statement of profit and loss within finance costs or finance income.

**o. Taxes**

Taxation on profit and loss comprises current tax and deferred tax. Tax is recognized in the Statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income in which case tax impact is also recognized in equity or other comprehensive income.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted at the balance sheet date along with any adjustment relating to tax payable in previous years.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to

apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. MAT credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, which is the period for which MAT credit is allowed to be carried forward. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**p. Earnings per share**

Basic earnings per share are computed using the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is computed by considering the impact of the potential issuance of ordinary shares, on the weighted average number of shares outstanding during the period except where the results would be anti-dilutive.

**o. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments which are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value. Bank overdrafts are shown

within borrowings in current liabilities on the balance sheet.

Deposits held with banks as security for overdraft facilities are included in restricted deposits held with bank.

**q. Segment reporting**

Ind-AS 108 Operating Segments (“Ind-AS 108”) requires operating segments to be identified on the same basis as is used internally for the review of performance and allocation of resources by the Chief Operating Decision Maker. The revenues of films are earned over various formats; all such formats are functional activities of filmed entertainment and these activities take place on an integrated basis. The management team reviews the financial information on an integrated basis for the Company as a whole, with respective heads of business for each region and in accordance with Ind-AS 108, the Company does not provide a geographical split as it considers that all activities fall within one segment of business which is filmed entertainment.

The Company has identified one geographic market – India

**2. Significant accounting judgments, estimates and assumptions**

The preparation of the financial statements requires management to make judgments, estimates and assumptions, as described below, that affect the reported amounts and the disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and reviewed at each balance sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures.

**a. Intangible Assets**

The Company is required to identify and assess the useful life of intangible assets and determine their income generating life. Judgment is required in determining this and then providing an amortization rate to match this life as well as considering the recoverability or conversion of advances made in respect of securing film content or the services of talent associated with film production.

Accounting for the film content requires management’s judgment as it relates to total revenues to be received and costs to be incurred throughout the life of each film or its license period, whichever is the shorter. These judg-

ments are used to determine the amortization of capitalized film content costs.

The Company tests annually whether intangible assets have suffered any impairment, in accordance with the accounting policy. These calculations require judgments and estimates to be made, and in the event of an unforeseen event these judgments and assumptions would need to be revised and the value of the intangible assets could be affected. There may be instances where the useful life of an asset is shortened to reflect the uncertainty of its estimated income generating life.

**27. Related Party Disclosure**

- VEGA MUSIC PRIVATE LIMITED

**List of Key management personnel (KMP)**

- Srinivasa Sudhish Ramabhotla - Chairman and Managing Director
- Srinivasa Murthy Banda - Director
- Vincent Krishnapriya - Independent Director
- Siram R L V N Kishore - Executive Director
- Srinivasa Rao Kakkera - Chief Financial Officer & Compliance Officer

Relatives of Key Managerial Persons:

1. Ravikaanth Ramabhotla
2. Sri Lakshmi Ramabhotla

**Transactions during the year with related parties**

|                                   | Year ended<br>31/03/2022 | Year ended<br>31/03/2021 |
|-----------------------------------|--------------------------|--------------------------|
| <b>Vega Music Private Limited</b> | 30,58,232                | 21,32,248                |
| <b>Total</b>                      | <b>30,58,232</b>         | <b>21,32,248</b>         |
| <b>Director Remuneration</b>      |                          |                          |
| Srinivasa Sudhish Ramabhotla      | 5,40,000                 | 3,60,000                 |
| <b>Salaries</b>                   |                          |                          |
| Ravikaanth Ramabhotla             | -                        | 1,20,000                 |
| Sri Lakshmi Ramabhotla            | -                        | 3,00,000                 |
| Srinivasa Rao Kakkera             | -                        | 3,36,000                 |

All outstanding balances are unsecured and repayable in cash.

**28.** Based on the information available with the Company, there is no dues payable as at the year end to micro, small and medium enterprises as defined in The Micro, Small & Medium Enterprises

development Act, 2006. This information has been relied upon by the statutory auditors of the Company.

### **29. Post reporting date events**

No adjusting or significant non-adjusting events have occurred between 31<sup>st</sup> March 2022 and the date of authorization of these standalone financial statements.

### **30. Authorization of financial statements**

The financial statements for the year ended 31<sup>st</sup> March 2022 (including comparatives) were approved by the board of directors on 14.05.2022.

As per our report of even date

**For S N Murthy & Co.,  
Chartered Accountants  
FRN: 002217S  
Sd/-  
PVSN Murthy  
M.No. 21862  
(Proprietor)**

**For and on behalf of Board of Directors**

|   |   |
|---|---|
| <b>Sd/-<br/>R. S. Sudhish<br/>(Managing Director)<br/>DIN: 00027816</b> | <b>Sd/-<br/>RLVN Kishore Siram<br/>(Director)<br/>DIN: 08208141</b> |
|---|---|