

KSS LIMITED



19TH ANNUAL REPORT
2013-2014

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KSS LIMITED

(FORMERLY KNOWN AS K SERA SERA LIMITED)

BOARD OF DIRECTORS

MR. SATISH PANCHARIYA
(Executive Chairman and Director)

BRIGADIER VINOD AHUJA
(Non- Executive Director)

MR.HUSSAIN SHATTAF
(Non – Executive Independent Director)

DR. RAJEEV BENARA
(Non – Executive Independent Director)

MR. DUSHYANT KUMAR
(Non – Executive Independent Director)

MR. RAKESH SHARMA
(Non – Executive Independent Director)

COMPANY SECRETARY

MR. SHAILESH BAPAT

AUDITORS

M/s. AGRAWAL JAIN AND GUPTA,
Chartered Accountants
Near Mamta Ice Factory,
Opp. Dharm Kanta
Ringus Road,
Chomu -s 303702.

BANKERS

ING Vysya Bank
ICICI Bank

REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED
E-2 & 3, Ansa Industrial Estate,
Saki-Vihar Road, Sakinaka,
Andheri (E), Mumbai-400 072

REGISTERED OFFICE

Unit No. 101A and 102, 1st Floor,
Morya Landmark II, Plot B-17,
Andheri (W), Mumbai - 400 053.

**NOTICE**

NOTICE IS HEREBY GIVEN THAT 19TH ANNUAL GENERAL MEETING OF THE Shareholders of KSS LIMITED will be held at "Kailash Parbat, K-P Restaurants, 7A/ 8A, 'A' wing Crystal Plaza, Link Road, Andheri (West), Mumbai -400053" on Tuesday, the 30th September, 2014 at 9.00 a.m to transact, with or without modifications(s) as may be permissible, the following business:

ORDINARY BUSSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and Profit and Loss Account for the year ended on that date, the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Brigadier Vinod Ahuja (DIN 05214206) who retires from office by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration, and for the purpose, to pass the following Resolution, which will be proposed as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 139 and any other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) read with rules under the Companies (Audit and Auditor's) Rules, 2014 the Company Auditors) Rules, 2014 the Company's Auditor's, M/s Agrawal Jain & Gupta, Chartered Accountants (ICAI Registration No: 0135838C) who hold office upto the date of this Annual General Meeting but, being eligible, offer themselves for re-appointment be and are hereby appointed as Statutory Auditors of the Company for holding office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties."

SPECIAL BUSINESS:

4. To pass and if thought fit to adopt with or without modification(s) following resolution as the **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Mr. Hussain Shattaf (DIN: 02321306), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 30th September, 2014 upto 30th September, 2019."

5. To pass and if thought fit to adopt with or without modification(s) following resolution as the **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Mr. Dushyant Kumar (DIN: 03097822), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 30th September, 2014 upto 30th September, 2019."

6. To pass and if thought fit to adopt with or without modification following resolution as the **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Mr. Rakesh Sharma (DIN: 06384452), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 30th September, 2014 upto 30th September, 2019."



7. To pass and if thought fit to adopt with or without modification(s) following resolution as the Special Resolution:

“RESOLVED THAT pursuant to Section 76 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Acceptance of Deposits) Rules, 2014; consent of the company be and is hereby accorded to the Board of Directors or its duly constituted committee of the Company to accept Deposits both secured as well as unsecured or a combination thereof from Public as well as members or combination thereof not exceeding the limits specified from time to time in this behalf (hereinafter referred to as 'Public Deposits').

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to the Board of Directors of the Company for mortgaging / charging all or any of the immovable and movable assets of the Company both present and future on such terms and conditions, as may be agreed to between the Board and Trustees for the depositors to secure an amount not less than the amount of secured deposits accepted from time to time, which is in addition to the limits approved under Section 180 (1)(a) of the Companies Act, 2013 to create charge on assets of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company or any of its duly constituted committee be and is hereby authorized to do and perform all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper, desirable and expedient to give effect to this resolution and / or to comply with any statutory requirements as may be prescribed in this behalf from time to time and to settle any question, difficulty, doubt that may arise in acceptance of aforesaid public deposits.”

8. To pass and if thought fit to adopt with or without modification(s) following resolution as the Special Resolution:

“RESOLVED THAT, the consent of the members of the Company be and is hereby accorded under Section 180(1)© and other applicable provisions and rules framed thereunder of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), to the Board of Directors of the Company to borrow from time to time, monies for the business of the company notwithstanding that the money to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of paid up capital of the company and its Free Reserves provided that the total amount of monies borrowed at any time, shall not exceed Rs.100 Crores”.

Place: Mumbai
Date: 05th September, 2014

By Order of the Board of Directors

Sd /-

Registered Office:
Unit No. 101 A and 102, 1st Floor,
Morya Landmark II, Plot B-17,
Andheri (W), Mumbai - 400 053.
CIN:L22100MH1995PLC092438
Email: grievanceredressal@kserasera.com

Shailesh Bapat
Company Secretary

**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of the members of the company 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 person or shareholder.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 26th September, 2014 to 30th September, 2014 (Both Days Inclusive).
3. The members are requested to:
 - (a) Intimate to the Company's Registrars and Share Transfer Agents, M/s. Big Share Services Private Limited (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date, quote ledger folio numbers /DP Identity and Client Identity Numbers in all their correspondences;
 - (b) Bring the copy of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
5. Members / beneficial Owners are requested to quote their full name as per Company's record, Folio No. / DP and Client ID Nos. as the case may be, in all correspondence with the company.
6. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
8. A Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed thereto.
9. Members who have not registered their email addresses so far are requested to register their email addresses so far as requested to register their e-mail addresses so far as requested to register their email address for receiving all communication including Annual Report,,Notices, Circulars, etc. from the Company electronically.

**INSTRUCTIONS FOR ELECTRONIC VOTING (E-VOTING)**

Pursuant to provisions of the Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to cast their votes electronically on all resolutions set forth in the notice conveying the 19th Annual General Meeting to be held on 30th September, 2014 at 19TH ANNUAL GENERAL MEETING OF THE Shareholders of KSS LIMITED will be held at “Kailash Parbat, K-P Restaurants, 7A/ 8A, 'A' wing Crystal Plaza, Link Road, Andheri (West), Mumbai -400053”.

The e-voting facility is available at the link www.evotingindia.com.

The e-voting facility will be available on and from 24th September, 2014 at 9.00 a.m and ends on 26th September, 2014 at 6.00 p.m.

Mr. Vishal Manseta, Practising Company Secretary, Mumbai has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

Steps for e-voting:

1. Log on to the e-voting website during the voting period.
2. Click on the “Shareholders' tab.
3. Now select “KSS LIMITED” from drop down menu and click on “SUBMIT”
4. Now enter your User Id
 - a) For CDSL: 16 digits beneficiary Id,
 - b) For NSDL: 8 character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical form should enter Folio Number registered with the Company.
5. Next enter the Image Verification page as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
7. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the Sequence number which is mentioned in address label affixed on Annual Report, in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Suresh Kumar with Sequence Number 1 the enter SU00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yy format.</p>



8. After entering these details appropriately, click on "SUBMIT" tab.
9. Members holding shares in physical form will then reach directly the Company selection screen. However members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11. Click on the EVSN of "KSS LIMITED" on which you choose to vote.
12. On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
13. Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution detail.
14. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take printout of the voting done by you by clicking on "Click here to Print" option on the Voting Page.
17. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on <https://www.evotingindia.co.in> and register themselves as Corporates.
They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a compliance user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.voting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
18. The voting period begins on 24th September, 2014 at 9.00 AM and ends on 26th September, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e 05th September, 2014, may cast their vote electronically. The e-voting schedule shall be disabled by CDSL for voting thereafter.
19. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.voting@cdslindia.com.

Place: Mumbai

Date: 05th September, 2014

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No: 4 to 6

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Mr Hussain Shattaf, Mr. Dushyant Kumar, Mr Rakesh Sharma as Independent Directors at various times, in compliance with the requirements of the said clause.

As per the provisions of Section 149(4) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from October 1, 2014 inter alia stipulates the conditions for the appointment of Independent Directors by a listed company.

The Nomination & Remuneration Committee has recommended the appointments of these Directors as Independent Directors from 30th September, 2014 to 30th September, 2014.

The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Meeting.

The brief profile of the Independent Directors to be appointed is given below:

Mr. Hussain Shattaf

Mr. Shattaf is Diploma in Business Management from Orcland University in the year of 1999-2000. Mr. Shattaf has vast expertise and interest in gold, steel industry, construction and exchange house. He commenced his career in the year 2001, in Shattaf General Trading which dealt in commodities market in Mumbai. Prior to joining the board of KSSPL he owned a steel processing plant in UAE known as National Steel Company LLC.

Mr. Hussain Shattaf has been on the Company's Board since 13th October, 2008 and is an Independent Director.

Mr. Dushyant Kumar

Mr. Dushyant Kumar, is a law graduate and hold a degree in B.L.S/ LL.B. He is enrolled with Bar Council of Maharashtra & Goa from 2 August 2007.

He was appointed as Independent Director of the Company w.e.f 29th June, 2010.

Mr. Rakesh Sharma

Mr. Rakesh Sharma is a Lawyer by Profession.

He was appointed as Independent Director of the Company w.e.f 20th September, 2012.

Item No. 7

As you are aware that your Company has been accepting Public Deposits since last Annual general meeting of the Company held on 30.12.2013 and the deposit holders are overwhelmingly happy with the way their money is being safeguarded with interest and prompt repayment.

The Government of India has replaced the existing Companies Act, 1956 (Hereafter 'previous Act') with new Companies Act, 2013 (Hereafter 'new Act') and accordingly the provisions dealing with public deposits are also subjected to a sea change.

By virtue of Section 76 read with the Companies (Acceptance of Deposits) Rules, 2014; henceforth, approval of members by way of special resolution is a prerequisite to accept or renew the said deposits by your Company and thus your approval is sought for accepting the deposits from Public. Further the new Act provides that the deposits raised in terms of provisions of the previous Act shall be repaid as per the term of respective deposit, which is already being complied by your Company.

The Directors recommend the Resolution in the best interest of the Company for your approval.

None of the Directors or Key Managerial Person of the Company or their relatives is deemed to be concerned or interested in the aforesaid Resolution.

**Item No. 8**

In view of the enactment of new Companies Act, 2013 it is considered necessary to get the authorization of Shareholders U/s 180(1)(c) of the Companies Act, 2013 to borrow from time to time, monies for the business of the company notwithstanding that the money to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of paid up capital of the company and its Free Reserves provided that the total amount of monies borrowed at any time, shall not exceed Rs.100 Crores. Hence, the resolution is recommended for your approval.

None of the Directors of the Company is in any way concerned or interested in the resolution.

Information pursuant to Clause 49 (IV) (G) (i) of the Listing Agreement:-

Brief resume and other details in respect of the Directors seeking appointment /reappointment at the Annual General Meeting fixed for 30th September,2014.

Names of Director	Brigadier Vinod Ahuja
Date of Birth	22/02/1952
Date of Appointment	28.02.2012
Expertise in functional area	Business Development
List of outside directorship held, excluding Alternate Directorship, Private Companies, and Foreign Companies	NIL
Chairman/member of the Committee of the Board of Directors of the Company	YES (Audit Committee and Shareholders Grievance Committee)
Chairman/member of the Committee of the Board of Directors of the Company other Companies in which he/she is a director: a. Audit Committee b. Investor Grievance Committee	NIL
No. of Shares held in the Company	NIL

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the Nineteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2014.

1. Financial Highlights :**(Rupees In Lacs)**

Particulars	Standalone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Revenue from operations & other operating income	-	3.15	5994.03	11018.08
Profit/(Loss) Before Taxation & Exceptional Items	(1832.58)	(195.59)	(1601.10)	236.00
Add: Exceptional items	-	-	-	-
Profit/(Loss) before tax	(1832.58)	(195.59)	(1601.10)	236.00
Less: Tax expenses	54.49	(286.38)	(58.65)	(366.82)
Profit/(Loss) after Taxation	(1887.07)	90.79	(1542.45)	602.82
Balance Brought forward from the previous year	(2203.69)	(2294.48)	27,398.58	22,167.08
Balance carried forward to next year	(4090.76)	(2203.69)	25,856.14	27,398.58

2. Company performance:

During the financial year ended 31st March 2014, the total revenue on a consolidated basis was Rs.6,480.24 Lacs. The Company has incurred post tax loss of Rs.1,542.45 Lacs for financial year 2013-14 as against profit of Rs. 602.82 Lacs in the previous year.

On standalone basis total revenue was NIL. The post tax loss for the financial year 2013-14 was Rs.1887.07 Lacs viz-a-viz Profit of Rs.99.79 Lacs in the previous year.

3. Dividend:

The Board of Directors do not recommended dividend for the year ended 31st March, 2014.

4. Subsidiaries:

The Company has following subsidiaries

K Sera Sera Digital Cinema Private Limited - India
K Sera Sera Box Office Private Limited-India
K Sera Sera Miniplex Limited- India
K Sera Sera Productions FZE- UAE
K Bazaar Online Trading Private Limited-India

The Company has following step-down subsidiaries

K Kampus Education Private Limited - India
K Sera Sera Consultancy Private Limited - India
K Sera Sera Holdings Pty Limited - Australia
KSS Capital Limited - Bermuda

The statement pursuant to section 212 of the Companies Act, 1956 containing details of the Company's subsidiaries is attached.

5. Presentation of Financial Statements:

The Ministry of Corporate Affairs (MCA) vide notification dated 28 February 2011 amended the existing Schedule VI to the Companies Act, 1956. The revised Schedule VI is applicable from financial year commencing from 1 April 2011. The financial statements of your Company for the year ended 31 March 2013 have been prepared in accordance with the revised Schedule VI and accordingly, the previous year's figures have been reclassified/ regrouped to conform to this year's classification.

6. Consolidated Accounts:

The Ministry of Corporate Affairs (MCA) by General Circular No.2/2011 dated 8 February 2011 had granted an exemption to companies from complying with Section 212 of the Companies Act, 1956, provided such companies fulfil conditions mentioned in the said circular. Accordingly, the Board of Directors of your Company at its meeting held on 30th May 2014 approved the audited consolidated financial statements for the financial year 2013-14 in accordance with the Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India as well as Clause 32 of the Listing Agreement, which include financial information of all its subsidiaries, and forms part of this report. The Consolidated Financial Statements of your Company for the financial year 2013-14, have been prepared in compliance with applicable Accounting Standards.



The annual accounts and financial statements of the subsidiary companies of your Company and related detailed information shall be made available to members on request and are open for inspection at the Corporate Office of your Company during business hours on working days up to the date of Annual General Meeting. Your Company has complied with all the conditions as stated in the circular and accordingly has not attached the financial statements of its subsidiary companies for the financial year 2013-14. A statement of summarized financials of all subsidiaries of your Company pursuant to the circular issued by the Ministry of Corporate Affairs, forms part of this report.

7. Corporate Governance & Management Discussion and Analysis Report :

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report along with Certificate by the Auditors of the Company on its Compliance, Management Discussion and Analysis Report forms a part of this Annual Report.

8. Directors :

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Brigadier Vinod Ahuja retires by rotation, and being eligible offers themselves for re-appointment. Appropriate resolutions for re-appointment of aforesaid directors are being moved at the ensuing Annual General Meeting. Brief resume of retiring directors are given in the notice of Annual General Meeting.

9. Directors ' Responsibility Statement:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibilities Statement, the Directors of the company hereby state and confirm that:

- (1) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (2) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the profits / losses of the Company for the year ended on that date.
- (3) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (4) They have prepared the annual accounts on a going concern basis.

10. Public Deposits:

The Company has accepted any deposits from public in accordance with Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975.

11. Insurance:

The Company's property, equipments and stocks are adequately insured against major risks after taking into account all the relevant factors.

12. Particulars of Employees:

None of the Employees of the Company is following in the limits covered under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

13. Conservation of Energy and Technology Absorption:

Considering nature of activities carried on by the Company, information required to be provided under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, in relation to Conservation of Energy and Technology Absorption are currently not applicable to the Company.

14. Foreign Exchange Earnings and Outgo:

(Rs. In Lacs)

Foreign Exchange Earnings	:NIL
Foreign Exchange Outgo	:NIL

15. Auditors:

M/s. Agrawal Jain and Gupta, Chartered Accountants, retire as Statutory Auditors of the Company at the conclusion of the ensuing Annual General Meeting. The Statutory Auditors have confirmed their eligibility and willingness to accept the office on re-appointment. The necessary resolution seeking your approval for re-appointment of Statutory Auditors has been incorporated in the Notice convening Annual General Meeting.

16. Internal Control System:

The Company has in place appropriate internal control systems, commensurate with its size and nature of operations.

**17. Appreciation and Acknowledgements:**

Your Directors wish to place on record their appreciation and sincere gratitude to the various Departments of the Central and State Government, Company's Bankers, clients, media and business constituents for their valuable assistance and support. The Directors also acknowledge the continued support received from investors and shareholders and the confidence reposed by them. The Directors place on record their appreciation for the sincere and dedicated services rendered by all the employees of the Company.

For and on behalf of the Board of Directors

Director

Director

Place: Mumbai

Date: 30.05.2014

**Statement pursuant to Section 212(1) (e) of the Companies Act, 1956 with respect to subsidiary companies**

Sr. No.	Name of Subsidiary Company	Financial Year of the Subsidiary	Extent of the Holding Company's Interest (%)	Net aggregate amount of Profit/(losses) of the subsidiary, so far as it concerns the members of the Holding Company:		Net aggregate amount of Profit/(losses) for the previous year of the subsidiary so far as they concern members of the Holding Company:	
				dealt with in the accounts of the Company for the year ended 31 st March 2014	not dealt with in the accounts of the Company for the year ended 31 st March 2013	dealt with in the accounts of the Company for the year ended 31 st March 2014	not dealt with in the accounts of the Company for the year ended 31 st March 2013
1.	K Sera Sera Productions FZE - UAE	31.03.2014	100%	Nil	Nil	Nil	Nil
2	K Sera Sera Digital Cinema Private Limited	31.03.2014	100%	Nil	Nil	Nil	Nil
3	K Sera Sera Box Office Private Limited	31.03.2014	91.42%	Nil	Nil	Nil	Nil
4	K Sera Sera Miniplex Limited	31.03.2014	93.02%	Nil	Nil	Nil	Nil
5	K Baazar Online Trading Private Limited	31.03.2014	90%	Nil	Nil	Nil	Nil

**FINANCIAL INFORMATION OF SUSBSIDIARIES PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT 1956
FOR THE YEAR ENDED 31.03.2014**

Particulars	K Sera Sera Digital Cinema Private Limited	Indian			Foreign
		K Sera Sera Miniplex Limited	K Sera Sera Box Office Private Limited	K Baazar Online Trading Private Limited	K Sera Sera Productions FZE -UAE
		Consolidated			Consolidated
Capital	3,000.00	3,000.00	3,000.00	1.00	4,994.63
Reserves	(365.16)	(466.13)	(327.54)	(6.94)	32,087.35
Total Asset	1,552.02	1,959.18	56.49	0.12	37,698.75
Total Liabilities	368.18	641.21	95.53	6.06	577.63
Details of Investment	1,451.00	1,267.90	2,711.50	-	8,064.00
Turnover	1,468.18	295.00	-	-	4,224.84
Profit Before Taxations(PBT)	72.03	(276.66)	(7.82)	(0.25)	444.22
Provision for Taxation	50.77	(163.90)	-	-	-
Profit After Taxation (PAT)	21.26	(112.76)	(7.82)	(0.25)	444.22

CORPORATE GOVERNANCE REPORT

Introduction Colleague

Corporate governance is about commitment to values and ethical business conduct. It is a set of laws, regulations, processes and customs affecting the way a company is directed, administered, controlled or managed. Effective corporate governance practices constitute the strong foundations on which commercial enterprises are built to last. These practices are categorized through a framework enforced by regulation. It develops through adoption of ethical practices in all of its dealings with a wide group of stakeholders encompassing regulators, employees, shareholders, customers and vendors. This includes its corporate and other structures, culture, policies and the manner in which it deals with various stakeholders. Some of the important best practices of corporate governance framework are timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company. It has become an integral part of the business aligning the organizations to the best practices of good governance.

The detailed report on compliance by the Company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with Stock Exchange is set out below:

I. Company's Philosophy on code of Corporate Governance

Corporate Governance encompasses the value systems of integrity, transparency and adoption of high ethical standards. K Sera Sera's philosophy on Corporate Governance is to enhance the long term economic value of the Company and its Stakeholders including shareholders and society at large through attainment of highest levels of transparency, accountability, professionalism and equity in all facets of its operations.

The Company envisions being a globally preferred business associates with responsible concern for society and stakeholders value. The Company is committed to ethical values and self discipline through standards of good governance based on transparency, fairness, purposefulness, trust, responsibility, checks and balances directed at sustaining shareholders interest and overall organizational goals.

The Company makes best endeavors to uphold and nurture these core values in all facets of its operations and aims to increase and sustain its corporate value through growth and innovation.

The Company is fully committed to and continues to follow procedures and practices in conformity with the Code of Corporate Governance enshrined in the Listing Agreement.

II. Board Of Directors

(a) Composition and category

In compliance of with the requirements of clause 49 of the Listing Agreement, the Company has optimum combination of Executive & Non – Executive Directors. The number of non – executive director is more than 50% of the total number of directors. The Company is headed by 5 (Five) Directors amongst which there are 3 (Three) Independent Directors, which is more than half of total number of Directors.

Independent Directors do not have any pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in judgment of the Board, may affect independence of the judgment of the Director.

None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees across all companies in which they are Directors.

The members of our Board are from diverse background with skills and experience in critical areas like governance, finance, entrepreneurship and general management.



Name of the Director	Category	No. of board meeting attended	Attendance at the last AGM	No. of Directorship in other Companies	No. of outside Committee positions held		No. of Equity Shares held As on 31.03.13
					Chairman	Board	
Mr. Satish Panchariya	Executive Chairman	25	Not Attended	6	Nil	Nil	Nil
Brigadier Vinod Ahuja	Non-Executive	25	Attended	6	Nil	Nil	Nil
Mr. Hussain Shattaf	Non Executive Independent Director	25	Attended	6	Nil	Nil	Nil
Mr. Dushyant Kumar	Non Executive Independent Director	25	Attended	Nil	Nil	Nil	Nil
Mr. Rakesh Sharma	Non Executive Independent Director	25	Attended	NIL	Nil	Nil	Nil

(b) No. of Board meetings & date of holding the meeting:

(i) 24.04.2013, (ii) 30.05.2013, (iii) 23.07.2014, (iv) 30.07.2013, (v) 14.08.2013, (vi) 03.09.2013, (vii) 16.09.2013, (viii) 08.10.2013, (ix) 17.10.2013, (x) 20.10.2013, (xi) 14.11.2013, (xii) 22.11.2013, (xiii) 27.11.2013, (xiv) 06.12.2013, (xv) 16.12.2013, (xvi) 03.01.2014, (xvii) 24.01.2014, (xviii) 28.01.2014; (xix) 31.01.2014; (xx) 11.02.2014; (xxi) 17.02.2014 (xxii) 18.02.2014; (xxiii) 21.02.2014 (xxiv) 25.02.2014; (xxv) 03.03.2014; (xxvi) 28.03.2014

The Company has held at least one meeting in every three (3) months and the maximum time gap between any two meetings was not more than four (4) months.

(c) Board Procedure

The procedures with respect to Board Meetings and the Meetings of the Committees thereof are in compliance with the requirements of the Companies Act, 1956, the Secretarial Standards (SS-1) prescribed for Board Meetings by the Institute of Company Secretaries of India, Listing agreement with the stock exchange(s) and other applicable laws and regulations.

The Board meets at least once a quarter to review quarterly performance and financial results. Notices of Board Meeting along with agenda papers are circulated in advance to the Directors. All material information is incorporated in the agenda papers and the same are circulated in advance to the Directors.

All material information is incorporated in the agenda papers for facilitating focused discussions at the meeting. The Board is also free to recommend inclusion of any matter for discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting. The Board is also free to recommend inclusion of any matter for discussion in consultation with the Chairman.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every board meeting, on the overall performance of the Company by functional heads.

The information as required under clause 49 is made available to the Board. The Board reviews compliance report of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

iii. Audit Committee

(a) Broad Terms of Reference

The Company had constituted an Audit Committee in the year 2003. The scopes of activities of the Audit Committee are in accordance with paragraphs C and D of Clause 49(II) of the Listing Agreement. The broad terms of reference include:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:



- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 7. 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.
 8. Discussion with internal auditors any significant findings and follow up there on.
 9. 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 concern.
 10. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 11. To carry out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee of the Board of Directors of the Company, inter-alia, provides an assurance to the Board on the adequacy of internal control systems and financial disclosures.

In fulfilling the above role, the Audit Committee has the powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

(b) Composition

The Audit committee comprises of three (3) directors, out of which two (2) are , independent directors. All these directors possess knowledge of corporate finance, accounts and company law. The Statutory Auditors are invited for the committee meetings. Mr. Shailesh Bapat, Company Secretary acts as secretary to the committee. The minutes of the audit committee meetings are placed at the subsequent board meeting and are noted by the board.

The Composition of the Audit Committee is as follows

Name of Member	Position	Category
Mr. Dushyant Kumar	Chairman	Non Executive Independent
Mr. Rakesh Sharma	Member	Non Executive Independent
Brigadier Vinod Ahuja	Member	Non- Executive

**(c) Meetings & Attendance**

During the Financial year ended 31st March 2014, 4 (Four) Audit Committee meetings were held on 30.05.2013; 14.08.2013; 14.11.2013;11.02.2014.

The attendance of Audit Committee meeting is as under:

Names of Members	No. of meetings attended
Mr. Dushyant Kumar	4
Brigadier Vinod Ahuja	4
Mr. Rakesh Sharma	4

Remuneration of Directors and others:

The Board of Directors decides the remuneration of the Managing Director.

The Company has a system where all the directors or senior management of the Company are required to disclose all pecuniary relationship or transactions with the Company. No significant material transactions have been made with the Non-Executive Directors vis-à-vis the Company during the year.

Remuneration to non –executive Directors:

The non-executive directors are not paid any remuneration by way of commission, sitting fees for otherwise. However, the Company has passed ordinary resolution in the annual general meeting held on September 29, 2005 in order to enable it to make payments to non-executive directors in future.

Executive Director is paid remuneration within the limits prescribed under Schedule XIII of the Companies Act, 1956. The said remuneration is approved by the Board as well as the Shareholders of the Company.

During the year, no remuneration has been paid to any of the Non- Executive Directors of the Company.

Details of Remuneration to all the Directors (for FY 2013-14)

The remuneration package to Executive Director Brigadier Vinod Ahuja comprises of salary components.

Name of Director	Remuneration during financial year 2013-14			
	All elements of remuneration package i.e. salary, benefits, bonuses, pension etc.	Fixed components & performance linked incentives, along with performance criteria	Service contract, notice period, severance fee	Stock options details if any
Brigadier Vinod Ahuja - 01 st April 2013 to 30 th September,2013*	Rs.24,00,000/-	-----	-----	-----

*Brigadier Vinod Ahuja has relinquished his position of Managing Director and now is Non Executive Director w.e.f 18th October,2013.

IV. Shareholders / Investors Grievance Committee:

The Company had constituted transfer cum shareholders grievance committee in 2002. The Committee normally meets as and when required. The Committee looks into redressal of shareholders complaints like non transfer of shares, non receipt of balance sheet etc. Further, the committee reviews the cases of transfer, issue of duplicate share certificates, dematerialized shares received by the registrar and transfer agents.

(a) Composition : The composition of Shareholders/Investors Grievance Committee is as under:

Name of Member	Position	Category
Mr. Hussain Shattaf	Chairman	Non Executive Independent
Mr. Rakesh Sharma	Member	Non Executive Independent
Brigadier Vinod Ahuja	Member	Non Executive Director

(b) Meetings and Attendance

During the Financial year ended 31st March 2014, Investor Grievance committee meetings were held on the following i) 29.04.2013,ii) 30.07.2013,iii) 29.10.2013 ,iv) 27.01.2014. Details of attendance by Directors for the Committee meeting are as follows:



The attendance of members at the Investor Grievance Committee meeting is as under:

Names of Members	No. of meetings attended
Mr. Hussain Shattaf	4
Brigadier Vinod Ahuja	4
Mr. Rakesh Sharma	4

Details of Shareholders Complaints:

There were only no shareholders complaints received and replied to the satisfaction of the shareholders during the year ended 31st March 2014, thus there were no outstanding complaints as on 31st March 2014. Shareholders complaints and other correspondence are normally attended within seven working days except where constrained by disputes or legal impediments.

Compliance Officer:-

NAME OF THE COMPLIANCE OFFICER	MR. SHAILESH BAPAT
Contact Details	Office No.18, 4 th Floor, Mohid Heights, Nr. Versova Tel. Exchange Off Lokhandwala Road, Andheri (West) Mumbai – 400053.
Email Id	shailesh.bapat@kserasera.com

V. General Body Meetings:

a. Location and Time when last Three (3) Annual General Meetings were held:

The details of the Annual General Meetings held in last three years are as under:

Financial Year	Day	Date	Time	Venue
2012-13	Monday	30.12.2013	9.00 A.M	Kailash Parbat, K-P Restaurant, 7A/8A, 'A' Wing, Crystal Plaza, Link Road, Andheri (West), Mumbai – 400053.
2011-12	Saturday	29.12.2012	9.00 A.M	Kailash Parbat, K-P Restaurant, 7A/8A, 'A' Wing, Crystal Plaza, Link Road, Andheri (West), Mumbai – 400053.
2010-11	Friday	30.09.2011	9.00 A.M	Kailash Parbat, K-P Restaurant, 7A/8A, 'A' Wing, Crystal Plaza, Link Road, Andheri (West), Mumbai – 400053.

b. Extra Ordinary General Meetings held during the year:

No Extra Ordinary General Meeting has been held during the year 2013-14.

c. Special Resolutions passed at last Three (3) Annual General Meetings:

Annual General Meeting Held On	Special Resolution Passed For
30.09.2011	No Special Resolution was passed in the Annual General Meeting.
29.12.2012	1. Appointment of Brigadier Vinod Ahuja as Managing Director. 2. Change of name of Company from 'K Sera Sera Limited to KSS Limited.
30.12.2013	1. Acceptance of Public Deposit upto 25% of Paid up Capital and Free Reserves.

d. Passing of resolution by postal ballot:

No Postal Ballot was conducted during the year.

VI Disclosures:

a. Disclosures on materially significant related party transactions that may have Potential conflict with the interest of the Company at large :

There are no materially significant related party transactions made by the Company with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large. Transactions with related parties as per requirement of Accounting Standard 18 are disclosed in note no.XX in Schedule ZZZ in the annual accounts.



b. Details of non compliance by the Company, penalties, and restrictions 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 of Listing Agreement with the Stock Exchange & SEBI Regulations and Guidelines. Further, no penalty was imposed by SEBI, Stock Exchange or any statutory Authority on any matter related to capital markets during the last three years. However SEBI vide its an ad interim ex-parte order dated 21st September, 2011 pending investigation directed under sections 11(1), 11(4) and 11 b of the SEBI Act, 1992 in the matter of market manipulation using GDR issues directed o the company not to issue equity shares or any other instrument convertible into shares or alter their capital structure in any manner till further direction in this regard and SEBI has confirmed this ad interim ex-party order on 30th December, 2011.

c. Whistle Blower Policy:

The Company has not yet formulated Whistle Blower Policy, the same being a non – mandatory requirement.

d. Details of compliance with mandatory requirements and adoption of non – mandatory requirements:

The Company has complied with all the mandatory requirements of Listing Agreement. Adoption of other non mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board.

e. Disclosure of Accounting treatment:

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied are set out in the Annexure to Notes to accounts forming part of this Annual Report.

f. Disclosure for Risk Management:

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that the executive management controls risk through means of properly defined framework.

VII Code of Conduct:

The company has adopted a code of conduct for all Board Members, Senior Management and Employees of the company. The code of conduct has already been posted on the website of the company for general viewing. All Board Members and Senior Management Personnel have affirmed compliance with the code on annual basis The Annual Report contains a declaration to this effect signed by the CEO/Managing Director.

IX CEO/CFO Certification:

The Company has received certification from AGM- Accounts for the financial year 2013-14

X Means of Communication:

- (i) The Board of Directors of the Company approves and takes on record quarterly, yearly & financial results in the prescribed format by Clause 41 of the Listing Agreement. The Company has always promptly reported to Bombay Stock Exchange Limited and National Stock Exchange Limited declaration of quarterly and yearly financial results within the stipulated time prescribed as per Clause 41 of Listing Agreement.
- (ii) The approved Financial results are forthwith sent to the Stock exchanges and are published in one English daily newspaper (Financial Express and Afternoon) and one Regional language daily newspaper (Navshakti and Mumbai Lakshadeep).
- (iii) The Company's Financial Results, Annual Reports, and official news releases are displayed on the Company's website www.kserasera.com
- (iv) The Company has formed grievanceredressal@kserasera.com exclusively for the purpose of redressal of investor's complaints.
- (v) Management Discussion and Analysis (MDA) forms part of the Annual Report, which is posted to the shareholders of the Company.

**XI General Shareholder Information:**

- a. Annual General Meeting - Date & Time : 30th September, 2014 at 9.00 A.M. Venue : Kailash Parbhat, K-P Restaurants, 7A/ 8A, 'A' wing Crystal Plaza, Link Road, Andheri (West), Mumbai -400053.

b. Financial Year

Financial Reporting for the quarter ending June 30, 2014	On 12 th August, 2014
Financial Reporting for the quarter ending September 30, 2014	On or before 14 th November 2014
Financial Reporting for the quarter ending December 31, 2014.	On or before 14 th February, 2015
Financial Reporting for the quarter ending March 31, 2015	On or before 30 th May, 2015

c. Date of Book Closure:

From 26th September, 2014 to 30th September, 2014. (Both days Inclusive)

d. Dividend payment :

No dividend is recommended by the Board on Equity Shares of the Company.

e. Listing on Stock Exchanges:

Equity Shares	Global Depository Receipts (GDRs)
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	Societe de la Bourse de Luxembourg Societe Anonyme, RC B6222, B.P. 165, L-2011, Luxembourg
National Stock Exchange of India Limited “Exchange Plaza”, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.	

Note: The Annual Listing fees as prescribed have been paid to the stock exchanges.

f. Stock Code :

Stock Code	Scrip code
Bombay Stock Exchange	532081
National Stock Exchange	KSERA

ISIN: Equity Shares of Rs. 10/- : INE216D01018.

GDR: US48269E2037 CUSIP No: 48269T101

g. Market Price Data :

Month	Bombay Stock Exchange		National Stock Exchange	
	High (In Rs.)	Low (In Rs.)	High (In Rs.)	Low (In Rs.)
April 2013	11.00	7.55	11.00	7.60
May 2013	14.80	7.89	14.85	7.95
June 2013	11.56	10.00	11.60	10.00
July 2013	11.47	9.86	11.45	9.90
August 2013	12.50	9.85	12.55	9.95
September 2013	17.00	10.77	16.95	10.80
October 2013	16.60	11.80	16.25	11.50
November 2013	14.40	11.70	14.40	11.55
December 2013	12.75	11.80	12.70	11.85
January 2014	12.75	12.00	12.80	11.90
February 2014	14.00	11.50	14.00	11.20
March 2014	14.45	12.00	14.70	12.00

h. Registrar and Share Transfer Agents :

The Company has appointed M/s. Bigshare Services Private Limited as Registrar and Share Transfer Agents for physical and demat segment. The address for correspondence is as under:

Bigshare Services Private Limited

E-2 & 3, Ansa Industrial Estate,

Saki-Vihar Road, Sakinaka.

Andheri (E), Mumbai - 400 072.

Tel: 91-22-2847 0652 | 91-22- 40430200 | 91-22-2847 0653

Fax: 91-22-2847 5207

E-mail : investor@bigshareonline.com

Website: www.bigshareonline.com

**i Share Transfer System:**

Transfer of shares in physical form is processed and completed by Bigshare Services Private Limited within a period of 30 days from the date of receipt provided all the documents are in order. In case of shares in demat Form; the transfers are processed by NSDL/CDSL through respective depository participants. In compliance with the listing agreement, a Practicing Company Secretary carries audit of the system of Transfer and a certificate to that effect is issued.

j. Distribution of Shareholding as on 31st March, 2014 :

No of Equity Shares held	No of Share Holders	% of Share holders	No of Shares held	% of Share holding
1-500	17911	68.92	3845730	1.85
501-1000	3828	14.73	3383206	1.63
1001-2000	1899	7.31	3124366	1.50
2001-3000	708	2.72	1875671	0.90
3001-4000	298	1.15	1087250	0.52
4001-5000	330	1.27	1604840	0.77
5001-10000	461	1.77	3531836	1.70
10001-above	554	2.13	189485735	91.13
GRAND TOTAL	25989	100.00	207938634	100.00

k. Dematerialization of Shares and Liquidity:

The Company's equity shares are included in the list of companies whose scrips have been mandated by SEBI for settlement only in dematerialised form. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through M/s Bigshare Services Private Limited whereby the investors have the option to dematerialize their shares with either of the depositories.

l. Outstanding GDRs/Warrants/Convertible Instruments:

As on 31st March, 2014, there are not outstanding GDRs.

m. Plant Locations:

Since the Company is engaged in service industry, there are no plants or manufacturing units.

n. Categories of Shareholders as on 31st March, 2014:

Sr. No	Category	No. of Shares Held	% of Share Capital
A	Shareholding of Promoter and Promoter Group		
1.	Indian	0.00	0.00
2.	Foreign	0.00	0.00
3.	Persons acting in concert	0.00	0.00
	Sub-Total	0.00	0.00
B	Non Promoters Holdings		
4.	Institutional Investors		
a.	Mutual Funds and UTI	0.00	
b.	Banks, Financial Institutions	57,273	0.03
c.	FII's	10,68,59,225	51.39
	Sub- Total	10,69,16,498	51.42
5.	Others	0.00	0.00
a.	Bodies Corporate	4,96,31,089	23.87
b.	Indian Public	4,97,14,970	23.90
c.	NRIs/OCBs	3,28,436	0.16
d.	Trusts	0.00	0.00
e.	Clearing Members	13,47,641	0.65
	Sub Total	10,10,22,136	48.58
C.	Shares held by Custodians and against which Depository Receipts have been issued	0.00	0.00
	GRAND TOTAL	20,79,38,634	100.00

- o. Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholders(s), nomination facility in respect of shares held in electronic form is also available with the depository participants as per bye laws and business rules applicable to NSDL and CDSL.



p. **Secretarial Audit:**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the listed stock exchange. The audit confirms that the total listed and paid up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL & CDSL) and total number of shares in physical form

q. **Go-Green Initiative:**

The Ministry of Corporate Affairs, New Delhi ("MCA") has undertaken a "Green Initiative" in field of Corporate Governance by permitting compliances (vide its Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011. Further the Ministry has also clarified that the service of documents by a Company can be made through electronic mode instead of sending the physical copy of the document(s). In pursuance of the same, we request you to kindly register your email address with our Registrar & Transfer Agents - Bigshare Services Private Limited which can be updated with the Depository Participant (DP) specifying Client Id and DP Id of the shareholder, for receiving soft copies of the Annual Report instead of printed copy.

r. **Address for Correspondence :**

KSS Limited

Regd Office :

Unit No. 101A and 102, 1st Floor,
Morya Landmark II, Plot B-17,
Andheri (W), Mumbai - 400 053.

Tel : (022) 40427600 Fax: (022) 40427601

E-mail : info@kserasera.com

Website : www.kserasera.com



Declaration

I hereby confirm that the Company has obtained from all the members of the Board and the Senior Management Executives, affirmation that they have complied with the Code of Conduct for Directors and Senior Management Executives for the Financial Year 2013-2014.

Place: Mumbai
Date: 05th September, 2014

Mr. Satish Panchariya
Chairman

CERTIFICATE FROM AGM- ACCOUNTS

To the Board of Directors
KSS Limited

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We 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 we 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 rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Mumbai
Date: 30th May, 2014

AGM- ACCOUNTS

**PRACTISING COMPANY SECRETARIES REPORT ON CORPORATE GOVERNANCE**

To the Board of Directors
KSS Limited

We have examined the compliance of conditions of Corporate Governance by KSS Limited, for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedure and implementation thereof adopted by the Company for ensuring compliance the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, We certify that the Company has complied in all material aspects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

Place: Mumbai
Date: 30th May, 2014

Ms. Palak Desai
Practising Company Secretary
C.P No. 7426

**MANAGEMENT DISCUSSION AND ANALYSIS****1. Outlook of Indian Media & Entertainment Industry****Year that was:**

2013 was another good year for the film industry. Coming off 2012, a record year, the industry recorded a strong performance both in terms of content and box office collections. As anticipated, the year was marked with movies which scored big at the box office with stronger stories, grander sets, experimental concepts, new faces, multistarrers and strategic marketing initiatives, which has pushed the envelope further for the Indian film industry.² While the capital poured in through organised and unorganised channels, the industry still faced challenges in delivering robust bottom line results. In order to deliver better returns, players have started contesting the 'traditional success formulas'. A quick look at the recent box office collections shows that the traditional notions of delivering a 'blockbuster' performance have been tested, defeated and buried deep under. The audience have shown their appetite for differentiated content, continuing the story of evolution of the Indian audiences. The audiences, in many cases, stayed away from the regular run-of-the-mill concepts, barring a few megastarrers that were able to pull in viewers based on star persona and past successes.

Way Forward:

In calendar year 2013, the Indian Media & Entertainment (M&E) industry registered a growth of 11.8 per cent over 2012 and touched INR 918 billion. The overall growth rate remained muted, with a slow GDP growth and a weak rupee. Lower GDP meant lower demand from the consumer and this impacted advertising. At the same time, the industry began to see some benefits from the digitisation of media products and services, and growth in regional media. Gaming and digital advertising were the two prominent industry sub-sectors which recorded a strong growth in 2013 compared to the previous year, albeit on a smaller base. For projections till 2018, digital advertising is expected to have the highest CAGR of 27.7 per cent while all other sub-sectors are expected to grow at a CAGR in the range of 9 to 18 per cent. Overall, the industry is expected to register a CAGR of 14.2 percent to touch INR 1785.8 billion by 2018.

Size of the Indian Film Industry:

Film Industry (INR Billion)	2013	2014P	2015	P2016	P2017	P2018P	CAGR (2013-2018)
Domestic Theatrical	93.4	102.2	116.9	133.3	146.3	160.2	11.4%
Overseas Theatrical	8.3	9.4	10.3	11.4	12.0	12.7	8.9%
Home Video	1.4	1.2	1.0	0.9	0.8	0.7	-13.0%
Cable & Satellite Rights	15.1	16.1	18.4	20.9	23.0	25.2	10.7%
Ancillary Revenue Streams	7.0	9.1	11.7	14.7	17.8	21.0	24.7%
Total	125.3	138.0	158.3	181.3	200.0	219.8	11.9%

Source: FICCI-KPMG REPORT, 2014 on India Media and Entertainment

2. Company Overview

Your Company is a hugely successful visionary group in media and entertainment which has produced 20 films and distributed over 120 films. Your Company has catapulted into an all encompassing global conglomerate, which has effectively diversified into other productive industry sectors.

Your company has diversified in the following activity via its subsidiaries:

- State of Art Theatres – “KSERA SERA'S MINIPLEX”
- e-Education – “K KAMPUS” & “K KAMPUS EDUTRAINMENT”
- Digital Projection Technology – “K SERA SERA'S SKYCINEX”
- Digital Content – “K SERA SERA DIGITAL CINEMA”
- Film Production and Distribution - “K SERA SERA'S BOX OFFICE”
- Gold Mining – “Investment in Citigold Australia via our Australian Step Down Subsidiary” - K Sera Sera Holdings Pty Ltd

3. Financial Overview

Revenue of the group stood at Rs.11,122.35 Lacs and loss after tax and exceptional item stood at Rs.915.68 Lacs. Reduction in revenue is mainly on account of paradigm shift in Company's focus and diversification. The diversification of the business are yet to bear fruit.



4. Outlook ,Opportunities and Threats

Outlook:

The Company envisages a huge potential in motion picture production, distribution and television content production activities. The Company also proposes to expand its activities into overseas market. The Company is working towards diversification and intends to de-risk the business.

Opportunities :

EXHIBITION- Miniplex:

K Sera Sera via Miniplex business focuses mainly on Tier II and Tier III cities which are reasonably well populated; absence of multiplex is pronounced; Market Dynamics in Favour of "SMALL IS BEAUTIFUL". With the dual objective of Entertainment and Education the Miniplexes should have a positive impact on the profitability of the group.

EXHIBITION-DIGITAL CINEMA:

Digital cinema and electronic cinema are going to play a crucial role in the future of film industry. There is huge potential for conversion to digital cinema as there only 3500 digital cinemas screen out of 15000 screens in the country. With its state of art technology our "Skycinex" should provide greater returns in the future.

Threats:

Market competition, regulatory approvals and fast technological advancement remain a major threat. Piracy continues to dampen the growth, measures taken by the Company to go digital is helping reduce its extent. High Entertainment tax affects revenue to some extent. Film distribution is relatively risky business due to issue of under-reporting by exhibitors.

5. Risk Management:

Some of the key strategic risks the Company faces, their impact and corresponding risk mitigation actions undertaken by the Company are discussed in the table:

KEY RISKS	IMPACT ON THE COMPANY	MITIGATION
Technology	Inability to cope with swift technological developments can impact business	The company has expertise technical support staff who update the management regarding new technological developments
Liquidity	Non-availability of timely funds may effect our ability to operate and also delay our implementation plans for growth and expansion.	The Company has good Financial support of Banks and Financial Institutions helps the company to reduce its risks.
Regulatory	Unprecedented changes in government policies may impact business operations	The company is suitably positioned to counter risks, posed by change in government policies.
Delay, cost overruns, cancellation and abandonment or completion of films.	Such risks can significantly impact completion and release of films.	Enhanced industry corporatization enables the company to mitigate this risk. This is carried out by entering into specific agreements, fixing the responsibilities of the co-producers, better planning and execution.

6. Internal Control System and their Adequacy:

Adequate systems of internal controls that commensurate with the size of operation and the nature of business of the Company have been implemented. The Internal control systems are implemented to safeguard company's assets from unauthorized use or disposition, to provide constant check on cost structure, to provide adequate financial and accounting controls and implement accounting standards.

7. Human Resource Management:

The Company places major emphasis on providing a safe & a healthy working environment to all its employees. We encourage our employees to balance their work and personal relation. The field being one which requires absolute creativity, the performance of its employees is reviewed so as to provide them job enrichment opportunities. The Directors recognize that continued and sustained improvement in the performance of the Company depends on its ability to attract, motivate and retain employees of the highest calibre. We are committed to the principle of equal employment opportunities..Further we endeavor to create an environment where employee can use their capabilities in support of the business.

8. Cautionary Statement:

Statement in this Management Discussion and Analysis Report, describing the Company's Objectives, projections, estimates, expectation may be ' forward looking statements' with the meaning of applicable laws and regulations, Actual results could differ materially from those expressed or implied.

**INDEPENDENT AUDITOR'S REPORT****The Members of KSS LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of KSS LIMITED (Formerly known as K Sera Sera Limited) which comprise the Balance Sheet as at March 31, 2014 and statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud and error.

Auditor's Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flow for the year ended on that date;

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in term of sub section (4A) of the section 227 of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the order:
2. Required by section 227(3) of the act, we report that:
 - (i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of these books.
 - (iii) The Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and cash flow statements comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representation received from the Directors as on March 31, 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Agrawal Jain & Gupta.**
Chartered Accountants
Firm Registration No.:013538C

CA Nitesh Agrawal
Partner
M. No – 406155
Mumbai, 30th May 2014

**Annexure to the Independent Auditors' Report**

Of the even date of member of KSS Limited on the financial statement for the year ended 31st march 2014

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit,

We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals, which in our opinion, is considered reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verifications.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year,
- (ii) The Company has a policy of treating motion pictures under production as inventory till the date of release/agreement whichever is earlier. Consequently, there is no tangible inventory carried by the Company. Accordingly, the provisions of Paragraph 4(ii) of the said Order are not applicable to the Company.
- (iii) (a) The company has granted interest free advances to five parties covered the register maintained under section 301 of the Companies Act, 1956. As below

(Amount in lacs)

S/no.	Name of Company	Opening Balance	Loan given	Repay	Max amount	Closing Balance
1.	K Bazaar Online trading Pvt. Limited	5.17	0.08	-	5.25	5.25
2.	K Kampus Education Private Limited	8.58	12.62	21.20	12.47	NIL
3.	K Sra sera Box office Pvt Limited	(252.87)	307.83	0.19	547.79	54.77
4.	K Sera Sera Miniplex Limited	624.75	1443.64	2058.05	699.31	10.34
5.	K sera sera Fze	409.52	-	-	409.52	409.52

- (b) In our opinion, the terms and conditions of such interest free advances are not, prima facie, prejudicial to the interest of the Company.
- (c) The above interest free advances would be adjusted on the purchase of film rights or on completion of films as applicable, and in accordance with the terms and conditions stipulated in the agreement, Advances are given by the company to wholly owned subsidiaries companies.
- (d) The above interest free advances given by the Company would be adjusted, on the purchase of film rights completion of films, as applicable, and therefore there are no amounts overdue in respect of advances as at the year end. Accordingly, the provisions of clause 4(iii)(d) of the Order are not applicable.
- (e) The Company has not taken interest free advances from parties covered under the register maintained under Section 301 of the Act.
- (f) In our opinion, the terms and conditions of interest free advances taken by the Company are not, prima facie, prejudicial to the interest of the Company.
- (g) Interest free advances would be adjusted against in accordance with the terms and conditions stipulated in the agreement, Advance taken by the company to wholly owned subsidiaries companies.
- (iv) In our opinion, and according to the information and explanations given to us, the Company's internal control procedures for the purchase of inventory and for the sale of goods and services needs to be further strengthened so as to be commensurate with the size of the Company and nature of its business. In respect of purchase of fixed assets, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) (a) In our opinion the particulars of all contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 so entered Owing to the unique and specialized nature of the items involved and in the absence of any comparable prices, we are unable to comment as to whether the transactions made in pursuance of such contracts or arrangements have been made at the prevailing market prices at the relevant time.
- (vi) In our opinion to the information and explanation given to us The Company has complied with the provision of section 58A, 58AA or any other applicable provision of the Companies Act, 1956 and the Companies (Acceptance and Deposit) Rules 1975, with regard to the deposit accepted from public. No order has been passed by the Company Law Board, National Company Law Tribunal or Reserve bank of India or any court or any other Tribunal.



- (vii) The Company has an internal audit system, commensurate with the size of the Company and the nature of its business.
- (viii) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of the activities of the Company. Accordingly the provisions of Paragraph 4(viii) of the said Order are not applicable to the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities and there have been significant delays in a below cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows.

(x)

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Due Date	Date of Payment
Finance Act, 1994 Service Tax	Service Tax	28.75 *Lacs	2007 to March 2014	30.06.2014	

*Statutory liabilities of Service tax company has applied for Voluntary Compliance Encouragement Scheme, 2014 as per Notification No: 10/2014-Service tax- Tax due Declare Rs 57,49,701/- amount of Rs 28,74,851/-to paid 30th December 2014, Remaining Before 30th June 2014 Rs 28,74,850/-

- (b) The dues outstanding in respect of sales-tax, income-tax, custom duty, wealth-tax, excise duty, cess on account of any dispute are as follows.

Name of the statute	Nature of the dues	Amount	Period to which the amount relates
Maharashtra Value Added Tax Act, 2002 Value Added Tax (Gross)	Value Added Tax (Gross)	*Rs 17.71 Lacks Rs 314.67 Lacks Amount of other years liabilities is still not certain by the Authority	F.Y. 20065-07 F.Y. 2009-10
Income Tax Act, 1961 Income tax	Income Tax	**417.14 Laks	A.Y. 2009-10
CBEC- details regarding matter pending before CIU	Custom duty	Amount of liabilities is still not certain by the Authority	2009-10

* In line with film industry consensus, the Company is of the opinion that there are no grounds for levying VAT on film distribution activity and hence no provision is made in the books of accounts for these years. The same is disclosed as contingent liability under Notes to Accounts.

Company appeal against the said orders of in higher authority.

** Company appeal against the said orders of income tax in higher authority.

- (xi) After considering the effect of quantified qualification, in our opinion and according to the information and explanations given to us, the accumulated losses of the Company at the end of the financial year does not exceed fifty percent of its net worth. The Company has not incurred cash losses during the current financial year and also in the immediately preceding financial year.
- (xii) In our opinion, and on the basis of our examination and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to financial institutions :
- (xiii) In our opinion, and on the basis of our examination and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of Paragraph 4(xii) of the said Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of Paragraph 4(xiii) of the said Order are not applicable to the Company.
- (xv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Paragraph 4(xiv) of the said Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company has given guarantee to the Company as reflected in Note no 3 to Schedule 'S'.
- (xvii) According to the information and explanations given to us that the company had not raised any term loan.



- (xviii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis, which have been used for long-term purposes.
- (xix) The Company has not made preferential allotment of shares to the parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of Paragraph 4(xviii) of the said Order are not applicable to the Company.
- (xx) The Company has not issued any debentures during the year. Accordingly, the provisions of Paragraph 4(xix) of the said Order are not applicable to the Company.
- (xxi) During the year the Company has partly restructured the Bank loan by issuing Fully Convertible Warrants as stated in Notes.
- (xxii) To the best of our knowledge and belief, and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year.

For **Agrawal Jain & Gupta**
Chartered Accountants
FRN: 013538C

CA Nitesh Agrawal
Partner
M. No - 406155
Mumbai, 30th May 2014

**KSS LIMITED (Formerly known as K SERA SERA LIMITED)**

Register office: Unit No. 101A & 102, Morya Landmark II, New Link Road, Andheri (West),
Mumbai - 400 053

Balance sheet as at 31st March 2014

(Amount in Lacs)

Particulars	Note No.	31 March 2014	31 March 2013
I. EQUITY AND LIABILITIES			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	3.1	20,794	20,794
(b) Reserves and Surplus	3.2	5,918	7,739
<u>(2) Share Application money pending allotment</u>		-	1,142
<u>(3) Non-Current Liabilities</u>			
(a) Long-Term Borrowings	3.3	2,367	2,417
(b) Other Long term Liabilities	3.4	111	571
(c) Long Term Provisions	3.5	-	382
<u>(4) Current Liabilities</u>			
(a) Short-Term Borrowings	3.7	3	284
(b) Trade Payables	3.8	57	117
(c) Other Current Liabilities	3.9	40	52
(d) Short-Term Provisions	3.10	288	476
Total Equity & Liabilities		29,577	33,973
II.ASSETS			
<u>(1) Non-Current Assets</u>			
(a) Fixed Assets			
(i) Tangible Assets	3.11(a)	1,866	2,127
(ii) Intangible Assets	3.11(b)	913	743
(b) Non-current investments	3.12	16,854	16,167
(c) Deferred tax assets (net)	3.6	161	216
(d) Long term loans and advances	3.13	4,396	7,326
<u>(2) Current Assets</u>			
(a) Current investments	3.14	2,640	2,640
(b) Trade receivables	3.15	335	2,856
(c) Cash and cash equivalents	3.16	6	64
(d) Short-term loans and advances	3.17	2,240	1,783
(e) Other current assets	3.18	167	51
Total Assets		29,577	33,973

The accompanying notes are an integral part of the financial statements.

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

FOR AGRAWAL JAIN & GUPTA

CHARTERED ACCOUNTANTS

(CA Nitesh Agrawal)

Partner

Membership No. : 406155

Firm Reg. No.: 013538C

Mumbai

Date : 30.5.2014

FOR KSS LIMITED

(DIRECTOR)

(DIRECTOR)

(Company Secretary)

**KSS LIMITED (Formerly known as K SERA SERA LIMITED)**

Register office: Unit No. 101A & 102, Morya Landmark II, New Link Road, Andheri (West),
Mumbai - 400 053

Statement of profit and loss for the year ended 31st March 2014**(Amount in Lacs)**

Particulars	Note no.	31 March 2014	31 March 2013
<u>Income</u>			
Revenue from Operations	3.19	-	3
Other Income	3.20	492	31
Total revenue (I)		492	34
<u>Expenses:</u>			
Cost of Operations	3.21	2,419	-
Employee Benefit Expense	3.22	54	57
Financial Costs	3.23	(378)	1
Depreciation and Amortization Expense	3.24	17	24
Other Administrative Expenses	3.25	212	149
Total Expenses (II)		2,325	230
Profit before exceptional and extraordinary items and tax (I - II)		(1,833)	(196)
<u>Add/(less)</u>			
Exceptional Items		-	-
Profit before tax		(1,833)	(196)
<u>(Add)/less</u>			
<u>Tax expense:</u>			
(1) Deferred tax expense		(55.04)	(286)
(2) Current Tax/ MAT /Wealth tax		(0.55)	-
Profit after tax		(1887)	91
Earning per equity share:			
(1) Basic		(0.91)	0.04
(2) Diluted		(0.91)	0.04

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached.

FOR AGRAWAL JAIN & GUPTA

Firm Reg. No.: 013538C

CHARTERED ACCOUNTANTS

FOR KSS LIMITED

(DIRECTOR)

(DIRECTOR)

(CA Nitesh Agrawal)

Partner

Membership No. : 406155

PLACE: MUMBAI

Date : 30.5.2014

(Company Secretary)



KSS LIMITED (Formerly known as K SERA SERA LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2014

(Amount in Lacs)

	31 March 2014	31 March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(1,833)	(196)
Adjustments For:		
Depreciation/Amortization	298	276
Loss On Sale Of Assets	13	(0)
Interest Cost	0	1
Interest Received	(9)	(11)
Miscellaneous Expenditure Written Off	-	-
	303	265
Operating Cash Flow Before Changes In Working Capital	(1,530)	70
Adjustments For:		
(Increase)/Decrease In Sundry Debtors	2,521	9
(Increase)/Decrease In Loans And Advances	2,474	342
Increase/(Decrease) In Current Liabilities And Provisions	(1,103)	49
Net Changes In Working Capital	2,362	470
	-	-
Taxes Paid	1	-
Miscellaneous Expenditure	(49)	(23)
Extraordinary Items	-	-
Cash Generated From/(Used In) Operations	2,314	447
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase Of Fixed Assets	(222)	(86)
Sale/Surrender Of Fixed Assets	1	0
Purchase Of Investments	(687)	-
Interest Received	9	11
Cash Generated /(Used In) From Investing Activities	(898)	(75)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(0)	(1)
Share application money repay /adjusted	(1,142)	-
Repayment Of Borrowings	(331)	(452)
Cash Generated /(Used In) From Financing Activities	(1,473)	(453)
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(58)	(81)
	-	-
Cash And Cash Equivalents At The Beginning Of The Year	64	145
Cash And Cash Equivalents At The End Of The Year	6	64
	-	-
Note:		
1 Cash and cash equivalents at the year end comprise:		
Cash On Hand	7	63
Balance With Scheduled Banks In	-	-
- Current Accounts	(1)	1
- Deposit Accounts	-	-
	6	64
2 The Cash Flow Statement Has Been Prepared Under Indirect Method As Set Out In Accounting Standard 3, 'Cash Flow Statement' Issued By The Institute Of Chartered Accountants Of India		

As per our report of even date attached

For Agrawal, Jain and Gupta

Chartered Accountants

Firm Registration No. 013538C

For and on behalf of the board of directors

(CA Nitesh Agrawal)

Partner

Membership No. : 406155

Mumbai

Date : 30.5.2014

Director

Director

(Company Secretary)



KSS LIMITED (Formerly known as K SERA SERA LIMITED) Notes to financial statements for the year ended 31 March 2014

3.1 Share Capital

Particulars	31 March 2014	31 March 2014	31 March 2013	31 March 2013
	Nos.	Amount	Nos.	Amount
AUTHORIZED CAPITAL				
Authorized Equity Shares of Rs. 10/- each	2,200	22,000	2,200	22,000
	2,200	22,000	2,200	22,000
ISSUED, SUBSCRIBED & PAID UP SHARES				
Equity Share of Rs.10 each Fully Paid Up	2,079	20,794	2,079	20,794
Total issued, subscribed and fully paid-up share capital	2,079	20,794	2,079	20,794

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

Particulars	31 March 2014		31 March 2013	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	2,079	20,794	2,079	20,794
Add: Issued during the year	-	-	-	-
Add: Warrants converted during the year	-	-	-	-
Outstanding at the end of the year	2,079	20,794	2,079	20,794

(b) Terms/ rights attached to equity shares

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

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

Name of the shareholder	31 March 2014		31 March 2013	
	Nos.	% holding in the class	Nos.	% holding in the class
Highbluesky Emerging Market Fund	206	9.90%	-	-
India Max Investment Fund Limited	172	8.25%	143	6.87%
Aspire Emerging Fund	206	9.90%	-	-
Auctor Investement Limited	206	9.90%	-	-
The Bank of New York (Depository of GDR's)	-	-	972	46.74%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

3.2 Reserve & Surplus

Particulars	31 March 2014	31 March 2013
Securities Premium reserve		
Balance as per the last year's financial statements	9,942	9,942
Add: GDR issue expenses reversed debited to Reserve & Surplus a/c in earlier year.	67	-
Less: Expenses written off if any	-	-
Closing Balance	10,009	9,942
Surplus/ (deficit) in the statement of profit and loss		
Balance as per the last year's financial statements	(2,204)	(2,294)
Add: Profit for the period	(1,887)	91
Net deficit in the statement of profit and loss	(4,091)	(2,204)
Total	5,918	7,739

3.3 Long Term Borrowings

Particulars	31 March 2014	31 March 2013
8% Optionally convertible redeemable Bonds (Unsecured)	2,367	2,367
Financial Institutions	-	50
Total	2,367	2,417

Company issued 2,367 (Two Thousand three Hundred sixty seven) Optionally Convertible Redeemable Bond of Rs 1,00,000/- each to SBI GLOBAL FACTOR LIMITED (Formerly known as GLOBAL TRADE FINANCE LIMITED) as per SEBI (ICDR) Guidelines. Issued on 29th January 2010. against the settlement of the amount borrowed by the company. As per Supreme Court Judgment dated 17th February 2014 in case no 24319/2013 that company have to pay 23.00 crore to SBI GLOBAL FACTOR LIMITED as below mentioned schedule other charges and interest wave off by the court. Company already paid Rs 10.00 crore to SBI GLOBAL FACTOR LIMITED on 10th March 2014 and balance Rs 6.00 crore, Rs 2.00 crore and Rs 5.00 Crore on or before 15th July, 2014, 15th August, 2014 and 15th September 2014 respectively.

3.4 Other Long term Liabilities

Particulars	31-Mar-14	31-Mar-13
Unclaimed Dividend - 2003-04	-	3
Accrued Interest	-	21
other Long Term Liabilities	111	548
Total	111	571

KSS LIMITED (Formerly known as K SERA SERA LIMITED)
Notes to financial statements for the year ended 31 March 2014

3.5 Long Term Provisions

Particulars	31 March 2014	31 March 2013
Provision For Interest on Bond	-	379
Provision for gratuity	-	3
Total	-	382

As per Supreme Court Judgment dated 17th February 2014 in case no 24319/2013 that other charges and interest wave off by the court. other charges is booked as an income and interest provided in earlier years Rs 3.7872 crore on Bond Value Rs 23.67 core @ 8% p.a. for 24 months is reversed during the year as per order.

3.6 Deferred tax liability/(asset) (net)

Particulars	31 March 2014	31 March 2013
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(161)	86
Gross deferred tax liability	(161)	86
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	-
Deferred tax asset on carried forward losses	-	(131)
Net deferred tax liability/ (asset)	(161)	(216)

As per Accounting Standard 22 issued by ICAI Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

3.7 Short Term Borrowings

Particulars	31 March 2014	31 March 2013
Fixed deposits	3	-
Interest free advance from related parties repayable on demand (unsecured)	-	284
Total	3	284

Company has accepted public deposit under Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposit) Rules, 1975 with respect to acceptance of Public Deposit by the Company. Company provide interest in books of accounts.

3.8 Trade Payable

Particulars	31 March 2014	31 March 2013
Sundry Creditors - More Than 1 year	20	94
Sundry Creditor - others	36	24
Total	57	118

3.9 Other Current Liabilities

Particulars	31 March 2014	31 March 2013
Salary payable	1	4
Other liabilities-Statutory	38	47
Other liabilities	0	-
Total	40	52

Statutory liabilities of Service tax company has applied for Voluntary Compliance Encouragement Scheme, 2014 as per Notification No: 10/2014-Service tax- Tax due Declare Rs 57,49,701/- amount of Rs 28,74,851/- already paid by the company on dated 30st December 2014 and Rs 28,74,851/-, Remaining payable on or Before 30th June 2014 Rs 28,74,850/-

3.10 Short Term Provisions

Particulars	31 March 2014	31 March 2013
Others		
Provision for Expenses	288	172
Provision for Income - Taxation	-	303
Total	288	476

Provision for Expenses includes Rs 2.876 crore as ROC Fees and Stamp duty payable includes additional fees for increase in authorized capital from 75 crore to 205 on dated 29th July 2009, and 205 to 220 crore on



KSS LIMITED (Formerly known as K SERA SERA LIMITED)
Notes to financial statements for the year ended 31 March 2014

3.12 Non Current Investment

Particulars	31-Mar-14	31-Mar-13
<u>Investment in Subsidiaries</u>		
30,000,000 (31 March 2013: 29,999,990) Equity shares of Rs.10 each fully paid in K Sera Sera Box Office Private Limited	2,742	3,000
30,000,000 (31 March 2013: 29,999,990) Equity shares of Rs.10 each fully paid in K Sera Sera Miniplex Limited	2,790	3,000
30,000,000 (31 March 2013: 29,999,980) Equity shares of Rs.10 each fully paid in K Sera Sera Digital Cinema Private Limited	3,000	3,000
8,999 (31 March 2013: 8,999) Equity shares of Rs.10 each fully paid-up in K Bazaar Online Private Limited	1	1
1,154 (31 March 2013: 1154) Equity Shares of AED 35,000 each fully paid up of K Sera Sera Productions FZE	4,995	4,995
50 Equity Shares of AED 1,000 each fully paid up of K Sera Sera Productions FZ LLC	6	6
	-	-
Investment in joint venture	538	1,164
	-	-
Share Application Money - KSS FZ LLC	18	18
	-	-
<u>Investment in equity instruments (quoted)</u>		
2,02,800 (31 March 2013: 2,02,800) Equity shares of Rs.10 each fully paid up in Kadamb Constructions Limited	151	151
(closing market price of KCL is 1.15 per on BSE. Valuation as per Market price is Rs 2,33,220/- (31 March 2013 RS 4,25,880)	0	-
	0	-
Investment in equity instruments (unquoted)	2,612	832
Total	16,854	16,167

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

3.13 Long Term Loans and Advances

Particulars	31-Mar-14	31-Mar-13
<u>Security deposit (Unsecured and considered good)</u>		
Security deposit for leased premises	3	16
Other security deposit	15	15
	18	31
<u>Advances recoverable in cash or kind</u>		
Share application money	80	1,080
Unsecured, Considered Good	147	683
Unsecured, Considered doubtful	4,150	5,796
Less Provision for loans and advances	-	(263)
	4,377	7,295
Total	4,395	7,326

3.14 Current investment

Particulars	31-Mar-14	31-Mar-13
Investment in shares (unquoted)		
2,64,00,000 (31 March 2013: 2,64,00,000) Equity shares of Rs.10 each fully paid up in Kamla Landmark Infrastructure Pvt. Limited	2,640	2,640
Total	2,640	2,640

**3.15 Trade Receivables**

Particulars	31-Mar-14	31-Mar-13
<u>Outstanding for more than six months</u>		
a) Unsecured, Considered Good :	61	0
b) Doubtful-More than 6 Months	274	2,856
Total	335	2,856

3.16 Cash and bank balances

Particulars	31-Mar-14	31-Mar-13
<u>Bank balance</u>		
- In current accounts with bank		
i) In India with scheduled banks	(1)	1
ii) In India with scheduled banks (EEFC account)	-	-
iii) Outside India	0	0
	(1)	1
Cash on hand	7	63
Total	6	64

3.17 Short Terms Loans and Advances

Particulars	31-Mar-14	31-Mar-13
Interest free advances to related parties		
Unsecured, Considered Good	480	970
	480	970
Advance Recoverable in cash or in kind		
Unsecured, Considered Good	1,077	85
Advance for properties	524	-
	1,602	85
Others		
Advance Income Tax	159	676
Prepaid Expenses	0	5
Advance to Staff	-	46
	159	728
Total	2,240	1,783

3.18 Other Current assets

Particulars	31-Mar-14	31-Mar-13
Misc. Expenses not written off	167	51
Total	167	51

**KSS LIMITED (Formerly known as K SERA SERA LIMITED)***Notes to financial statements for the year ended 31 March 2014***3.19 Revenue from operations**

Particulars	31-Mar-14	31-Mar-13
Income From TV-Serial	-	-
Income From Operations		3
Total	-	3

3.20 Other Income

Particulars	31-Mar-14	31-Mar-13
Foreign Exchange Revaluation Gain	426	20
Interest income	9	11
Other Income	57	0
Royalty Income	0	1
Profit on sale Assets	-	0
Total	492	31

As per Supreme Court Judgment dated 17th February 2014 in case no 24319/2013 that other charges Rs 50.45 lacs and interest wave off by the court. other charges is booked as an income and interest provided in earlier years Rs 3.7872 crore on Bond Value Rs 23.67 core @ 8% p.a. for 24 months is reversed during the year as per order.

3.21 Cost Of Operations

Particulars	31-Mar-14	31-Mar-13
Other operating expenses	2,419	-
Total	2,419	-

Sales booked in the year year 2009-10 is now reversed due to non compliance of agreement terms & Conditions by the buyer, and films rights and IPR return to company.

3.22 Employment Benefit Expenses

Particulars	31-Mar-14	31-Mar-13
Salaries and wages	24	20
Director Remunerations	26	36
Gratuity expenses	(3)	-
Leave encashment	6	1
Staff welfare	1	1
Total	54	57

**KSS LIMITED (Formerly known as K SERA SERA LIMITED)***Notes to financial statements for the year ended 31 March 2014***3.23 Financial Cost**

Particulars	31-Mar-14	31-Mar-13
Interest on Fixed Deposit	0	-
Bank Charges	1	1
Interest on Bonds Reversed due to SC order	(379)	-
Total	(378)	1

As per Supreme Court Judgment dated 17th February 2014 in case no 24319/2013 that other charges and interest wave off by the court. other charges is booked as an income and interest provided in earlier years Rs 3.7872 crore on Bond Value Rs 23.67 core @ 8% p.a. for 24 months is reversed during the year as per order.

3.24 Depreciation & Amortized Cost

Particulars	31-Mar-14	31-Mar-13
Depreciation	298	276
Reverse Cost Charge-KSSDCPL	(281)	(252)
Total	17	24

3.25 Other Administrative Expenses

Particulars	31-Mar-14	31-Mar-13
Rent	31	33
Rates and taxes	10	2
Power and fuel	6	11
Communication costs	3	3
Donations	0	0
Brokerage & Commission	1	4
Insurance Expenses	0	0
Printing & Stationery Expenses	4	5
Membership & Subscriptions Fees	1	1
Advertisement & Publicity	60	1
Loss on sale of fixed assets (net)	13	-
Travelling and conveyance	4	2
Legal and professional fees	57	74
Repairs and maintenance (others)	1	4
Auditors Remuneration (refer details below)	4	3
Hotel & Restaurant Exp	1	-
Bad Debts w/off	3	-
Prior period expenses	11	-
Interest & Penalties Paid	1	-
Miscellaneous expenses	1	6
Total	212	149

KSS Limited											
Note 3.11 (a): Tangible Fixed Assets											
Particular	Gross Block		Depreciation/Amortization				Net Block				
	As at April 1, 2013	Adjustments	As at March 31, 2014	As at April 1, 2013	Year Ended	Deletion/Adjustment	As at March 31, 2014	As at March 31, 2014	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013
		Additions	Deductions								
Computer & Peripherals	18	-	-	18	14	2	16	3	5	5	5
Office Equipment	16	-	-	16	5	2	7	9	11	11	11
Plant & Machinery	26	-	-	26	20	1	21	5	6	6	6
Furniture & Fixtures	167	-	150	18	147	3	9	9	20	20	20
Motor Vehicles	98	-	18	80	61	9	58	22	37	37	37
Digital Technology Assets	2,372	52	-	2,424	324	281	605	1,819	2,048	2,048	2,048
Total	2,697	52	167	2,582	571	298	716	1,866	2,127	2,127	2,127
Previous Year	2,611	86	0	2,697	295	276	571	2,127	2,316	2,316	2,316

KSS Limited											
Note 3.11 (b): Intangible Fixed Assets											
Particular	Gross Block		Depreciation/Amortization				Net Block				
	As at April 1, 2013	Adjustments	As at March 31, 2014	As at April 1, 2013	Year Ended	Deletion/Adjustment	As at March 31, 2014	As at March 31, 2014	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013
		Additions	Deductions								
Motion Picture Rights	737	170	-	907	-	-	-	907	737	737	737
Trade Marks	6	-	-	6	-	-	-	6	6	6	6
Total	743	170	-	913	-	-	-	913	743	743	743
Previous Year	1,677	-	-	1,677	933	-	933	743	743	743	743

**SIGNIFICANT ACCOUNTING POLICY AND NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014****1. CORPORATE INFORMATIONS**

KSS Limited (BSE Scrip Code: 532071; NSE Scrip Code KSERASERA) is a global player within the Indian media and entertainment. KSS Limited ('K Sera Sera Limited' or 'the Company') along with its wholly owned subsidiaries K Sera Sera Miniplex Limited ("KSS Miniplex"), K Sera Sera Digital Cinema Private Limited ("KSS Digital"), K Sera Sera Box Office Private Limited ("KSS Box Office") and K Sera Sera FZE ("KSS FZE"), K Bazaar Online Trading Private Limited ("K Bazaar"), and step down subsidiaries K Kampus Private Limited ("K Kampus"), K Sera Sera Consultancy Private Limited ("K Consultancy"), K Sera Sera Australia Holding (Pty) Limited ("KSS Australia") and KSS Capital Limited ("KSS Bermuda") is the most diversified media company. The Company is in to the business of production/distribution of movies and television serials. The Company through its subsidiaries and step down subsidiaries is into the business of Miniplexes, Digital Cinema, Education, Edutainment, Online Trading, Project Consultancy, International Film Distribution, General Trading (UAE) and investment in gold mines.

2. Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies**(a) Change in accounting policy****Presentation and disclosure of financial statements**

During the year ended 31 March 2014, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Use of estimates

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

(c) Tangible fixed assets

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

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

(d) Depreciation Tangible fixed assets.

Depreciation on fixed assets is calculated on a written down value method at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets.



	Rate (WDV)
Plant and equipments	20%
Furniture and fixtures	18.1%
Computers	40%
Vehicles	25.89%
Digital Technology Asset	20%
Office Equipment	13.91%

Company is provided depreciation on Digital technology assets @20% on WDV basis. Deprecation provides only on installed server or put to use assets. Income from use of such assets is booked in K Sera Sera Digital Cinema Pvt. Limited.

A digital technology asset is used by K Sera Sera Digital Cinema Private Limited ("KSS Digital") a WOS company of K Sera Sera limited. Deprecation on the above assets is cross charge to K Sera Sera Digital Cinema Private Limited ("KSS Digital") without transferring the assets.

KSS limited is sole owner of the said equipments shall cross charge the amount of deprecation /normal charge of wear and tear to KSS Digital at cost and same shall be recouped by KSS in agreed manner.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

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

- i. At 30% of the production cost of the motion picture in case the picture is released within 90 days before the year end.
 - ii. At 10% of the production cost of the motion picture in case the picture is released more than 90 days before the year end.
- Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.
- The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

1. The technical feasibility of completing the intangible asset so that it will be available for use or sale
2. Its intention to complete the asset
3. Its ability to use or sell the asset
4. How the asset will generate future economic benefits
5. The availability of adequate resources to complete the development and to use or sell the asset
6. The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of depreciation/ amortization policies applied to the company's intangible assets is as below:



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

The date of release/sale of the respective motion picture as referred above and The tenure of the distribution agreement.

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

Particulars	Picture is released within 90 days before the year end	Picture is released more than 90 days before the year end
In the immediately succeeding year of release/sale*	2/3rd	-
Over the balance period of distribution agreement*	1/3rd	1/3rd

*The above amortization of Intellectual Property rights is subject to the management estimate of future revenue potential.

(f) Borrowing costs

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(g) Impairment of tangible and assets

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

(h) Investments

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

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

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

(i) Inventories

i. Motion pictures under production- valued at cost or net realizable value (which ever is lower) recognized as Projects in progress under inventory till the date of release. The copyrights for future years inherent in the motion pictures are created out of the cost of production and recognized as intangible assets.

ii. Cost of motion pictures comprises the cost of materials, labour and other related expenses. Borrowing cost directly attributable to movies is capitalized as part of the cost of movies.

iii. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(j) Revenue recognition

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



i. In house production of motion pictures

Revenue on assignment of distribution rights of motion pictures to third parties is recognized on the date of release/exhibition of the motion picture. Overflow from the distributors is accounted for as and when due or on receipt basis in case of uncertainty in collection. Revenue from outright sale of motion pictures is recognized on the date of agreement to sell the rights.

ii. Distribution of motion pictures produced by third parties

Revenue is recognized based on ticket sales on exhibition of the motion pictures at the exhibition centers.

iii. Other rights

Revenue from other rights of motion pictures such as satellite rights, overseas rights, music rights, video rights, etc. is recognized on the date of execution of the agreement to assign these rights for exploitation or the release of the movie whichever is earlier.

iv. Interest

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

(k). Accounting for taxes on income

Current Tax

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

Deferred Tax

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

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

(l). Foreign currency translation

Transactions in foreign currencies are accounted at exchange rates prevalent on the date of the transaction. Foreign currency monetary assets and liabilities at the period end are translated using the exchange rates prevailing at the end of the period. All exchange differences are recognized in the statement of Profit and Loss. Non-monetary foreign Currency items are carried at the lower of cost and fair value and accordingly the investments in shares of foreign subsidiaries are denominated in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

(m). Retirement and other employee benefits

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

(n). Segment reporting

Identification of segments

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

Inter-segment transfers

The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

(o). Provisions

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

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

(p). Cash and cash equivalents

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

(q). Measurement of EBITDA

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

3.27 Earnings per share

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the reporting period by the weighted average number of equity shares outstanding during the reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.

The earnings per share are calculated as under:

Particulars	31-Mar-14	31-Mar-13
Net profit/(loss) after tax for the year	(1887.10)	90.79
Equity shares outstanding as the year end	2079.38	2079.38
Nominal value per share (Rs.)	10	10
Earnings per share		
- Basic	(0.91)	(0.04)
- Diluted	(0.91)	(0.04)

3.28 Leases

The Company has entered into leases for its office premises. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Particulars	31-Mar-14	31-Mar-13
Within one year	Nil	Nil
After one year but not more than five years	Nil	Nil
More than five years	Nil	Nil



3.29 Related party transaction

As per accounting standard on Related Party Disclosure (AS-18) as notified by the Companies Accounting Standard Rules, 2006 (as amended), the names of the related parties of the Company are as follows:

Names of related parties and related party relationship

Related parties where control exists irrespective of whether transactions have occurred or not:

Subsidiaries

K Sera Sera Box Office Private Limited
K Sera Sera Miniplex Private Limited
K Sera Sera Digital Cinema Private Limited
K Bazaar Online Private Limited
K Sera Sera Productions FZ LLC
K Sera Sera Productions FZE

Step down subsidiaries/Limited Liability Partnerships

K Sera Sera Consultancy Private Limited
K Kampus Education Private Limited
K Sera Sera Holding PTY Limited
KSS Capital Limited
K Kampus Edutrainment Limited Liability Partnership
KSS Capital Limited ("KSS Bermuda")

Key Managerial Personnel

Brigadier Vinod Ahuja, Whole Time Director.

Related parties with whom transactions have taken place during the year

Nature of transaction	2014	2013
a. Transactions during the year		
Income from subsidiaries		
Depreciation cross charged to subsidiaries		
K Sera Sera Digital Cinema Private Limited	281.16	251.98
Advances/ loan repayment paid		
K Sera Sera Digital Cinema Private Limited	0.21	-
K Sera Sera Miniplex Private Limited	1443.65	181.25
K Bazaar Online Private Limited	0.08	0.05
K Kampus Educations Private limited	12.62	0.18
K Sera Sera Consultancy Pvt. Ltd.	0.01	0.25
K Sera Sera Box Office Private Limited	307.84	-
K Sera Sera Productions FZE-Foreign exchange Gain	77.68	425.30
Advances/ loan repayment received		
K Sera Sera Box Office Private Limited	0.19	4.58
K Sera Sera Productions FZE	0.00	425.30
K Sera Sera Digital Cinema Private Limited	20.07	195.52
K Sera Sera Miniplex Private Limited	2058.05	181.25
K Kampus Educations Private limited	21.20	
K Sera Sera Consultancy Pvt. Ltd.	0.04	
b. Closing balance		
Short term borrowings		
K Sera Sera Box Office Private Limited	NIL	252.87
K Sera Sera Digital Cinema Private Limited	10.45	30.73
Investment in subsidiaries		
K Sera Sera Box Office Private Limited	2742.50	2999.99
K Sera Sera Miniplex Private Limited	2790.50	2999.99
K Sera Sera Digital Cinema Private Limited	2999.99	2999.99
K Bazaar Online Private Limited	0.89	0.89
K Sera Sera Productions FZE	4994.63	4994.63
K Sera Sera Productions FZ LLC	6.15	6.15
K Sera Sera Productions FZ LLC –Share Application Money	18.45	18.45
Loans and advances		
K Sera Sera Miniplex Private Limited	10.34	624.75
K Sera Sera Productions FZE	409.52	331.84
K Sera Sera Box Office Private Limited	54.78	-
Others	5.25	13.78
Remuneration to key managerial personal		
Brigadier Vinod Ahuja, Chairman and Whole Time Director	32.52	36.00

**3.30 Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

The Maharashtra Government had issued a notification on August 30, 2005, as per which entities leasing copyrights of cinematographic films are required to pay value added tax (VAT) @ 4% retrospectively wef. May 1, 2000. Subsequently, upon the representation of 'The Cinematograph Exhibitor's Association of India' ('The Association'), the levy of the said tax was waived for the period May 1, 2000 to March 31, 2005. The revised notification extending similar relief up to the period commencing from April 1, 2005 is being pursued by the association. The Company, in line with the view taken by the Industry, is of the opinion that VAT is not applicable to the activities carried by the Company and has also taken a legal opinion in this regard. The Company has also not received any demand notice from the VAT authorities. As a matter of prudence, the Company has made ad hoc payments of Rs 1,500,000 under protest, which is disclosed under 'Loans and Advances'. Having regard to the above facts, the Company does not expect any liability on this account.

The Company has cases pending at the Central Investigation Unit (Customs) and Securities Exchange Board of India. The departments are yet to pass final order hence the liability for the same is currently unascertainable

3.30 (a) Contingent liabilities not provided for in respect of:

Particulars	March 31, 2014	March 31, 2013
Guarantees issued by bank		
-In respect of the Company	NIL	NIL
-In respect of a wholly owned subsidiary	160.39	160.39
Arrears of cumulative redeemable preference dividend	0.00	0.00
Claims against Company not acknowledged as debts and contested by the company.	417.14	336.14
Total	577.53	554.13

3.30 (b) The details of the suit filed against the company pending for disposal is as under:

1.	Standard Chartered Bank	OA. 62 of 2008	Against outstanding Bank Guarantee given to Twenty Twenty Television Company Ltd. Of Rs. 160.40 in DRT at Mumbai.
2.	Income Tax Authority	Appeal for various orders passed for . A.Y 2009-10	Filed Appeal against the Demand Raised for Rs.417.14 lacs.

b) The details of the suit filed by the company pending for disposal is as under:

S. No.	Name of the Parties	Suit No.	Particulars
1	Percept Picture Company	Before Arbitrator	Arbitration proceedings initiated for recovery of Rs.80.00 lacs . plus 12% interest thereon.
2	Maharashtra Stage & Cultural Development	290/SS/03	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, against the said Corporation for recovery of its claim of Rs.108.76 lacs advance against the content of television serials which were not completed.
3	Mayank Shah	544/SS/2006	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs.9.00 lacs
4	Eros Multimedia limited	2356/2009	Suit for Damages for Rs.960.00 lacs
5	Zee Entertainment Enterprises Ltd	Before Arbitrator	Arbitration filled for damages of Rs.2466.80 lacs
6	GO Bananas Entertainment Pvt. Ltd. & Others	C.C. no. 2517/SS/11	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs.14.12 lacs
7	Amit Mehrotra & Others	C.C. No. 2184/SS/11	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs.2.50 lacs
8.	Hydrocarbon Development Company Pvt. Ltd.	1720/SS/2011	138 under N.I. Act – Cheque Bouncing case Amount of cheque Rs. 500.00 lacs.

**3.31 Auditors' remuneration (exclusive of service tax)**

Particulars	31-Mar-14	31-Mar-13
Statutory audit	3.00	3.00
Tax audit	0.00	0.00
Limited review and other certifications	0.75	0.75
Other Services	0.25	0.58
Total	4.00	4.33

3.32 Earning and expenditure in foreign currency (on accrual basis)

Particulars	31-Mar-14	31-Mar-13
Earning:	NIL	NIL
Expenditure/Capital expenditure for assets	37.98	55.17

3.33 Deferred tax liability / (asset)

(Amount in Lacs)

Particulars	As at April 1, 2013	Current year (charge) / credit	As at March 31, 2014
Difference between book base and tax base of fixed assets	(85.63)	(75.59)	(161.22)
Carried forward losses	(130.62)	0.00	0.00
Disallowed u/ sec. 40(a) ii	0.00	0.00	0.00
Total	216.25	(75.59)	(161.22)

3.34 Un-hedged foreign currency exposure

The following is the details of un-hedged foreign currency exposure:

Particulars	Amount
Receivables	
US\$ @ closing of 1 USD = Rs.59.76 (Previous year US \$ @ closing rate of 1 USD = Rs. 54.35)	USD \$9.96 lacs
Payables US\$ @ closing of 1 USD = Rs.59.76(Previous year US \$ @ closing rate of 1 USD = Rs. 54.35)	USD \$3.25 lacs

3.35 Subsidiary company business

Sr No	Name of the Company	Date of Incorporation	% of holding	Amount Invested	Advance to Subsidiaries	Previous Year
1.	K Sera Sera Productions FZE	19.11.2009	100%	4,994.63	409.52	331.84
2.	K Sera Sera Digital Cinema Pvt. Ltd	04.06.2009	100%	2999.99	(10.45)	(30.73)
3.	K Sera Sera Box Office Pvt. Ltd.	12.06.2009	91.42%	2742.50	54.78	(252.83)
4.	K Sera Sera Miniplex Ltd.	02.02.2012	93.02%	2790.50	10.34	624.75
5.	K Bazaar online Trading Pvt. Limited	23.05.2011	90%	0.89	5.25	5.17

Based on the fundamentals of the subsidiary company business, the management is of the opinion that it is strategically desirable for KSS Limited to continue to support the subsidiary through funding (including equity/debt infusion), through either fresh funds or conversion of existing loans into equity.

3.35 Balances in respect of certain sundry debtors, sundry creditors and loans and advances are taken as shown by the books of account and are subject to confirmation and consequent adjustments and reconciliation, if any.

3.36 As per the information and explanation given by the management that Share application money pending for allotment Rs 1141.58 lacs and Rs 384.05 lacs. The Board of the company has decided that said amount is adjusted against the some Loan and Advances and Share application money not recoverable.

3.37 As per Management opinion Current assets, loans and advances have a value on realization which in the ordinary course of the business would not be less than the amount at which they are stated in the balance sheet and the provisions for all known and determined liabilities are adequate and not in excess of the amount reasonably required.

3.38 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

There are no micros, small and medium enterprises, to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

3.39 Figures in brackets represent those of the previous year.

3.40 Figures for the previous year have been regrouped / amended wherever necessary.

For and on behalf of the board of directors

Director Director
Mumbai
Date: 30.05.2014

For **Agrawal Jain & Gupta**
Chartered Accountants
Firm Registration No. 013538C

CA Nitesh Agrawal
Partner
M. No - 406155
Mumbai
Date: 30.05.2014



KSS Limited (Formerly known as K Sera Sera Limited)
Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No.

State Code

Balance Sheet

Date Date Month Year

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Bonus Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Rights Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Private Placement

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

3. Position of Mobilisation and Deployment of Funds (Amounts in Rs. Lacs)

Total Liabilities

		2	9	5	7	7	.	3	1
--	--	---	---	---	---	---	---	---	---

Total Assets

		2	9	5	7	7	.	3	1
--	--	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up capital

		2	0	7	9	3	.	8	6
--	--	---	---	---	---	---	---	---	---

Reserves and surplus

			5	9	1	8	.	3	0
--	--	--	---	---	---	---	---	---	---

Secured loans

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Un secured loans

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Deferred tax liability (Net)

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Share application money

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Application of Funds

Net fixed assets including
capital work in progress

			2	7	7	9	.	4	0
--	--	--	---	---	---	---	---	---	---

Investments

			1	6	8	5	3	.	5	5
--	--	--	---	---	---	---	---	---	---	---

Net current assets

			9	6	1	7	.	2	6
--	--	--	---	---	---	---	---	---	---

miscellaneous expenditure

				1	6	6	.	8	8
--	--	--	--	---	---	---	---	---	---

Deferred Tax Assets (Net)

				1	6	1	.	2	2
--	--	--	--	---	---	---	---	---	---

Accumulated losses

				4	0	9	1	.	0	0
--	--	--	--	---	---	---	---	---	---	---

4. Performance of the Company (Amount in Rs. Thousands)

Turnover (Total income)

				4	9	2	.	2	2
--	--	--	--	---	---	---	---	---	---

Total Expenditure

				2	3	2	4	.	5	8
--	--	--	--	---	---	---	---	---	---	---



+	-	Profit/(Loss) Before Tax						
	-	1	8	3	2	.	5	8

+	-	Profit/(Loss) After Tax						
	-	1	8	8	7	.	0	7

(Please tick Appropriate box + for profit, - for loss)

Earnings per Share (Rs)
(On profit after taxes)

			0	.	9	1
--	--	--	---	---	---	---

Dividend Rate %
(NIL)

N	I	L
---	---	---

5. Generic Names of Three Principal Products / Services of Company
(As per monetary terms)

Item Code No. (ITC Code)

8	5	2	4	9	0	0	1

Product Description

In house production of motion pictures, television serials and distribution of motion pictures produced by third parties.

For and on behalf of the board of directors

Director

Director

Mumbai

Mumbai

Date: 30.05.2014

Date: 30.05.2014

**Independent Auditors' Report**

To The Board of Directors of KSS LIMITED (formerly known as K Sera sera limited)

1. We have audited the attached Consolidated Financial statements of KSS Limited ('the Company'), and its subsidiaries (herein after collectively referred to as 'the Group') which comprises of Balance Sheet as at March 31, 2014 and the Consolidated Profit and Loss account and the Consolidated Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.
2. Management is responsible for the preparation of these consolidated financial position, consolidated financial performance and consolidated cash flows in accordance with the accounting principles generally accepted in India. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give true and fair view and are free from material misstatements, whether due to fraud or error.
3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected depends on the assessment of the risks of the material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the company's preparation and presentation of the consolidated 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 appropriateness of the accounting principles used and reasonableness estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statement.
5. We believe that our audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.
6. We did not audit the financial statements of a subsidiary, namely K Sera Sera Productions FZE, whose financial statements reflect total assets of Rs. 37,698.75 lacs as at March 31, 2014, total revenues of Rs.4224.84 lacs for the year ended on that date. These financial statements have been incorporated in the consolidated financial statements on the basis of audited financial statements as provided by the management of the said subsidiary. Our opinion in so far as it relates to the amount included in the consolidated financial statements in respect of this subsidiary, is based solely on the audited separate financial statement of this subsidiary.
7. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements of a subsidiary and on the other financial information of the components, we are of the opinion that the attached consolidated financial statements read with notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
 - b) in case of the Consolidated Profit and Loss Account, of the Loss of the Group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Agrawal Jain & Gupta.
Chartered Accountants
FRN : 013538C

CA Nitesh Agrawal
PartnerM. No – 406155
Mumbai, 30th May 2014.

**KSS LIMITED (Formerly known as K SERA SERA LIMITED)**

Register office No. Unit No. 101A & 102, Morya Landmark - II, Plot B-17, Andheri (West),
Mumbai - 400 053

Consolidated Balance sheet as at 31st March 2014**(Amount in Lacs.)**

Particulars	Note No.	31 March 2014	31 March 2013
I. EQUITY AND LIABILITIES			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	3.1	20,794	20,794
(b) Reserves and Surplus	3.2	36,841	37,341
Minority Interest		409	-
<u>(2) Share Application money pending allotment</u>		-	1,142
<u>(3) Non-Current Liabilities</u>			
(a) Long-Term Borrowings	3.3	2,367	2,417
(b) Other Long term Liabilities	3.4	184	571
(c) Long Term Provisions	3.5	-	382
<u>(4) Current Liabilities</u>			
(a) Short-Term Borrowings	3.7	45	-
(b) Trade Payables	3.8	378	512
(c) Other Current Liabilities	3.9	685	1,122
(d) Short-Term Provisions	3.10	339	504
Total Equity & Liabilities		62,042	64,785
II. ASSETS			
<u>(1) Non-Current Assets</u>			
(a) Fixed Assets			
(i) Tangible Assets	3.11(a)	2,727	2,837
(ii) Intangible Assets	3.11(b)	1,133	886
(b) Non-current investments	3.12	16,742	17,368
(c) Deferred tax assets (net)	3.6	458	400
(d) Long term loans and advances	3.13	13,915	16,839
<u>(2) Current Assets</u>			
(a) Current investments	3.14	2,640	2,640
(b) Inventories	3.15	10	2
(c) Trade receivables	3.16	21,896	22,263
(d) Cash and cash equivalents	3.17	238	450
(e) Short-term loans and advances	3.18	2,057	969
(f) Other current assets	3.19	226	130
Total Assets		62,042	64,785

The accompanying notes are an integral part of the financial statements.

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

FOR AGRAWAL JAIN & GUPTA
CHARTERED ACCOUNTANTS

FOR KSS LIMITED

(CA Nitesh Agrawal)
Partner
Membership No. : 406155
Firm Reg. No.: 013538C
Mumbai
Date : 30.5.2014

(DIRECTOR) (DIRECTOR)

(Company Secretary)

**KSS LIMITED (Formerly known as K SERA SERA LIMITED)**

Register office No. Unit No. 101A & 102, Morya Landmark - II, Plot B-17, Andheri (West),
Mumbai - 400 053

Consolidated Statement of profit and loss for the year ended 31st March 2014**(Amount in Lacs.)**

Particulars	Note no.	31 March 2014	31 March 2013
<u>Income</u>			
Revenue from Operations	3.20	5,994	11,018
Other Income	3.21	486	103
Total revenue (I)		6,480	11,121
<u>Expenses:</u>			
Cost of Operations	3.22	6,108	8,213
Employee Benefit Expense	3.24	693	978
Financial Costs	3.25	(356)	30
Depreciation and Amortization Expense	3.26	704	680
Other Administrative Expenses	3.27	931	984
Total Expenses (II)		8,081	10,885
Profit before exceptional and extraordinary items and tax (I - II)		(1,600)	236
<u>Add/(less)</u>			
Exceptional Items		-	-
Profit before tax		(1,600)	236
<u>(Add)/less</u>			
<u>Tax expense:</u>			
(1) Deferred tax expense		(58)	(367)
(2) Current Tax/ MAT		(1)	0
Profit after tax		(1,541)	603
Earning per equity share:			
(1) Basic		(0.74)	0.29
(2) Diluted		(0.74)	0.29

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached.

FOR AGRAWAL JAIN & GUPTA

Firm Reg. No.: 013538C

CHARTERED ACCOUNTANTS

(CA Nitesh Agrawal)

Partner

Membership No. : 406155

PLACE: MUMBAI

Date : 30.5.2014

FOR KSS LIMITED

(DIRECTOR)

(DIRECTOR)

(Company Secretary)



KSS LIMITED (Formerly known as K SERA SERA LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2014

(Amount in Lacs.)

	31 March 2014	31 March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(1,600)	236
Adjustments For:		
Depreciation/Amortisation	704	680
Loss On Sale Of Assets	13	(49.00)
Interest Cost	23	30
Interest Received	(9)	(81)
Miscellaneous Expenditure Written Off	-	-
	731	579
Operating Cash Flow Before Changes In Working Capital	(869)	815
Adjustments For:		
(Increase)/Decrease In Inventories	(8)	408
(Increase)/Decrease In Sundry Debtors	367	(1,305)
(Increase)/Decrease In Loans And Advances	1,836	(743)
Increase/(Decrease) In Current Liabilities And Provisions	(1,506)	(215)
Net Changes In Working Capital	(178)	(1,041)
Taxes Paid	-	-
Extraordinary Items	1	(0.96)
Translation adjustment Reserve	917	1,003
Miscellaneous Expenditure	(29)	(23)
Cash Generated From/(Used In) Operations	710	(61)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase Of Fixed Assets	(905)	(222)
Sale/Surrender Of Fixed Assets	51	106
Sale Of Investments	626	-
Interest Received	9	81
Cash Generated /(Used In) From Investing Activities	(219)	(35)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(23)	(30)
Share application money repay /adjusted	(1,142)	
Minority interest	467	
Repayment Of Borrowings	(50)	-
Proceeds From Borrowings	45	-
Cash Generated /(Used In) From Financing Activities	(703)	(30)
translation adjustment	-	-
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(213)	(128)
Cash And Cash Equivalents At The Beginning Of The Year	450	527
Cash And Cash Equivalents At The End Of The Year	237	399
Note:		
1 Cash and cash equivalents at the year end comprise:		
Cash On Hand	67	383
Balance With Scheduled Banks In		
- Current Accounts	171	67
- Deposit Accounts		
	238	450
2 The Cash Flow Statement Has Been Prepared Under Indirect Method As Set Out In Accounting Standard 3, 'Cash Flow Statement' Issued By The Institute Of Chartered Accountants Of India		
As per our report of even date attached	For and on behalf of the board of directors	
For Agrawal, Jain and Gupta		
Chartered Accountants		
Firm Registration No. 013538C		
(CA Nitesh Agrawal)		
Partner	Director	Director
Membership No. : 406155		
Mumbai		
Date : 30.5.2014	(Company Secretary)	



KSS LIMITED (Formerly known as K SERA SERA LIMITED)

Consolidated Notes to financial statements for the year ended 31 March 2014

3.1 Share Capital

Particulars	31 March 2014	31 March 2014	31 March 2013	31 March 2013
	Nos.	Amount	Nos.	Amount
AUTHORIZED CAPITAL				
Authorized Equity Shares of Rs. 10/- each	2,200	22,000	2,200	22,000
	2,200	22,000	2,200	22,000
ISSUED , SUBSCRIBED & PAID UP SHARES				
Equity Share of Rs.10 each Fully Paid Up	2,079	20,794	2,079	20,794
Total issued, subscribed and fully paid-up share capital	2,079	20,794	2,079	20,794

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

Particulars	31 March 2014		31 March 2013	31 March 2013
	Nos.	Amount	Nos.	Amount
At the beginning of the year	2,079	20,794	2,079	20,794
Add: Issued during the year	-	-	-	-
Add: Warrants converted during the year	-	-	-	-
Outstanding at the end of the year	2,079	20,794	2,079	20,794

(b) Terms/ rights attached to equity shares

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

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

Name of the shareholder	31 March 2014		31 March 2013	31 March 2013
	Nos.	% holding in the class	Nos.	% holding in the class
Highbluesky Emerging Market Fund	206	9.90%	-	-
India Max Investment Fund Limited	172	8.25%	143	6.87%
Aspire Emerging Fund	206	9.90%	-	-
Auctor Investments Limited	206	9.90%	-	-
The Bank of New York (Depository of GDR's)	-	-	972	46.74%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

3.2 Reserve & Surplus

Particulars	31 March 2014	31 March 2013
Securities Premium reserve		
Balance as per the last year's financial statements	9,942	9,942
Add: GDR issue expenses reversed	67	-
Less: Expenses written off if any	-	-
Closing Balance	10,009	9,942
Surplus/ (deficit) in the statement of profit and loss		
Balance as per the last year's financial statements	27,399	25,792
Add: Profit for the period	(1,541)	603
Net deficit in the statement of profit and loss	25,857	26,394
Minority Interest	58	-
Translation adjustments Reserve	917	1,003
Total	36,841	37,341

3.3 Long Term Borrowings

Particulars	31 March 2014	31 March 2013
8% Optionally convertible redeemable Bonds (Unsecured)	2,367	2,367
Financial Institutions	-	50
Total	2,367	2,417

Company issued 2,367 (Two Thousand three Hundred sixty seven) Optionally Convertible Redeemable Bond of Rs 1,00,000/- each to SBI GLOBAL FACTOR LIMITED (Formerly known as GLOBAL TRADE FINANCE LIMITED) as per SEBI (ICDR) Guidelines. Issued on 29th January 2010. against the settlement of the amount borrowed by the company. As per Supreme Court Judgment dated 17th February 2014 in case no 24319/2013 that company have to pay 23.00 crore to SBI GLOBAL FACTOR LIMITED as below mentioned schedule other charges and interest wave off by the court. Company already paid Rs 10.00 crore to SBI GLOBAL FACTOR LIMITED on 10th March 2014 and balance Rs 6.00 crore, Rs 2.00 crore and Rs 5.00 Crore on or before 15th July, 2014, 15th August, 2014 and 15th September 2014 respectively.

KSS LIMITED (Formerly known as K SERA SERA LIMITED)
Consolidated Notes to financial statements for the year ended 31 March 2014
3.4 Other Long term Liabilities

Particulars	31-Mar-14	31-Mar-13
Unclaimed Dividend - 2003-04	-	3
Accrued Interest	-	21
other Long Term Liabilities	111	548
Deposits	73	71
Total	184	571

3.5 Long Term Provisions

Particulars	31 March 2014	31 March 2013
Provision For Interest on Bond	-	379
Provision for gratuity	-	3
Total	-	382

As per Supreme Court Judgment dated 17th February 2014 in case no 24319/2013 that other charges and interest wave off by the court. other charges is booked as an income and interest provided in earlier years Rs 3.7872 crore on Bond Value Rs 23.67 core @ 8% p.a. for 24 months is reversed during the year as per order.

3.6 Deferred tax liability/(asset) (net)

Particulars	31 March 2014	31 March 2013
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(251)	(131)
	(251)	131
Gross deferred tax liability		
Impact of expenditure charged to the statement of profit and loss in the	-	-
Deferred tax asset on carried forward losses	(207)	(269)
current year but allowed for tax purposes on payment basis	(207)	(269)
Net deferred tax liability/ (asset)	(458)	(400)

As per Accounting Standard 22 issued by ICAI Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

3.7 Short Term Borrowings

Particulars	31-Mar-14	31-Mar-13
Fixed deposits	3	-
Loan From Directors	43	-
Total	45	-

3.8 Trade Payable

Particulars	31 March 2014	31 March 2013
Sundry Creditors	338	404
Sundry Creditors-More than 1 year	41	108
Total	378	512

3.9 Other Current Liabilities

Particulars	31 March 2014	31 March 2013
Salary payable	37	24
Other liabilities-Statutory	56	60
Advance from customer	65	24
Deposits of New Miniplex	463	513
Share Application money pending allotment	20	487
Other liabilities	46	15
Total	686	1,122

Statutory liabilities of Service tax company has applied for Voluntary Compliance Encouragement Scheme, 2014 as per Notification No: 10/2014-Service tax- Tax due Declare Rs 57,49,701/- amount of Rs 28,74,851/- already paid by the company on dated 30st December 2014 and Rs 28,74,851/-, Remaining payable on or Before 30th June 2014 Rs 28,74,850/-

3.10 Short Term Provisions

Particulars	31 March 2014	31 March 2013
Others		
Provision for Expenses	330	192
Provision for Income - Taxation	9	312
Total	339	504

Provision for Expenses includes Rs 2.876 crore as ROC Fees and Stamp duty payable includes additional fees for increase in authorized capital from 75 crore to 205 on dated 29th July 2009, and 205 to 220 crore on dated 19th November 2009.

**KSS LIMITED (Formerly known as K SERA SERA LIMITED)**

Notes to financial statements for the year ended 31 March 2014

3.12 Non Current Investment

Particulars	31-Mar-14	31-Mar-13
<u>Investment in Subsidiaries</u>	-	-
Investment in joint venture	538	1,164
<u>Investment in equity instruments (quoted)</u>		
2,02,800 (31 March 2013: 2,02,800) Equity shares of Rs.10 each fully paid up in Kadamb Constructions Limited (closing market price of KCL is 1.15 per on BSE. Valuation as per Market price is Rs 2,33,220/- (31 March 2013 RS 4,25,880)	151	151
9,69,51,372 Equity shares of Citigold Corporation Limited (Australia) (closing market price of City Gold is AUD 0.043 per on ASX. Valuation as per Market price is RS 23,05,40,667/-)	4,942	4,942
Investment in equity instruments (unquoted)	11,111	11,111
Total	16,742	17,368

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

3.13 Long Term Loans and Advances

Particulars	31-Mar-14	31-Mar-13
<u>Security deposit (Unsecured and considered good)</u>		
Security deposit for leased premises	62	54
Other security deposit	15	15
	77	70
<u>Advances recoverable in cash or kind</u>		
Share application money	80	1,080
Unsecured, Considered Good	7,885	10,156
Unsecured, Considered doubtful	5,872	5,796
Less Provision for loans and advances	-	(263)
	13,837	16,769
Total	13,915	16,839

3.14 Current investment

Particulars	31-Mar-14	31-Mar-13
Investment in shares (unquoted)		
2,64,00,000 (31 March 2013: 2,64,00,000) Equity shares of Rs.10 each fully paid up in Kamla Landmark Infrastructure Pvt. Limited	2,640	2,640
Total	2,640	2,640

3.15 Inventories

Particulars	31-Mar-14	31-Mar-13
Inventories	10	2
Total	10	2

**KSS LIMITED (Formerly known as K SERA SERA LIMITED)**

Notes to financial statements for the year ended 31 March 2014

3.15 Trade Receivables

Particulars	31-Mar-14	31-Mar-13
Outstanding for more than six months		
a) Unsecured, Considered Doubtful : More than six months	274	274
a) Unsecured, Considered Good : More than six months	21,462	19,134
b) Unsecured, Considered Good : others	160	2,856
Total	21,896	22,264

3.16 Cash and bank balances

Particulars	31-Mar-14	31-Mar-13
Bank balance		
- In current accounts with bank		
i) In India with scheduled banks	165	67
ii) In India with scheduled banks (EEFC account)	-	-
iii) Outside India	6	0
	171	67
Cash on hand	67	383
Total	238	450

3.17 Short Terms Loans and Advances

Particulars	31-Mar-14	31-Mar-13
Advance Recoverable in cash or in kind		
Unsecured, Considered Good	1,729	153
Unsecured, Considered Doubtful	-	-
	1,729	153
Advance to Associate Concerns	-	
Others		
Advance Income Tax	294	734
Prepaid Expenses	18	25
Advance to Staff	16	57
	328	817
Total	2,057	969

3.18 Other Current assets

Particulars	31-Mar-14	31-Mar-13
Misc. Expenses not written off	226	130

**KSS LIMITED (Formerly known as K SERA SERA LIMITED)***Notes to financial statements for the year ended 31 March 2014***3.19 Revenue from operations**

Particulars	31-Mar-14	31-Mar-13
Income From Advertisements	508	226
Content distributions charges-SEDC	814	497
Ticket Sale Collection	273	263
Other operations	244	188
Income Films Distributions, Exhibitions and others	4,156	9,844
Total	5,994	11,018

3.20 Other Income

Particulars	31-Mar-14	31-Mar-13
Foreign Exchange Revaluation Gain	426	20
Interest income	9	81
Royalty Income	0	1
Other Income	50	1
Profit on sale Assets	-	0
Total	486	103

As per Supreme Court Judgment dated 17th February 2014 in case no 24319/2013 that other charges Rs 50.45 lacs and interest wave off by the court. other charges is booked as an income and interest provided in earlier years Rs 3.7872 crore on Bond Value Rs 23.67 core @ 8% p.a. for 24 months is reversed during the year as per order.

3.21 Cost Of Operations

Particulars	31-Mar-14	31-Mar-13
Opening Stock	2	-
Add:- Purchases @ 12.5% VAT	50	3
Less:- Closing Stock	(10)	(2)
Sub-total (a)	42	1
VSAT Transmission	212	211
Content Delivery, Installation, Survey, Transportations	93	71
Consumables	62	6
Commission on advertisement share	29	-
Distributors Share	101	92
Other operating expenses	5,569	7,832
Sub-total (b)	6,066	8,213
Total	6,108	8,213

Sales booked in the year year 2009-10 is now reversed due to non compliance of agreement terms & Conditions by the buyer, and films rights and IPR return to company.

**KSS LIMITED (Formerly known as K SERA SERA LIMITED)***Notes to financial statements for the year ended 31 March 2014***3.22 Change in Inventories**

Particulars	31-Mar-14	31-Mar-13
Opening Stock	2	-
Closing Stock	10	2
Total	(8)	2

3.23 Employment Benefit Expenses

Particulars	31-Mar-14	31-Mar-13
Salaries and wages	647	929
Director Remunerations	26	40
Staff Recruitment Expenses	1	4
Leave encashment	7	1
Staff welfare	13	5
Total	693	978

3.24 Financial Cost

Particulars	31-Mar-14	31-Mar-13
Interest on Bonds	(379)	-
Finance Charges & Bank Charges	23	30
Total	(356)	30

As per Supreme Court Judgment dated 17th February 2014 in case no 24319/2013 that other charges and interest wave off by the court. other charges is booked as an income and interest provided in earlier years Rs 3.7872 crore on Bond Value Rs 23.67 core @ 8% p.a. for 24 months is reversed during the year as per order.

3.25 Depreciation & Amortized Cost

Particulars	31-Mar-14	31-Mar-13
Depreciation	683	659
Share issue expenses Written off	20	20
Total	704	680

3.26 Other Administrative Expenses

Particulars	31-Mar-14	31-Mar-13
Rent	135	118
Rates and taxes	11	2
Power and fuel	49	57
Communication costs	39	37
Brokerage & Commission	18	25
Insurance Expenses	15	20
Printing & Stationery Expenses	18	18
Membership & Subscriptions Fees	1	3
Advertisement & Publicity	209	260
Loss on sale of fixed assets (net)	13	-
Travelling and conveyance	125	166
Legal and professional fees	151	156
Repairs and maintenance (others)	23	18
Auditors Remuneration (refer details below)	17	15
Bad Debts w/off	3	-
Prior period expenses	35	3
Security Charges - Lab	4	4
Discount & Rebate	9	1
Office Expenses	57	79
Total	931	984

KSS LIMITED (Formerly known as K SERA SERA LIMITED)
Note 3.11(a): Tangible Fixed Assets

Particulars	Gross block				Depreciation/amortization			Net block	
	As at April 1, 2013	Adjustments		As at March 31, 2014	As at April 1, 2013	Year Ended	Deletion/ Adjustments	As at March 31, 2014	As at March 31, 2014
		Additions	Deductions						
Plant And Machinery	26	-	-	26	20	1	-	21	5
Office Equipment	137	68	29	176	37	13	12	38	138
Furniture And Fixtures	535	234	194	575	416	93	171	338	237
Computers (Including software)	556	38	2	592	402	139	1	540	52
Vehicles	175	3	18	160	115	29	12	132	28
Digital Technology Asset	2,703	285	38	2,950	395	357	-	752	2,198
Digital Lab	83	-	-	83	29	14	-	43	41
Demo Theatre	52	3	-	55	16	9	-	25	29
Total	4,266	631	280	4,617	1,429	656	196	1,890	2,727
Previous year	4,065	202	0.07	4,266	805	624	0.05	1,429	2,837
									3,259

Note 3.11 (b): Intangible Fixed Assets

Particulars	Gross block				Depreciation/amortization			Net block	
	As at April 1, 2013	Adjustments		As at March 31, 2014	As at April 1, 2013	Year Ended	Deletion/ Adjustments	As at March 31, 2014	As at March 31, 2013
		Additions	Deductions						
Motion Picture Rights	772	170	-	942	-	-	-	-	772
Trade Marks	6	-	-	6	-	-	-	-	6
Research & Development	167	-	-	167	60	27	-	86	107
Capital Work in progress	-	105	-	105	-	-	-	-	-
Total	945	274	-	1,220	60	27	-	86	886
Previous year	1,964	21	106	1,879	957	36	-	993	1,006

**SIGNIFICANT ACCOUNTING POLICY AND NOTES TO ACCOUNTS FOR CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014****1. Background**

- a) K Sera Sera Limited ('K Sera Sera Limited' or 'the Company') along with its wholly owned subsidiaries K Sera Sera Miniplex Limited ("KSS Miniplex"), K Sera Sera Digital Cinema Private Limited ("KSS Digital"), K Sera Sera Box Office Private Limited ("KSS Box Office") and K Sera Sera Productions FZE ("KSS FZE"), K Bazaar Online Private Limited ("K Bazaar"), and step down subsidiaries K Kampus Education Private Limited ("K Kampus"), K Sera Sera Consultancy Private Limited ("K Consultancy"), K Sera Sera PTY Holding Limited ("KSS Australia") and KSS Capital Limited ("KSS Bermuda") is the most diversified media company. The Company is in to the business of production/distribution of movies and television serials. The Company through its subsidiaries and step down subsidiaries is into the business of Miniplexes, Digital Cinema, Education, Edutainment, Online Trading, Project Consultancy, International Film Distribution, General Trading (UAE) and investment in gold mines.
- b) K SERA SERA PRODUCTIONS FZE is a Free Zone Company with limited liability registered vide commercial license number 5697 on 19 November 2009 in Sharjah, UAE in accordance with the provision of the Harmriyah Free Zone, Sharjah under Sharjah Emiri Decree No. (6) of 1995 and the implementing regulations of the Hamriyah Free Zone Authority. The registered office is E=LOB, Office No. E2-105G-63, P.O. Box 51822, Hamriyah Free Zone, Sharjah, UAE. The company is a wholly owned subsidiary of K Sera Sera Ltd, India which is considered by the directors to be the ultimate parent company. The company has obtained trade license for Film/TV pre-production, distribution, Production, content right management and post production activities.

2. Basis of Preparation

The Consolidated financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies**(a) Change in accounting policy:****Presentation and disclosure of financial statements**

During the year ended 31 March 2014, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Use of estimates:

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

(C) Principles of Consolidation

The consolidated financial statements relate to K Sera Sera Ltd. ('the Parent' or 'the company') and its subsidiary K Sera Sera Productions FZE, K Sera Sera Box Office Private Limited, K Sera Sera Digital Cinema Private Limited, K Sera Sera Miniplex Private Limited, K Bazaar Online Trading Private Limited together referred to as 'the Group'. The consolidated financial statements have been prepared in accordance with the principles and procedures required for the preparation and presentation of financial statements as laid down under the accounting standards issued by the Institute of financial statements of the company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and transactions and resulting unrealized gain/losses. The Group accounts for investments by the equity method of accounting where it is able to exercise significant influence over the operating and financial policies of the investee. The Group's share of profit/loss of associate firms is included in the profit and loss account. Inter company profits and losses have been proportionately eliminated until realized by the investor or investee.



CFS comprise the financial statements of KSS Limited and its subsidiaries as below:

Sr No	Name of the Company	Date of Incorporation	% of holding	Amount Invested
1.	K Sera Sera Productions FZE	19.11.2009	100%	4,994.63
2.	K Sera Sera Digital Cinema Pvt. Ltd	04.06.2009	100%	2,999.99
3.	K Sera Sera Box Office Pvt. Ltd.	12.06.2009	91.42%	2,742.49
4.	K Sera Sera Miniplex Ltd.	02.02.2012	93.02%	2,790.49
5.	K Bazaar Online Private Limited	23.05.2011	90%	0.90

(c) Tangible fixed assets:

Fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(d) Depreciation Tangible fixed assets.

Depreciation on fixed assets is calculated on a written down value method at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets.

Plant and Equipments	20%
Furniture and Fixtures	18.1%
Computers	40%
Vehicles	25.89%
Digital Technology Asset	20%
Office Equipment	13.91%

Company is provided depreciation on Digital Technology assets @ 20% on WDV basis. Deprecation provides only on installed Projectors and Servers or put to use assets. Income due to use of such assets is booked in K Sera Sera Digital Cinema Pvt. Limited. A digital technology asset is used by K Sera Sera Digital Cinema Private Limited ("KSS Digital") a WOS company of K Sera Sera limited. Deprecation on the above assets is cross charge to K Sera Sera Digital Cinema Private Limited ("KSS Digital") without transferring the assets.

K Sera Sera limited is sole owner of the said equipments shall cross charge the amount of deprecation /normal charge of wear and tear to KSS Digital at cost and same shall be recouped by KSS in agreed manner.

(e) Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

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

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

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:



1. The technical feasibility of completing the intangible asset so that it will be available for use or sale
2. Its intention to complete the asset
3. Its ability to use or sell the asset
4. How the asset will generate future economic benefits
5. The availability of adequate resources to complete the development and to use or sell the asset
6. The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

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

The date of release/sale of the respective motion picture as referred above and the tenure of the distribution agreement. Based on above, the amortization of Intellectual Property Rights is carried out on the following basis:

Particulars	Picture is released within 90 days before the year end	Picture is released more than 90 days before the year end
In the immediately succeeding year of release/sale*	2/3rd	-
Over the balance period of distribution agreement*	1/3rd	1/3rd

*The above amortization of Intellectual Property rights is subject to the management estimate of future revenue potential.

(g) Borrowing Costs:

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(h) Impairment of tangible and assets:

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

(i) Investments:

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

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

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

(j) Inventories:

- i. Motion pictures under production- valued at cost or net realizable value (whichever is lower) recognized as Projects in progress under inventory till the date of release. The copyrights for future years inherent in the motion pictures are created out of the cost of production and recognized as intangible assets.
- ii. Cost of motion pictures comprises the cost of materials, labour and other related expenses. Borrowing cost directly attributable to movies is capitalized as part of the cost of movies.
- iii. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(k) Revenue recognition:

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



- i. In house production of motion pictures:
Revenue on assignment of distribution rights of motion pictures to third parties is recognized on the date of release/exhibition of the motion picture.
Overflow from the distributors is accounted for as and when due or on receipt basis in case of uncertainty in collection.
Revenue from outright sale of motion pictures is recognized on the date of agreement to sell the rights.
- ii. Distribution of motion pictures produced by third parties:
Revenue is recognized based on ticket sales on exhibition of the motion pictures at the exhibition centers.
- iii. Other rights:
Revenue from other rights of motion pictures such as satellite rights, overseas rights, music rights, video rights, etc. is recognized on the date of execution of the agreement to assign these rights for exploitation or the release of the movie whichever is earlier.
- iv. Interest:
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
- v. Digital Cinema:
 - i. Income From Installations of Digital Technology
Revenue from installation of Digital Technology is recognized as and when the Digital Technology is installed in the theatres.
 - ii. Income From trailer
Revenue is recognized based on no of trailer shown in theater, as and when accrued the income.
 - iii. Sale of SEDC and service charges
Revenue from SEDC and Service charges is booked on accrual basis. When movies are shown in theater income is booked.
- vi. Miniplex:
 - i. Income from ticket collection
Revenue from ticket collection is recognized as per DCR (daily collection Report) of all screens available. Revenue from ticket sale is recognized on receipts basis
 - ii. Other Incomes
Revenue from Advertisement is recognized as and when such advertisement shown on screen. And revenue from food court collection is recognized as and when food and beverages are sold.

(l) Accounting for taxes on income:Current Tax

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

Deferred Tax

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

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

(m) Foreign currency translation:

Foreign currency transactions and balances

- i. Initial recognition
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- ii. Conversion
Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.
- iii. **Exchange Rates (1 AED = Rs):**

Average Rate	: 16.42
Closing Rate	: 16.27
Historical Rate	: 12.54

Foreign currency monetary items are retranslated using the exchange rate prevailing at the rate of closing day.



iv. Exchange differences

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
3. All other exchange differences are recognized as income or as expenses in the period in which they arise.

(n) Retirement and other employee benefits:

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

(q) Provisions:

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

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

(t) Measurement of EBITDA:

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

3.27 Earnings per share:

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the reporting period by the weighted average number of equity shares outstanding during the reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.

(Rupees In Lacs)

Particulars	31-Mar-14	31-Mar-13
Net profit/(loss) after tax for the year	(1542.45)	602.82
Equity shares outstanding as the year end	2079.38	2079.38
Nominal value per share (Rs.)	10	10
Earnings per share		
- Basic	(0.74)	0.29
- Diluted	(0.74)	0.29

3.28 Leases:

The Company has entered into leases for its office premises. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Particulars	31-Mar-14	31-Mar-13
Within one year	Nil	Nil
After one year but not more than five years	Nil	Nil
More than five years	Nil	Nil

3.29 Related party transaction:

As per accounting standard on Related Party Disclosure (AS-18) as notified by the Companies Accounting Standard Rules, 2006 (as amended), the names of the related parties of the Company are as follows:

Names of related parties and related party relationship

Related parties where control exists irrespective of whether transactions have occurred or not:

Subsidiaries

K Sera Sera Box Office Private Limited
K Sera Sera Miniplex Private Limited
K Sera Sera Digital Cinema Private Limited
K Bazaar Online Private Limited
K Sera Sera Productions FZ LLC
K Sera Sera Productions FZE

Step down subsidiaries/Limited Liability Partnerships

K Sera Sera Consultancy Private Limited
K Kampus Education Private Limited
K Sera Sera Holding PTY Limited
KSS Capital Limited
K Kampus Edutainment Limited Liability Partnership
KSS Capital Limited ("KSS Bermuda")


Key Managerial Personnel

Brigadier Vinod Ahuja, Whole Time Director.

Related parties with whom transactions have taken place during the year

Nature of transaction	2014	2013
a. Transactions during the year		
Income from subsidiaries		
Depreciation cross charged to subsidiaries		
K Sera Sera Digital Cinema Private Limited	281.16	251.98
Advances/ loan repayment paid		
K Sera Sera Digital Cinema Private Limited	0.21	-
K Sera Sera Miniplex Private Limited	1443.65	181.25
K Bazaar Online Private Limited	0.08	0.05
K Kampus Educations Private limited	12.62	0.18
K Sera Sera Consultancy Pvt. Ltd.	0.01	0.25
K Sera Sera Box Office Private Limited	307.84	-
K Sera Sera Productions FZE-Foreign exchange Gain	77.68	425.30
Advances/ loan repayment received		
K Sera Sera Box Office Private Limited	0.19	4.58
K Sera Sera Productions FZE	0.00	425.30
K Sera Sera Digital Cinema Private Limited	20.07	195.52
K Sera Sera Miniplex Private Limited	2058.05	181.25
K Kampus Educations Private limited	21.20	
K Sera Sera Consultancy Pvt. Ltd.	0.04	
b. Closing balance		
Short term borrowings		
K Sera Sera Box Office Private Limited	NIL	252.87
K Sera Sera Digital Cinema Private Limited	10.45	30.73
Investment in subsidiaries		
K Sera Sera Box Office Private Limited	2742.50	2999.99
K Sera Sera Miniplex Private Limited	2790.50	2999.99
K Sera Sera Digital Cinema Private Limited	2999.99	2999.99
K Bazaar Online Private Limited	0.89	0.89
K Sera Sera Productions FZE	4994.63	4994.63
K Sera Sera Productions FZ LLC	6.15	6.15
K Sera Sera Productions FZ LLC –Share Application Money	18.45	18.45
Loans and advances		
K Sera Sera Miniplex Private Limited	10.34	624.75
K Sera Sera Productions FZE	409.52	331.84
K Sera Sera Box Office Private Limited	54.78	-
Others	5.25	13.78
Remuneration to key managerial personal		
Brigadier Vinod Ahuja, Chairman and Whole Time Director	32.52	36.00

3.30 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

The Maharashtra Government had issued a notification on August 30, 2005, as per which entities leasing copyrights of cinematographic films are required to pay value added tax (VAT) @ 4% retrospectively wef. May 1, 2000. Subsequently, upon the representation of 'The Cinematograph Exhibitor's Association of India' ('The Association'), the levy of the said tax was waived for the period May 1, 2000 to March 31, 2005. The revised notification extending similar relief up to the period commencing from April 1, 2005 is being pursued by the association. The Company, in line with the view taken by the Industry, is of the opinion that VAT is not applicable to the activities carried by the Company and has also taken a legal opinion in this regard. The Company has also not received any demand notice from the VAT authorities. As a matter of prudence, the Company has made ad hoc payments of Rs 1,500,000 under protest, which is disclosed under 'Loans and Advances'. Having regard to the above facts, the Company does not expect any liability on this account.

The Company has cases pending at the Central Investigation Unit (Customs) and Securities Exchange Board of India. The departments are yet to pass final order hence the liability for the same is currently unascertainable


3.30 (a) Contingent liabilities not provided for in respect of:
(Amount in lacs)

Particulars	March 31, 2014	March 31, 2013
Guarantees issued by bank -In respect of the Company -In respect of a wholly owned subsidiary	NIL 160.39	NIL 160.39
Arrears of cumulative redeemable preference dividend	0.00	57.60
Claims against Company not acknowledged as debts and contested by the company.	417.14	336.14
Total	577.53	554.13

3.30 (b) The details of the suit filed against the company pending for disposal is as under:

1.	Standard Chartered Bank	OA. 62 of 2008	Against outstanding Bank Guarantee given to Twenty Twenty Television Company Ltd. Of Rs. 160.40 in DRT at Mumbai.
2.	Income Tax Authority	Appeal for various orders passed for . A.Y 2009-10	Filed Appeal against the Demand Raised for Rs.417.14 lacs.
3.	M/s. Fort In Infra Developers Pvt. Ltd.	ARBAP/138/2013	Amount claimed - Rs. 17.07 Lacs

b) The details of the suit filed by the company pending for disposal are as under:

S. No.	Name of the Parties	Suit No.	Particulars
1	Percept Picture Company	Before Arbitrator	Arbitration proceedings initiated for recovery of Rs.80.00 lacs . plus 12% interest thereon.
2	Maharashtra Stage & Cultural Development	290/SS/03	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, against the said Corporation for recovery of its claim of Rs.108.76 lacs advance against the content of television serials which were not completed.
3	Mayank Shah	544/SS/2006	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs.9.00 lacs
4	Eros Multimedia limited	2356/2009	Suit for Damages for Rs.960.00 lacs
5	Zee Entertainment Enterprises Ltd	Before Arbitrator	Arbitration filled for damages of Rs.2466.80 lacs
6	GO Bananas Entertainment Pvt. Ltd. & Others	C.C. no. 2517/SS/11	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs.14.12 lacs
7	Amit Mehrotra & Others	C.C. No. 2184/SS/11	The Company has filed a suit and initiated action under section 138 of the Negotiable Instruments Act, for recovery of its claim of Rs.2.50 lacs
8.	Hydrocarbon Development Company Pvt. Ltd.	1720/SS/2011	138 under N.I. Act – Cheque Bouncing case Amount of cheque Rs. 500.00 lacs.
9.	M/s. MGMDental Clinic	C.C. No. 12/533 Of 2012	Consumer case filed for recovery of Rs. 8.96 Lacs
10.	Siddhart Jain (Madhya Pradesh)	110 of 2013	Consumer case filed for recovery of Rs. 5.00 Lacs plus 12% interest
11.	Sahadev Sudhakar Andhane	MISC (IDA) No. 04 of 2013	Rs. 1.31/- (inclusive of 4 months salary and reimbursement expense with interest)

3.31 Auditors' remuneration (exclusive of service tax)

Particulars	31-Mar-14	31-Mar-13
Statutory audit	17.16	14.59
Total	17.16	14.59

3.32 Earning and expenditure in foreign currency (on payment basis)

Particulars	31-Mar-14	31-Mar-13
Earning:	NIL	NIL
Expenditure/Capital expenditure for assets	58.09	57.44
Foreign Travelling	4.02	1.60

**3.33 Deferred tax liability / (asset)**

Particulars	As at April 1, 2013	Current year (charge) / credit	As at March 31, 2014
Difference between book base and tax base of fixed assets	(130.93)	(119.14)	(250.67)
Carried forward losses	(269.14)	61.05	(207.49)
Total	(400.07)	(58.09)	(458.16)

3.34 Un-hedged foreign currency exposure

The following is the details of un-hedged foreign currency exposure:

Particulars	Amount
Receivables	
US\$ @ closing of 1 USD = Rs.59.76 (Previous year US \$ @ closing rate of 1 USD = Rs. 54.35)	USD \$9.99 lacs
Payables US\$ @ closing of 1 USD = Rs.59.76(Previous year US \$ @ closing rate of 1 USD = Rs. 54.35)	USD \$3.36 lacs

3.34 Subsidiary company business

(Rupees in Lacs)

Sr No	Name of the Company	Date of Incorporation	% of holding	Amount Invested	Advance to Subsidiaries	Previous Year
1.	K Sera Sera Productions FZE	19.11.2009	100%	4,994.63	588.79	331.84
2.	K Sera Sera Digital Cinema Pvt. Ltd	04.06.2009	100%	2999.99	(10.45)	(30.73)
3.	K Sera Sera Box Office Pvt. Ltd.	12.06.2009	91.42%	2742.50	54.78	(252.83)
4.	K Sera Sera Miniplex Ltd.	02.02.2012	93.02%	2790.50	10.34	624.75
5.	K Bazzar online Trading Pvt. Limited	23.05.2011	100%	0.89	5.25	5.17

Based on the fundamentals of the subsidiary company business, the management is of the opinion that it is strategically desirable for K Sera Sera to continue to support the subsidiary through funding (including equity / debt infusion), through either fresh funds or conversion of existing loans into equity.

- 3.35 Balances in respect of certain sundry debtors, sundry creditors and loans and advances are taken as shown by the books of account and are subject to confirmation and consequent adjustments and reconciliation, if any.
- 3.36 As per Management opinion Current assets, loans and advances have a value on realization which in the ordinary course of the business would not be less than the amount at which they are stated in the balance sheet and the provisions for all known and determined liabilities are adequate and not in excess of the amount reasonably required.
- 3.37 As per the information and explanation given by the management that Share application money pending for allotment Rs 1141.58 lacs and Rs 384.05 lacs. The Board of the company has decided that said amount is adjusted against the some Loan and Advances and Share application money not recoverable.
- 3.38 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 There are no micro, small and medium enterprises, to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- 3.39 Figures in brackets represent those of the previous year.
- 3.40 Figures for the previous year have been regrouped / amended wherever necessary.

For and on behalf of the board of directors

For Agrawal Jain & Gupta
Chartered Accountants
Firm Registration No. 013538C

Director Director

CA Nitesh Agrawal
Partner
M. No - 406155
Mumbai
Date: 30.05.2014

Mumbai
Date: 30.05.2014

**19TH ANNUAL GENERAL MEETING****KSS LIMITED**

CIN: L22100MH1995PLC092438

Reg. Off. Unit No. 101A & 102, 1st Floor, Plot B-17, Morya Landmark II, Andheri (West), Mumbai-400053 Phone No.: 022-40427600 Email: info@kserasera.com; Website: www.kserasera.com

ATTENDANCE SLIP

Name of the Member	DP ID** Clint Id**
Address of the Member	Folio No.

Full Name of the member/Proxy attending the meeting	
---	--

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company being held at Kailash Parbat, K-P Restaurants, 7A/ 8A, 'A' wing Crystal Plaza, Link Road, Andheri (West), Mumbai -400053 on Tuesday, the 30th September, 2014 at 09.00 A.M

SIGNATURE OF THE ATTENDING MEMBER/PROXY

** Applicable for investors holding shares in electronic form.

Note:

1. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance, duly signed.
 2. Shareholder/Proxy holder is requested to bring their copies of the Annual Report and Accounts with them to the Meeting.
-

**KSS LIMITED**

CIN: L22100MH1995PLC092438

Reg. Off. Unit No. 101A & 102, 1st Floor, Plot B-17, Morya Landmark II, Andheri (West), Mumbai-400053 Phone No.: 022-40427600 Email: info@kserasera.com; Website: www.kserasera.com

19TH ANNUAL GENERAL MEETING**PROXY FORM**

[Pursuant to Section 105(6) of the Company Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule, 2014

Name Of the Member (s) :	
Registered Address :	
Email ID :	
DP ID No. * Clint ID No. */ Folio No.:	

I/We, being the Member(s) ofshares of KSS Limited, hereby appoint

(1) Name:
Address:
.....

E-Mail ID: Signature:, or failing him

(2) Name:
Address:
.....

E-Mail ID: Signature:

As my/ our proxy to attend and vote (on a poll) for me /us and on my/ our behalf at the 19th Annual General Meeting of the Company to be held at "Kailash Parbat, K-P Restaurants, 7A/ 8A, 'A' wing Crystal Plaza, Link Road, Andheri (West), Mumbai - 400053 at 09.00 am on Tuesday 30th September, 2014 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolution	For	Against
01.	Consider and adopt Audited Financial Statements, Reports of the Directors and Auditors for the year ended 31 st March, 2014		
02.	Re-appointment of Brigadier Vinod Ahuja who retires by rotation		
03.	Appointment of Agrawal Jain & Gupta, Chartered Accountants as Statutory Auditors of the Company and fix their remuneration.		
04.	Appointment of Mr. Hussain Shattaf as an Independent Director.		
05.	Appointment of Mr. Dushyant Kumar as an Independent Director.		
06.	Appointment of Mr. Rakesh Sharma as Independent Director.		
07.	To accept Deposits from Public and Members of the Company.		
08.	To authorize Board of Directors to borrow money not exceeding Rs. 100 crores.		

*Applicable for investors holding shares in electronic form

Signed this.....day of2014. Signature of Shareholder

Signature of Proxy holder(s)

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

**2. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column

blank against any or all the resolutions, your proxy will be entitled to vote in the manner as/she thinks appropriate.

3. For the Resolutions, Explanatory Statement and Note, please refer to the Notice of the 19th Annual General Meeting.

4. Please complete all details including details of member(s) in above box before submission.

Affix
Revenue
Stamp

BOOK POST

To,

If undelivered please return to:

KSS LIMITED

Regd. Office:

Unit No. 101A and 102 1st Floor,

Morya Landmark II, Plot B-17,

Andheri (W), Mumbai - 400 053.

Tel: 022 4042 7600 * Fax: 022 4042 7601

E-mail: info@kserasera.com

Web: www.kserasera.com