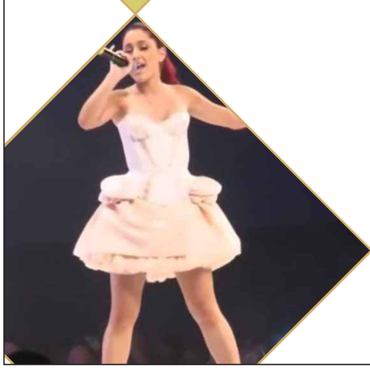
gradiente Infotainment Limited

Connecting . Communicating . Celebrating .

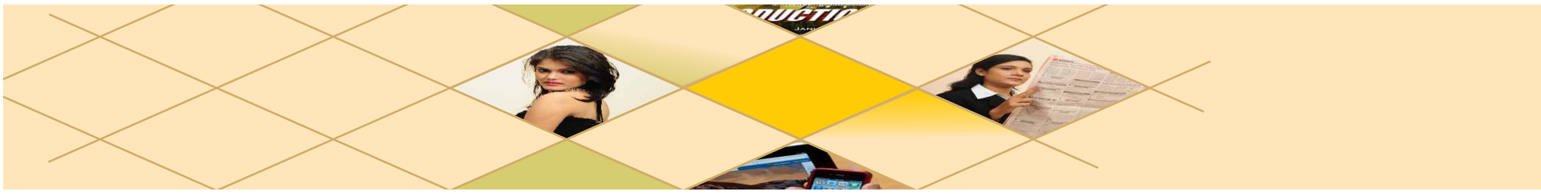
ANNUAL REPORT 2014-15



23

YEARS OF EXCELLENCE

ACCELERATING AHEAD



MOVING FORWARD

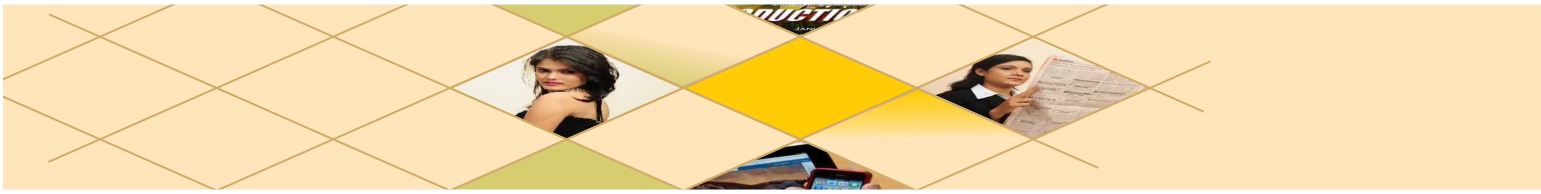
To be a one stop solution provider for the whole gamut of media and entertainment, advertising and new media marketing solutions.

Grow and diversify into emerging media and entertainment domains.

Foray into application design and development domains that drive mobile telephony and social media advertising.

Initiate training and placement in films and television, fashion modeling workshops, talent hunt initiatives, celebrity management with global media tie-ups, and establish centres of learning excellence.

23
YEARS OF EXCELLENCE
ACCELERATING AHEAD



CORPORATE INFORMATION

BOARD OF DIRECTORS

V. R. Mathur
Chairman & Managing Director (DIN: 03138072)

Sudheep Raj
Director (DIN: 03138111)

Sunitee Raj
Director (DIN: 05223416)

T.Venkateshwa Rao
Director (DIN: 01682505)

Shabbir Ali Baquri
Director (DIN: 05223459)

REGISTERED & CORPORATE OFFICE

306, 3rd Floor, May Fair Gardens, Banjara Hills,
Road No. 12, Hyderabad - 500 034. Telangana. India.

CORPORATE IDENTITY NUMBER

L74300AP1992PLC014317

AUDITORS

M/s. CRK & Co.
Chartered Accountants
Shakambari, No.1, 4th Main Road,Gandhi Nagar,
Adyar, Chennai 600020.
E mail : crkumarca@gmail.com

BANKERS

Yes Bank - Banjara Hills, Hyd
Oriental Bank of Commerce,
Banjara Hills, Hyderabad.
State Bank of India- Naryanaguda Br,
Hyderabad.

AUDIT COMMITEE

T. Venkateshwa Rao -	Chairman
Shabbir Ali Baquri-	Member
Sunitee Raj -	Member

NOMINATION / REMUNERATION COMMITEE

Shabbir Ali Baquri-	Chairman
T. Venkateshwa Rao	Member
Sunitee Raj -	Member

SHARE HOLDER REALTIONSHIP COMMITEE

Sunitee Raj -	Chairman
Shabbir Ali Baquri	Member
T. Venkateshwa Rao	Member

iNDEPENDENT DIRECTORS COMMITEE

T. Venkateshwa Rao	Chairman
Shabbir Ali Baquri	Member

iRISK MANAGEMENT COMMITEE

Shabbir Ali Baquri	Chairman
T. Venkateshwa Rao	Member
Vimal Raj Mathur	Member

LEGAL ADVISORS

Gokhale Bilolikar & Co.
Mr. Milnd G. Gokhale
Citadel Apt., 505. Vittalwadi,
Himayatnagar, Hyderabad - 29
Ph: +91 40 23222212, 66668116
Fax : 66668115
E-mail : lawman009003@yahoo.com

REGISTRARS & TRANSFER AGENTS

Karvy Computershare Private Limited
(Unit Gradiente Infotainment Ltd)
Karvy Selenium Tower "B"
Plot No. 31 -32,Gachibowli,
Financial District, Nanakramguda
Hyderabad - 500 008.
Tel: +91-40-67161500

LISTING / TRADING

BSE Limited (Permitted category)
The Calcutta Stock Exchange Limited

DEMAT ISIN NUMBER IN NSDL & CDSL

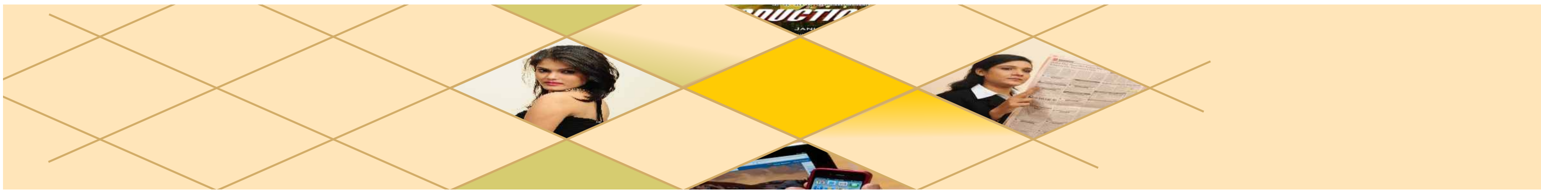
ISIN : INE361K01017

WEB SITE

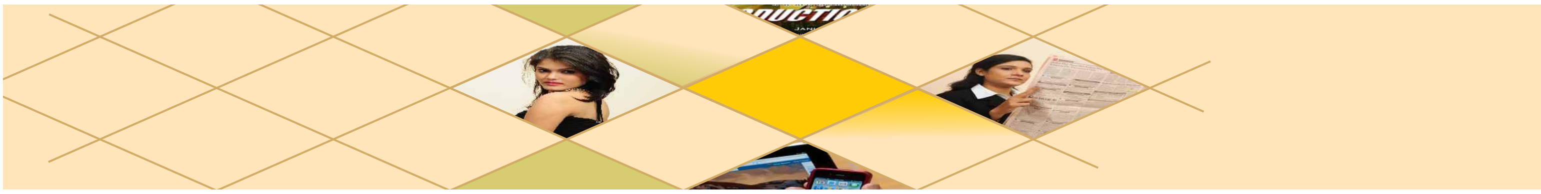
www.gradienteinfotainment.in

INVESTOR - MAIL ID

info@gradienteinfotainment.net

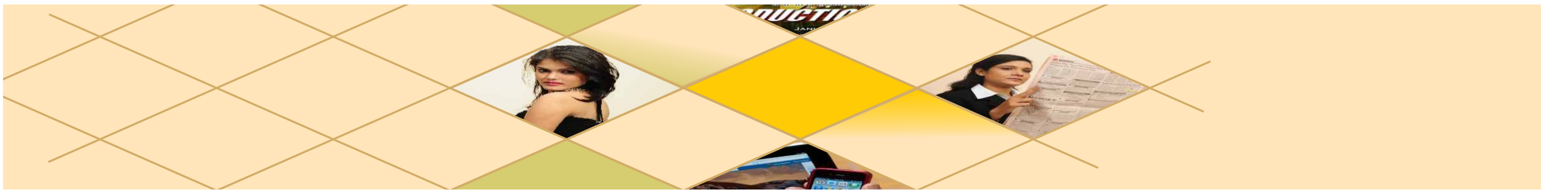


CONTENTS



CHAIRMAN'S MESSAGE

Our infotainment service spectrum, featuring a synergy of electronic, print, television and digital communication has joined hands with new media technologies to be aligned in a new emerging future of entertainment and media.



Dear Shareholders,

As anticipated over the last two years, the digital shift has increased and the digital divide has grown between the traditional and modern players in the advertising, marketing, media and communications sectors.
Consumer spend, advertising spend and most importantly E&M spend worldwide, has surged and pundits predict a multi-fold increase in the coming year.

Digital is the new normal and the future definitely seems to belong to those who embrace this shift and reinvent themselves.

India today is more of a game changer than ever before and the government has embarked upon an ambitious journey to not just Make in India but also take Indian technology, culture and inclusivity worldwide. We are poised to overtake competition and become a force to reckon with. India's 7.4% GDP Growth Rate keeps it ahead of the emerging Economy pack.

As you all know, our company shares are currently being traded on BSE, CSE platforms. All trends point to greater growth in the coming fiscal for us.

We have plans in place to launch new assets in the niche sectors - Digital Media and Social Media.

1. Shahar-e-Hyderabad Portal
An ambitious online platform to provide information about the history of the city, the regional art & culture, life-style of Hyderabadis and adding humour to life besides current affairs. All the Small-Medium-Large business houses in the twin cities will be potential clients. The platform has the potential to become a terrific online news media vehicle in the very near future.

2. Women's Only Fashion portal
A unique platform empowering fashion conscious, creative, talented and artistic women, across age groups, who are aspiring to become stars in any chosen field.

A dazzling showcase of beauty and brains, poise and finesse from across our glorious country. This platform will help teenagers and adults interface with Industry, community and peers/peer groups.
Our infotainment service spectrum, featuring a synergy of electronic, print, television and digital communication has joined hands with new media technologies to be aligned in a new emerging future of entertainment and media.

Acting, modelling and digital filmmaking, including VFX and animation for the advertising and feature film industry is now a focus of attention. Strategies are being implemented to establish affiliations across the globe, with branch offices in Hong Kong, Singapore and Europe.

We have over the past one year, taken the steps in the right direction. From the word Go. The accent this year is on Going the Distance and look back with pride on the new products and offerings I have spoken about.

They will catalyse a whole host of tertiary activities, opening up new frontiers to explore in the media and entertainment, digital and print media for Gradiente.
Here's to a speedy growth curve!

Best Wishes
Chairman

PRINT MEDIA

The enduring bastion for advertising

Gradiente has decades of experience in the print media and continues to serve its clients across the print and publishing spectrum with state-of-theart

infrastructure and creative teams supported by a dedicated print and production division. Gradiente has in-house media, creative,production and account planning expertise to facilitate the finest of campaigning and ensure the most desired outcomes. In addition to national level clients, it has handled International clientele including Sharp Corporation, Canon, Nissan Motors Co. Ltd., the Diner Club of Japan Fuji, Mistubishi Electric, Ricoh, Sony Corporation, etc.

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Initiate training and placement in films and television, fashion modeling workshops, talent hunt initiatives, celebrity management with global media tie-ups, and establish centres of learning excellence.

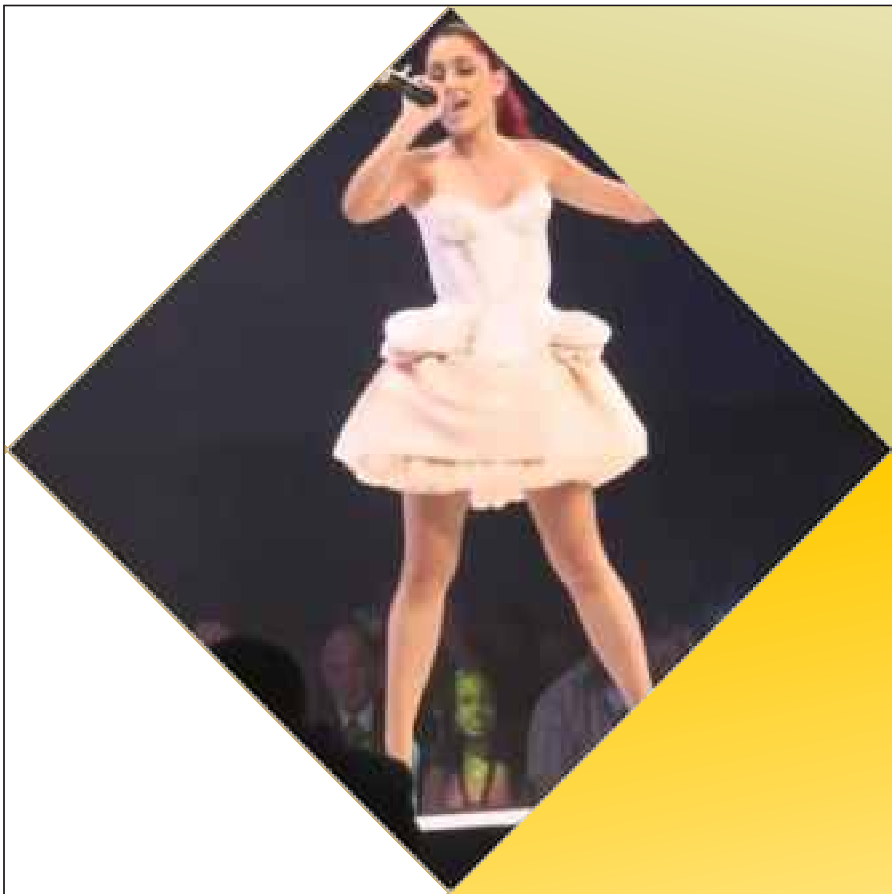
NEW/DIGITAL MEDIA
The New Frontier

The rise of new media tools - blogs, websites, web apps, and other user-generated media has transformed the communication landscape.

Interactivity, the digitalization of media, and media synergy, "many-to-many" web of communication - the convergence of new methods of communication with new technologies shifts the model of mass communication, and radically reshapes the ways we interact and communicate with one another.

This industry shares an open association with many market segments in areas such as software/video game design, television, radio, and particularly movies, advertising and marketing, through which industry seeks to gain from the advantages of two-way dialogue with consumers primarily through the Internet.

The advertising industry has capitalized on the proliferation of new media with large agencies running multimillion dollar interactive advertising subsidiaries. Interactive websites and kiosks have become popular. In a number of cases advertising agencies have also set up new divisions to study new media. Public relations firms are also taking advantage of the opportunities in new media through interactive PR practices. Interactive PR practices include the use of social media to reach a mass audience of online social network users.



EVENT MANAGEMENT

Gradiente has deep experience in all aspects of Event Management. This includes awareness of organizational skills,tech knowhow, PR, marketing and advertising presence, catering, logistics, decor, law and license awareness,glamour identity, risk management, budgeting, in-depth exposure to television and various other media. This knowledge is critical to follow through successfully to closure, which has been displayed in the many entertainment events, co-ordinated by Gradiente

FILM ENTERTAINMENT & MUSIC

Taking things a step further, Gradiente augments its presence in the Television segment with audio and

music programming, for its in-house programs as well as for client commercials.

For instance, TV commercials, music videos, soundtracks for TV serials & jingles. In addition,

Gradiente has produced several Bollywood Movies like GHERARAAZ, WOH and KHWAISH.

Plans are under way to initiate a foray into feature films with renewed focus.

EDUCATION
Modeling & Acting College

At Gradiente, it is our constant effort to blend, adapt, design and deploy services and technologies that are not only contemporary, but also futuristic. The ultimate purpose is to make a measurable and tangible difference, above the noise.

With the boom in the entertainment agenda across the networks, we have initiated measures to improve the quality of content and presentation by identifying, training and promoting talent that would be empowered subsequently to contribute to mainstream entertainment as well.

Fashion design, training, modeling, soft skills, communication are focus areas to groom new talent and gear them for the industry demands.

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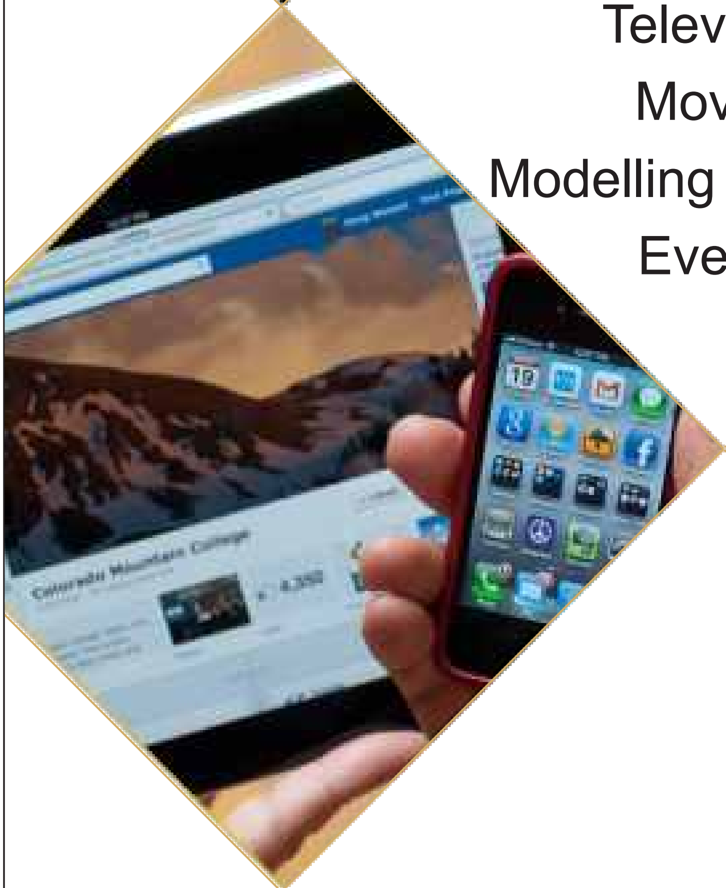
OVERVIEW

New/Digital Media
Print Media
Television
Movies
Modelling Academy
Events



MEDIA & ENTERTAINMENT

The Entertainment & Media industry is rife with opportunities for growth in all its segments. The Indian film industry is witnessing increased corporatisation and several companies, especially those in film distribution and exhibition, came out with IPOs in recent years. The television industry has witnessed the mushrooming of more niche channels. Here again, emerging technologies such as broadband, DTH, IPTV and digitalization have resulted in more growth.

The GDP forecast is at 8% for the present year 2011-2012. The radio industry saw a lot of action, with as many as 338 FM radio licenses being up for grabs across the country.

Digital media, has burgeoned as a vehicle for the industry and has opened the flood gates to communicate via web and electronic avenues like never before. With growing literacy, global technology standards, and geometric progression in the use of computers, laptops, hand-held devices and new generation gadgets in India, the sector of the E&M industry is poised to witness unprecedented growth. With presence, penetration and programs that deploy all these modes of communication, conventional and new age, in the E&M segment, Gradiente is poised for a quantum leap in the domain in this FY.

TELEVISION INDUSTRY

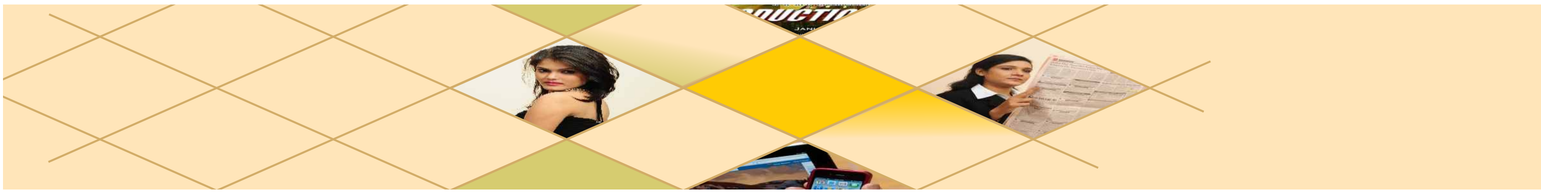
Television Industry is estimated to grow from $265.5 Billion in 2009 to 488.0 Billion in 2014, with an overall growth of 183.80 %.Gradiente, with deep anchoring in the film and television industry for decades, is producing serials for television that are slated to be launched across leading channels in India. We have standing orders worth over 200 crores to deliver program based content to leading tv channels over the next 3 years. Media Partners Asia (MPA) states that India is poised to become the world's largest DTH satellite pay TV market with 36.1 million subscribers by 2012.It also stated that India's DTH subscriber base will incvrease to 45 million by 2014 and 58 million by 2020. Gradiente is equipped to make its presence felt in broadcast and content creation with programs catering to the entire gamut of viewer-base in diverse linguistic forms, though predominantly Hindi.INFOTAINMENT

FILM & ENTERTAINMENT NEW MEDIA

Filmed Entertainment Industry is estimated to grow from 95 Billion in 2009 to $170.5 Billion in 2014, showing the growth of 179.5%.TV commercials, music videos, soundtracks for Movies and TV serials are key areas and Gradiente has processes to augment its presence in the Television segment with audio and music programming, for its in-house programs as well as for client commercials. In the light of emerging trends and potential for high growth, plans are under way to initiate a foray into feature films with renewed focus. Indian Film Industry represents 18% of the total M&E segment and as per reports is slated to grow at a CAGR of 9% and expected to touch US$3.02 billion in the period ranging from 2009-2014.The burgeoning of multiplexes in malls across the country with digital screens facilitating wider releases are well on their way to transforming the industry landscape.

NEW MEDIA

New media tools - blogs, websites, web apps, and other user-generated media have brought media and entertainment on to I-pad, cell phone and laptop screens like never before. Broadband, Bluetooth, Wi-Fi, 3G are the progressive technologies with talk of 4G now. Interactivity, the digitalization of media, and media synergy, "manyto- many" web of communication - the convergence of new methods of communication with new technologies has revamped the scenario in tandem with software/video game design, television, radio, and particularly movies, advertising and marketing, through which industry seeks to gain from the advantages of two-way dialogue with consumers primarily through the Internet. Mobile phone usage being ubiquitous, PC and laptop penetration on a rapid rise across regions, never before bandwidth an affordable reality, the mode of connecting with user bases has changed the very flow of information and shaping of public opinion. The monopoly of cinema and small screen is no longer a paradigm and the shift has been noticeable and visibly felt by individuals as well as corporates.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 23rdAnnual General Meeting of the Shareholders of M/s. Gradiente Infotainment Limited will be held on Wednesday, 30th day of December, 2015 at 11.30 A.M. at the registered office of the company at #306, 3rd Floor, MayFair Gardens, Road No. 12, Banjara Hills, Hyderabad to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mrs. Sudheep Raj who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint M/s. CRK & Co., Chartered Accountants as Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at remuneration as may be fixed by the Board.

SPECIAL BUSINESS:

4. AMENDMENT OF ARTICLES OF ASSOCIATION OF THE COMPANY:

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

"RESOLVED THAT pursuant to provisions of Section 5 read with Section 14 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the new draft Articles as contained in the Articles of Association submitted be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution), be and are hereby severally authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

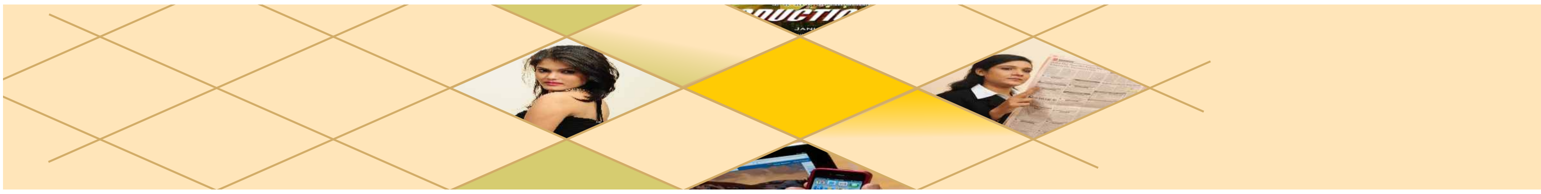
For and on behalf of the Board
For Gradiente Infotainment Limited

Sd/-

Place: Hyderabad

Vimal Raj Mathur
Managing Director
(DIN: 03138072)

Date: 14.11.2015



NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 26.12.2015 to 30.12.2015 (Both days inclusive).

3. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.

4. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.

5. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.

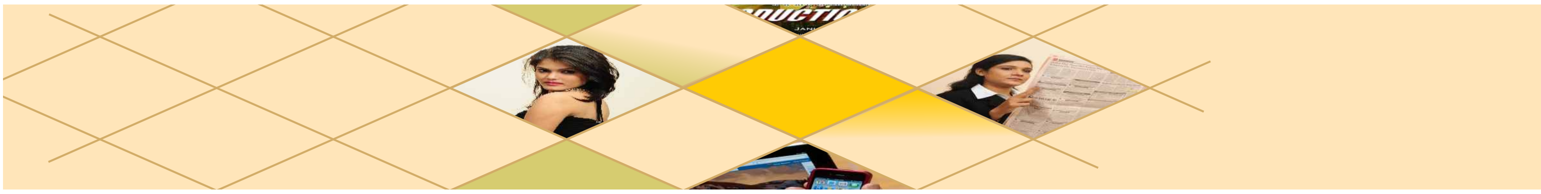
6. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.

7. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.

10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Karvy Computershare Private Limited.)

11. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.

12. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Karvy Computershare Private Limited., Share Transfer Agents of the Company for their doing the needful.



13. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.

14. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.

15. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.

16. Electronic copy of the Annual Report for 2014-2015 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-2015 is being sent in the permitted mode.

17. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report for 2014-2015 will also be available on the Company's website www.gradienteinfotainment.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: info@gradienteinfotainment.net

18. Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 25.12.2015, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 9 a.m. on Sunday,27th December,2015 and will end at 5p.m. on Tuesday, 29th December, 2015. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through 'Insta Poll'. The Company has appointed Mr. Vivek Surana, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

Procedure for remote e-voting

I. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:
(a)In case of Members receiving an e-mail from Karvy:
(i) Launch an internet browser and open https://evoting.karvy.com

(ii) Enter the login credentials (i.e. User ID and password). The Event No.+Folio No. or DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

(iii) After entering the above details click on - Login.

(iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.

(v) On successful login, the system will prompt you to select the E-Voting Event

(vi) Select the EVENT of Gradiente Infotainment Limited and click on - Submit .

(vii) Now you are ready for e-voting as 'Cast Vote' page opens.

(viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.

(ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
(x) Once you have voted on the resolution, you will not be allowed to modify your vote.
(xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at scrutinizer@snaco.net. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

(b)In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip

(i) INITIAL PASSWORD IS PROVIDED, AS FOLLOWS, AT THE BOTTOM OF THE ATTENDANCE SLIP.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
–	–	–

(ii) Please follow all steps from Sr. No. (i) to Sr. No. (xi) above, to cast vote.

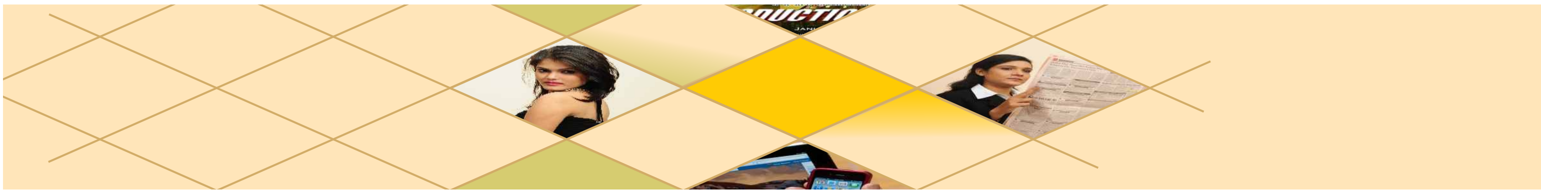
II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website https://evoting.karvy.com.

III. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.

IV. The voting rights shall be as per the number of equity share held by the Member(s) as on Friday, 25th December, 2015. Members are eligible to cast vote electronically only if they are holding shares as on that date.

V. The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of AGM. Accordingly, the voting period shall commence at 9.00 a.m. on Sunday, 27th December, 2015 and will end at 5.00 p.m. on Tuesday, 29th December, 2015. The e-voting module shall be disabled by Karvy at 5.00 p.m. on the same day.

VI. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.



VII.The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

VIII.). In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. 23rd December, 2015 , may write to the Karvy on the email Id: evoting@karvy.com or to Mr P. A. Varghese, Contact No. 040-33215424, at [Unit: Gradiente Infotainment Ltd] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xi) as mentioned in (A) above, to cast the vote

19. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23.12.2015.

20. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.

21. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Subsidiaries Companies whose Annual Accounts have been consolidated with the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.

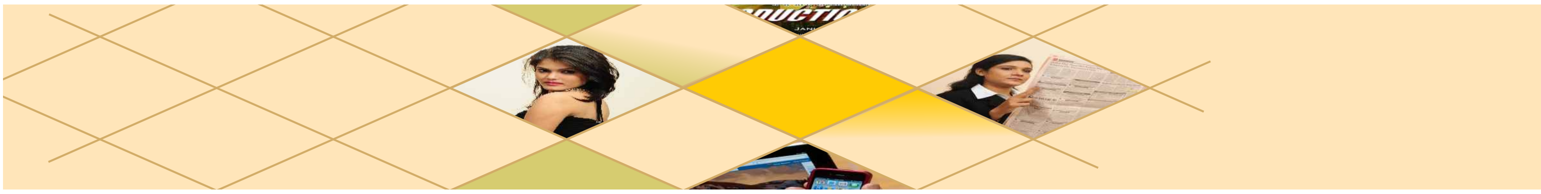
22. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

For and on behalf of the Board
For Gradiente Infotainment Limited

Sd/-
Vimal Raj Mathur
Managing Director
(DIN: 03138072)

Place: Hyderabad

Date: 14.11.2015



EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Items 4 :

The Articles of Association of the Company ("Articles") as currently in force was adopted pursuant to the provisions under the Companies Act, 1956. The Companies Act, 1956 has been superseded by the Companies Act, 2013. The references to specific sections of the Companies Act, 1956 in the existing Articles of Association is hence to be amended to align the extant Articles with the provisions of the Companies Act, 2013 and rules there under.

Salient aspects of the proposed amended Articles:

Under the proposed amended Articles, salient aspects of sections of Table-F of Schedule I to the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares have been adopted. As mentioned in the previous para, changes that are required to be carried out pursuant to the Companies Act, 2013 and rules thereunder coming into force have been duly carried out.

The resolution as set out in item no. 4 has been recommended by the Board of Directors for approval of the Members by special resolution.

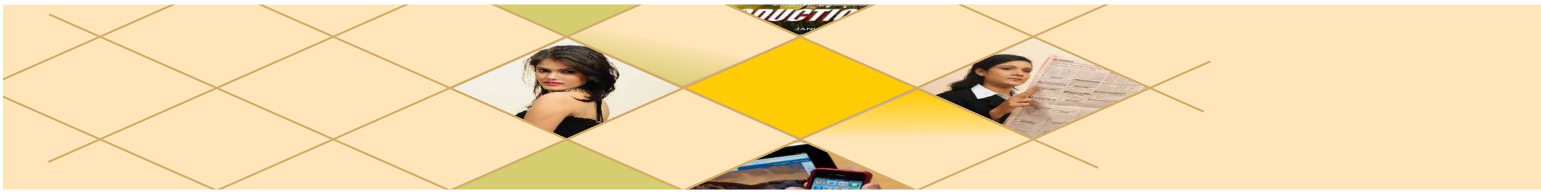
The proposed new draft of Articles of Association is also available for inspection by the Members at the Registered Office of the Company on any working day excluding public holidays and Sunday from the date here upto AGM.
None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way are concerned or interested, financially or otherwise, in the Special Resolution set out at item No. 4 of the Notice.

For and on behalf of the Board
For Gradiente Infotainment Limited

Sd/-

Place: Hyderabad
Date: 14.11.2015

Vimal Raj Mathur
Managing Director
(DIN: 03138072)



BOARD'S REPORT

To
The Members,
The Directors have pleasure in presenting before you the 23rd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:
The performance during the period ended 31st March, 2015 has been as under:

(Rs. in Lakhs)

Particulars	2014-2015	2013-2014
Total Income	540.47	531.42
Total Expenditure	537.13	3320.07
Profit Before Tax	3.33	(2788.65)
Provision for Tax	(3.23)	0
Profit after Tax	6.56	(2788.65)

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:
There were no material changes and commitments affecting financial position of the company between 31st March' 2015 and the date of Board's Report.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:
During the period under review and the date of Board's Report there was no change in the nature of Business.

DIVIDEND:
Your Directors have not recommended dividend for the year.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS
The Company has received a declaration from Mr. Shabbir Ali Baquri, Mr. T. Venkateswa Rao, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-

DIRECTOR'S RESPONSIBILITY STATEMENT:
In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

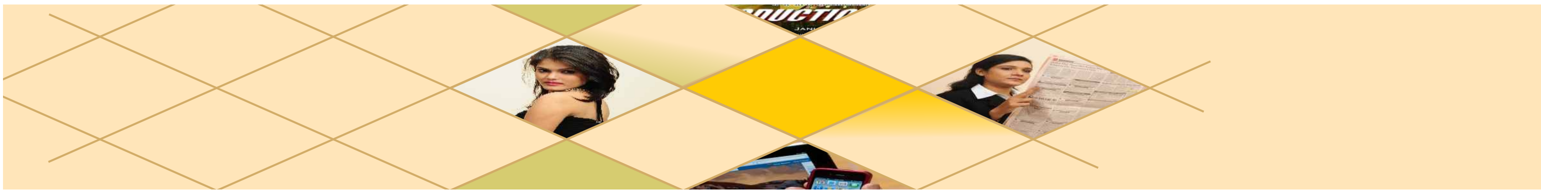
(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors had 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 at the end of the financial year and of the profit and loss of the company for that period;

(c) The Directors had 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;

(d) The Directors had prepared the annual accounts on a going concern basis; and

(e) The Directors, had laid down internal financial controls to be followed by the company and that such internal



financial controls are adequate and were operating effectively.
(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:

The Company does not have any subsidiary.

.

EXTRACT OF ANNUAL RETURN:
As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report.

STATUTORY AUDITORS:
As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their appointment and a certificate to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the appointment of M/s. CRK & Co., as the statutory auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting.

SECRETARIAL AUDIT:
Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of managerial personnel) Rules 2014, M/s. S.S. Reddy & Associates, Practicing Company Secretaries have conducted Secretarial Audit of the Company for the FY 2014-15. The Secretarial Audit Report for the FY 2014-15 is annexed hereto and forms part of this Annual report.

The Board has taken note of all the observations made in the Secretarial Audit report as provided by Practicing Company Secretary and has initiated the necessary steps in ensuring compliance thereof.

INTERNAL AUDITORS:
There are no internal auditors in the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:
The required information as per Sec.217 (1) (e) of the Companies Act 1956 is provided here under:

A. Conservation of Energy:
Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Technology Absorption:

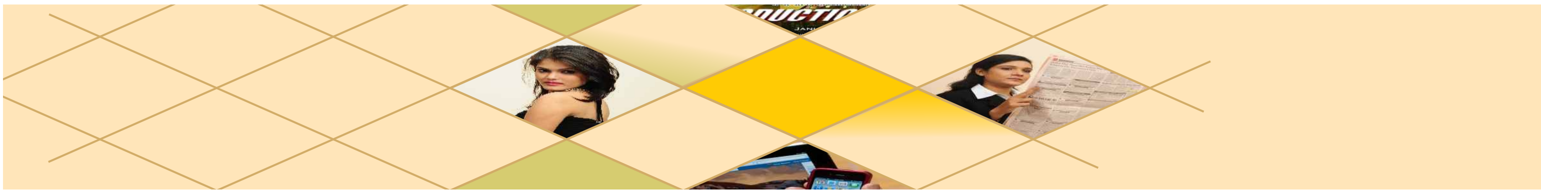
1. Research and Development (R&D) :	NIL
2. Technology absorption, adoption and innovation:	NIL

C. Foreign Exchange Earnings and Out Go:

1. Foreign Exchange Earnings:	NIL
2. Foreign Exchange Outgo:	NIL

DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:

Your Company has not accepted any deposits falling within the meaning of Sec.73, 74 & 76 of the Companies Act,



2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS CREDIT FACILITIES:
The company has not given loans, Guarantees, made any investments or availed any credit facilities during the year under review.

RISK MANAGEMENT POLICY:
Your Company follows a comprehensive system of Risk Management. Your Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well structured risk management process.

CORPORATE SOCIAL RESPONSIBILITY POLICY:
Since your Company do not have the net worth of Rs. 500 Crore or more, or turnover of Rs. 1000 Crore or more, or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with the promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

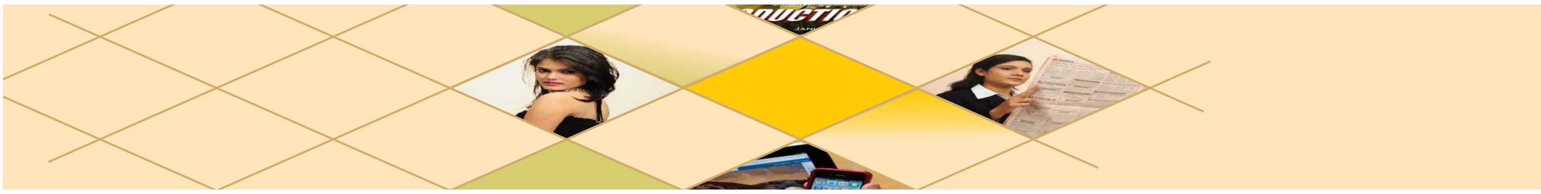
DISCLOSURE ABOUT COST AUDIT:
Cost Audit is not applicable to your Company.

RATIO OF REMUNERATION TO EACH DIRECTOR:
Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014, a remuneration of Rs.20,000/-p.m is being paid to Mr.Sudheep Raj , whole time Director of the Company and a remuneration of Rs.40,000 /-p.m is being paid to Mr.Vimal Raj Mathur, Managing Director of the Company.

NDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY
The Company is not a NBFC, Housing Company etc., and hence Industry based disclosures is not required.

SECRETARIAL STANDARDS
EVENT BASED DISCLOSURES
During the year under review, the Company has not taken up any of the following activities:
1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA

EMPLOYEE RELATIONS:
Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.



None of the employees is drawing Rs. 5,00,000/- and above per month or Rs. 60,00,000/- and above in aggregate per annum, the limits prescribed under Section 134 of the Companies Act, 2013.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

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

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

No. of complaints received:	Nil
No. of complaints disposed off:	Nil

ACKNOWLEDGEMENTS:

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

For and on behalf of the Board
For Gradiente Infotainment Limited

	Sd/-	**Sd/-**
Place: Hyderabad	**Vimal Raj Mathur** **Managing Director** **(DIN: 03138072)**	**Sudheep Raj** **Director** **(DIN: 03138111)**
Date: 14.11.2015		

DECLARATION BY DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:

The shareholders

I, Vimal Raj Mathur, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

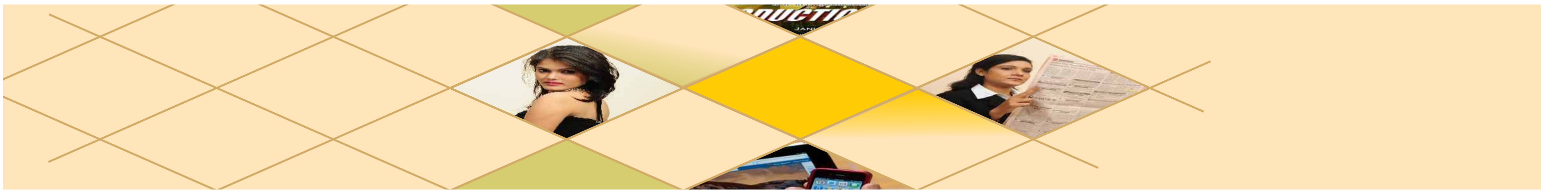
For and on behalf of the Board
For Gradiente Infotainment Limited

Sd/-

Place: Hyderabad

Vimal Raj Mathur
Managing Director
(DIN: 03138072)

Date: 14.11.2015



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian entertainment industry is on a high growth path. Domestic majors are finding better earnings potential in the huge overseas markets. At the same time, corporatization is finally starting to emerge in this highly unorganized industry. This is likely to instil a greater discipline in the functioning of the industry and lead to greater consolidation in the future. The domestic consumer will opt for more sophisticated technology in the near future. Consequently, domestic majors will have to redefine their product offerings.

"With the global economic slowdown affecting advertising spends, sectors like television, print, radio and outdoor that depend on advertising revenues were affected," says the study. Media companies are under pressure to change, innovate and re-examine their existing business models. Companies need to draw upon new capabilities to survive in this environment."

EVENT MANAGEMENT

Gradiente has deep experience in all aspects of Event Management. This includes awareness of organizational skills, PR, marketing and advertising presence, decor, glamour identity, risk management, budgeting, in-depth exposure to television and various other media. This knowledge is critical to follow through successfully to closure.

EDUCATION MODELING & ACTING COLLEGE

At Gradiente, it is our constant effort to blend, adapt, design and deploy services and technologies that are not only contemporary, but also futuristic. The ultimate purpose is to make a measurable and tangible difference, above the noise. With the boom in the entertainment agenda across the networks, we have initiated measures to improve the quality of content and presentation by identifying, training and promoting talent that would be empowered subsequently to contribute to mainstream entertainment as well. Fashion design, training, modelling, soft skills, communication are focus areas to groom new talent and gear them for the industry demands.

NEW MEDIA

With technological advancements and growing penetration of mobiles, personal computers, laptops and the internet, segments like animation, internet advertising and gaming are witnessing an unprecedented growth. Television content is becoming interactive with extensive internet usage. Your Company has exploited the wireless handheld devices by delivering through different technology-services such as Interactive Voice Response (IVR) , automatic speech recognition and short-term messaging service platforms in Hindi, English, Tamil, Telugu and Kannada.

OPPORTUNITIES AND THREATS

Your Company has a diversified business model in media and entertainment sector and the revenue is expected to come from various segments across various levels of the value chain. The diversified business model of the Company will provide scalability apart from spreading the risk profile of the overall business.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

Gradiente aims to recruit, nurture and retain quality professionals and provide them with a high performance environment. Knowledge and intellectual assets are being strategically shared across at Gradiente we have understood the potential of the human resource and its contribution to the financial standing of your company. Therefore, the human asset is highly valued and regarded by your Company. No effort is spared to provide the employees with a healthy work environment and all assistance is rendered in order to bring-out the best in each one of them. Gradiente is reassessing traditional notions about employment and experimenting with broad-based employee ownership.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The details of the financial performance with respect to operational performance of the Company are appearing in the Balance Sheet, Profit & Loss Account separately. Please refer the Directors' Report for highlights.

SENIOR MANAGEMENT DISCLOSURES

The Company's senior management makes disclosures to the Board relating to all material financial and commercial transactions as when they occur.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report may be “forward looking statements: within the meaning of applicable securities laws and regulations. These statements are based on certain assumption and expectations of future events. Actual results could differ materially from those expressed or implied. Important facts that could make a difference at the Company's operations include economic conditions affecting domestic demand and supply conditions, finished goods prices, changes in government regulations and tax regime etc. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

For and on behalf of the Board
For Gradiente Infotainment Limited

Sd/-

Place: Hyderabad
Date: 14.11.2015

Vimal Raj Mathur
Managing Director
(DIN: 03138072)

Corporate Governance Report

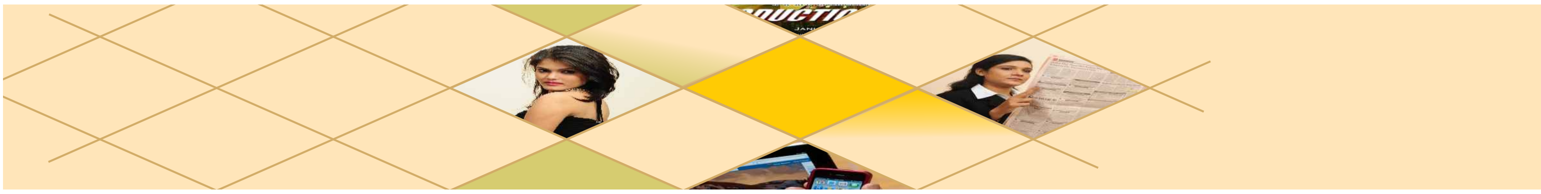
for the year 2014-15

Company's Philosophy on Code of Governance

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a code of conduct for its employees including the managing director and the executive directors. In addition, the Company has adopted a code of conduct for its non-executive directors and independent directors. These codes are available on the Company's website. The Company's corporate governance philosophy has been further strengthened by adoption of Code of Conduct for prevention of insider trading and the code of corporate disclosure practices under new PIT Regulation 2015

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered



into with the stock exchanges with regard to corporate governance.

DATE OF REPORT

The information provided in the report on Corporate Governance for the purpose of unanimity is as on 31st March, 2015. The Report is updated as on date of the report wherever applicable.

1. Board of Directors

I. As on March 31st, 2015, the Company has five directors i.e. three Executive Directors and two independent directors. The composition of the board is in conformity with Clause 49 of the Listing Agreements entered into with the stock exchanges.

ii. None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2015 have been made by the directors.

iii. Independent directors are non-executive directors as defined under Clause 49(II) (B)(1) of the Listing Agreements entered into with the Stock Exchanges. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under clause 49 of the Listing Agreement and Section 149 of the Act.

iv. The names and categories of the directors on the board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31st, 2015 are given herein below. Other directorships do not include directorships of private limited companies, Section 8 companies and of companies incorporated outside India. Chairmanships / memberships of board committees shall include only audit committee and stakeholders' relationship committee.

Sl. No	Name of the Directors	Category	Attendance particular			No. of other Directorships and Committee memberships/ Chairmanships			No. of Shares
			No. of Board Meeting held during the tenure of the Director						
			Held	Attended	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship	
1.	Mr. Vimal Raj Mathur	Executive Director	4	4	Yes	Nil	Nil	Nil	Nil
2.	Mr. Sudheep Raj	Executive Director	4	4	Yes	Nil	Nil	Nil	Nil
3.	Mrs. Sunitee Raj	Executive Director	4	4	Yes	Nil	Nil	Nil	Nil
4.	Mr. T. Venkateswa Rao	Non Executive & Independent Director	4	4	Yes	1	Nil	Nil	Nil
5.	Mr. Shabbir Ali Baquri	Non Executive & Independent Director	4	4	Yes	Nil	Nil	Nil	Nil

v. Seven board meetings were held during the year on 12.05.2014, 14.08.2014, 01.09.2014, 15.09.2015 14.11.2014, 15.01.2015 and 14.02.2015 and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.

vi. The terms and conditions of appointment of the independent directors are disclosed on the website of the Company.

vii. During the year a separate meeting of the independent directors was held inter-alia to review the performance of non-independent directors and the board as a whole.

viii. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the

Company.

2. Audit committee

i. The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 177 of the Companies Act, 2013.

ii. The terms of reference of the Audit Committee include a review of the following:

> Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

> Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.

> Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

> Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.

> Reviewing with management the annual financial statements before submission to the Board, focusing on:

1. Any changes in accounting policies and practices;
2. Qualification in draft audit report;
3. Significant adjustments arising out of audit;
4. The going concern concept;
5. Compliance with accounting standards;
6. Compliance with stock exchange and legal requirements concerning financial statements and
7. Any related party transactions

> Reviewing the company's financial and risk management's policies.

> Disclosure of contingent liabilities.

> Reviewing with management, external and internal auditors, the adequacy of internal control systems.

> Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

> Discussion with internal auditors of any significant findings and follow-up thereon.

> Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

> Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

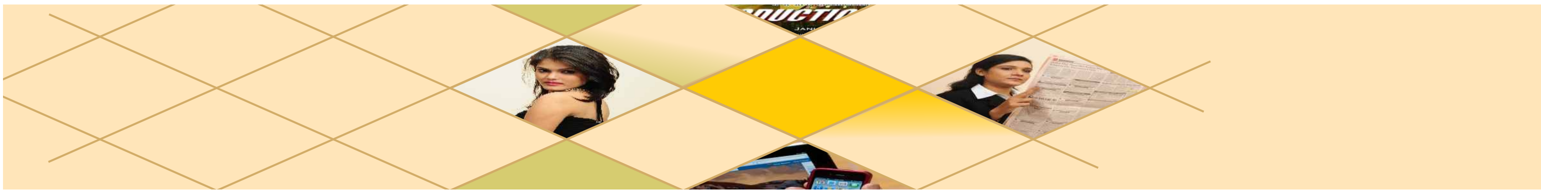
> Reviewing compliances as regards the Company's Whistle Blower Policy.

iii. The previous Annual General Meeting of the Company was held on 30.09.2014 and Chairman of the Audit Committee, attended previous AGM.

iv. The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of Clause 49 (II) (A) of the Listing Agreement relating to the composition of the Audit Committee. During the financial year 2014-2015, (4) four meetings of the Audit Committee were held on the 12.05.2014, 14.08.2014, 14.11.2014 & 14.02.2015.

The details of the composition of the Committee and attendance of the members at the meetings are given below:



Name of the Directors	Designation	Category	No. of meetings held during their tenure	No. of meetings attended
Mr. T. VenkateswaRao	Chairman	NED(I)	4	4
Mr. Shabbir Ali Baquri	Member	NED (I)	4	4
Mrs. Sunitee Raj	Member	NED (NI)	4	4

NED (I): Non Executive Independent Director

NED (NI) : Non Executive Non- Independent Director

3. NOMINATION & REMUNERATION COMMITTEE:

The Committee comprises of three non-executive independent Directors as on 31st March, 2015

i. BRIEF DESCRIPTION OF TERMS OF REFERENCE

· >To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:

a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.

b. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

>To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.

>To carry out evaluation of every Director's performance.

>To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

>To formulate the criteria for evaluation of Independent Directors and the Board.

>To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

ii. The details of composition of the Committee are given below:

Name of the Directors	Designation	Category
Mr. T. VenkateswaRao	Chairman	NED(I)
Mr. Shabbir Ali Baquri	Member	NED (I)
Mrs. Sunitee Raj	Member	NED (NI)

NED (I): Non Executive Independent Director

NED(NI): Non Executive Non-Independent Director

iii. REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

A. Scope:
This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

B. Terms and References:

B.1 "**Director**" means a director appointed to the Board of a Company.

B.2 "**Nomination and Remuneration Committee** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the Equity Listing Agreement.

B.3 "**Independent Director**" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(**II**)(B) of the Equity Listing Agreement.

C. **Policy**:
Qualifications and criteria

C.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

C.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

>General understanding of the company's business dynamics, global business and social perspective;
>Educational and professional background
>Standing in the profession;
>Personal and professional ethics, integrity and values;
>Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

C.1.3 The proposed appointee shall also fulfil the following requirements:

>shall possess a Director Identification Number;
>shall not b disqualified under the companies Act, 2013;
>shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
>shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
>shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;

>Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.

C.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

C..2 **Criteria of independence**

C.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

C.2.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

C.2.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.

C.3 Other directorships/ committee memberships

C.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

C.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

C.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 l isted companies in case he is serving as a whole-time Director in any listed company.

C.3.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

D. **Remuneration policy for Directors, key managerial personnel and other employees:**

Scope:
D.1This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

D.2. Terms and Reference:
In this policy the following terms shall have the following meanings:
D.2.1 "Director" means a director appointed to the Board of the company.
D.2.2 "key managerial personnel" means
(i) The Chief Executive Office or the managing director or the manager;
(ii) The company secretary;
(iii) The whole-time director;
(iv) The chief financial Officer; and
(v) Such other office as may be prescribed under the companies Act, 2013

D.2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act,2013 and clause 49 of the Equity Listing Agreement.

D.3. **Policy:**

D.3.1 Remuneration to Executive Director and key managerial personnel

D.3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.

D.3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

D.3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

(i) Basic pay
(ii) Perquisites and Allowances
(iii) Stock Options
(iv) Commission (Applicable in case of Executive Directors)
(v) Retrial benefits
(vi) Annual performance Bonus

D.3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

D.3.2 Remuneration to Non – Executive Directors

D.3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.

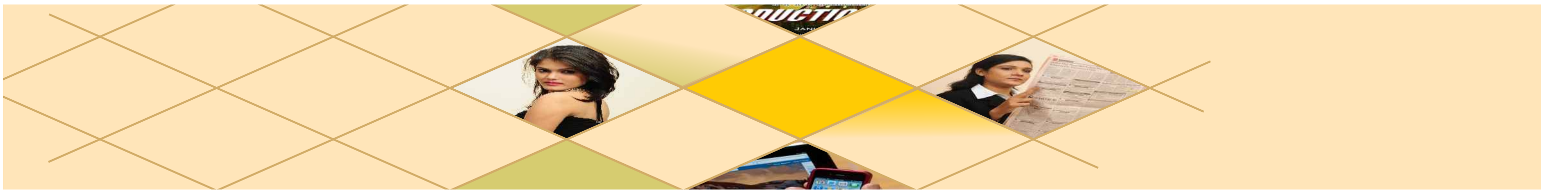
D.3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

D.3.3. Remuneration to other employees

D.3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

iv. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2014-15 AND OTHER DISCLOSURES

Name of the Directors	Salary (Rs)	Sitting Fees (Rs.)	Number of shares held
Mr. Vimal Raj Mathur	40,000/- p.m	0	1155296
Mr. Sudheep Raj	20,000/-p.m	0	5400



v. FORMAL ANNUAL EVALUATION:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder, the independent directors of the company had a meeting on 28.03.2015 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

(a) Review of the performance of non-independent directors and the Board as a whole;
(b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
(c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors.

The meeting also reviewed and evaluated the performance the Board as whole in terms of the following aspects:

> Preparedness for Board/Committee meetings
> Attendance at the Board/Committee meetings
> Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
> Monitoring the effectiveness of the company's governance practices
> Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
> Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems fo financial and operational control and compliance with the law and relevant standards.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

4. STAKEHOLDER RELATIONSHIP COMMITTEE (SHAREHOLDERS/INVESTOR GRIEVANCE AND SHARE TRANSFER COMMITTEE):

Composition, meetings and the attendance during the year:

The Shareholders/Investors Grievance Committee was constituted to look into the redressing of Shareholders and Investors complaints concerning transfer of shares, non receipt of Annual Reports, and non receipt of Dividend and other allied complaints.

A. The details of composition of the Committee are given below:

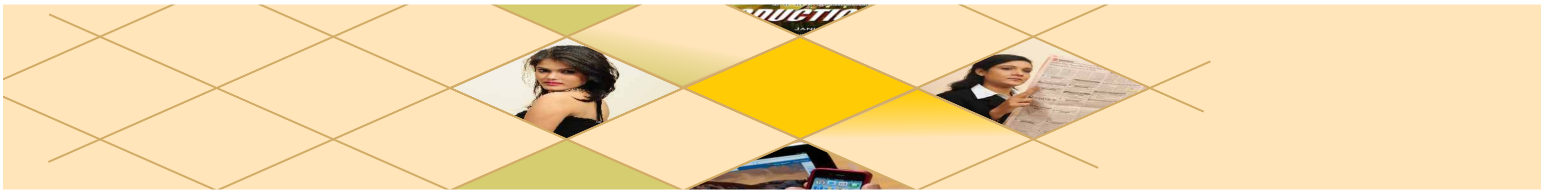
Name of the Directors	Designation	Category
Mrs. Sunitee Raj	Chairman	NED(I)
Mr. T. Venkateswa Rao	Member	NED (I)
Mr. Shabbir Ali Baquri	Member	NED (I)

NED (I): Non Executive Independent Director
NED (NI) : Non Executive Non-Independent Director

B. Powers:

The Committee has been delegated with the following powers:

- To redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of Annual Reports, non-receipt of declared dividend and other allied complaints.



To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)

- Consolidate and sub-division of share certificates etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgement in the case of shares held in physical form.

The Board has designated Mr. Sudheep Raj, Director of the Company as the Compliance Officer.

The Company has designated an e-mail ID called www.gradienteinfotainment.comfor redressal of shareholders' complaints/grievances.

5. RISK MANAGEMENT COMMITTEE

A.) Composition:

The Details of composition of the Committee are given below

:

Name of the Directors	Designation	Category
Mr. Shabbir Ali Baquri	Chairman	NED(I)
Mr. T. Venkateswa Rao	Member	NED (I)
Mr. Vimal Raj Mathur	Member	ED (I)

NED (I) : Non Executive Independent Director

NED (NI) : Executive Non-Independent Director

Role and Responsibilities of the Committee includes the following:

> Framing of Risk Management Plan and Policy

> Overseeing implementation of Risk Management Plan and Policy

> Monitoring of Risk Management Plan and Policy

> Validating the process of risk management

> Validating the procedure for Risk minimization.

> Periodically reviewing and evaluating the Risk Management Policy and practices with respect to ris assessment and risk management processes.

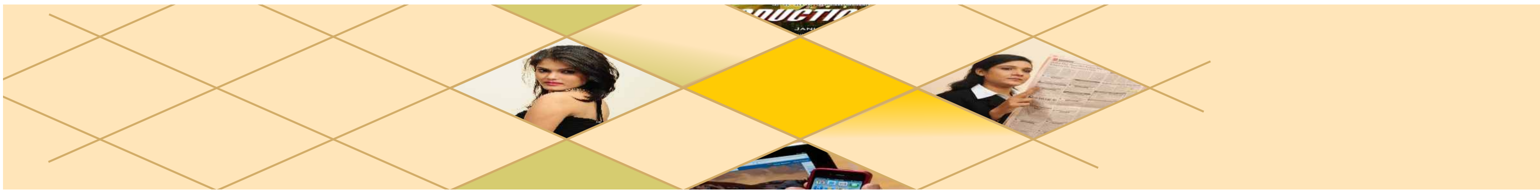
> Continually obtaining reasonable assurance from management that al known and emerging risks have been identified and mitigated or managed.

6. General Body Meeting

A. General Meeting

i) Annual General Meeting

Financial Year	Date	Time	Venue	Specialisation
2013-2014	30. 09.2014	11:30	#306, 3rd floor, May Fair Gardens, Road No. 12, Banjara hills, Hyderabad.	Amendment of Articles of Association
2012-2013	25.09.2013	11:30	#306, 3rd floor, May Fair Gardens, Road No. 12, Banjara hills, Hyderabad.	Nil
2011-2012	25.09.2012	11:30	Central Court Hotel, LakdiKaPul, Hyderabad.	Amendment of Articles of Association to permit participation by the Directors and the Shareholders in the meeting through Electronic mode including video conferencing



ii. Extraordinary general meeting:

EGM was held on 01.04.2015 for the ratification of appointment of statutory auditors caused by casual vacancy.
B. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern.

During the year under review, no special resolution has been passed through the exercise of postal ballot.
None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot.

7. Disclosures

A. RELATED PARTY TRANSACTIONS
All material transactions entered into with related parties as defined under the Act and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business. These have been approved by the audit committee. The board has approved a policy for related party transactions which has been uploaded on the Company's website at the following www.gradienteinfotainment.com

B. VIGIL MECHANISM:
Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company i.e. www.gradienteinfotainment.com
C. COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON MANDATORY REQUIREMENT

All mandatory requirements of clause 49 of Listing Agreement have been appropriately complied with and the status of non mandatory requirements is given below

i. The statutory financial statements are free from any Audit Qualifications.
ii. Mr. Vimal Raj Mathur is the Managing Director of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director.

9. MEANS OF COMMUNICATION
The Company's quarterly/ Annual Financial Results are generally published in the newspapers and displayed on the website of the Company www.gradienteinfotainment.com During the Year under review, the official news had also been displayed on the website.

10. GENERAL SHAREHOLDER INFORMATION

A. ANNUAL GENERAL MEETING:
Date : December 30th, 2015
Time : 11.30 am.

Venue: #306, 3rd Floor, May Fair Gardens, Banjara Hills, Road No. 12, Hyderabad.
As required under Clause 49(VIII)(E)(1) of the Listing Agreements entered into with the stock exchanges, particulars of directors seeking appointment / re-appointment at the forthcoming AGM are given in the Annexure to the notice of the AGM to be held on 30.12.2015

B. FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2015-16 (TENTATIVE SCHEDULE)
Financial year to which the Annual General Meeting relates: 2014-15
Financial calendar: 2015-16
Adoption of Quarterly results for the Quarter ending

· 30th June, 2015 : 14th August, 2015

- 30th September, 2015 : 14th November, 2015
- 31st December, 2015 : 1st/2nd Week of February, 2016
- 31st March, 2016 : on or before 30th May 2016

Annual General Meeting (Next year) : August / September, 2016

C. DATE OF BOOK CLOSURE / RECORD DATE
26.12.2015 to 30.12.2015

D. LISTING ON STOCK EXCHANGES
The Calcutta Stock Exchange Limited
7, Lyons Range,
Kolkatta – 700001

BSE Limited (Permitted Category)
P.J.Towers, Mumbai-400001

E. STOCK CODES / SYMBOL
BSE Code : 590126
BSE Symbol: GRADIENTE
Listing Fees as applicable have been paid.

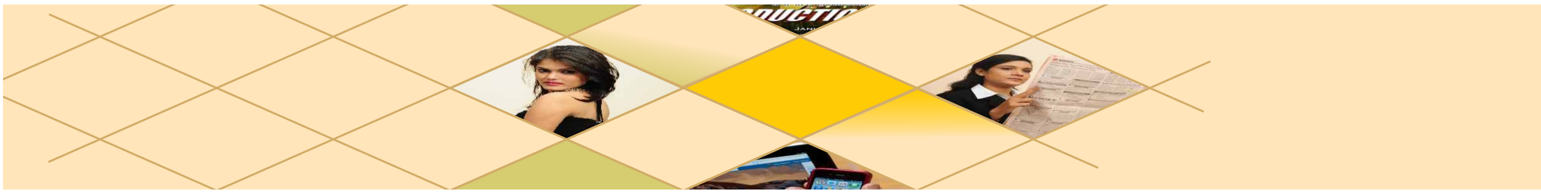
F. CORPORATE IDENTITY NUMBER (CIN) OF THE COMPANY
L74300AP1992PLC014317

G. REGISTRARS AND TRANSFER AGENTS NAME AND ADDRESS
M/s. Karvy Computershare Private Ltd,
Plot No. 31 - 32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 008.

H. SHAREHOLDING AS ON MARCH 31, 2015:

I. Distribution of equity shareholding as on March 31, 2015:

Range (Rs.)	No of Shareholders	% of Total Shareholders	No of Shares	% of Total Shareholding
Upto - 5000	1016	51.97	280830	1.25
5001 - 10000	383	19.59	315421	1.40
10001 - 20000	106	5.42	173269	0.77
20001 - 30000	57	2.92	151075	0.67
30001 - 40000	31	1.59	112046	0.50
40001 - 50000	68	3.48	326824	1.45
50001 - 100000	94	4.81	754429	3.35
100001 & Above	200	10.23	20403506	90.61
TOTAL	**1955**	**100.00**	**22517400**	**100.00**



ii. Categories of equity shareholders as on March 31, 2015:

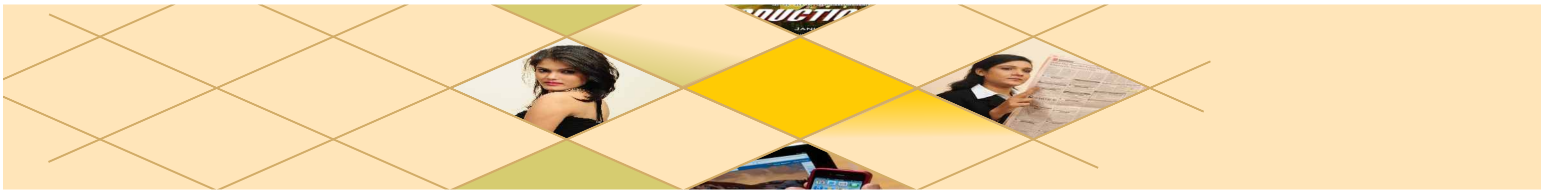
Si. No	Name of the Shareholders	No. of Equity Shares held	% of holding
A	Promoter and Promoter	1954196	8.68
	Group	1954196	8.68
B	Sub- Total A		
1.	Public Shareholding	NIL	
2.	Institutions		
a	Non - Institutions	3428606	NIL
b	Bodies Corporate	16804127	
c	Indian Public and others		15.23
	Any others	518	74.62
	I. NRI's	329953	
	ii. Clearing Members	0	0.00
	iii. Employee	20563204	1.47
	Sub - Total	225174	0
	Grand Total (A + B)		91.32
		0	100

I. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The Company's shares are compulsorily traded in dematerialized form. Equity shares of the Company representing 99.24 of the Company's equity share capital are dematerialized as on March 31, 2015.
The Company's equity shares are regularly traded on BSE, in dematerialized form.
Under the depository system, the international securities identification number (ISIN) allotted to the Company's shares are INE778101024.

J. STOCK MARKET PRICE DATA AT BSE LIMITED DURING THE FINANCIAL YEAR 2014-2015

Months	High (Rs)	Low (Rs)
April, 2014	0.72	0.48
May, 2014	0.78	0.53
June, 2014	0.76	0.62
July, 2014	0.80	0.51
August 2014	0.97	0.55 0.55
September, 2014	1.12	0.80
October, 2014	1.01	0.88
November 2014	0.84 0	0.87
December, 2014	0.66	0.68
January, 2015	0.65	1.38
February, 2015	1.83	1.36
March, 2015	2.05	1.66



K. OUTSTANDING CONVERTIBLE INSTRUMENT
As of 31st March, 2015, there are no outstanding Convertible Instruments.

L. Address for correspondence
Mr. Sudheep Raj
Compliance Officer
#306, May Fair Gardens,
Banjara Hills,Hyderabad.

M. OTHER DISCLOSURES AS PER CLAUSE 49 OF THE LISTING AGREEMENT

I. Code of Conduct

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Certificate of Code of Conduct for the year 2014-15

Gradiente Infotainment is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2014-15.

Sd/-
Vimal Raj Mathur
Managing Director
(DIN: 03138072)

Place: Hyderabad
Date: 14.11.2015

ii) Disclosure of Accounting Treatment

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards.

iii) Non-Executive Directors' Compensation and Disclos

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

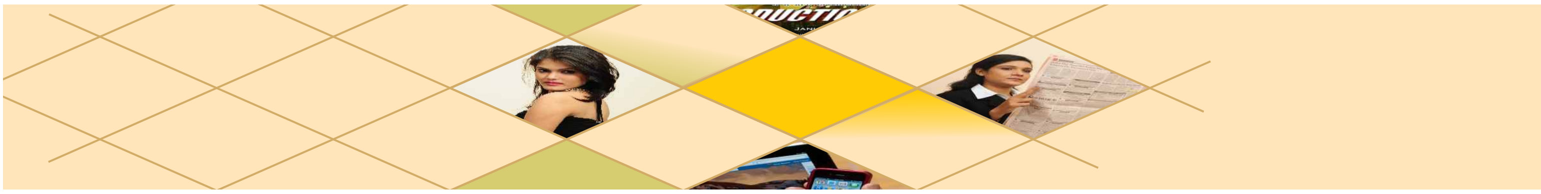
iv) CEO/ CFO Certification

The Managing Director and CEO/ CFO certification of the financial statements for the year 2014-15 is provided elsewhere in this Annual Report.

For and on behalf of the Board
For Gradiente Infotainment Limited

Sd/-
Vimal Raj Mathur
Managing Director
(DIN: 03138072)

Place: Hyderabad
Date: 14.11.2015



CERTIFICATE BY THE MANAGING DIRECTOR OF THE COMPANY

To,
The Board of Directors
Gradiente Infotainment Limited
Dear Sir,
As required under clause 49(IX) of the Listing agreement, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2015 and to the best of our knowledge and belief;
   a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
   b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

2. There are, to the best of my 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.

3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,

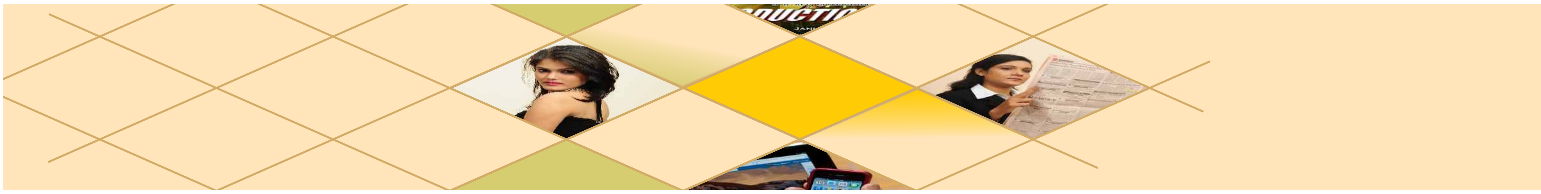
4. That we have informed the auditors and the audit committee of:
   a) Significant changes in the internal control during the year;
   b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

For and on behalf of the Board
For Gradiente Infotainment Limited

Sd/-

Place: Hyderabad
Date: 14.11.2015

Vimal Raj Mathur
Managing Director
(DIN: 03138072)



COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Gradiente Infotainment Limited
Hyderabad

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of Gradiente Infotainment Limited ("the company") for the year ended 31st March, 2015 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges.

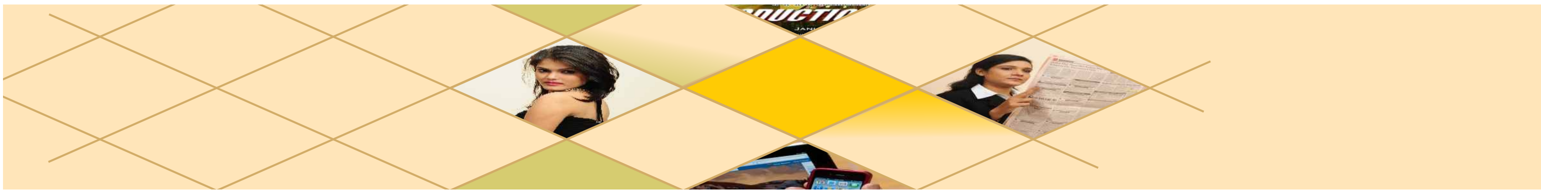
The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on "Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

For CRK & Co,
Chartered Accountants
FRN: 010388S
Sd/-
C.R.Kumar
Proprietor
Membership No: 026143

Place: Hyderabad
Date: 14.11.2015



FORM MR-3
SECRETARIAL AUDIT REPORT
(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

To
The Members of
M/s. Gradiente Infotainment Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Gradiente Infotainment Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.
Based on my verification of the Company's Books, Papers, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2014 and ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, according to the provisions of:
    i. The Companies Act, 2013 (the Act) and the rules made there under
    ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
    iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
    iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
    v. The Securities and Exchange Board of India Act, 1992 ('SEBI Act')

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under repor except that the disclosures as required under regulation 30 of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Insider Trading Regulations ;

    I. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    ii The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
    iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
    iv. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
    v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
    vi. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    vii. The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
    viii. External Commercial Borrowings were not attracted to the Company under the financial year under report;
    ix. Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
    x. As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

OBSERVATIONS:

A. Companies Act Provisions:

a. **Automatic Cessation under Section 167**

Mr. Mohd Abdul Raoof and Mr. Mohan Nanduri were appointed as additional directors on 14.08.2013 and 01.03.2012 respectively and were not regularized in the respective Annual General Meetings held. According to the provisions of Section 260 of the Companies Act, 1956 and Section 161 of the Companies Act, 2013 the additional directors shall hold office upto the date of ensuing AGM. Since the above said two directors were not regularized in the respective AGM's held subsequent to their appointments, they have attracted automatic cessation and therefore they were not treated as directors on the Board of the Company. In this regard it is noted that the Company has not filed relevant forms with the office of ROC for vacation of the said two directors from the records of ROC.

b. **Casual vacancy of Statutory auditors**

For the financial year 2013-14 the Company conducted the AGM on 30.09.2014 wherein M/s. Komandoor & Co., were appointed as Statutory Auditors of the Company for the next 3 financial years. However M/s. Komandoor & Co., resigned in the month of December, 2014 and filed relevant forms with the office of ROC (ADT-3). The Board in its meeting held on 15.01.2015 appointed M/s. CRK & Co. as the Statutory Auditor of the company. However the company has not followed the prescribed procedure U/s 139 of the Companies Act, 2013 and not filed necessary forms for the same with the office of ROC.

c. **Non-appointment of Key Managerial Person (Sec 203) and Internal Auditor**

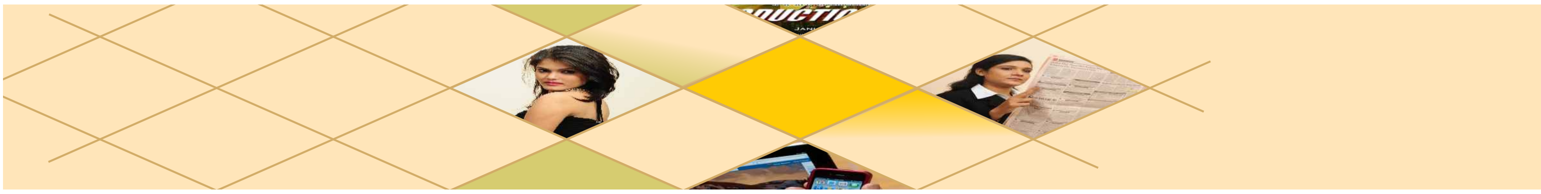
The Company has not appointed Chief Financial Officer, Company Secretary & Internal auditors.

> The Company could not make available the Stock Exchange file for verification and necessar action there on. As a result we are not able to comment on the compliances made by the company with respect to provisions of Listing Agreement signed with Stock Exchanges.

> The updated Statutory Registers and Minutes Book have not been provided for verification.

> The Company has bought back 6,51,000 equity shares in the financial year 2012-13 for which the necessary forms has not been filed with the office of ROC and therefore there is a difference in the issued capital and paid-up capital of the Company as per the records of the Company and as per the records of the ROC.

> As per the special Acts applicable to the Company viz., The Cinematograph Act, 1952, The Copyright Act, 1957, Trademarks Act, 1999 no relevant records were made available by the Company and hence no comments are made.



B. The company has not filed the following forms with the office of ROC for the Financial Year 2014-15.

Sl. No	Particulars	Forms
1.	Filing of Balance Sheet for the FY's 2012-13 & 2013-14	23AC (XBRL)
2.	Filing of Profit and Loss Account for the FY's2012-13 & 2013-14 Executive Director	23ACA (XBRL)
3.	Filing of Annual Return for the FY's2012-13 & 2013-14	20B
4.	Filing of Report on AGM for the FY's 2012-13 & 2013-14	MGT-15
5.	Appointment of Auditor in Casual Vacancy	ADT-1
6.	Filing of form for special resolution passed at EGM	MGT-14
7.	Special resolution for appointment of a director	MGT-14
8.	Forms for vacation of directors under section 167	DIR-12

For S.S. Reddy & Associatesd

Sd/-
S.Sarveswara Reddy
Practicing Company Secretaries
C.P.No: 7478

Place: Hyderabad
Date: 14.11.2015

Annexure A

To
The Members of
M/s. Gradiente Infotainment Limited

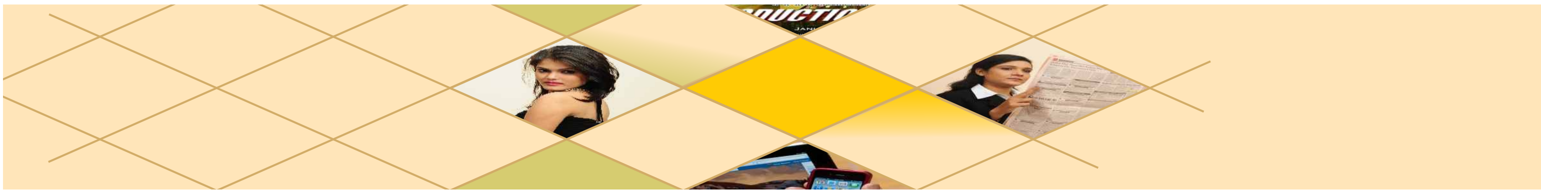
My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
5. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For S.S. Reddy & Associatesd

Sd/-
S.Sarveswara Reddy
Practicing Company Secretaries
C.P.No: 7478

Place: Hyderabad
Date: 14.11.2015



MGT 9
Extract of Annual Return
As on the Financial Year 2014-2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L74300AP1992PLCO14317
ii.	Registration Date	02/06/1992
iii.	Name of the Company	Gradiente Infotainment Limited
iv.	Category / Sub-Category of the Company	Non- GovernmentCompany Limited by Shares
v.	Address of the Registered office and contact details	# 306, 3RD Floor Mayfair Gradens, Road No-12, Banjara Hills, Hyderabad -500 034 Ph.6888285.
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower "B" Plot No. 31-32, Gachibowli, Financial District , Nanakramguda, Hyderabad – 500 008. Tel: 040-67161500 Email.: shobha.anand@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	**Name and Description of main products /services**	**NIC Code of the Product / service**	**% to total turnover of the company**
1	Advertising & Media	99836	100

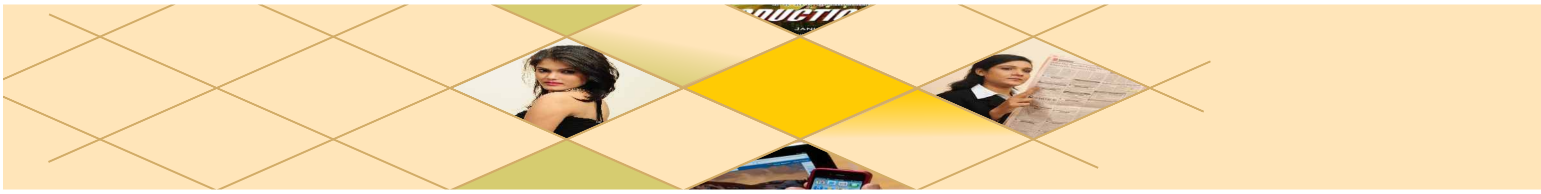
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: –

S.N0	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1	NA	NA	NA	NA	NA

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

i) ***Category-wise Share Holding;-***

Category of Shareholders	**No. of Shares held at the beginning of the year As on 31st March 2014**				**No. of Shares held at the end of the year 31st March 3015**				**%Changeduring the year**
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. **Promoters**									
(1) Indian									
Individual/ HUF	1492330	0	1492330	6.47%	1201346	0	1201346	5.34	0
Central Govt									
State Govt (s)									
Bodies Corp.	1751962	0	1751962	7.59%	752850	0	752850	3.34	0
Banks / FI									
Any Other….									
Sub-total (A) (1) :-	3244292	0	3244292	14.06	1954196		1954196	8.68	0
(2) Foreign		0	0	0	0	0	0	0	0
a) NRIs - Individuals	0		0	0	0	0	0	0	0
b) Other – Individuals		0	0		0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0		0	0	0	0
e) Any Other….	0	0	0	0	0		0	0	0
Sub-total (A) (2):-	3244292	0	3244292	14.06	1954196		1954196	8.68	0
Total shareholding of	3244292	0	3244292	14.06	1954196		1954196	8.68	0



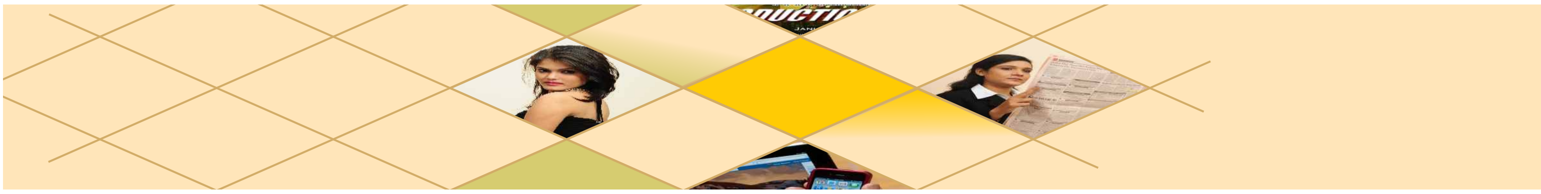
Promoter (A) = (A)(1)+(A)(2)									
B. Public Shareholding	0	0	0	0	0	0	0	0	0
1.Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
2. Non Institutions									
a) Bodies Corp.	4463892	0	4468092	19.36%	3424406	0	3428606	15.23%	0
i) Indian	0		0						
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1376372		1834372	7.95%	1552165	0	2009165	8.92%	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1293755 7		13182457	57.13%	14709662	0	14794962	65.70%	0
c) Others (specify) 1. NRI 2 .Clearing Members	335495 10992		335495 10992	1.45% 0.05%	518 329953	0	518 329953	0.00% 1.47%	0
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	1927310 8		19273108	85.94%	20016704	0	20563204	91.32%	0
C. Shares held by Custodian for GDRs & ADRs	0		0	0	0	0	0	0	0
Grand Total (A+B+C)	2251740 0		22517400	100 %	22517400	0	22517400	100%	0

(ii)***Shareholding of Promoters***

Sl. No	**Shareholder's Name**	**No. of Shares held at the beginning of the year As on 31st March 2014**				**No. of Shares held at the end of the year 31st March 3015**				**%Change during the year**
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Nil
1.	Vimal Raj Mathur	1146280	0	1146280	4.97%	1155296	0	1155296	5.13%	0
2.	Sunitee Raj	240650	0	240650	1.04%	40650	0	40650	0.18%	0
3.	Sudheep Raj	5400	0	5400	0.02%	5400	0	5400	0.02%	0
4.	Gradiente Impex Pvt Ltd	1751962	0	1751962	7.59%	752850	0	752850	3.34%	0

(iii)*Change in Promoters' Shareholding (please specify, if there is no change)*

Sl. No.	**Shareholder's Name**	**Shareholding at the beginning of the year**		**Share holding at the end of the year**	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares**



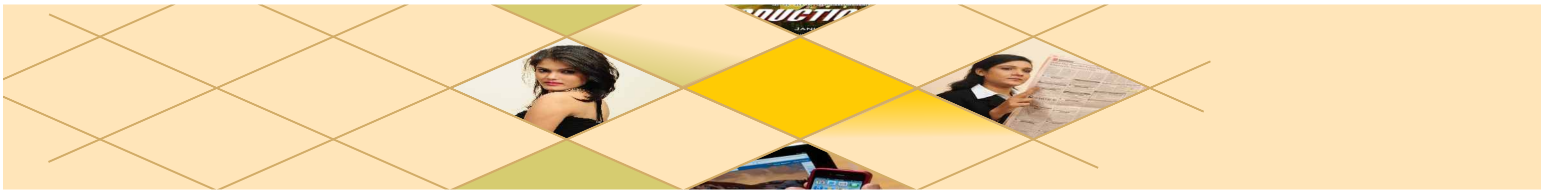
1.	**Vimal Raj Mathur**				**of the company**
	At the beginning of the year As on 31st March 2014	1146280	4.97%	1155296	5.13%
	Purchased as on May30/05/2014	9016			
	At the End of the year as on 31stMrach 2015			1155296	5.13%
2	**Gradiente Impex Pvt Ltd**				
	At the beginning of the year As on 31st March 2014	1751962	7.59%		
	Sold as on May 2014	504601			
	Sold as on June 2014	246155			
	Sold as on July 2014	248356			
	At the End of the year as on 31stMrach 2015			752850	3.34%
3	**Sunitee Raj**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	240650	1.04	40650	0.18
	Date wise Increase /Decrease in Directors Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment /transfer /bonus/ Sweat equity etc): Pledged shares revoked				
	At the End of the year	40650	0.18		

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

Sl. No.	**Shareholder Name**	**Shareholding at the beginning of the year as on 31-03-2014**		**Share holding at the end of the year as on 31-03-2015**	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
	At the beginning of the year as on 31st March 2014				
1	Mohsin Ali Vakil	1666778	7.22%	1666778	7.40
2	Religare Securities Ltd	998438	4.33%	989035	4.39
3	Diagonal Fashions Pvt Ltd	952610	4.13%	0	0
4	Narayan Acharya	710618	3.08%	759215	3.37
5	ArjunaRaoChelli	653066	2.83%	653066	2.90
6	Sunil Kumar Ahuja	512500	2.22%	0	0
7	A Sandhya Rani	500000	2.17%	500000	2.17
8	Swapnil Securities Ltd	500000	2.17%	0	0
9	Siva NageswaraRaoDoradla	411565	1.78%	710400	3.15
10	Bommireddy Harshavardhana Reddy	401034	1.74%	401034	1.78

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	**For Each of the Directors and KMP**	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	**Vimal Raj Mathur**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1146280	4.97%	1155296	5.13%
	Date wise Increase /Decrease in Directors Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment /transfer /bonus/ Sweat equity etc): Purchased as on May 30/05/2014				
	At the End of the year	1155296	5.13%		
2	**Sudheep Raj**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5400	0.02	5400	0.02
	Date wise Increase /Decrease in Directors Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment /transfer /bonus/ Sweat equity etc): Nil				
	At the End of the year	5400	0.02		
3	**Sunitee Raj**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	240650	1.04	40650	0.18
	Date wise Increase /Decrease in Directors Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment /transfer /bonus/ Sweat equity etc): Pledged shares revoked				
	At the End of the year	40650	0.18		



V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)				
Change in Indebtedness during the financial yearAdditionReduction	-	-	-	-
Net Change				
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, :Vimal Raj Mathur

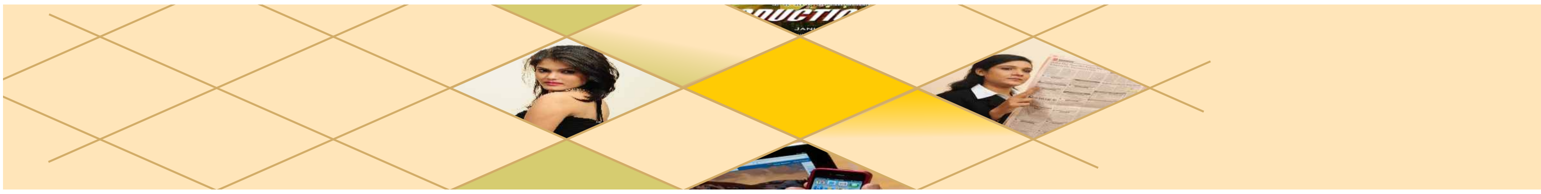
Sl. no.	Particulars of Remuneration	**Name of Managing Director : Vimal Raj Mathur** **Name of Director : Sudheep Raj**			Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income taxAct, 1961	4,80,000.00	2,40,000.00	-	7,20,000.00
2.	Stock Option	-	-	-	
3.	Sweat Equity	-	-	-	
4.	Commission - as % of profit - Others, specify…	-	-	- - -	
5.	Others, please specify	-	-	-	
6.	Total (A)	4,80,000.00	2,40,000.00	-	7,20,000.00
7.	Ceiling as per the Act				

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Director				Total Amount
	3. Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	-	-	-	-	
	Total (1)					
	4. Other Non-Executive Directors · Fee for attending board / committee meetings ·commission · Others, please specify	-	-	-	-	-
	Total (2)					
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary)	CFO	Total
1.	Gross salary (a) Salary as perprovisions contained insection 17(1) of the Income-taxAct, 1961 (b) Value ofperquisites u/s 17(2) Income-taxAct, 1961 © Profits in lieu ofsalary under section17(3) Income -taxAct, 1961	-	----NA--	-	
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit		----NA------		
	- others, specify…				
5.	Others, please specify				
6.	Total				



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/ punishments/ compounding of offences for the year ended March 31st, 2015.

ANNEXURE II

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s. GRADIENTE INFOTAINMENT LTIMITED

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:
(a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and
(ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.
Thanking You.

Yours Faithfully,

Sd/-
T. Venkateswa Rao
(Independent Director)

Place: Hyderabad
Date: 14.11.2015

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

To
The Board of Directors
M/s GRADIENTE INFOTAINMENT LTIMITED

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and
(ii) the legal firm(s) and consulting firm(s) that have a material association with the company

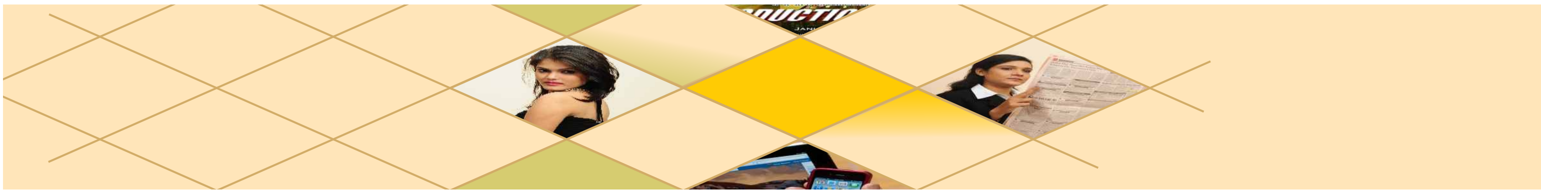
(d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Sd/-
Shabbira Baquri
(Independent Director)

Place: Hyderabad
Date: 14.11.2015



AUDITOR'S REPORT

To the Members of
M/s Gradiente Infotainments Limited
Hyderabad

Report on the Financial Statements

1. We have audited the accompanying financial statements of M/s Gradiente Infotainments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

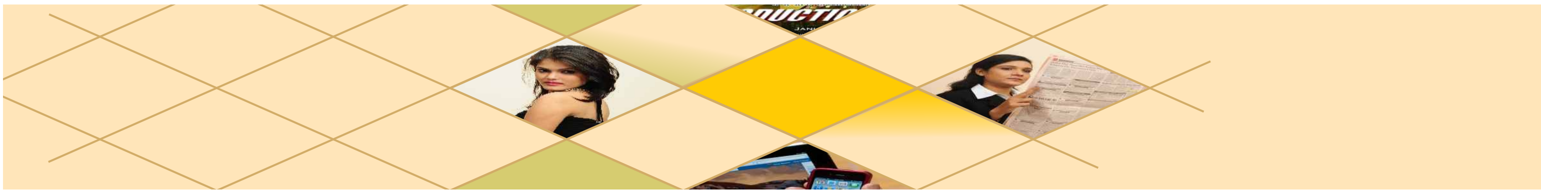
3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

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

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

Basis of Qualified opinion

6.The balance of trade payables of Rs.8216.04 lakhs , Trade receivables of Rs.9643.16 lakhs and loans and



advances Rs.1372.63 lakhs are subject to confirmation. We have not received any confirmations though management has circulated the balance confirmation letters.

Qualified Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, expect for the effects of the matters described in the qualifies opinion paragraph ,the financial statements give the information required by the Act in the manner so accepted in India of the state of affairs of the Company as at 31st March 2015, its Profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. The Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;

e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act ;

f. In our opinion and to the best of our information and according to the explanations given to us,

We report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

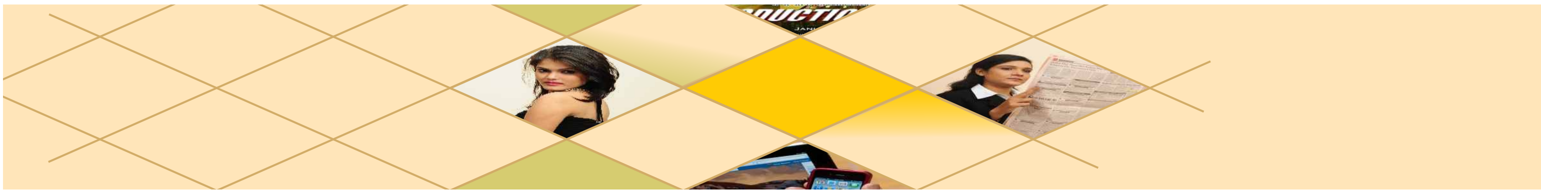
(i) The Company does not have any pending litigations which would impact its financial position

(ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise

(iii)There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For CRK & Co,
Chartered Accountants
FRN: 010388S
Sd/-
C.R.Kumar
Proprietor

Place: Hyderabad
Date: 14.11.2015



Annexure referred to in paragraph 7 of Our Report of even date

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(i).(a) The Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

(b) Substantial portion of fixed assets have been physically verified by the management during the year at reasonable intervals and following material discrepancy between book records and physical inventory was noticed and properly dealt with in books of accounts.

Capital work in progress amounting to Rs.203.98 lakhs stands duly adjusted as described in Pt no.6 forming part of notes to accounts

(ii)The physical verification of inventory is not applicable to the company due to its nature of business. As at the date of reporting the company does not have any physical inventory.

(iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has been noticed or reported.

(v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.

(vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.

(vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is not regular in depositing the service tax .The outstanding liability of service tax due for more than 6 months as on the need of financial year is Rs. 37,53,382/-.Further, the Company did not comply to the statutory requirement of prompt deduction and remittance of Tax at source on applicable instances. The provisions of Customs, Provident fund, Employees State Insurance Act are not presently applicable to the Company.

(b) According to the information and explanations given to us and based on the records of the company examined by us, there are statutory dues of earlier years payable in respect of Tax deducted at source being Rs.2,04,04,578/-, in respect of service tax being Rs.8,57,57,579/-, in respect of FBT being Rs.2,61,180/- and in respect of income tax payable being Rs.5,53,36,908/-.

(c) According to the information and explanations given to us there is no instance of requirement to transfer any sums to the Investor Education and Protection Fund.

(viii) The Company has accumulated losses of Rs.27,88,65,432/- as at 31.03.2015, being more than 50% of its net worth. The Company has incurred cash profit for the current financial year under audit and cash loss for the preceding financial year.

(ix) According to the records of the company examined by us and as per the information and explanations given to us, the company has defaulted in repayment of dues to banks to the extent of Rs.40,40,870/- as per books of accounts, comprising of Rs.36,14,500/- dues to Andhra Bank and Rs.4,26,370/- dues to Indian Bank, as described in Pt no.2 forming part of notes to accounts.

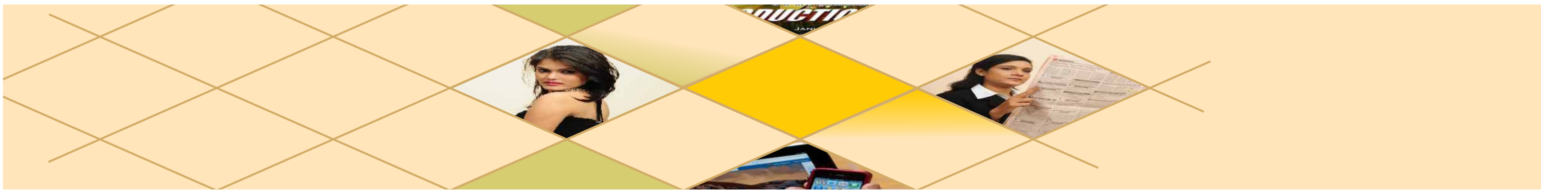
(x) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year

(xi) According to the information and explanations given to us, the company has not raised any term loans during the year

(xii) In our opinion and according to the information and explanation given to us, considering the size and nature of the Company's operations, no fraud of material significance on or by the Company has been noticed or reported during the year.

For CRK & Co,
Chartered Accountants
FRN: 010388S
Sd/-
C.R.Kumar
Proprietor

Place: Hyderabad
Date: 14.11.2015



Balance Sheet as at 31st March,2015

	Particulars	Note No.	Figures as at the end of current reporting period as on 31st March,2015	Figures as at the end of previous reporting period as on 31st March,2014
I.	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	225,174,000	225,174,000
	(b) Reserves and surplus	4 5	(137,236,308)	(137,812,433)
	(c) Share Application money pending for allotment		-	2,000,000
2	**Non-current liabilities**	6		
	(a) Long-term borrowings	7	22,460,273	37,797,942
	(b) Deferred tax liabilities (Net)	8	221,181	544,749
	(c) Other Long term liabilities	9	941,732,754	881,790,920
	(d) Long-term provisions		1,602,403	1,602,403
			-	-
3	**Current liabilities**			
	(a) Short-term borrowings	10		
	(b) Trade payables	11	44,103,010	59,165,949
	(c) Other current liabilities		6,789,449	5,191,856
	(d) Short-term provisions			-
	TOTAL		1,104,846,762	1,075,455,387
II.	**ASSETS**			
1	**Non-current assets**	12		
	(a) Fixed assets			
	(i) Tangible assets		2,823,130	3,750,812
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	20,397,779
	(iv) Intangible assets under development	13	-	-
	(b) Long-term loans and advances		137,686,333	138,386,333
	(c) Other non-current assets			
2		14		
	Current assets	15	-	3,515,090
	(a) Inventories	16	964,316,002	909,288,758
	(b) Trade receivables	17	21,297	116,615
	(c) Cash and cash equivalents		-	-
	(d) Short term Loans &n Advances			
			1,104,846,762	1,075,455,387
	TOTAL	1 & 2		
	See accompanying Notes forming part of			

As per our Audit report of even dated
For CRK & Co.
Chartered Accountants
F.No. 001420S

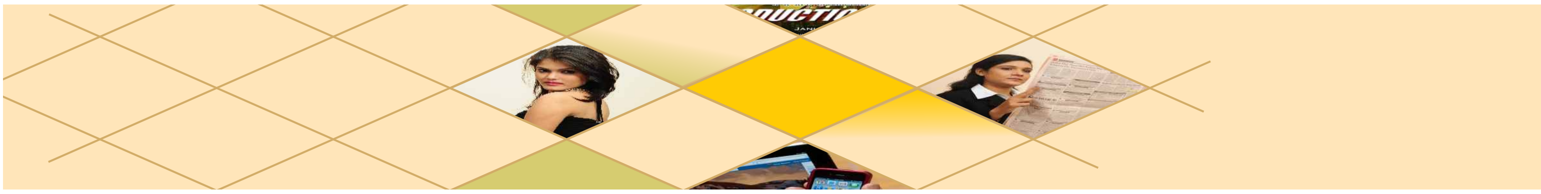
C R Kumar Partner
M.No. 204289

Place : Hyderabad
Date : 14-11-2015

For and on behalf of the Board of Directors

Sd/-
Vimal Raj Mathur
chairman & Managing Director

Sd/-
Sudheep Raj
Director



Statement of Profit and Loss

for the year ended 31 March, 2015

	Particulars	Note No.	For the year ended 31 March, 2015 Rs.	For the year ended 31 March, 2014 Rs.
1	Revenue from operations (gross)	18	54,047,096	53,127,494
	Less: Excise duty		-	-
	Revenue from operations (net)		54,047,096	53,127,494
2	Other income	19	-	14,561
3	**Total revenue (1+2)**		54,047,096	53,142,055
4	**Expenses**			
	(a) Cost of materials consumed	20.a	43,638,797	45,794,396
	(b) Purchases of stock-in-trade	20.b	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in trade	20.c	3,515,090	26,565,433
	(d) Employee benefits expense	21	2,729,000	2,043,733
	(e) Finance costs	22	-	167,451
	(f) Depreciation and amortisation expense	12.C	840,964	589,066
	(g) Other expenses	23	2,990,106	256,847,408
	Total expenses		53,713,957	332,007,487
5	**Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)**		333,139	(278,865,432)
6	Exceptional items		-	-
7	**Profit / (Loss) before extraordinary items and tax (5 + 6)**		333,139	(278,865,432)
8	Extraordinary items		-	-
9	**Profit / (Loss) before tax (7 + 8)**		333,139	(278,865,432)
10	**Tax expense:**			
	(a) Current tax expense for current year		-	-
	(b) (Less): MAT Credit (whereever applicable)		-	-
	(c) Current Tax expense relating to prior years			
	(d) Net Current Tax expense		-	-
	(e) Deferred tax		(323,568)	
	Total (a:e)			
11	**Profit / (Loss) from continuing operations (9 +10)**		656,707	(278,865,432)
12	**Profit / (Loss) for the year**		656,707	(278,865,432)
13	Earnings per share (of ` 10/- each):			
	(a) Basic		0.03	(12.38)
	(b) Diluted		0.03	(12.38)

As per our Audit report of even dated
For CRK & Co.
Chartered Accountants
F.No. 001420S

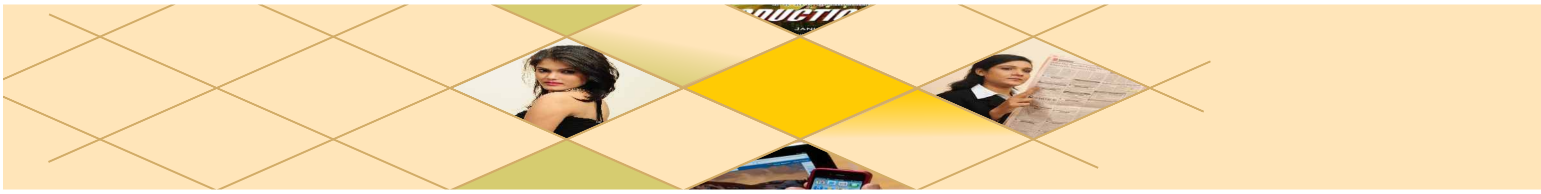
C R Kumar Partner
M.No. 204289

Place : Hyderabad
Date : 14-11-2015

For and on behalf of the Board of Directors

Sd/-
Vimal Raj Mathur
chairman & Managing Director

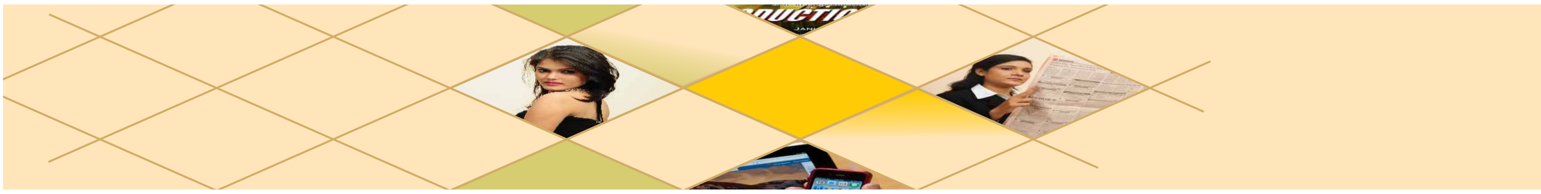
Sd/-
Sudheep Raj
Director



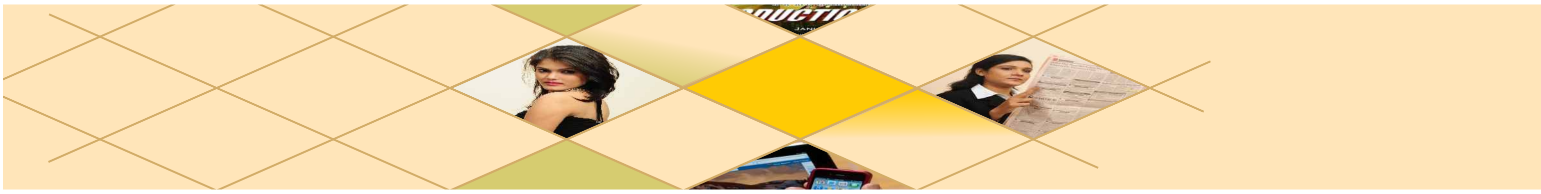
Note 3	Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule VI to the Companies Act, 2013				
	Share Capital	As at 31 March 2015		As at 31 March 2014	
		Number	Rs.	Number	Rs.
A	**Authorised** Equity Shares of ` 10/-each	30,000,000	300,000,000	30,000,000	300,000,000
B	**Issued** Equity Shares of ` 10/- each	22,517,400	225,174,000	22,517,400	225,174,000
C	**Subscribed & Paid up** Equity Shares of ` 10/-each fully paid	22,517,400	225,174,000	22,517,400	225,174,000
	Total	22,517,400	225,174,000	22,517,400	225,174,000

Note 3	**Share capital (contd.)**				
Serial No.	Name of the Share Holder (More than 5%)	As at 31 March 2015		As at 31 March 2014	
		No. of Shares held	% of holding	No. of Shares held	% of holding
2	Infoedge Capital Services Pvt. Ltd	-	0.00	-	0.00
3	Digonal Fashions Private Limited	952,610	4.23	952,610	4.23
4	Gradiente Impex Private Limited	1,751,962	7.78	1,751,962	7.78
5	Vimal Raj Mathur	1,127,630	5.01	1,127,630	5.01
6	Realnet Infraprojects Pvt. Ltd	-	0.00	-	0.00
7	Mohin Ali Vakil	1,666,778	7.40	1,666,778	7.40
	Total	**5,498,980**	**24.42**	**5,498,980**	**24.42**

Note 3	**Share capital (contd.)**	(I) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:			
	Particulars				Amout in Rs.
		Opening Balance	Bonus Shares issued	Shares brought back	Closing Balance
	Equity shares with voting rights				
	Year ended 31 March, 2015				
	- Number of shares	22,517,400	-	-	22,517,400
	- Amount (Rs.)	225,174,000	-	-	225,174,000
	Year ended 31 March, 2014				
	- Number of shares	23,159,400	-	642,000	22,517,400
	- Amount (Rs.)	231,594,000	-	6,420,000	225,174,000



Note 4 Reserves & Surplus	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
a. Securities Premium Account		
Opening Balance	27,648,000	34,068,000
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
For transfer to Capital redemption reserve		6,420,000
For Issuing Bonus Shares	-	-
Closing Balance	27,648,000	27,648,000
b. General Reserves	152,216	152,216
Opening Balance		
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	152,216	152,216
c. Capital redemption reserve*		
Opening Balance	6,510,000	90,000
(+) Transfer from Security premium A/c		6,420,000
Closing Balance	6,510,000	6,510,000
d. Capital reserve**		
Opening Balance	5,770,333	28,216
(+) Discount earned on Buyback of shares		5,742,117
Closing Balance	5,770,333	5,770,333
e. Surplus		
Opening balance	(177,892,982)	100,972,450
B/f Impact of depreciation	(80,582)	
(+) Net Profit/(Net Loss) For the current year	656,707	(278,865,432)
Closing Balance	(177,316,857)	(177,892,982)
Total	(137,236,308)	(137,812,433)

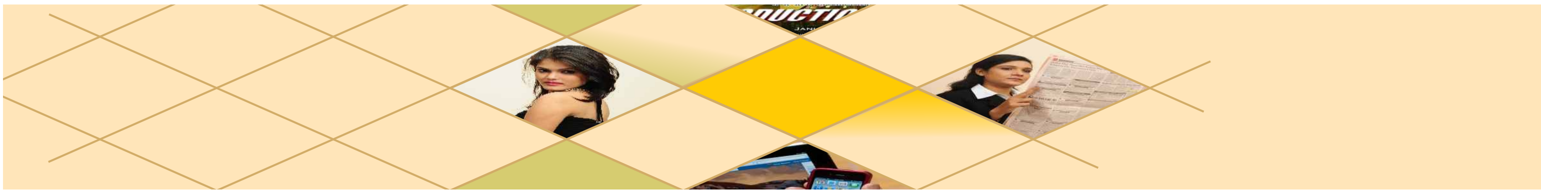


Note 5 Share application Money	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Preferential Share application money	-	2,000,000
Total	-	2,000,000

Note 6 Long Term Borrowings	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
(a) Long term maturities of finance lease obligations		
(Secured By Motor Vehicle) (of the above, Rs.10,03,700/- is guaranteed by Directors and / or others)	1,126,722	1,136,722
	1,126,722	1,136,722
(b) Secured loans		
from banks* (Detailed in Note 1 (Xiii) in Notes on Accounts)	4,040,870	4,040,870
(c) Unsecured loans		
from Directors **	14,742,781	32,070,450
from Others *	2,549,900	549,900
Total	21,333,551 22,460,273	36,661,220 37,797,942

* Of these Rs. 40,40,870/- has become Non performing assets with the banks (Comprising of Andhra Bank WL Loan Rs.3614500 + Indian Bank Rs.426370)
** After reducing value of CWIP Rs.2,03,97,779/-

Note 7 Deferred Tax Liabilties	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Deferred tax Liabilty*	221,181	544,749
Total	**221,181**	**544,749**



Note 8 Other Long Term Liabilities	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
(a) Trade Payables	777,500,329	721,127,458
(b) Others		
© Duties & Taxes*	164,232,425	160,663,462
Total	**941,732,754**	**881,790,920**

* The duties & taxes payable comprises of Service tax liabilty of Rs. 8,82,29,759/- , TDS liabilty of Rs. 2,04,04,578/- and Income tax provision of Rs. 5,55,98,088/-

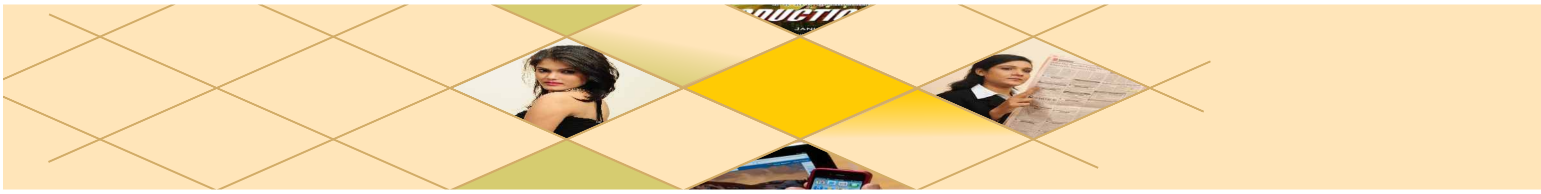
Note 9 Long Term Provisions	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
(a) Provision for employee benefits		
Gratuity (unfunded)	1,602,403	1,602,403
Total	**1,602,403**	**1,602,403**

Note 10 Trade payables	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Trade payables:		
Acceptances		
Other than Acceptances	44,103,010	59,165,949
Trade Payables outstanding for a period less than six months from the date they are due for payment	43,414,297	45,877,154
Trade Payables outstanding for a period exceeding six months from the date they are due for payment	688,713	13,288,795
Total	**44,103,010**	**59,165,949**

Note 11 Other Current Liabilities	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
(a) Liabilites for Expenses	3,490,539	2,350,710
(b) Duties & Taxes	1,084,726	1,346,962
(b) Other payables		
Director remuneration payable	2,214,184	1,494,184
Total	**6,789,449**	**5,191,856**

DEPRECIATION FOR THE FY 2014-15 AS PER COMPANIES ACT 2013 (ON RESIDUAL VALUE BASIS)

	Note 12 Fixed Assets	Remaining Life (in Yrs)	Gross Block: Balance as at 01 April 2014	Gross Block: Additions/ (Disposals)	Gross Block: Balance as at 31 March 2015	Accumulated Depreciation: Balance as at 1 April 2014	Accumulated Depreciation: Additions/ (Disposals)	Accumulated Depreciation: Depreciation charge for the year (+)	Accumulated Depreciation: Balance as at 31 March 2015	Net Block: Balance as at 31 March 2015	Net Block: Balance as at 31 March 2014
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a	**Tangible Assets**										
	Buildings		4,393,222		4,393,222	2,232,041		113,971	2,346,012	2,047,210	2,161,181
	Plant and Equipment		428,762		428,762	385,817		4,354	390,171	38,591	42,945
	Furniture and Fixtures		1,712,887		1,712,887	1,306,846		119,268	1,426,114	286,773	406,041
	Vehicles		2,415,700	(1,000,000)	1,415,700	1,886,415	(993,864)	187,778	1,080,329	335,371	529,285
	Office equipment		1,418,720		1,418,720	1,210,872		189,420	1,400,292	18,428	207,848
	Computers & Softwares		630,950		630,950	465,253		45,504	510,757	39,611	165,697
	Air Conditioners		100,000		100,000	24,843		40,498	65,341	34,659	75,157
	UPS		30,823		30,823	4,389		14,695	19,084	11,739	26,434
	Mobile Phones		11,539		11,539	2,756		4,984	7,740	3,799	8,783
	Audio Visual & Equipment		3,102,074		3,102,074	2,974,633		120,492	3,095,125	6,949	127,441
	Total		14,244,677	(1,000,000)	13,244,677	10,493,865		840,964	10,340,965	2,823,130	3,750,812
b	**Capital Work in Progress**		20,397,779	(20,397,779)	-	-		-	-	-	20,397,779
	Total		20,397,779	(20,397,779)	-	-		-	-	-	20,397,779



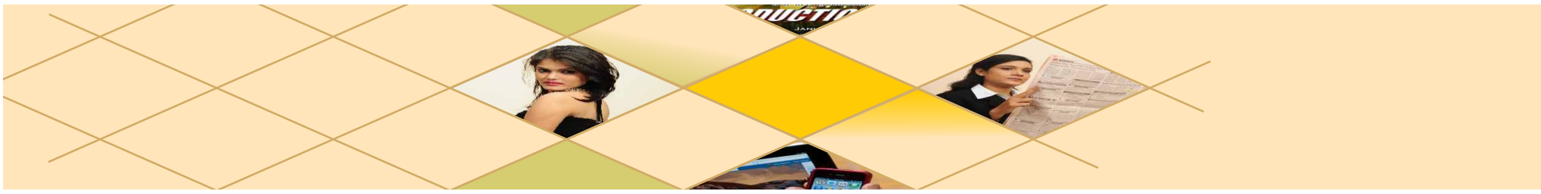
Note 13 Long Term Loans & Advances	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
(a) Security deposits	243,000	943,000
(b) Loans and advances	137,262,611	137,262,611
(c)TDS Receivable	180,722	180,722
Total	137,686,333.00	138,386,333.00

Note 14 Inventories	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
a. Work-in-progress	-	3,515,090
Total	-	3,515,090

Note 15 Trade receivables	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Trade receivables outstanding for a period less than six months from the date they are due for payment	55,027,244	54,184,402
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	909,288,758	855,104,356
	-	
Less: Provision for doubtful debts	909,288,758	855,104,356
Total	964,316,002	909,288,758

Note 16 Cash and cash equivalents	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
a. Balances with banks*		
State Bank of India	269	269
Oriental Bank of Commerce	169	169
Axis Bank - Hyd		
Axis Bank - Bombay*		
Yes Bank		
b. Cash on hand	5,124	18
c. Fixed deposits	15,735	116,159
	21,297	116,615

* The company has closed these Bank A/c's



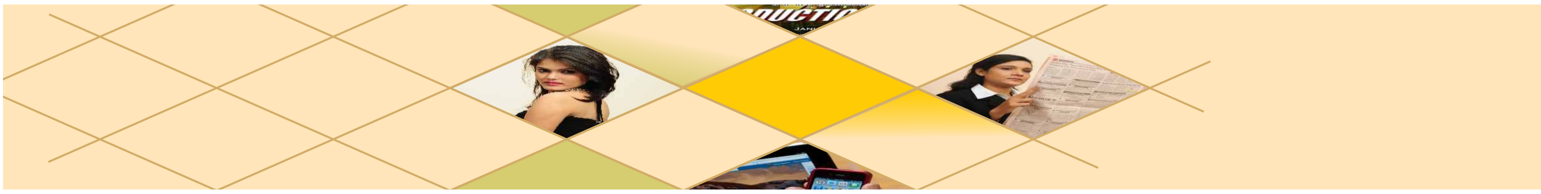
Note 17 Short term Loans & Advances	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Deposits		
Interst accrued on Fixed deposit	-	-

Note 18 Revenue from operations	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Sale of services	54,047,096.00	53,127,494.00
Total	54,047,096.00	53,127,494.00

Note 18 Cont.	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Service Income		
T V Serial Income	520,992.00	854,000.00
Print Media	53,526,104.00	52,273,494.00
Total - Sale Income	54,047,096.00	53,127,494.00

	Note 19 Other Income	As at 31 March 2015	As at 31 March 2014
		Rs.	Rs.
(a)	Interest income	-	1,991.00
(b)	Discount received	-	12,570.00
	Total	-	14,561.00

	Note 19 Other Income Cont.	As at 31 March 2015	As at 31 March 2014
		Rs.	Rs.
(i)	Interest income comprises: Interest from banks on: deposits	-	1,991.00
	Total - Interest income	-	1,991.00



Note 20.a Cost of materials consumed	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Material consumed comprises:		
Print Media Expenses	43,310,697.00	45,509,396.00
Audio Visual Expenses	-	-
T V Serial Expenses	328,100.00	285,000.00
Total	43,638,797.00	45,794,396.00

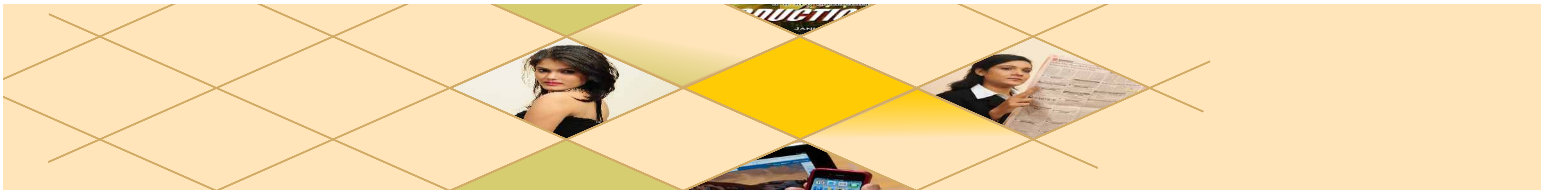
Note Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Inventories at the end of the year:		
Finished goods	-	-
Work-in-progress	-	3,515,090.00
Stock-in-trade	-	-
	-	3,515,090.00
Inventories at the beginning of the year:		
Finished goods	-	-
Work-in-progress	3,515,090.00	30,080,523.00
Stock-in-trade	-	-
	3,515,090.00	30,080,523.00
Net (increase) / decrease	3,515,090.00	26,565,433.00

Note 21 Employee Benefits	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Salaries and wages*	2,718,900.00	2,000,200.00
Gratuity		-
Staff welfare expenses	10,100.00	43,533.00
Total	**2,729,000.00**	**2,043,733.00**

* Salaries & wages includes Directors remuneration of Rs. 7,20,000/-

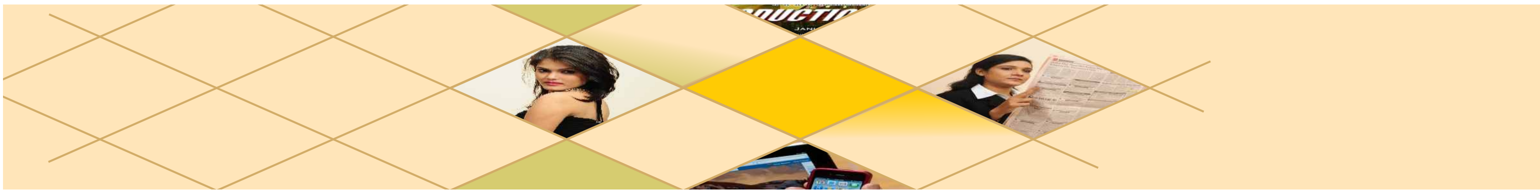
Note 22 Finance costs	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
(a) Others - Interest on Unsecured loans	-	-
(b) Interest on secured loan from Nanesh Finance	-	167,451.00
Total	-	167,451.00



Note 23 Other expenses	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Power and fuel	135,809.00	368,551.00
Driver Salary	126,000.00	-
Directors Sitting fee	40,000.00	40,000.00
ROC Expenses	2,500.00	-
Bad debts	-	254,256,000.00
Advertising	27,734.00	83,824.00
Listing Fee	100,000.00	126,250.00
Share Transfer Expenses	119,100.00	105,984.00
AGM Expenses	35,000.00	35,565.00
Bank Charges	15,419.00	30,044.00
Rent	541,299.00	396,000.00
Office maintenance	54,890.00	11,058.00
Miscellaneous expenses *	10,233.00	58,387.00
Repairs and maintenance	19,770.00	44,280.00
Membership & Subscription	20,000.00	-
Insurance *	25,970.00	-
Communication *	35,152.00	84,152.00
Travelling and conveyance *	111,782.00	259,005.00
Printing and stationery*	11,804.00	54,584.00
Vehicle Maintenance		
Books & Periodicals	-	1,100.00
Sales discount *	(1,220.00)	
Business promotion *	499,584.00	31,500.00
Web Design Charges		
Legal Expenses	331,300.00	28,000.00
Buy back Expenses *	267,980.00	363,124.00
Professional Expenses *	60,000.00	120,000.00
Payments to auditors (Refer Note (I) below)	400,000.00	350,000.00
Prior period expenses	-	-
Total	**2,990,106.00**	**256,847,408.00**

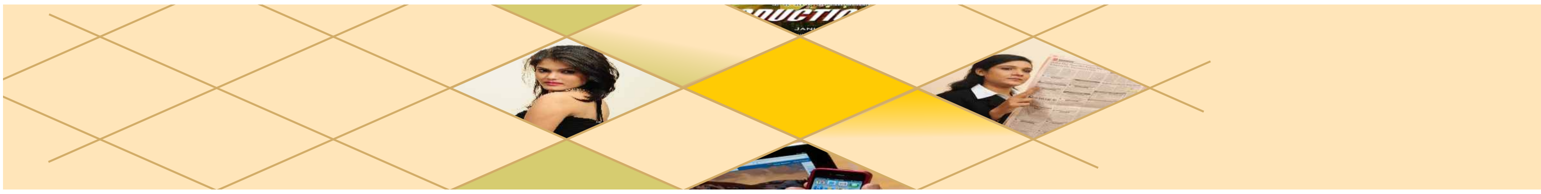
Auditors Fee

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
(I) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	171,000.00	224,720.00
For taxation matters	57,000.00	56,180.00
For company law matters	-	-
For management services	-	-
For other services	86,800.00	44,944.00
Reimbursement of expenses	85,200.00	24,156.00
Total	**400,000.00**	**350,000.00**



Cash flow statement 2014-15

PARTICULARS	Amount in Rs. 31-03-2015	Amount in Rs. 31-03-2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	656707.00	-278865431.00
Adjustments for:		
Depreciation	840964.00	589066.00
Bad Debts		254256000.00
Interest Expense		167451.00
Interest Income		1991.00
Operating Profit before Working Capital Changes	**1497671.00**	-23850923.00
(Increase)/Decrease from sundry debtors	-55027244.00	-54189402.00
(Increase)/Decerease in inventory	3515090.00	26565433.00
(Decrease)/Increase in trade expenses and other liabilities	1597593.00	47353283.00
(Decrease)/Increase from Trade Payable	-15062939.00	
Other long term liabilities	59618266.00	
Net Cash flow from operating activities	**-3861563.00**	**-4121609**
B.CASH FLOW FROM INVESTING ACTIVITES		
Proceeds from Loans and Advances	**0.00**	1918932.00
Interest from Fixed deposits	**0.00**	15258.00
Net cash flow from Investing Activities	**0.00**	1934190.00
C.CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Unsecured loans	3766245.00	781731.00
Repayment to Secured Loans		-100000.00
Proceeds from share application Money		1000000.00
Net Cash flow from Financing activities	3766245.00	1681731
Net Increase/ Decrease in cash and cash Equivalent	-95318.00	-505688
Cash & Cash Equivalents at the beginning of reporting period	116615.08	622303.00
Closing Cash and Cash equivalents at the end of reporting period	**21297.08**	**116615.00**



NOTES FORMING PART OF ACCOUNTS SIGNIFICANT ACCOUNTING POLICIES

NOTES TO THE FINANCIAL STATEMENTS

Nature of Operations
The Company was incorporated on June 22, 1992 in the name of VR Mathur Mass Communications Ltd. and subsequently the name has been changed to Gradiente Infotainment Ltd.(w.e.f 09-01-2003). The Company's revenue is generated mainly from advertisement, in Print Media & Electronic Media and TV Serial production for other production houses and own production.

1Significant Accounting Policies
i)Basis of Accounting
These financial statements are prepared under the historical cost convention and comply in all material aspects with the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 2013 ("The Act") and the relevant provisions of the Act.

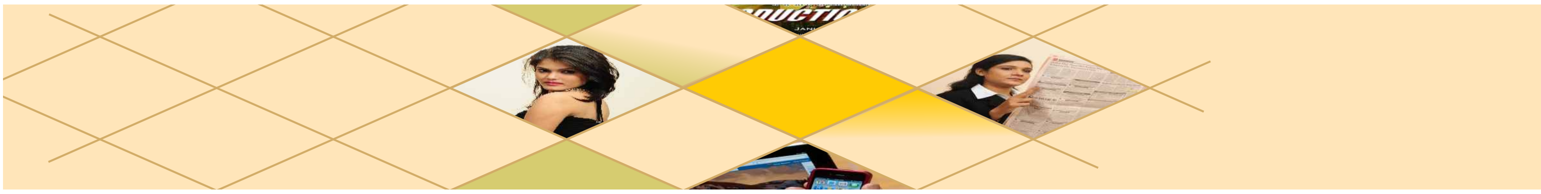
ii)Use of Estimates
The preparation of financial statements in accordance with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of financial statements and the reported amount of expenses of the year. Actual results could differ from these estimates. Any revision to such accounting estimates is recognized in the accounting period in which such revision takes place.

iii)Revenue Recognition
Revenue from Advertisement in Print Media & Electronic Media and TV Serial Production is recognized on an accrual basis on fulfilling the terms of contract & publicity of client's commercial, net of service tax.

iv)Fixed assets and Depreciation
a. Tangible assets
Tangible fixed assets are stated at cost less accumulated depreciation.
Depreciation on tangible fixed assets is provided on written down value method at the rates and in the manner specified in Schedule II to the Act. The cost of leasehold improvements is amortized over the primary period of lease of the property. Tangible assets individually costing less than Rupees 5,000 are depreciated @ 100% in the year of purchase.

v)Software
Software obtained initially together with hardware is capitalized along with the cost of hardware and depreciated in the same manner as the hardware. All subsequent purchases of software are treated as revenue expenditure and charged in the year of purchase.

vi)Foreign Currency Transactions
Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment or realization. Monetary items denominated in foreign currency as at the Balance Sheet Date are converted at the exchange rates prevailing on that day. Exchange differences are recognized in the Profit and Loss account.
vii)Investments
Long term investments are stated at cost. Provision is made for permanent diminution in value, if any.
Current investments are stated at lower of cost and market value / repurchase price.



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vii)Investments
Long term investments are stated at cost. Provision is made for permanent diminution in value, if any.
Current investments are stated at lower of cost and market value / repurchase price.

viii)Retirement Benefits
a.Gratuity
In accordance with payment of Gratuity Act 1972, company has provided for gratuity, covering the employees of the company who have rendered service for a continuous period of service of not less than five years. The Gratuity plan provides a lump-sum payment to vested employees at the time of retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment with the Company. Liabilities with regard to gratuity plan are determined based on estimates at the Balance Sheet date. The company is yet to frame a scheme for making annual contributions to the Employees group for qualifying employees.

b.Provident Fund
Provident fund contribution is not applicable to the company as the number of employed persons in the company is less than the limit prescribed i.e. 20 persons.

ix)Borrowing Cost
Borrowing cost attributable to the acquisition or construction of a qualifying asset is capitalized as part of cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

x)Taxation
Provision for income tax is to be made at the current tax rates based on assessable income or on the basis of Section 115JB of the Income Tax Act, 1961. However, in view of sizable accumulated/un-absorbed business losses of the Company subsisting as on 01.04.2014 that are eligible for carry forward and set off, no tax liability/obligation is reported.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

xi)Impairment of Assets
The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account.

xii)Provisions and Contingent Liabilities
The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present date value and are determined based on best estimates of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.Contingent Liabilities
a.The Company has defaulted in payment of loan to Andhra Bank for which they have raised a demand of Rs.1.80 crores under one time settlement scheme (OTS) vide letter no.1204/45/26/837 dated 12-03-2004.

In response to the above, the company had requested the Bank to favorably consider their settlement offer of Rs.1.00 crore as against the above demand.

No further information (acceptance/rejection) is available about the present status of the above demand by the Bank and counter settlement offer by the Company.

Notwithstanding the above, Bank had proceeded in exercising their enforcement rights and accordingly, auctioned in the year 2006-07, the following 2 properties.

•No.301/1, 3rd Floor of Krishna Plaza, Municipal # 6-2-953/A and 6-2-953/B admeasuring 952.85sq ft along with undivided land 30.68 sq Yds, Kharitabad and
•No.309/1, 3rd Floor of Krishna Plaza, Municipal # 6-2-953, 6-2-953/A and 6-2-953/B admeasuring 923.65sq ft along with undivided land 28.83 sq Yds, Kharitabad.

An amount of Rs.41.00 lacs were reportedly realized by the Bank from the auction sale of the above properties, which were purportedly adjusted towards their book outstanding.
The Company had in addition to the above, from time to time, reportedly paid to the bank an amount of Rs.9 lacs, thereby resulting in a total repayment of Rs.50 lacs.
Balance net demand, without considering future interests/costs/charges etc by the Bank from 12.03.2004 until 31.03.2015 would be Rs.1.30 crores.

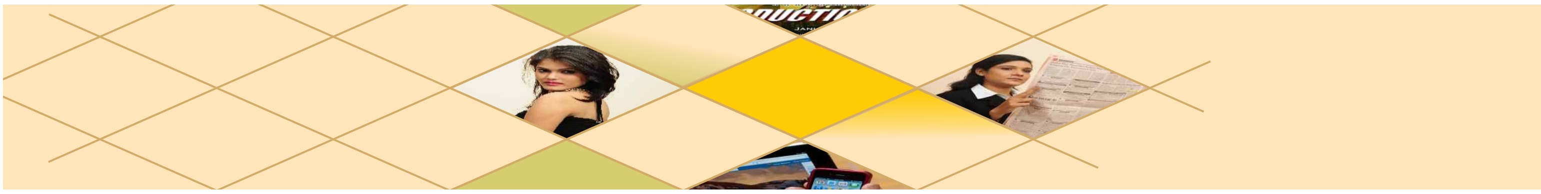
Company has submitted their written request to the Bank, seeking confirmation of balance amount outstanding, due and payable by them to the Bank as on 31.03.2015, incl unrealized interests/costs/ charges etc., for which response of the Bank is still awaited.

In view of the above pending status, we are unable to determine the quantum of Contingent Liability upon the Company as on 31.03.2015, even though the Company continues to disclose their financial obligation and dues to the Bank at Rs.3614500 under Note No. 6: Long Term Borrowings, Item (b) : Secured Loans.

b.The Company has defaulted in payment of loan to Indian Bank, long back

Company has submitted their written request to the Bank, seeking confirmation of balance amount outstanding, due and payable by them to the Bank as on 31.03.2015, incl unrealized interests/costs/ charges etc., for which response of the Bank is still awaited.

In view of the above pending status, we are unable to determine the quantum of Contingent Liability upon the Company as on 31.03.2015, even though the Company continues to disclose their financial obligation and dues to the Bank at Rs.426370 under Note No. 6: Long Term Borrowings, Item (b) : Secured Loans.



3. Sundry Debtors

Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
More Than Six months	90,92,88,758/-	85,51,04,356/-
Others	5,50,27,244/-	5,41,84,402/-
Total	96,43,16,002/-	90,92,88,758/-

4. Year End Deferred Tax Balances

Particulars	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Deferred tax liability on account of:		
Depreciation	**(323568)**	**Nil**
Total (A)		
Deferred tax assets on account of:		
Statutory payments under Section 43B of the Income Tax Act, 1961	**Nil**	**Nil**
Amalgamation expenses under Section 35DD	**Nil**	**Nil**
Total (B)	**Nil**	
Deferred Tax Liabilities [Net]: [Total A-B]	**(323568)**	**Nil**
Add: Opening Balance	**544749**	**544749**
Equals : Closing Balance	**221181**	**544749**

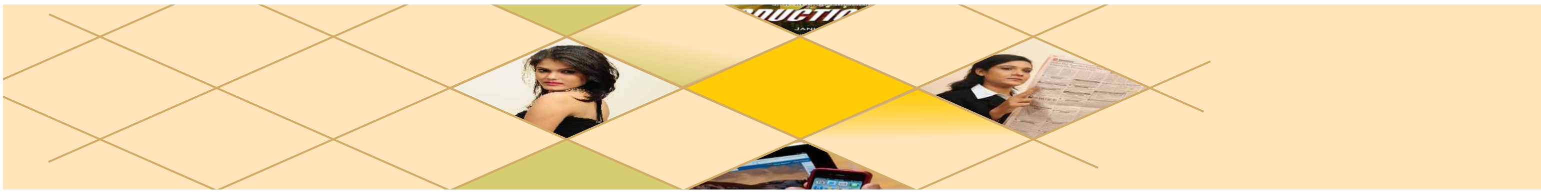
Note: Deferred Tax Liability has been determined based on Balance Sheet approach, wherein WDV of Fixed Assets as per Company's Act (Books of Accounts) and ITA 1961 were calculated to ascertain timing difference.

5.Sundry Creditors

Disclosure has been made as per the definition given in the Micro, Small and Medium Enterprises Development Act, 2006. The Company is not having the information regarding supplier's status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to the amounts as at year end together with interest payable as required under the Act has not been given.

6.Capital Work in Progress

The Opening Balance as on 01.04.2014 lying in Capital Work In Progress being Rs.20397779/- pertain to purported advance payments reckoned prior to 01.04.2014 towards purchase of properties of Flat G1, G2 & G3 in ground floor of "Siri Balaji Residency" admeasuring 5100 sq ft by V R Mathur (personal) under multiple unregistered documents of sale. It is further noted that the right holder Mr.V.R Mathur (personal) has no certain intent to have the properties registered in the name of the Company in future. Accordingly, necessary adjustment entry has been effected during the year 2014-15, to establish factual position.



7.Managerial Remuneration:

(Amount in Rs)

Year	2014-15	2013-14
Remuneration	7,20,000/-	7,20,000/-

8.CIF Value of Imports

(Amount in Rs)

Year	2014-15	2013-14
Value of Imports	Nil	Nil

9.Expenditure in Foreign Currency

(Amount in Rs)

Year	2014-15	2013-14
Total	Nil	Nil

10.Earnings in Foreign Currency

(Amount in Rs)

Year	2014-15	2013-14
Total	Nil	Nil

11.Auditors' Remuneration

(Amount in Rs)

Year	2014-15	2013-14
Statutory Audit	171,000/-	224,720/-
Tax Audit	57,000/-	56,180/-
Other Services etc.,	172,000/-	69,100/-
Total	400,000/-	350,000/-

12. Interest Expences

(Amount in Rs)

Year	2014-15	2013-14
Amount	Nil	1,67,451/-

The directors did not avail any interest on unsecured loans during the current year Due to meager Profits reported and hence interest expense has decreased substantially.

However, not reported above is quantum of interest expense on Auto Finance Loan availed from Nanesh Car Finance reported under Note 6© Long Term Borrowings: Other Unsecured Loans. Company is advised to obtain up to date statement of Loan Account, for determining the Interest Expense component in books of accounts.

13. Interest Income

(Amount in Rs)

Year	2014-15	2013-14
On Deposits with Bank	Nil	Rs. 1,991/-

14.Segment Information
In accordance with Accounting Standard – 17, “Segmental Reporting” issued by the Institute of Chartered Accountants of India, the Company’s business segment is Print Media & Electronic Media and TV Serial Production business and it has no other primary reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the year, is as reflected in the Financial Statements as of and for the year ended March 31, 2015. The Company caters to the needs of the domestic market and hence there are no reportable geographical segments.

15.Related Party Disclosures

a)Parties where control exists related Party	Nil
b)Fellow Subsidiary Companies	Nil
c)Joint Venture	Nil
d)Key Managerial Personnel	

e) Relative to Key Managerial Personnel

Name of the Related party	Nature of Transaction	Relationship	Amount Rs.
Vimal Raj Mathur	Remuneration	Key Managerial Person	4,80,000/-
Sudeep Raj Mathur	Remuneration	Key Managerial Person	2,40,000/-

16 Earnings per Share (Basic and Diluted)
The number of shares used in computing Basic Earnings per share (EPS) is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS and also the weighted average number of equity share which would be issued for no consideration on exercise of options under the Employee Stock Option Scheme, 2005. The number of shares is adjusted for reduction of share capital.

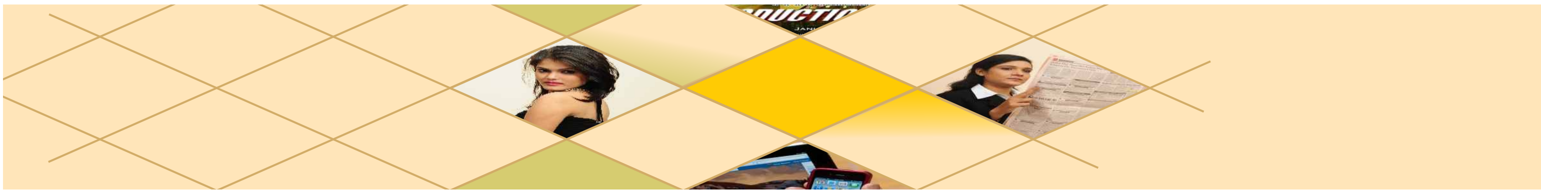
Profit computation for both Basic and Diluted Earnings per Share of Rupees 10 each Net profit as per the Profit and Loss Account available for Equity share holders (in Rupees) Weighted average number of equity shares for Earning per share computation for Basic Earnings per Share Add: Weighted average outstanding employee stock options deemed to be issued for no consideration

Years	2014-15	2013-14
Number of Equity Shares Outstanding at the end of year	22,517,400	22,517,400
Basic	0.03	-12.38
Diluted	0.03	-12.38

17.Retirement Benefits

a.Gratuity: The Company is yet to contribute Rs. 16,02,403/- towards the gratuity fund on the basis of preexisting liability.

b.Provident Fund: The Company has not made any contributions to provident fund for employees during the year



Gradiente Infotainment Limited

306, 3rd Floor, May Fair Gardens, Banjara Hills, Road No. 12, Hyderabad - 500034. AP

23rd Annual Report

PROXY FORM

I/We .... of .... being a Member(s) of above named company, hereby appoint .... of .... or failing him/her .... of .... as my/our proxy to attend and vote for me/us, on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Wednesday, the 30th December 2015 at 11.30 AM at Registered Off. Flat No. 306, May Fair Gardens, Road No 12,Hyderabad-500034 and at any adjourned meeting thereof.

As Witnessed Signed this .... day of December 2015

Signed by the said ....

Folio No./Client ID ....

No. of shares held ....

Affix Re.1/- Revenue Stamp

Note:
The proxy in order to be effective should be duly stamped, completed, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

Gradiente Infotainment Limited

306, 3rd Floor, May Fair Gardens, Banjara Hills, Road No. 12, Hyderabad - 500034. AP

23rd Annual Report

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 20th Annual General Meeting of the members of the company to be held on Wednesday , the 30th December 2015 at 11.30 AM at Registered Off. Flat No. 306, May Fairgardens, Road No 12,Hyderabad-500034

Shareholders/Proxy's Signature ....

Shareholders/Proxy's full name (In block letters) ....

Folio No./ Client ID ....   No. of shares held ....

I hereby record my presence at the 23th Annual General Meeting of the members of the company to be held on 30th December 2015 at 11.30 AM at Registered Off. Flat No. 306, May Fairgardens, Road No 12,Hyderabad-500034

Note: Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

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