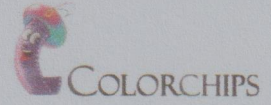


COLORCHIPS NEW MEDIA LIMITED  
[CIN:L74110TG1985PLC051404]  
H.No.8-3-833/85 & 85A, Plot no 85,  
Phase 1, Kamalapuri Colony,  
Hyderabad.  
Telangana-500073.  
Website: [www.colorchipsindia.com](http://www.colorchipsindia.com)  
Email Id : [info@colorchipsindia.com](mailto:info@colorchipsindia.com)



FORMERLY MILLIFoons ENTERTAINMENT LIMITED

Date: 08.09.2019

To  
The Department of Corporate Services,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai – 400 001

Dear Sir/Madam,

**Sub: Submission of Annual Report for the Financial Year-2018-19**

**Scrip Code: 540023**

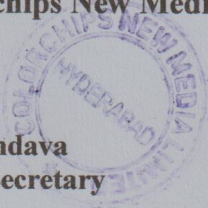
**Ref: Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015**

Pursuant to the Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the Annual Report of our Company along with the Notice of the Annual General Meeting for the Financial Year 2018-19. This is for your information and records.

Thanking you,  
Yours faithfully,

**For Colorchips New Media Limited**

  
**Swathi Mandava**  
Company Secretary



**34<sup>th</sup>**  
**ANNUAL REPORT**  
**2018-2019**

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly Known As Millitoons Entertainment Limited)



## **CONTENTS**

- Corporate Information
  
- Notice
  
- Directors Report
  
- MGT 9
  
- Auditors Report
  
- Financial Statements
  
- Form for Registration of Email Address
  
- Attendance Sheet, Proxy Form and Map for Venue of AGM

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

**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. Maruthi Rao Badheay	: Chief Executive Officer
Mr. Srinivasa Rao Kakkera	: Chief Financial Officer
Ms. Swathi Mandava	: Company Secretary and Compliance Officer

**Registered Office**

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

**Email ID:** info@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:**

Karvy Fintech Private Limited

(Formerly known as KCPL Advisory Services P Ltd)

Karvy Selenium Tower B,

Plot Nos. 31 & 32, Financial District

Nanakramguda |Serilingampally Mandal

Hyderabad - 500032 | India

Email ID: [praveen.chaturvedi@karvy.com](mailto:praveen.chaturvedi@karvy.com)

**Listed at:**

BSE Limited

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE THIRTY FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. COLORCHIPS NEW MEDIA LIMITED WILL HELD ON MONDAY, SEPTEMBER 30, 2019 AT 05:30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT HOUSE NO. 8-3-833/85 & 85A, PLOT NO. 85, PHASE 1, KAMALAPURI COLONY, HYDERABAD, TO TRANSACT THE FOLLOWING BUSINESS:**

**Ordinary Business**

1. To receive, consider and adopt the standalone financial statements as at March 31, 2019 along with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. RLVN Kishore Siram, (DIN: 08208141) who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Statutory Auditors for the second term of 3 years.

To consider and if thought fit pass, with or without modification(s) the following resolution as an ordinary resolution:

**“RESOLVED THAT** pursuant to Sections 139,141,142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the Act and pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statuto-

ry modification(s) or re-enactment thereof for the time being in force) M/s. S N Murthy & Co., Chartered Accountants (Firm Registration No. 002217s), be and are hereby reappointed as the Statutory Auditors of the Company, for the second term of 3 years commencing from the conclusion of this Annual General Meeting till the conclusion of 37<sup>th</sup> Annual General Meeting and that the Board be and is hereby authorized to fix their remuneration as per the recommendations from Audit committee of the Company and such remuneration may be paid on progressive billing including the service tax, as may be mutually agreed.”

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

Sd/-  
**SWATHI MANDAVA**  
**COMPANY SECRETARY**

September 04, 2019  
Hyderabad

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxy (ies) in order to be effective must submit proxy form either in person or through post at the company's registered office not less than 48 hours before the commencement of the meeting. Corporate members intending to send their authorized

representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting.

3. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority as applicable. The Proxy holder shall prove his identity at the time of attending the Meeting.
4. The Register of Members and Transfer Books of the Company will be closed from Monday, the 23<sup>rd</sup> day of September, 2019 to Monday, the 30<sup>th</sup> day of September, 2019 (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 dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.
8. Pursuant to sections 101 and 136 of the Companies Act, 2013 read with

the Rules framed thereunder, the Notice calling the Annual General Meeting along with the Annual Report 2018-19 would be sent by electronic mode to those Members whose email addresses are registered with the Depository or the Company/RTA, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode. Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with RTA (in case of Shares held in physical form). Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the Members may also send requests to the Company's email id: info@colorchipsindia.com.

9. All the documents referred to in the Notice will be available to the Members at the Registered Office of the company between 10.30 A.M to 12.30 P.M on all working days from the date hereof up to the date of the Meeting.

10. 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 dematerialised form and RTA/ Company, in case of Shares held in physical form, as directed by SEBI.

11. 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.

12. The Notice of AGM along with the Annual Report 2018-19 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 31st August, 2019 by electronic mode to those members whose email address is registered with the Company / RTA / Depositories, unless any member has requested for a physical copy of the same.

13. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report at the meeting.
  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. 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 Karvy Fintech Private Limited (Karvy) to provide e-voting facility to the members of the Company.
  16. Members can opt for only one mode of voting i.e. either by physical ballot paper or remote e-voting. However, if members cast their vote through both mode of voting, then the voting through remote e-voting shall prevail. The members who have cast their vote by remote e-voting may also attend the AGM but they shall not be entitled to cast their vote again at the AGM.
  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 scrutinise 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 34<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 34<sup>th</sup> Annual General Meeting (AGM)



("remote e-voting") will be provided by Karvy Fintech Private Limited (Karvy).

- (b) The Company has engaged the services of Karvy Fintech Private Limited ("Karvy") as the Authorized Agency to provide e-voting facilities. The e-voting particulars are set out below:
- (c) EVENT (e-voting event number) USER ID PASSWORD/ PIN
- (d) The e-voting facility will be available during the following voting period:
- (e) Commencement of e-voting: From 27<sup>th</sup> September, 2019 (09.00 AM onwards)
- (f) End of e-voting: Up to 29<sup>th</sup> September, 2019 (05.00 PM).
- (g) The e-voting shall not be allowed beyond the said date and time.
- (h) The cut-off date (i.e. the record date) for the purpose of e-voting is 23<sup>rd</sup> September, 2019.
- (i) Please read the procedure and instructions for e-voting given below before exercising the vote.
- (j) This communication forms an integral part of the Notice for the AGM scheduled to be held on 30<sup>th</sup> September, 2019, which is enclosed herewith and is also made available on the website of the Company. Attention is invited to the statement on the accompanying notice that the Company is pleased to provide e-voting facility through Karvy for all shareholders of the Company to enable them to cast their votes electronically on the resolution mentioned in the Notice of the Annual General Meeting of the Company.

**1. Procedure and instructions for e-voting**

- i. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii. Enter the login credentials (i.e., user-id & password). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. User – ID For Members holding shares in Demat Form:-
  - a) For NSDL :- 8 Character DP ID followed by 8 digit Client ID
  - b) For CDSL :- 16 digits Beneficiary ID / Client ID
  - c) ID for Members holding shares in Physical Form:- Event No. (EVENT) followed by Folio No. registered with the Company.Password Your unique password is sent through e-mail/printed on the covering letter
- d) Captcha: Enter the verification code i.e., please enter the letters and numbers in the exact way as they are displayed for security reasons.
- iv. After entering these details appropriately, click on "LOGIN".
- v. You will now reach Password Change Menu wherein you are required to mandatorily change their password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc on first login. You may also enter a secret question of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any**

**other person and that you take utmost care to keep your password confidential.**

vi. After changing password, you need to login again with the new credentials.

vii. On successful login, the system will prompt to select the “Event” i.e. Colorchips New Media Limited.

viii. On the voting page, enter the number of shares (which represents number of votes) as on the cut-off date under “FOR/AGAINST/ABSTAIN” against the resolution or alternatively you may partially enter any number in “FOR”, partially in “AGAINST” and partially in “ABSTAIN” but the total number in “FOR/AGAINST/ABSTAIN” taken together should not exceed your total shareholding.

viii. You may then cast your vote by selecting an appropriate option and click on “Submit”. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.

ix. Once you have voted on the resolution, you will not be allowed to modify your vote.

x. Corporate/Institutional Members (Corporate / Fls / Flls / Trust / Mutual Funds / Companies, etc) are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc. together with the attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID:

cssaradacertifications@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned

documents should be in the naming format “Corporate Name\_ Event No.”

**B. In case of Members receiving the Notice by post:**

1. Please use the User ID and initial password as provided above.

2. Please follow all steps from Sr. No. (i) to (ix) as mentioned in (A) above, to cast your vote.

C. The e- voting period commences on 27th September, 2019 at 09.00 A.M and ends on 29th September, 2019 at 05.00 P.M. In case of any query pertaining to e-voting, please visit Help & FAQs section of Karvy e-voting website.

D. Once the vote on the resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently. Further, the shareholders who have cast their vote electronically shall not be allowed to vote again at the AGM.

E. Mrs. Sarada Putcha, Practicing Company Secretary (Membership No.21717) and COP No 8735) has been appointed as Scrutinizer for conducting the e-voting process in accordance with the Act.

F. Scrutinizer’s decision on the validity of e-voting shall be final. The e-mail ID of the Scrutinizer is

cssaradacertifications@gmail.com. The Scrutinizer shall, on the date of the AGM unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s report of the votes cast in favor or against, if any, and submit it to the Chairman.

G. The result of voting will be announced by the Chairman of the AGM, or any of the Director / CS at or after the AGM to be held on 30<sup>th</sup> September, 2019 and the resolutions will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favor of the resolutions.

H. The result of the voting along with the Scrutinizer's Report will be communicated to the stock exchanges and will also be posted on the website of the Company ([www.colorchipsindia.com](http://www.colorchipsindia.com)) and on Karvy's website (<https://evoting.karvy.com>) within 48 hours of completion of voting.

I. The voting rights for the shares are one vote per equity share, registered in the name of the shareholders / beneficial owners as on 23<sup>rd</sup> September, 2019. Shareholders holding shares either in physical form or dematerialized form may cast their vote electronically.

J. Shareholders / proxies may also vote at the venue of the meeting physically by using the ballot papers that will be provided at the venue. Shareholders / prox-

ies who have cast their votes through e-voting will not be allowed to cast their votes physically at the venue of the AGM.

K. Please contact Karvy's toll free No. 1800 3454 001 for any support or clarification in relation to the e-voting.

L. Members who have acquired shares after the dispatch of the Notice and before the Cut-off date may obtain the user ID by approaching Karvy, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com), Phone: 040-67162222, for issuance of the user ID and password for exercising their right to vote by electronic means.

**By order of the Board**  
**FOR COLORCHIPS NEW MEDIA LIM-**  
**ITED**  
**Sd/-**  
**SWATHI MANDAVA**  
**COMPANY SECRETARY**

September 04, 2019  
Hyderabad

**DIRECTOR'S REPORT**

Dear Members,

Your Directors have pleasure in presenting herewith the 34<sup>th</sup> Annual Report on the business of the Company together with the Financial Statements for the financial year ended March 31, 2019.

**1. FINANCIAL HIGHLIGHTS**

(Amount in Rs.)

PARTICULARS	STANDALONE	
	31.03.2019	31.03.2018
Total Revenue	4,94,02,732	2,53,10,185
Total Expenses	5,00,70,494	2,48,40,025
<b>Profit/loss before Tax</b>	(6,67,762)	4,70,160
Tax Expense	0	1,14,383
Deferred Tax	(36,059)	1,30,118
<b>Profit/loss after Tax</b>	(6,31,703)	2,25,659

**2. DIVIDEND**

Despite putting the best of the efforts Board of Directors of the Company, the Company could not generate the distributable profits for the FY 2018-19 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.

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 2018-19.

**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.

**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**

Your Company does not have any subsidiary as on 31.03.2019.

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

During the Financial Year 2018-19, MIENT Hospitality LLC, USA, ceased to be the subsidiary of the Company as it was dissolved on 20th March, 2019. Your company does not have any associates or joint ventures.

**10. DETAILS OF DIRECTORS & KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. RLVN Kishore Siram (DIN: 08208141), Director of the Company is liable to retire by rotation, being eligible offers himself for re-appointment.

The following changes took place on the Board of the Company during the year under review:

S. No	Name of the Director/KMP	Type of Change	Date
1.	Mr. Vivek Kalyan (DIN:01719658)	Resigned as Director	22.08.2018
2.	Mr. R L V N Kishore Siram (DIN 08208141)	Resigned as CFO	23.08.2018
3.	Mr. Srinivasa Rao Kakkera	Appointed as CFO	24.08.2018
4.	Mr. R L V N Kishore Siram (DIN 08208141)	Appointed as Additional Director	27.08.2018
5.	Mr. Yerra Srinivas (DIN 07834798)	Resigned as Director	29.08.2018
6.	Mr. R L V N Kishore Siram (DIN 08208141)	Appointed as Director	24.09.2018

Subsequently, the following changes took place on the Board of the Company:

S. No	Name of the Director/ KMP	Type of Change	Date of Change
1.	Monica Shrikant Gehlot	Resigned as Company Secretary	15.06.2019
2.	Mandava Swathi	Appointed as Company Secretary	15.06.2019
3.	Maruthi Rao Badheay	Appointed as CEO	15.06.2019

### **11. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

### **12. MEETING OF INDEPENDENT DIRECTORS**

During the year under review, the Independent Directors met on 14.02.2019 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 account 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.

### **13. 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 given separately in Corporate Governance Report in terms of Section 134(3)(b) of the Companies Act, 2013.

### **14. 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 lim-

ited 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.

### **15. 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.

### **16. STATUTORY AUDITORS**

M/s. S N Murthy & Co., Chartered Accountants (FRN: 002217S), Hyderabad the statutory auditors of the Company were originally appointed in the 27<sup>th</sup> annual general meeting of the Company for a term of 1 year followed by another year in 28<sup>th</sup> annual general meeting of the Company. Thereafter, M/s. S N Murthy & Co., Chartered Accountants (FRN: 002217S) were appointed as statutory auditors of the Company the 29<sup>th</sup> AGM for a period of 5 years commencing from the conclusion of 29<sup>th</sup> Annual General Meeting till the conclusion of 34<sup>th</sup> Annual General Meeting of the Company in accordance with the provisions of section 139 of the Companies Act, 2013 and their term as the

Statutory Auditors are expiring in the ensuing AGM.

Further, pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 M/s. S N Murthy & Co., Chartered Accountants, being eligible, offer themselves for re-appointment for a term of 3 (three) years in accordance with the provisions of Sec. 139 of the Companies Act, 2013 and the rules made there under. The Company has also received written consent from the Auditors and a confirmation to the effect that their re-appointment, if made, would be within the limits prescribed under the Section 141 of the Companies Act, 2013 and the rules made there under. Accordingly, the appointment of M/s. S N Murthy & Co., Chartered Accountants, as the statutory auditors of the Company, is hereby placed before the shareholders for their approval.

### **17. AUDITORS' REPORT**

The Auditors' Report for the FY 2018-19 does not contain any disqualifications. 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.

### **18. SECRETARIAL AUDIT REPORT**

Sarada Putcha, Practicing Company Secretary, (C.P. No. 8735) has conducted the secretarial audit of the Company for the financial year 2018-19, as required under Section 204 of

the Companies Act, 2013 and rules made thereunder. The secretarial audit report for FY 2018-19 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.

**19. INTERNAL AUDITORS**

M/s P K Rao & Co., Chartered Accountants (FRN: 014554S) were appointed as Internal Auditors of the Company for the financial year 18-19.

**20. MATERIAL EVENTS**

**Dissolution of MIENT Hospitality LLC, (WOS):** MIENT Hospitality LLC, USA been dissolved as on 20th March, 2019.

**21. 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.

**22. INTERNAL FINANCIAL CONTROLS**

The Company has adequate internal financial controls which commensu-

rate with the size of the business of the Company.

**23. 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, 2019 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, 2019 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.

#### **24. 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.

#### **25. 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.

#### **26. 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.

#### **27. 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**.

#### **28. 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).

#### **29. 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 where 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 Managerial Personnel) Rules, 2014 is enclosed as **Annexure - IV**.

#### **30. MANAGEMENT DISCUSSION AND ANALYSIS**

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

**31. 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.

**32. 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.

**33. RELATED PARTY TRANSACTIONS**

There were no 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.

**34. 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.

**35. 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.

**36. SECRETARIAL STANDARDS**

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

**37. LISTING**

Your Company's shares are listed on the BSE Limited and the listing fees for Financial Year 2019-20 is paid.

**38. 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

### **39. 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.

### **40. 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 (UPSI)' in compliance with the SEBI (PIT) Amendment Regulations, 2018. This Code is displayed on the Company's website.

### **41. ACKNOWLEDGEMENT**

Your Directors place on record their appreciation of the continued patronage extended 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**

**September 4, 2019**  
**Hyderabad**

**Annexure – I**

**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup>  
MARCH, 2019

(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 authorised 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, 2019 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.

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, 2019 according to the applicable provisions of:

- i. The Companies Act, 1956 and the Companies Act, 2013 ('the Act') and the rules made there under;
- 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;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable during the audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regula-

- tions, 2008; (Not Applicable during the audit period);
- f. 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;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable during the audit period);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable during the audit period) and
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Certificate 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:

- a) The Company had filed certain forms after the due date by payment of additional fee.

- b) 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

I further report that:

- The Company's Wholly Owned Subsidiary - 'MIENT Hospitality LLC' has been dissolved as on 20<sup>th</sup> day of March 2019.

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

September 4, 2019  
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.

**Encl:** Annexure A

**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. 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**

September 04, 2019  
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

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported: Nil

(b) the year of import: Nil

(c) whether the technology been fully absorbed: Nil

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Nil

(iv) the expenditure incurred on Research and Development: Nil

**(C) Foreign exchange earnings and Outgo-**

The Foreign Exchange earned in terms of actual inflows during the year and the 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**

**September 4, 2019**  
**Hyderabad**

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

Annexure – III

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31-03-2019**  
*[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	Colochips New Media Limited (formerly known as Millitoons Entertainment Limited)
Category/Sub-Category of the Company	Company limited by Shares/ Indian Non-Government Company
Address of the Registered office and contact details	House No. 8-3-833/85 & 85A, Plot No. 85, Phase 1, Kamalapuri Colony, Hyderabad TG 500073 IN Contact: 040 6535 9666 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	Karvy Finetech Private Limited (Formerly known as KCPL Advisory Services P Ltd) is the RTA of the Company. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, Telangana. Contact No. : 040 - 67161500 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

S.No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Digital Media	5911	100%

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

S.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-2019]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	



**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	7930374	-	7930374	46.62	79349368	-	79349368	46.65	-0.03
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4812141	-	4812141	28.29	48221412	-	48221412	28.35	-0.06
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>12742515</b>		<b>12742515</b>	<b>74.91</b>	<b>127570780</b>		<b>127570780</b>	<b>75.00</b>	<b>-0.09</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>12742515</b>		<b>12742515</b>	<b>74.91</b>	<b>127570780</b>		<b>127570780</b>	<b>75.00</b>	<b>-0.09</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	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	3933003	-	3933003	23.12	39188579	0	39188579	23.04	0.08
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	109142	1980	111122	0.65	1017844	21909	1039753	0.61	0.04
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	215300	0	215300	1.27	2254782	0	2254782	1.33	-0.06
c) Others (specify)	-	-	-	-	-	-	-	-	
Non Resident Indians	87	0	87	0	875	0	875	0	0
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	
Foreign Nationals	-	-	-	-	-	-	-	-	
Clearing Members	7873	-	7873	0.05	44231	0	44231	0.03	0.02
Trusts	-	-	-	-	-	-	-	-	
Foreign Bodies - D R	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(2):-</b>	<b>4265405</b>	<b>1980</b>	<b>4267385</b>	<b>25.09</b>	<b>42506311</b>	<b>21909</b>	<b>42528220</b>	<b>25.00</b>	<b>0.09</b>
<b>Total Public (B)</b>	<b>4265405</b>	<b>1980</b>	<b>4267385</b>	<b>25.09</b>	<b>42506311</b>	<b>21909</b>	<b>42528220</b>	<b>25.00</b>	<b>0.09</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>17007920</b>	<b>1980</b>	<b>17009900</b>	<b>100</b>	<b>170077091</b>	<b>21909</b>	<b>170099000</b>	<b>100</b>	<b>-</b>

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

**(ii) Shareholding of Promoters**

S. No	Shareholder's Name	Shareholding at the beginning of the year as on 31 <sup>st</sup> March 2019			Shareholding at the end of the year on 31 <sup>st</sup> March 2018			% 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	7181084	42.21	-	71856468	42.24	-	-0.03
2	Sree Lakshmi Ramabhotla	749290	4.41	-	7492900	4.41	-	0.00
3	Ravikaanth Portfolio Services Private Limited	4812141	28.29	-	48221412	28.35	-	-0.06
<b>TOTAL</b>		<b>12742515</b>	<b>74.91</b>	<b>-</b>	<b>127570780</b>	<b>75</b>	<b>-</b>	<b>0.09</b>

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

S. No	Name of the Promoter	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
<b>Ramabhotla Srinivasa Sudhish</b>					
1.	At the beginning of the year	7185646	42.24	7185646	42.24
	Changes during the year Shares Sold	(4562)	(0.03)	7181084	42.21
	At the End of the year	<b>7181084</b>	<b>42.21</b>	<b>7181084</b>	<b>42.21</b>
<b>Sree Lakshmi Ramabhotla</b>					
2.	At the beginning of the year	7492900	4.41	7492900	4.41
	Changes during the year Nil	0	0	0	0
	At the End of the year	<b>7492900</b>	<b>4.41</b>	<b>7492900</b>	<b>4.41</b>
<b>Ravikaanth Portfolio Services Private Limited</b>					
3.	At the beginning of the year	4822141	28.35	4822141	28.35
	Changes during the year Shares Sold	10000	0.06	<b>4812141</b>	<b>28.29</b>
	At the End of the year	<b>4812141</b>	<b>28.29</b>	<b>4812141</b>	<b>28.29</b>

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

**(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
1.	<b>Tranello Info Solutions Private Limited</b>	1598638	9.40	-	-
	Change during the year	(111620)	(0.66)	1487018	8.74
	At the end of the year	<b>1487018</b>	<b>8.74</b>	<b>1487018</b>	<b>8.74</b>
2.	<b>Locero Media &amp; Consulting Private Limited</b>	1478163	8.69	-	-
	Change during the year	4089	0.02	1482252	8.71
	At the end of the year	<b>1482252</b>	<b>8.71</b>	<b>1482252</b>	<b>8.71</b>
3.	<b>Viniato Advisors Private Limited</b>	822721	4.83	-	-
	Change during the year	(2458)	(0.01)	820263	4.82
	At the end of the year	<b>820263</b>	<b>4.82</b>	<b>820263</b>	<b>4.82</b>
4.	<b>A S Kameshwar Rao</b>	170178	1.00	-	-
	Change during the year	10178	0.06	160000	0.94
	At the end of the year	<b>160000</b>	<b>0.94</b>	<b>160000</b>	<b>0.94</b>
5.	<b>Karvy Stock Broking Limited*</b>	1063	0.00	-	-
	Change during the year	113814	0.67	114877	0.67
	At the end of the year	<b>114877</b>	<b>0.67</b>	<b>114877</b>	<b>0.67</b>
6.	<b>Prabhakar Rao Mandava</b>	55300	0.325	-	-
	Change during the year	Nil	Nil	55300	0.325
	At the end of the year	<b>55300</b>	<b>0.325</b>	<b>55300</b>	<b>0.325</b>
7.	<b>Lanka V N Muralidhar</b>	7500	0.04	-	-
	Change during the year	Nil	Nil	7500	0.04
	At the end of the year	<b>7500</b>	<b>0.04</b>	<b>7500</b>	<b>0.04</b>
8.	<b>Globe Capital Market Limited</b>	12059	0.07	-	-
	Change during the year	(5859)	(0.04)	6200	0.03
	At the end of the year	<b>6200</b>	<b>0.03</b>	<b>6200</b>	<b>0.03</b>
9.	<b>Philco Exports Private Limited*</b>	Nil	Nil	-	-
	Change during the year	5800	0.03	5800	0.03
	At the end of the year	<b>5800</b>	<b>0.03</b>	<b>5800</b>	<b>0.03</b>

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

10.	<b>Kaushika Hemant Khajanchi</b>	7339	0.04	-	-
	Change during the year	(1720)	(0.01)	5619	0.03
	At the end of the year	<b>5619</b>	<b>0.03</b>	<b>5619</b>	<b>0.03</b>
11.	<b>Hiraben Ratilal Modi<sup>#</sup></b>	3400	0.02	-	-
	Change during the year	0	0	3400	0.02
	At the end of the year	<b>3400</b>	<b>0.02</b>	<b>3400</b>	<b>0.02</b>
12.	<b>Iqbal Habib<sup>#</sup></b>	2378	0.01	-	-
	Change during the year	(74)	(0.01)	2304	0.00
	At the end of the year	<b>2304</b>	<b>0.00</b>	<b>2304</b>	<b>0.00</b>
13.	<b>Avantisha Singh<sup>#</sup></b>	2212	0.01	-	-
	Change during the year	(1)	0	2211	0.01
	At the end of the year	<b>2211</b>	<b>0.01</b>	<b>2211</b>	<b>0.01</b>
14.	<b>Rameshwar J Yadav<sup>#</sup></b>	1421	0.00	-	-
	Change during the year	(1421)	0	0	0
	At the end of the year	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Marked shareholders were not present in the list of top ten shareholders as on 01.04.2018 and are reflecting in the above list since they are in the top ten list as on 31.03.2019.

# Marked shareholders ceased to be in the list of top ten shareholders as on 31.03.2019, however they are reflected in the above list since they were present in the top ten list as on 01.04.2018.

**(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	7185646	42.24	7185646	42.24
	Changes during the year	(4562)	(0.03)	7181084	<b>42.21</b>
	At the end of the year	<b>7181084</b>	<b>42.21</b>	<b>7181084</b>	<b>42.21</b>
2	<b>RLVN Kishore Siram</b>				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
3	<b>Krishnapriya Vincent</b>				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

	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>Monica Srikanth Gehlot</b>				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	<b>Srinivas Rao Kakkera</b>				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning 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
<b>Change in Indebtedness during the financial year</b>				
• Addition	NIL	NIL	NIL	NIL
• Reduction				
<b>Net Change</b>	NIL	NIL	NIL	NIL
<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

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

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

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

S.No	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary	-	-
	(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 - others, specify...	-	-
5.	Others, please specify	-	-
<b>Total (A)</b>		-	-
<b>Ceiling as per the Act</b>		N.A.	

**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.	-

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

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

S.No	Particulars of Remuneration	KMP		Total Amount
		Monica Shrikant Gehlot	Srinivasa Rao	
		CS	CFO	
1.	Gross salary (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	2,80,000	3,36,000	6,16,000
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
<b>Total (A)</b>		<b>2,80,000</b>	<b>3,36,000</b>	<b>6,16,000</b>
<b>Ceiling as per the Act</b>		N.A.		-

**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

September 04, 2019  
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**

i. 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.

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 the Company Secretary and the Chief Financial Officer of the Company.

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

iii. The percentage increase in the median remuneration of the employees in the financial year.

There has been an increase of 30% median remuneration of the employees in the financial year.

iv. There were 17 Permanent employees on the rolls of the Company as on March 31, 2019.

v. Average percentile increase 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. However, the Company has hired new talent who were paid remuneration as per the industry standards.

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

vi. 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.

Statement of Particulars of Employees Pursuant to Provisions of Rule 5(2) of

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

Section 197(12) of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as shown under.

**Top 10 Employees in terms of remuneration:**

Name	Age	Qualification	Designation	Date of commencement of employment	Experience Gross (years)	Nature of employment	Remuneration Per annum	Previous Employment	Relative of Director If any
V.S.S. Gowtham	29	B.Tech		07.09.2018	8 years	Full Time	3,60,000	Shopper quick pvt ltd	N.A.
K. Srinivasa Rao	49	B.Com	Accounts Manager	23.11.2017	11 years	Full Time	3,36,000	Studio News	N.A.
P. Poorna Sri	55	B.Com	Admin	15.06.2018	28 years	Full Time	3,00,000	Gati ltd	N.A.
KV Trimurthlu	60	Graduate	Digital Marketing	06.03.2019	30 years	Full Time	3,00,000	NA	NA
Monica Shrikant Gehlot	28	ACS	Company Secretary and Compliance Officer	01.02.2016	02 years	Full Time	2,80,000	NIL	N.A.
B. Chandra Rekha	25	B.Tech	SEO Executive	11.11.2018	4 years	Full Time	1,80,000	Relgo Networks Pvt ltd	N.A.
D Pavan	24	Graduate	SEO Executive	29.10.2018	2 years	Full Time	1,80,000	NA	NA
B Venkatesh	26	Graduate	SEO Executive	31.01.2019	2 years	Full Time	1,80,000	NA	NA
Ch. Kalyan	31	Graduate	SEO Executive	05.03.2019	4 years	Full Time	1,56,000	NA	NA
K.Hemanth Rao	26	B.Zc	Video Editor	27.08.2018	6 years	Full Time	1,44,000	Yalmanchili television pvt ltd	N.A.

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

**September 04, 2019**  
**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.

**Industry Structure and Developments:**

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making high growth strides. Proving its resilience to the world, the Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenues.

The industry has been largely driven by increasing digitalization and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people.

Indian media and entertainment (M&E) industry grew at a CAGR of 18.55 per cent from 2011-2017; and is expected to grow at a CAGR of 13.9 per cent to touch US\$ 37.55 billion by 2021 from US\$ 22.75 billion in 2017.

The next 5 years will see digital technologies increase their influence across the industry leading to a sea change in con-

sumer behaviour across all segments. The entertainment industry is projected to be more than US\$ 62.2 billion by FY25.

The Indian Media and Entertainment industry is on an impressive growth path. The industry is expected to grow at a much faster rate than the global average rate. The Indian Digital media has grown significantly over the past few years, and continues to lead the growth charts on advertising. Subscription revenues are emerging and are expected to make their presence felt by 2020. In 2017, digital media grew 29.4% (27.8% net of the impact of GST) on the back of a 28.8% growth in advertising and a 50% growth in subscription. Subscription, which was just 3.3% of total digital revenues in 2016, is expected to grow to 9% by 2020.

**Digital leading growth:** The intensity of competition has increased in the digital music streaming space. There were two new launches in the Indian market this year – Spotify with a high decibel marketing push, and YouTube music services. Both of these launched with a subscription model. These along with the current incumbents (Gaana, Saavn, Apple Music, Wynk, Amazon Music), have made the music streaming business cluttered. Most of these players are using the Music streaming business as loss leaders for their other products.

**Outlook:**

The advent of large OTT platforms in India such as Google, Netflix, Amazon, Eros Now, Jio Cinema, etc, apart from OTT offerings of various Telecom companies, has significantly increased the demand for films' digital rights. The sudden surge in demand especially the demand for exclusive rights, has resulted in a significant increase in the value of digital rights, which as per industry estimates have increase multi-fold (depending on the length of the deal and type of rights acquired) over the last two to three years. Digital revenue generated INR 8.5 billion for the film segment in 2017 an increase of 40% over 2016.

Online video viewing: 250 Million people viewed videos online in 2017, a growth of 64% over 2016. Consumer has shown increased preference towards short form content, with the average length of video viewed being around twenty minutes. In addition, 62 % of the content consumed on you tube is short-form content. Trends in online searches in India suggest that entertainment is becoming the largest sought after category, contributing to 31% of all searches.

Unlike the era of television, where must provide regulations force a broadcaster to share content across all platforms who demanded it, no such laws exist India for Digital Media. This has enabled OTT platforms to bid for and acquire content which is exclusive and not available on

other platform, or even television. Such content covers originals from Netflix and Amazon Prime, as well as a new trend of direct to digital movies such as Love per square foot.

With these upcoming and constantly growing key trends, it is quite explanatory that the Digital Media industry in India has gained considerable impetus in the past years and definitely there is an ever increasing graph ahead in the future. Growth and progress are always marked with milestones thus, if the existing challenges are tackled with wise measures then the pace of growth can be fastened with no paramount hurdle in its way.

**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: Millennials spend more time streaming content than watching it on television, and more than 20 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 smartphone-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.4,87,50,368/-, profit / loss after tax for the current financial year was Rs.(6,31,703)/-.

The paid-up capital of the Company as on March 31, 2019, 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 SRINIVAS**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00027816**

**September 04, 2019**  
**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 organisation, 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 31st March, 2019, 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 24<sup>th</sup> September, 2018, and also the number of Directorships and committee positions held by them in public limited companies are as follows:

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 inter se
Mr. Ramabhotla Srinivasa Sudhish (DIN: 00027816)	Promoter	-	-	2	-	NA
Ms. Krishnapriya Vincent (DIN 07443638)	Non Executive - Independent	-	-	1	1	NA
Mr. Srinivasa Murthy Banda (DIN 03165686)	Non Executive - Independent	-	-	2	1	NA
Mr. RLVN Kishore Siram (DIN: 08208141)	Non Executive - Non Independent	-	-	1	-	NA

Membership/Chairmanship of Audit Committees and Stakeholders' Relationship Committee

Mr. R L V N Kishore Siram (DIN: 08208141) was appointed as additional director of the Company under non - executive category w.e.f. August 27, 2018 and was subsequently regularized at the 33<sup>rd</sup> Annual General Meeting of the Shareholders of the Company held on 24.09.2018. Mr. Yerra Srinivas (DIN: 07834798) Non-executive Director of the Company resigned w.e.f August 29, 2018 and Mr. Vivek Kalyan (DIN: 01719658) Independent Director of the Company resigned w.e.f August 22, 2018.

**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 30<sup>th</sup> May, 2018, 07<sup>th</sup> August, 2018, 23<sup>rd</sup> August, 2018, 28<sup>th</sup> August, 2018, 13<sup>th</sup> November, 2018, 31<sup>st</sup> January, 2019 and on 14<sup>th</sup> February, 2019. 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 33<sup>rd</sup> Annual General Meeting was held on 24<sup>th</sup> September, 2018.

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	Nil
Ms. Krishnapriya Vincent	Director	Nil
Mr. Srinivasa Murthy Banda	Director	Nil
Mr. RLVN Kishore Siram	Director	Nil

**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.



- Behavioural 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 judgement, safeguarding

the interest of the Company and its 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)

minority shareholders etc. The

### **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. Mrs. Monica Gehlot, Company Secretary acts as the Secretary to the Audit Committee.

The Audit Committee meets regularly as required and exercises its powers in accordance with the framework defined 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 30<sup>th</sup> May, 2018, 28<sup>th</sup> August, 2018, 13<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019. 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 subsection 3 of Section 134 of the Companies Act, 2013
  - ii. Changes, if any, in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv. Significant adjustments made in the financial statements arising out of audit finding
  - v. Compliance with listing and other legal requirements relating to financial statements
  - vi. Disclosure of any related party transactions
  - vii. Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements.

- |   |  |
|---|--|
| <p>viii. Management Discussion and Analysis of financial conditions and results of operations</p> <ol 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><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 function or discharging that function)</li></ol> | <p>in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilize of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.</p> <ol style="list-style-type: none"><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><li>19. Discussion with internal auditors of any significant findings and follow up there on</li><li>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.</li><li>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</li><li>22. To review the functioning of the Whistle Blower Mechanism</li><li>23. Approval of appointment / reappointment, remuneration of CFO (or any other person heading the finance after assessing the qualifications,</li></ol> |
|---|--|

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

The Committee met one me during the year i.e. on 31<sup>st</sup> January, 2019. 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	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 appointed 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 the link [www.colorchipsindia.com/investor-relations](http://www.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. Ms. Monica Gehlot, Company Secretary of the Company act as Compliance officer of the Company. Mr. Srinivasa Murthy Banda, Independent Non-Executive Director heads the 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.

Ms. Monica Gehlot, Company Secretary of the Company act as Compliance officer of the Company. Mr. Srinivasa Murthy Banda, non-executive Independent 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 re-

ports/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.

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

**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, 2018	24 <sup>th</sup> September, 2018	Monday	Production centre at Plot No 85, Phase 1, Kamalapuri Colony, Hyderabad- 500073	9:00 am	<ol style="list-style-type: none"> <li>1. Change of Name of the Company from Millitoons Entertainment Limited to Colorchips New Media Limited</li> <li>2. Consolidate 10 (Ten) equity shares of the Company having face value of Re. 1/- (Rupee One only) each fully paid-up into 1 (One) equity share of face value of Rs. 10/- (Rupees Ten only) each fully paid-up</li> </ol>
March 31, 2017	29 <sup>th</sup> September, 2017	Friday	Hotel Celebrations, Plot No66a, Road No.1, Jubilee Hills, Hyderabad - 500 033, Telangana	9:00 am	--
March 31, 2016	30 <sup>th</sup> September, 2016	Friday	Hotel Vinflora, No. 157, Kamalapuri, Srinagar Colony Main Road, Hyderabad 500073, Telangana.	9:00 am	Appointment of Mr. Ramabhotla Srinivasa Sudhish as Managing Director and Chairman

ii. No special resolution was passed through Postal Ballot in FY 2016-17.

iii. Special resolutions moved at the AGM conducted on 24th September, 2018 were passed through e-voting and poll.



**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

S.NO	GENERAL INFORMATION TO SHAREHOLDERS	
I	Annual General Meeting Date, Time and Venue	Monday, 30 <sup>th</sup> September, 2019 at 05.30 PM at the Company's Registered office situated at Plot No 85, Phase 1, Kamalapuri Colony, Hyderabad-500073, Telangana.
Ii	Date of Book Closure	September 23, 2019 to September 30, 2019 (For the purpose of AGM).
Iii	Financial year	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019.
Iv	Dividend Payment Date	NA
V	Name and address of the Stock Exchange	BSE Ltd, PhirozeJeejeebhoy Towers, Dalal Street, Mumbai -400001.
Vi	Listing on Stock Exchanges	The Company has paid the annual listing fees for the year 2019-2020 to the above stock exchange.
Vii	Stock Code ISIN no. for both NSDL and CDSL	540023 <b>INE621I01026</b>
Viii	Registrar and Share Transfer Agents	Karvy Finetech Private Limited (Formerly known as KCPL Advisory Services P Ltd) is the RTA of the Company. 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 31st March, 2019, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments
Xi	Address for the correspondence	Ms. Swathi Mandava Company Secretary & Compliance officer Colorchips New Media Limited Plot No 85, Phase 1, Kamalapuri Colony, Hyderabad- 500073, Telangana. Email: info@colorchipsindia.com

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

Quarter ending 30th June, 2019

Second Week of August, 2019

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

Half-year ending 30th September, 2019

Fourth Week of October, 2019

Quarter ending 31st December, 2019

Fourth Week of January, 2019

Year ending 31st March, 2020

First or second week of May, 2021

**12. PLANT LOCATION**

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

**13. MONTH-WISE MARKET PRICE DATA DURING THE YEAR ENDED 31ST MARCH, 2019**

MONTH	BSE	
	High	Low
April 2018	40.40	23.20
May 2018	30.55	18.15
June 2018	17.25	12.10
July 2018	12.33	10.81
August 2018	10.64	7.76
September 2018	7.76	7.76
October 2018	7.85	6.70
November 2018	71.80	68.50
December 2018	70.10	45.05
January 2019	50.10	45.10
February 2019	86.90	67.10
March 2019	101.95	82.00

**14. Distribution Schedule as on 31st March 2019**

S. No.	Nominal Value	Amount in Rs.	% of Total Capital	No. of Shareholders	% of total Holders
1.	Upto 5000	642850	0.377	2114	97.64
2.	5001 to 10000	166650	0.098	20	0.92
3.	10001 to 20000	138340	0.081	10	0.46
4.	20001 to 30000	22110	0.01	1	0.04
5.	30001 to 40000	109750	0.06	3	0.13
6.	40001 to 50000	100000	0.05	2	0.09
7.	50001 to 100000	301690	0.17	5	0.23
8.	100000 and above	168617610	99.12	10	0.46
<b>Total</b>		<b>170099000</b>	<b>100</b>	<b>2165</b>	<b>100</b>

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

As on 31st March, 2019, 99.98% % of the total No. of shares is in dematerialized form. There were no pending transfers as on 31st March, 2019.

**16. Performance in comparison to broad based indices such as BSE Sensex:**

S. No.	Month	Colorchips Share Price	Sensex Price
1.	April 30, 2018	28.30	35160.36
2.	May 31, 2018	18.15	35322.38
3.	June 30, 2018	12.10	35423.48
4.	July 31, 2018	10.81	37606.58
5.	August 31, 2018	07.76	38645.07
6.	September 30, 2018	07.76	36227.14
7.	October 31, 2018	06.70	34442.05
8.	November 30, 2018	70.10	36194.30
9.	December 31, 2018	54.70	36068.33
10.	January 31, 2019	67.20	36256.69
11.	February 28, 2019	86.60	35867.44
12.	March 31, 2019	100.95	38672.91

**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 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

### **iii. Related Party Transactions**

During the Financial Year 2018-19, there were no 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. The Related Party policy is hosted in the website of the Company at the [link: http://www.colorchipsindia.com/investorrelations](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 whistle-blowers 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](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

- 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 download able 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 Requirements) 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

Listing Centre of BSE Limited. 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, 2019 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; These statement 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/-  
**Ramabhotla Srinivasa Sudhish**  
**Chairman and Managing Director**  
**Din: 00027816**

SD/-  
**Srinivasa Rao Kakkera**  
**CFO**

**Place:** Hyderabad

**Date:** September 04, 2019

**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 31st, 2019 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.

**SD/-**

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

**Place:** Hyderabad

**Date:** September 04, 2019

---

**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 31st March, 2019, 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 above mentioned 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)**

**Sd/-**  
**(P V S N Murthy)**  
**Proprietor**

**Place:** Hyderabad

**Date:** September 04, 2019

---

**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.

**SD/-**  
**For Sarada Putcha**  
**Practicing Company Secretary**  
**M. No. 21717**  
**C P No. 8735**

**Place:** Hyderabad

**Date:** September 04, 2019



**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 Colorchips New Media Limited (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), 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>

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

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

**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.

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

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

**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 circumstances. 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, 2019, 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

financial 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 31st March 2019.

**For S N MURTHY & Co**  
**Chartered Accountants**

**FRN No. 0022175**

**Sd/-**

**P V S N Murthy**

**(Proprietor)**

**M.No.21862**

**Place: Hyderabad**

**Date: 30/05/2019**

**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,

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

		relating to maintenance of cost records is not applicable to the Company.
7.	a.	There was 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, 2019 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 company 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

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

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

---

**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, 2019 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 ade-

quate 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 ac-

cordance 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 authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2019, 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. 0022175**

Sd/-  
**P V S N Murthy**  
**(Proprietor)**  
**M.No.21862**

**Place: Hyderabad**  
**Date: 30/05/2019**

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2019**

Particulars	Notes	As at 31-Mar-19	As at 31-Mar-18
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property , Plant and equipment	3	14621713	1180574251
Intangible assets	4	7628945	45457
Capital Work in Progress		102249443	101416203
<b>Financial Assets</b>			
a. Investments	5	9916839	39135277
b. Loans			
c. Restricted Deposits			
d. Other Financial Assets	6	171346	1521346
Other non-current Assets			
<b>Total Non-Current Assets</b>		<b>134588286</b>	<b>1322692534</b>
<b>Current Assets</b>			
Inventories	7	191963410	123447481
<b>Financial Assets</b>			
a. Trade Receivables	8	2036850	53861526
b. Cash and Cash equivalents	9	4854502	4624321
c. Restricted Deposits			
d. Loans and advances	10	6570104	7700648
e. Other financial assets			
Other current assets	11	2226460	771222
<b>Total current assets</b>		<b>207651326</b>	<b>190405198</b>
<b>Total Assets</b>		<b>342239612</b>	<b>1513097732</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	12	170099000	170099000
Other equity	13	171019003	1337557665
<b>Total equity</b>		<b>341118003</b>	<b>1507656665</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	13588	49647

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

Other non-current liabilities			
<b>Total Non-Current Liabilities</b>		<b>13588</b>	<b>49647</b>
Current Liabilities			
a. Borrowings	15	0	0
b. Acceptances			
c. Trade payables		666026	4879268
d. Other Financial Liabilities	16	415499	397769
Employee benefit obligations			
Current tax liabilities	17	0	114383
Other current liabilities	18	26496	0
<b>Total Current liabilities</b>		<b>1108021</b>	<b>5391420</b>
<b>Total Liabilities</b>		<b>1121609</b>	<b>5441067</b>
<b>Total Equity and Liabilities</b>		<b>342239612</b>	<b>1513097732</b>

Notes 1 to 31 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 : 30/05/2019**

**Place: Hyderabad**

**Sd/-**  
**Monica Shrikant**  
**Gehlot**  
**(Company Secretary)**

**Sd/-**  
**Srinivasa Rao Kakkera**  
**(CFO)**

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

Amount in Rs.

Particulars	Notes	Year ended 31-Mar-19	Year ended 31-Mar-18
<b>Revenue</b>			
Revenue from operations (net)	19	48750368	24679255
Other income	20	537981	630930
<b>Total Revenue</b>		<b>49288349</b>	<b>25310185</b>
<b>Expenses</b>			
Film right costs including amortisation costs	21	37764004	7410090
Changes in inventories of film rights	22	-2451477	8055350
Employee benefit expenses	23	4975141	3908892
Finance costs (net)	24	36253	15484
Depreciation and amortisation expenses	25	1595276	1078252
Other expenses	26	8151297	4371957
<b>Total Expenses</b>		<b>50070494</b>	<b>24840025</b>
Profit Before tax		-782145	470160
<b>Tax expenses</b>			
Current tax		0	114383
Deferred Tax Expense/(Income)		-36059	130118
Short/(excess) provision of earlier years			
		-36059	244501
<b>Profit after tax for the year</b>		<b>-746086</b>	<b>225659</b>
<b>Other comprehensive income</b>			
Revaluation of land			
Reversal of excess depreciation			
Provision for Income Tax Written off		114383	0
<b>Total Comprehensive income for the year</b>	<b>0</b>	<b>-631703</b>	<b>225659</b>
<b>Earnings per share</b>	27		
Basic (in Rs.) (nominal value Rs.10)		-0.0439	0.0133
Diluted (in Rs.) (nominal value Rs. 10)		-0.0439	0.0133

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

Notes 1 to 31 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**

**Date : 30/05/2019**

**Place: Hyderabad**

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

**Sd/-**

**R. S. Sudhish  
(Managing Director)**

**Din: 00027816**

**Sd/-**

**Monica Gehlot  
(Company Secretary)**

**Sd/-**

**Srinivas Murthy Banda  
(Director)**

**DIN: 03165686**

**Sd/-**

**Srinivasa Rao Kakkera  
( CFO)**

**3. Property, Plant and Equipment**

Details of company's property, plant and equipment and their carrying amounts are as follows:

	Amount in Rs.					
Gross Carrying amount	Land	Furniture & Fixtures	Motor Vehicles	Office Equipments	Data processing Equipments	Total
<b>Balance as at 31 March 2017</b>	<b>1176100000</b>	<b>745642</b>	<b>0</b>	<b>668651</b>	<b>4679913</b>	<b>1182194206</b>
Additions		418520	1618934		1008154	3045608
Adjustments/disposals						
<b>Balance as at 31 March 2018</b>	<b>1176100000</b>	<b>1164162</b>	<b>1618934</b>	<b>668651</b>	<b>5688067</b>	<b>1185239814</b>
Additions		226506	2219469	320161	327356	3093492
Adjustments/disposals	-1165906959		-1618934			-1167525893
<b>Balance as at 31 March 2019</b>	<b>10193041</b>	<b>1390668</b>	<b>2219469</b>	<b>988812</b>	<b>6015423</b>	<b>20807413</b>
<b>Accumulated Depreciation</b>						
<b>Balance as at 31 March 2017</b>	<b>0</b>	<b>554650</b>	<b>0</b>	<b>340360</b>	<b>2693994</b>	<b>3589004</b>
Depreciation Charge	0	40522	26125	30189	979723	1076559

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

Adjustments/disposals	0					
<b>Balance as at 31 March 2018</b>	<b>0</b>	<b>595172</b>	<b>26125</b>	<b>370549</b>	<b>3673717</b>	<b>4665563</b>
Depreciation Charge	0	90853	143216	59362	1290333	1583764
Adjustments/disposals	-63627					
<b>Balance as at 31 March 2019</b>	<b>0</b>	<b>686025</b>	<b>105714</b>	<b>429911</b>	<b>4964050</b>	<b>6185700</b>
<b>Net Carrying Amount</b>						
Balance as at 31 March 2018	<b>1176100000</b>	<b>568990</b>	<b>1592809</b>	<b>298102</b>	<b>2014350</b>	<b>1180574251</b>
Balance as at 31 March 2019	<b>10193041</b>	<b>704643</b>	<b>2113755</b>	<b>558901</b>	<b>1051373</b>	<b>14621713</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.

#### 4. Intangible Assets

Gross Carrying amount	Software & Website	Total
<b>Balance as at 31 March 2018</b>	<b>47150</b>	<b>47150</b>
Additions	7595000	7595000
Adjustments/disposals		0
<b>Balance as at 31 March 2019</b>	<b>7642150</b>	<b>7642150</b>
<b>Accumulated Depreciation</b>		
<b>Balance as at 31 March 2018</b>	<b>1693</b>	<b>1693</b>
Depreciation Charge	11512	11512
Adjustments/disposals	0	0
<b>Balance as at 31 March 2019</b>	<b>13205</b>	<b>13205</b>
Balance as at 31 March 2018	45457	45457
Balance as at 31 March 2019	7628945	7628945

#### 5. Investments

Amount in  
Rs.

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

Particulars	As at 31-Mar-19	As at 31-Mar-18
<b>Non current investments</b>		
<b>Unquoted Equity Shares</b>		
<b>i) Investment in equity shares of sub-sidiaries accounted at cost</b>		
Mient Hospitality LLC, U.S	0	23512504
<b>ii) Investments carried at fair value through profit or loss</b>		
i) Franklin Temple MF	9916839	15622773
ii) ICICI Prudential MF		
<b>Total</b>	<b>9916839</b>	<b>39135277</b>

Aggregate value of unquoted Investments	0	23512504
Aggregate value of impairment in value of investment	0	0
Market value of Franklin Temple MF as on 31/03/2019		

**6. Other Financial Assets**

Particulars	As at 31-Mar-19	As at 31-Mar-18
Deposits to Others	171346	1521346
<b>Total</b>	<b>171346</b>	<b>1521346</b>

Amount in Rs.

**7. Inventories**

Particulars	As at 31-Mar-19	As at 31-Mar-18
Film Rights	187060160	118544231
Books	4903250	4903250
<b>Total</b>	<b>191963410</b>	<b>123447481</b>

Amount in Rs.

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

**8. Trade Receivables**

Particulars	Amount in Rs.	
	As at 31-Mar-19	As at 31-Mar-18
Secured, considered good		
Unsecured, considered good	2036850	53861526
Considered doubtful		
Dues from related parties		
Less: Provision for doubtful receivables		
<b>Total</b>	<b>2036850</b>	<b>53861526</b>

**9. Cash and Cash Equivalents**

Particulars	Amount in Rs.	
	As at 31-Mar-19	As at 31-Mar-18
Cash on hand	1666518	1257964
Cheques on hand		
Balances with banks		
In current accounts	712984	3366357
In deposit accounts	2475000	
<b>Total</b>	<b>4854502</b>	<b>4624321</b>

**10. Loans and Advances**

Particulars	Amount in Rs.	
	As at 31-Mar-19	As at 31-Mar-18
Amounts due from related parties (refer note 43)		
Loans and advances to em- ployees		
Other loans & Advances	6270104	7400648
Security deposits	300000	300000
<b>Total</b>	<b>6570104</b>	<b>7700648</b>



**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

Out of the above loans and advance Rs. 74,00,648, Rs. 66,00,000 is given towards acquisition of assets pending for capitalization

**11. Other Current Assets**

Particulars	Amount in Rs.	
	As at 31-Mar-19	As at 31-Mar-18
Prepaid expenses	305850	458955
Advance payment of taxes	538760	312267
TDS Receivable	1381850	
<b>Total</b>	<b>2226460</b>	<b>771222</b>

**12. Equity Share Capital**

Particulars	Amount in Rs.			
	As at 31-Mar-19		As at 31-Mar-18	
	Number	Amount	Number	Amount
<b>Authorised Share Capital</b>				
Equity shares of Rs.10/- each (Re.1 previous year)	18500000	185000000	185000000	185000000
<b>Issued, Subscribed and fully paid up</b>				
Equity shares of Rs.10/- each (Re.1 previous year)	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	Amount in Rs.			
	As at 31-Mar-19		As at 31-Mar-18	
	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>

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

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

	As at 31-Mar-19		As at 31-Mar-18	
	Number	% holding in the class	Number	% holding in the class
<b>Promoter</b>				
Ramabhotla Srinivasa Sudhish	7185647	42.24	71856468	42.24
Sree Lakshmi Ramabhotla Ravikaanth Portfolio Services Private Limited	749290	4.41	7492900	4.41
	4822141	28.35	48221412	28.35
	12757078	75.00	127570780	75.00
<b>Non Promoter</b>				
Tranello Info Solutions Private Limited	1598638	9.40	15986382	9.40
Locero Media and Consulting Private Limited	1478163	8.69	14781627	8.69

**Rights, preferences, restrictions of equity shares**

The Company has only one class of equity shares having par value of Rs.10/-per share. Every holder 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	Amount in Rs.	
	As at 31-Mar-19	As at 31-Mar-18
<b>Securities Premium</b>		
Balance at the beginning of the year	165537750	165537750
Add: Additions for		

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

Less: Bonus Issue		
Balance at the end of the year	165537750	165537750
<b>Revaluation Reserve</b>		
Balance at the beginning of the year	1165906959	1165906959
Add: Additions for		
Less: Withdrawal	1165906959	0
Balance at the end of the year	0	1165906959
<b>Retained Earnings</b>		
Balance at the beginning of the year	6112956	5887297
Add: Net profit after tax for the year	-631703	225659
Other Comprehensive income		
Adjustment on account of Appropriation: Dividend and Dividend distribution tax		
Balance at the end of the year	5481253	6112956
<b>Total</b>	<b>171019003</b>	<b>1337557665</b>

**14. Deferred Tax Liabilities (Net)**

Particulars	Amount in Rs.	
	As at 31-Mar-19	As at 31-Mar-18
Deferred tax liability on Depreciation on tangible assets	13588	130118
<b>Total</b>	<b>13588</b>	<b>130118</b>
Deferred tax asset on Provision for expenses allowed on payment basis		
Others		80471
<b>Total</b>	<b>0</b>	<b>80471</b>
MAT credit recoverable		
<b>Deferred tax liabilities (net)</b>	<b>13588</b>	<b>49647</b>

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

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

Particulars	As at 31-Mar-19	As at 31-Mar-18
<b>Profit before tax</b>	-667762	470160
Tax expense		114383
<b>Tax rate as a % of profit before tax</b>	0.00%	24.33%
<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		
At India's statutory income tax rate of 25% (31 March 2018: 25%)	25%	25%

**15. Short-Term Borrow-  
ings**

Particulars	As at 31-Mar-19	As at 31-Mar-18
		Amount in Rs.
<b>Repayable on demand</b>		
<b>Unsecured</b>		
From others		
From related parties		0
<b>Total</b>	<b>0</b>	<b>0</b>

Loans carry an interest rate  
of nil

Note : There is no default, continuing or otherwise as at the reporting date, in repay-  
ment of any of the above loans

**16. Other Financial Liabil-  
ities**

Particulars	As at 31-Mar-19	As at 31-Mar-18
		Amount in Rs.
Unclaimed dividend		

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

Employees dues	324974	289213
Other expenses payable	90525	108556

<b>Total</b>	<b>415499</b>	<b>397769</b>
--------------	---------------	---------------

**17. Current Tax Liabilities**

Particulars	Amount in Rs.	
	As at 31-Mar-19	As at 31-Mar-18
Provision for corporate taxes (net)	0	114383
<b>Total</b>	<b>0</b>	<b>114383</b>

**18. Other Current Liabilities**

Particulars	Amount in Rs.	
	As at 31-Mar-19	As at 31-Mar-18
Duties and taxes payable	26496	
<b>Total</b>	<b>26496</b>	<b>0</b>

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

Particulars	Amount in Rs.	
	Year ended 31-Mar-19	Year ended 31-Mar-18
Revenue from distribution and exhibition of film and other rights	48750368	20175915
Revenue from sale of books	0	3951240
Training Income	0	552100
<b>Total</b>	<b>48750368</b>	<b>24679255</b>

**20. Other Income**

Particulars	Year ended	Year ended
-------------	------------	------------

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

	31-Mar-19	31-Mar-18
Interest Income	43915	
Other non-operating Income	494066	630930
Income tax provision written off	114383	
<b>Total</b>	<b>537981</b>	<b>630930</b>

**21. Film right cost**

Particulars	Year end- ed	Year ended
	31-Mar-19	31-Mar-18
Film rights cost	37764004	1157300
Printing of books	0	6252790
<b>Total</b>	<b>37764004</b>	<b>7410090</b>

**22. Changes in inventory of film rights**

Particulars	Year end- ed	Year ended
	31-Mar-19	31-Mar-18
Opening Stock		
Finished goods	123447481	131502831
Closing Stock		
Finished goods	125898958	123447481
<b>Total</b>	<b>-2451477</b>	<b>8055350</b>

**23. Employee Benefit expenses**

Particulars	Year end- ed	Year ended
	31-Mar-19	31-Mar-18
Salaries and bonus	4870043	3873601
Staff Welfare expenses	89497	35291
ESI Employer Portion	15601	
<b>Total</b>	<b>4975141</b>	<b>3908892</b>

**24. Finance Costs**

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
Interest expenses		0
Other borrowing costs	36253	13264
Interest on late payment of taxes		2220
<b>Total</b>	<b>36253</b>	<b>15484</b>

**25. Depreciation and amortisation expenses**

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
Depreciation on tangible assets	1583764	1076559
Amortisation on intangible assets	11512	1693
<b>Total</b>	<b>1595276</b>	<b>1078252</b>

**26. Other Expenses**

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
BSE Listing charges	286514	340037
Electricity expenses	186219	93781
Telephone & Internet	145296	128705
NSDL Charges	22500	77082
Printing & Stationery	11971	13509
Postage & Stamps	43360	617
Repairs & Maintenance	301799	121665
Audit fees	25000	25000
Professional charges	1004124	421000
Insurance	850	
CDSL Charges	85220	81441
ROC Charges	153505	166405
Security Charges	270012	0
Travelling & Conveyance	2500220	1260258
Advertisement	108520	103895
Miscellaneous expenses	157877	235011
Office Maintenance	1004804	820218
Office Rent	1200000	483333
Membership fees	81732	

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

Brokerage	20000
GST	286467
Innova Car Loss	255307

<b>Total</b>	<b>8151297</b>	<b>4371957</b>
--------------	----------------	----------------

**27. Earnings per share**

Particulars	Year end- ed	Year ended
	31-Mar-19	31-Mar-18
<b>a) Computation of net profit for the year</b>		
Profit after tax attributable to equity shareholders	-746086	225659
<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	-0.0439	0.0133
Diluted	-0.0439	0.0133



**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

Particulars	2018-2019		2017-2018	
<b>Cash Flows from Operating Activities</b>				
Profit Before Tax	667,762	-	470,160	-
Adjustments for :				
(+) Depreciation	1595276	-	1,078,252	-
(-) Interest Income	652,364	-	630,930	-
(+) Interest Expense				
<b>Operating Profit Before Working Capital Changes</b>	<b>275,150.00</b>	<b>-</b>	<b>917,482.00</b>	<b>-</b>
<b><u>Adjustments for changes in Working Capital:</u></b>				
(+) Increase in Sundry Debtors	51,824,676	-	6,619,168	-
(-) Increase/(+) Decrease in Stock	68,515,929	-	8,055,350	-
(+) Increase/(-) Decrease in Trade Payables	4,213,242	-	7,011,202	-
(+) Increase/(-) Decrease in other Current Liabilities	26,496	-	142,565	-
(+) Decrease/(-) Increase in other Current Assets	1,455,238	-	4,048,771	-
(-) Decrease in short term provisions				
(-) Increase in Short Term Loans and Advances	1,130,544	-	7,700,648	-
<b><i>Cash Generated from Operations</i></b>	<b>(20,927,543.00)</b>	<b>-</b>	<b>(8,166,850.00)</b>	<b>-</b>
Income Taxes Paid	114,383	-	244,501	-
<b>Cash Flow before Extra-ordinary Items</b>	<b>21,041,926</b>	<b>-</b>	<b>8,411,351</b>	<b>-</b>
(-) Extra-ordinary Items				
<b><i>Net Cash from Operating Activities</i></b>		<b>21,041,926</b>		<b>8,411,351</b>
<b>Cash Flows from Investing Activities</b>				
(-) Purchase of Fixed Assets	-	-	-	-

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

	9,079,396		2,037,413	
(-)Increase in Capital-work-progress	833,240		3,778,234	
(-)Increase in Other Tangible Assets			45,457	
(+)Interest received	652,364		630,930	
(+)Dividend received			-	
(-)Purchase of Non-Current Investments	29,218,438		1,243,434	
(-) Others(Long term Loans & Advances)			1,521,346	
(+) Others(Long term Loans & Advances)			-	
<b>Net cash from Investing activities</b>		<b>19958166</b>		<b>-7994954</b>
<b>Cash flows from Financing Activities</b>				
Proceeds from issuance of share capital				
Reserves & Surplus				
Deffered Tax	36,059		49,647	
Decrease in deposits	1,350,000			
Interest paid				
Dividends Paid				
(+) others			1,009,888	
<b>Net cash from Financing activities</b>		<b>1,313,941</b>		<b>960,241</b>
<b>Net increase in cash and cash equivalents</b>		<b>230,181</b>		<b>(17,366,546)</b>
<b>Cash and Cash equivalents at beginning of the period</b>		<b>4,624,321</b>		<b>21,990,867</b>
<b>Cash and Cash equivalents at end of the period</b>		<b>4,854,502</b>		<b>4,624,321</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

## **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 standalone financial statements were authorised for issue in accordance with a resolution of the Directors on 4<sup>th</sup> September 2019.

#### **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 March 2019 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 recognised 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 amortisation 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 amortisation less provision for impairment. The average life of the assets is the lesser of 5 years or the remaining life of the asset. The amortisation 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 recognised 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 con-

tracts 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 recognised 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 recognised 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 amortised 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 recognises 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 recognising 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.

#### **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 (₹)

#### **Financial Assets**

Financial assets are divided into the following categories:

- financial assets carried at amortised 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.

**Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised 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 im-

pairment. 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.

**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.

**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 investments 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 derecognition. 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 derecognition 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.

#### **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.

#### **m. 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 recognised 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.

**n. Earnings per share**

Basic earnings per share is 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 antidilutive.

**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.

**p. 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 provides a geographical split as it con-

siders that all activities fall within one segment of business which is filmed entertainment.

The Company has identified one geographic markets - India

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

The preparation of the financial statements requires management to make judgements, 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 amortisation 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 judgments are used to determine the amortisation 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.

## 28. Related Party Disclosure

Sl. No.	Name of the related party	Nature of Relations	Transaction with related party during the year	Outstanding balance
1.	Mient Hospitality LLC	WOS	Rs. 2,35,12,504 investment sold during the year	Rs. 0

## 29. Transactions during the year with related parties

Based on the information available with the Company, there are 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.

No adjusting or significant non-adjusting events have occurred between 31 March 2019 and the date of authorisation of these standalone financial statements.

## 31. Authorisation of financial statements

The financial statements for the year ended 31 March 2019 (including comparatives) were approved by the board of directors on 30<sup>th</sup> May, 2019.

## 30. Post reporting date events

As per our report of even date  
For S N Murthy & Co.,  
Chartered Accountants  
FRN: 002217S  
SD/-  
PVS N Murthy  
(Proprietor)  
M.No. 21862

For and on behalf of Board of Directors  
Sd/- Sd/-  
R. S. Sudhish Srinivas Srinivasa Murthy Banda  
(Managing Director) (Director)  
DIN: 00027816 DIN: 03165686  
  
Sd/-  
Monica Gehlot  
(Company Secretary)

**FOR REGISTRATION OF EMAIL ADDRESS FOR RECEIVING DOCUMENTS/NOTICES BY  
ELECTRONIC MODE**

To  
Karvy Finetech Private Limited  
(Formerly known as KCPL Advisory Services P Ltd)  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad – 500032,

**Company: Colorchips New Media Limited**

I agree to receive all documents/ notices including the Annual Report from the Company in electronic mode. Please register my email address given below in your records for sending communications through email.

Name of Sole /First Holder : \_\_\_\_\_

DP ID /Client ID/Regd. Folio No: \_\_\_\_\_

PAN No. : \_\_\_\_\_

Email Address : \_\_\_\_\_

Date:

Place: (Signature of Member)

**COLORCHIPS NEW MEDIA LIMITED**  
(Formerly known as Millitoons Entertainment Limited)

**Form No.MGT-11**

**Proxyform**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID
I/We, being the member(s) of _____ shares of the above named company. Hereby appoint		
Name :	E-mail Id:	
Address:		
Signature , or failing him		
Name :	E-mail Id:	
Address:		
Signature , or failing him		
Name :	E-mail Id:	
Address:		
Signature , or failing him		

as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 34<sup>th</sup> Annual General Meeting of the company, to be held on Monday the 30<sup>th</sup> day of September, 2019 at 05:30 p.m. at the Registered office of the Company situated Plot No 85, Phase 1, Kamalapur Colony, Hyderabad- 500073, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution(S)	Vote	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the standalone financial statements as at March 31, 2019 along with the Reports of the Auditors and Directors thereon.		
2.	To appoint a Director in place of Mr. RLVN Kishore Siram (DIN: 08208141) who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Appointment of Statutory Auditors for the second term of 3 years.		

Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. If a member leaves the "FOR" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolutions.

Signed this \_\_\_\_ day of September, 2019

Affix Revenue  
Stamp

Signature of Member

**COLORCHIPS NEW MEDIA LIMITED**

**CIN: L74110TG1985PLC051404**

**Address:** House No. 8-3-833/85 & 85A, Plot No. 85, Phase 1, Kamalapuri Colony, Hyderabad 500073.

**Tel No.:** 040 – 31923239, **Email ID:** info@colorchipsindia.com

---

**ATTENDANCE SLIP**

**34<sup>th</sup> ANNUAL GENERAL MEETING**

(Please complete this attendance slip and hand it over at the entrance of the registered office)

I/ We hereby record my/ our presence at the 34<sup>th</sup> Annual General Meeting of the Company held on Monday, September 30, 2019 at 05:30 P.M. at Plot No 85, Phase 1, Kamalapuri Colony, Hyderabad- 500073, Telangana.

Name of the Member/Proxy \_\_\_\_\_ Signature \_\_\_\_\_

Folio No. \_\_\_\_\_ No. of Shares Held \_\_\_\_\_

\*DP ID \_\_\_\_\_ \*Client ID \_\_\_\_\_

\*Applicable to investors holding shares in Electronic Form

**Notes:**

1. Electronic copy of the Annual Report for 2019 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.
2. Physical copy of the Annual Report for 2019 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email ids are not registered with the Company or have requested for a hard copy.

**COLORCHIPS NEW MEDIA LIMITED**  
**(Formerly known as Millitoons Entertainment Limited)**

**Map for Venue of AGM:**

