

# 40<sup>th</sup> ANNUAL REPORT FY 2024-25



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**CORPORATE INFORMATION**

**Board of Directors**

Mr. Srinivasa Sudhish Ramabhotla	: Chairman and Managing Director
Mr. Saurabh Ramdorai	: Non Executive Director
Mr. Siram R L V N Kishore	: Independent Director
Ms. Krishnapriya Vincent	: Independent Director

**KMP**

Mr. Srinivasa Rao Kakkerla	: Chief Financial Officer
Ms. Pooja Upmanyu	: Company Secretary & Compliance Officer

**Registered Office**

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

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

**Website:** www.colorchipsindia.com

**Statutory Auditors**

M/s. Pavan & Associates,  
Chartered Accountants  
1-2-217/4/A, # 103,  
Sai Jaya Krishna Residency,  
Street No. 10, Domalguda,  
Hyderabad – 500029, Telangana

**Bankers**

Allahabad Bank  
HDFC Bank

**Registrar & Share Transfer Agents:**

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

**Listed at:**

BSE Limited

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE FORTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. COLORCHIPS NEW MEDIA LIMITED WILL BE HELD ON TUESDAY, THE 30<sup>th</sup>, DAY OF SEPTEMBER, 2025, AT 11:30 A.M. THROUGH VIDEO CONFERENCE ("VC")/ OTHER AUDIO-VISUAL MEANS ("OAVM") FACILITY TO TRANSACT THE FOLLOWING BUSINESSES:**

**Ordinary Business**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2025 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Saurabh Ramdorai, (DIN: 07684410) who retires by rotation and being eligible, offers himself for re-appointment.

**Special Business**

3. **Appointment of Secretarial Auditor for a term of 5 (Five) Consecutive years**

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

**"RESOLVED THAT** in accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and basis the recommendation of the Board of Directors of the Company, Ms. Sarada Putcha, Practicing Company Secretary, (a Peer Reviewed CS bearing COP No. 8735) be and is hereby appointed as Secretarial Auditor of the Company, for a term of five (5) consecutive financial years, commencing from the financial year 2025-26 to the financial year 2029-30, on such remuneration as may be determined by the Board of Directors.

**RESOLVED FURTHER THAT** the Directors of the Company be and are hereby severally authorized to do all such acts, deeds, things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

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

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made there under, as amended from time to time, read with Schedule V to the Act, and Articles of Association of the

Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the Members of the Company be and is hereby accorded to reappoint Mr. Srinivasa Sudhish Ramabhotla (DIN 00027816) as Managing Director of the Company for a period of 3 Years with effect from 1st February, 2025 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of 3 years from the date of his appointment), with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said re-appointment in such manner as may be agreed to between the Board and Mr. Srinivasa Sudhish Ramabhotla (DIN 00027816).

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

**5. Issue of equity shares on Preferential Basis to Promoter Group Company**

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

**"RESOLVED THAT** pursuant to Section 62(1)(c), Section 42 and other applicable provisions, if any of the Companies Act, 2013 and rules framed there under (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions in the Articles of Association of the Company and in accordance with the provisions of preferential issue as contained in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011, to the extent applicable and approvals including from BSE Ltd. ("**Stock Exchange**") and all other Statutes, Rules, Regulations, Guidelines, Notifications, Circulars and clarifications as may be applicable and other approvals, if any, the approval of the members be and is hereby accorded to the Board to offer, issue and allot upto 20,00,000 (Twenty Lakh) equity shares of Rs. 10/- (Rupees Ten Only) at an issue price of Rs. 17.89/- (Seventeen Rupees and Eighty Nine Paise Only) per equity share or such price as may be calculated as per the applicable provisions of SEBI (ICDR) Regulations, whichever is higher, on preferential basis to Susira Holdings Private Limited (Promoter Group) in such manner and on such terms and conditions as mentioned in the explanatory statement and as may be determined by the Board in its absolute discretion as it may think fit and without requiring any further approval or consent from the Members, subject to and in accordance with the provisions of the SEBI(ICDR) Regulations and the Companies Act, 2013.

**RESOLVED FURTHER THAT** the price of this issue has been fixed at Rs. 17.89/- (Seventeen Rupees and Eighty Nine Paise Only) and that this shall not be lower than the price determined in compliance with the applicable provisions of SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018 and shall be recomputed, if need be.

**RESOLVED FURTHER THAT** the "Relevant Date" in relation to the issue of these equity shares in accordance with the Chapter V of SEBI (ICDR) Regulations shall be **Friday, August 29, 2025**.

**RESOLVED FURTHER THAT** the said equity shares to be allotted in demat form only and shall rank pari - passu in all respects with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the proposed issue including reduction of the size of the issue, as it may deem expedient in its discretion and further authorized to cancel the unsubscribed issued capital which is not subscribed by persons/entities to whom the said equity shares were offered under this preferential offer.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board and/or the Company Secretary be and are hereby severally authorized for and on behalf of the Company to take all such actions and do all such deeds, matters and things as they may, in their absolute discretion, deem necessary, desirable or expedient to the issue or allotment of such equity shares and listing thereof with the Stock Exchange as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment, utilization of issue proceeds and to do all such acts, deeds and things in connection therewith and incidental thereto as the Board at its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power herein conferred, to any committee or to one or more Directors or executive of the Company including making necessary filings with the Stock Exchanges and Regulatory Authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint Consultants, Professional Advisors and Legal Advisors to give effect to the aforesaid Resolution."

**6. Issue of equity shares on Preferential Basis to Non - Promoter**

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

**"RESOLVED THAT** pursuant to Section 62(1)(c), Section 42 and other applicable provisions, if any of the Companies Act, 2013 and rules framed there under (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions in the Articles of Association of the Company and in accordance with the provisions of preferential issue as contained in the SEBI (Issue of Capital and Disclosure Requirements)

Regulations, 2018, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011, to the extent applicable and approvals including from BSE Ltd. ("**Stock Exchange**") and all other Statutes, Rules, Regulations, Guidelines, Notifications, Circulars and clarifications as may be applicable and other approvals, if any, the approval of the members be and is hereby accorded to the Board of Directors of the Company ("**Board**") to offer, issue and allot in one or more tranches upto 20,00,000 (Twenty Lakh) equity shares of Rs. 10/- (Rupees Ten Only) each at an issue price of Rs. 17.89/- (Seventeen Rupees and Eighty Nine Paise Only) per equity share on preferential basis to Flixio Services LLP (Non Promoter/Public Category) in such manner and on terms and conditions as may be determined by the Board in its absolute discretion as it may think fit and without requiring any further approval or consent from the Members, subject to and in accordance with the provisions of the SEBI(ICDR) Regulations and the Companies Act, 2013.

**RESOLVED FURTHER THAT** the price of this issue has been fixed at Rs. 17.89/- (Seventeen Rupees and Eighty Nine Paise Only) and that this shall not be lower than the price determined in compliance with the applicable provisions of SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018 and shall be recomputed, if need be.

**RESOLVED FURTHER THAT** the "Relevant Date" in relation to the issue of these equity shares in accordance with the Chapter V of SEBI (ICDR) Regulations shall be **Friday, August 29, 2025**.

**RESOLVED FURTHER THAT** the said equity shares to be allotted in demat form only and shall rank pari - passu in all respects with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the proposed issue including reduction of the size of the issue, as it may deem expedient in its discretion and further authorized to cancel the unsubscribed issued capital which is not subscribed by persons/entities to whom the said equity shares were offered under this preferential offer.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board and/or the Company Secretary be and are hereby severally authorized for and on behalf of the Company to take all such actions and do all such deeds, matters and things as they may, in their absolute discretion, deem necessary, desirable or expedient to the issue or allotment of such equity shares and listing thereof with the Stock Exchange as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment, utilization of issue proceeds and to do all such acts, deeds and things in connection therewith and incidental thereto as the Board at its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power herein conferred, to any committee or to one or more Directors or executive of



the Company including making necessary filings with the Stock Exchanges and Regulatory Authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint Consultants, Professional Advisors and Legal Advisors to give effect to the aforesaid Resolution.”

By order of the Board  
**For COLORCHIPS NEW MEDIA LIMITED**  
**SD/-**  
**SRINIVASA SUDHISH RAMABHOTLA**  
Managing Director  
DIN: 00027816

Place: Hyderabad

Date: 08.09.2025

**Registered Office**

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

CIN: L74110TG1985PLC051404

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

**Website:** www.colorchipsindia.com

**Notes:**

1. The Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 09/2024 dated September 19, 2024 read with General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 09/2023 dated September 25, 2023, (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM without physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('SEBI') vide its Circular No. SEBI/HO/CFD/ CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 read with para 5.1 and 5.2 of section VI-J of chapter VI of the SEBI Master Circular dated July 11, 2023 (collectively referred to as 'SEBI Circulars') has also granted relaxation from compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have permitted the holding of AGM through VC/OAVM without physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and the MCA Circulars, the 40<sup>th</sup> AGM of the Company is being held through VC/ OAVM.
2. Kfin Technologies Limited will be providing the facility for voting through remote e-voting. The procedure for participating in the meeting through VC / OAVM is explained at Note No.



21C below and is also available on the website of the Company at [www.colorchipsindia.com](http://www.colorchipsindia.com).

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [cssaradacertifications@gmail.com](mailto:cssaradacertifications@gmail.com) or [cs@colorchipsindia.com](mailto:cs@colorchipsindia.com) with copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com).
5. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to RTA of the Company. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
6. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/Real Time Gross Settlement (RTGS)/Direct Credit, etc. As directed by SEBI, the Members holding shares in physical form are requested to submit particulars of their bank account along with the original cancelled cheque bearing the name of the Member to RTA/Company to update their Bank Account details. Members holding shares in demat form are requested to update their Bank Account details with their respective Depository Participant.
7. SEBI has decided that securities of listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form.
8. For members holding shares in physical form, SEBI vide its Master Circular SEBI/HO/MIRSD/POD1/P/CIR/ 2024/37 dated 7th May 2024 read with SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated 10th June 2024, as amended from time to time, has mandated furnishing of PAN linked with Aadhaar and KYC details (i.e., postal address with PIN code, mobile number, bank account details, PAN linked with Aadhaar

etc.). In case any of the aforesaid documents / details are not available in the record of the RTA, the member shall not be eligible to lodge grievance or avail any service request from the RTA until they furnish complete KYC details. Further, with effect from 1st April 2024, any payment of dividend shall only be made in electronic mode to such members. The Company has made relevant intimations to the members from time-to-time for updation of PAN, KYC, Bank details and Nomination in the Forms ISR-1, ISR-2, ISR-3 and SH-13.

Members may please note that SEBI vide its Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. It may be noted that any service request can be processed only after the folio is KYC Compliant.

In view of the above, members holding shares in physical form are requested to send self-attested copy of valid PAN card (linked with Aadhaar) or latest Demat account CML copy duly attested by DP, KYC details duly mentioned in ISR – 1 form (mobile number and email id are mandatory), ISR-2 form and Nominee Form (SH-13) immediately to the Company's Registrars & Transfer Agents i.e. M/s. Kfin Technologies Limited ("the RTA") by post or courier. The required forms (ISR-1, ISR-2, SH-13 etc.) can be downloaded from [www.kfintech.com](http://www.kfintech.com) or send a request mail to [kfinkart.support@kfintech.com](mailto:kfinkart.support@kfintech.com) for soft copy forms.

#### **ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING ANNUAL REPORT**

9. In Compliance with the MCA circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company, Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website [www.colorchipsindia.com](http://www.colorchipsindia.com), website of the stock exchange i.e. [www.bseindia.com](http://www.bseindia.com).
10. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
11. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
12. Members are requested to:
  - (a) intimate to RTA, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;

- (b) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialized form
  - (c) quote their folio numbers/Client ID/DP ID in all correspondence;
  - (d) Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names; and
  - (e) Register their Permanent Account Number (PAN) with their Depository Participants, in case of Shares held in dematerialized form and RTA/ Company, in case of Shares held in physical form, as directed by SEBI.
13. Non-Resident Indian Members are requested to inform Registrar and Share Transfer Agent of the Company in any change in their residential status on return to India for permanent settlement, particulars of their bank account maintained in India with complete name, branch account type, account number and address of the bank with pin code number, if not furnished earlier.
  14. The Notice of AGM along with the Annual Report 2024-25 is being sent to all the Members whose name appear in the Register of Members/List of Beneficial Owners received from the RTA as on **Friday, September 05, 2025** by electronic mode to those members whose email address is registered with the Company / RTA / Depositories.
  15. The Annual Report of the Company circulated to the Members of the Company will be made available on the Company's website at [www.colorchipsindia.com](http://www.colorchipsindia.com).
  16. Members holding shares in physical mode and who have not updated their email addresses with the company are requested to update their email addresses by writing to the company at [cs@colorchipsindia.com](mailto:cs@colorchipsindia.com) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialized mode are requested to register or update their email addresses with the relevant Depository Participants.
  17. The Company is pleased to provide the members the facility to vote on the items of business mentioned in the notice through electronic means in accordance with the provisions of section 108 of the Companies Act, 2013, read with relevant rules made thereunder and Regulation 44 of the SEBI (LODR) Regulations, 2015, as amended, and in this regard the Company has appointed Kfin Technologies Limited for providing e-voting services to the members of the Company.
  18. Subject to the receipt of requisite number of votes, the resolutions mentioned in the Notice shall be deemed to be passed at the Annual General Meeting of the Company. The result declared, along with the Scrutinizer's Report, will be placed on the Company's website after the result is declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to BSE Ltd.

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

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

a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on all the Resolutions proposed to be considered at the 40<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting votes by the Members using an electronic voting system from a place than venue of the 40<sup>th</sup> Annual General Meeting (AGM) ("remote e-voting") will be provided by (Kfin Technologies Limited).

The Company has engaged the services of Kfin Technologies Limited for providing e voting services. In case any member required help regarding e voting can contact with Kfin technologies Limited at [evoting@kfintech.com](mailto:evoting@kfintech.com), or at 1800 309 4001.

b) The remote e-voting period begins on **Saturday, September 27, 2025, at 9:00 A.M. and ends on Monday, September 29, 2025, at 5:00 P.M.** The remote e-voting module shall be disabled by Kfin Technologies Limited for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (**cut-off date**) i.e. **Tuesday, September 23, 2025**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the above said cut-off date.

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

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

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

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

Login method for remote e-voting for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
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<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the <b>“Beneficial Owner”</b> icon under “Login” which is available under <b>“IDeAS”</b> section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>. Select <b>“Register Online for IDeAS”</b> Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be requested to select the name of the Company and the e-voting Service Provider name, i.e., KFintech. On successful selection you will be redirected to KFintech e-voting page for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>ESP i.e. KFintech</b> e-voting Portal. Click on e-voting service provider</li> </ol>

	<p>name to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>KFintech</b> where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider- KFintech</b> and you will be redirected to e-Voting website of <b>KFintech</b> for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.  
Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022-48867000 / 022-24997000 or Kfin Technologies Limited <a href="mailto:evoting@kfintech.com">evoting@kfintech.com</a> or contact at toll free no. 1800 309 4001.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800225533 or Kfin Technologies Limited <a href="mailto:evoting@kfintech.com">evoting@kfintech.com</a> or contact at toll free no.1800 309 4001.

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

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

1. Visit the e-Voting website of KFintech. Open web browser by typing the following URL: <https://www.evoting.kfintech.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.*

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using KFintech e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.



c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting@kfintech.com](mailto:www.evoting@kfintech.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

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

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

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cssaradacertifications@gmail.com](mailto:cssaradacertifications@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of <http://evoting.kfintech.com> or call on toll free no.: 1800 309 4001 or at KFINTECH TECHNOLOGIES LIMITED at [evoting@kfintech.com](mailto:evoting@kfintech.com).

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

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

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

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

- i) Only those members/shareholders, who will be present in the e-AGM through video conferencing facility and have not cast their vote through remote e-voting & are otherwise not barred from doing so, are eligible to vote through e-voting in the e-AGM.
- ii) However, members who have voted through remote e-voting will be eligible to attend the e-AGM.
- iii) Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- iv) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

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

- i) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- vi) While all efforts would be made to make the VC/ OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

- vii) Those shareholders who have registered themselves as a speaker shareholder will only be allowed to express their views/ask questions during the meeting.
- viii) Members can login and join 15 (fifteen) minutes prior to the schedule time, join the meeting at scheduled time; window for joining shall be kept open till the expiry of 30 (Thirty) minutes after the schedule time; or the closing of the meeting, whichever is earlier.

**D. General Instructions:**

- i) The Board of Directors has appointed Mrs. Sarada Putcha, Practicing Company Secretary (ACS No. 21717, CP No. 8735) as the Scrutinizer to the e-voting process and e-voting at the e-AGM in a fair and transparent manner.
  - ii) The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the 40<sup>th</sup> AGM and announce the start of the casting of vote through the e-voting system of NSDL.
  - iii) The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour and against, if any, to the Chairman of the Company, who shall countersign the same.
  - iv) The Scrutinizer shall submit her report to the Chairman of the Company, who shall declare the result of the voting.
  - v) The results declared along with the scrutinizer's report shall be placed on the Company's website [www.colorchipsindia.com](http://www.colorchipsindia.com) and on the website of KFinTech <https://www.evoting@kfintech.com> and shall also be communicated to the stock exchanges. The resolutions shall be deemed to be passed at the AGM of the Company.
21. The voting results declared along with the Scrutinizer's Report will be placed on the company's website [www.colorchipsindia.com](http://www.colorchipsindia.com) immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results will also be immediately forwarded to the BSE Ltd.

By order of the Board  
**For COLORCHIPS NEW MEDIA LIMITED**  
**SD/-**  
**SRINIVASA SUDHISH RAMABHOTLA**  
 Managing Director  
 DIN: 00027816

Place: Hyderabad  
 Date: 08.09.2025

## EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the “Act”) the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 3 to 6:

### Item No. 3

#### **Appointment of Secretarial Auditor for a term of 5 (Five) consecutive years**

Pursuant to the amended provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI LODR Regulations’) vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Companies Act, 2013 (‘Act’) and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors at their respective meetings have approved and recommended the appointment of Ms. Sarada Putcha, Practicing Company Secretary (Peer Reviewed Company Secretary in Practice) as Secretarial Auditor of the Company for a term of 5 (Five) consecutive years to hold office from Financial Year 2025-26 to Financial Year 2029-30 on such terms and conditions as may be mutually agreed between the Company and the Secretarial Auditor. The Company has received necessary consent and certificate confirming her eligibility to be appointed as Secretarial Auditor as per applicable provisions and that she is not debarred or disqualified in any manner. She has over a decade of experience in providing professional services including secretarial compliance, company law advisory, filings, incorporations, and foreign investment-related services. Accordingly, the Board recommends the Ordinary Resolution as set out in Item No. 3 of this Notice for approval of the Members.

None of the Directors, Key Managerial Personnel (KMP), or their relatives have any financial or other interest in the proposed resolution.

### Item No. 4:

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

Mr. Srinivasa Sudhish Ramabhotla (DIN: 00027816), Chairman and Managing Director of the Company was appointed for a period of 3 years w.e.f. 01.02.2022 to 31.01.2025 vide approval of the shareholders at the 37<sup>th</sup> AGM of the Company and was eligible for further re-appointment. The Board of the Company deliberated upon his re-appointment as Managing Director of the Company considering his significant contributions and leadership in the growth and strategic direction of the Company.

Accordingly, the Board of the Company, upon recommendation of the Nomination & Remuneration Committee, in their meetings approved the said re-appointment for a period of 3 years w.e.f 01.02.2025 till 31.01.2028 on such terms and conditions as mentioned in the resolution above subject to the approval of the shareholders. Pursuant to Section 196(3) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the said appointment also requires the approval of the shareholders by means of a special resolution.

The key terms and conditions of his re-appointment and other benefits, are detailed in the resolution set out in the Notice. Mr. Srinivasa Sudhish Ramabhotla shall be liable to retire by rotation.

### **Brief Profile of Mr. Srinivasa Sudhish Ramabhotla (DIN: 00027816)**

Mr. Srinivasa Sudhish Ramabhotla, aged 58 years, is the Promoter, Chairman and Managing Director of the Company with over 34 years of rich experience in business management and corporate strategy. He holds a graduate degree in Law, was conferred an honorary doctorate by Burkes University, UK, and is an alumnus of Harvard Business School, Boston, USA.

He has been instrumental in steering the Company towards growth, innovation, and global recognition. Under his leadership, the Company has made significant strides in its core business areas.

Mr. Sudhish has received numerous prestigious awards in recognition of his outstanding contributions across various fields, including the Udhyoga Prathibha Ratan Award by the All India Business Development Association, the Gem of India Award by the All India Achievers Association, the Rashtriya Ratan Award and Indira Gandhi Sadhbhavana Award by the Global Economic Council, and the Samaikya Bharata Gourav Satkar by the Delhi Telugu Academy. He was also recognized for his significant contributions to the Indian animation industry by Toon Boom Technologies, Canada, and notably served as a jury member of the International Emmy Awards Committee in 2006.

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

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

<b>I. GENERAL INFORMATION</b>	
Nature of Industry	The Company is engaged in Media and Entertainment Sector.
Date of commencement of commercial operation	The Company was incorporated on 10th May, 1985 and it is fully Active and Operational.
In case of new Company, expected date of Commencement of activities as per project approved by FI, appearing in the	Not Applicable

prospectus				
Financial Performance	Amount in ₹ (Lakhs)			
	Financial parameters	FY 2024-25	FY 2023-24	FY 2022-23
	Turnover (operational revenue)	68	103	145
	Net profit after tax	-1,002	2	35
	Amount of dividend paid	Nil	Nil	Nil
	Rate of dividend declared	Nil	Nil	Nil
Foreign Investments or collaborations	Nil			
II. INFORMATION ABOUT THE APPOINTEE				
Background Details	Mr. Srinivasa Sudhish Ramabhotla (DIN: 00027816), aged 58 years, is the Chairman and Managing Director of the Company. He brings with him over 34 years of extensive experience in business management and strategic leadership across various sectors. He holds a graduate degree in Law, has been conferred an honorary doctorate by Burkes University, UK, and is an alumnus of Harvard Business School, Boston, USA. His visionary leadership has been instrumental in driving the Company’s growth and innovation over the years. The details of his membership and chairmanship in committees of the Company and other companies as on date are provided in the Corporate Governance Report forming part of this Annual Report.			
Past remuneration  ( per annum)	FY 2024-25 – Nil  FY 2023-24 – Nil  FY 2022-23 – Nil			
Job profile and suitability	Mr. Srinivasa Sudhish Ramabhotla, as Chairman and Managing Director, is responsible for the overall control of the Company, including strategic planning, financial management, operations, and business development. He also regularly reviews the performance of all Directors and takes necessary steps to improve the overall efficiency and performance of the Company. Accordingly, he is suitable to act as the Managing Director of the Company.			



Recognition and Awards	Mr. Srinivasa Sudhish Ramabhotla has received a number of awards by various organizations in recognition of his contributions and accomplishments in various fields such as Udhya Prathibha Ratan Award by All Indian Business Development Association, Gem of India Award by All India Achievers Association, Rashtriya Ratan Award & Indira Gandhi Sadhbhavana Award by Global Economic Council, Samaikya Bharata Gourav Satkar by Delhi Telugu Academy Award for contribution to Indian Animation Industry from M/s. Toon Boom Technologies (Canada) and was also a jury member of International Emmy Awards Committee, 2006.
Remuneration proposed	<p>The overall remuneration, including perquisites and commission, payable to Mr. Srinivasa Sudhish Ramabhotla (DIN: 00027816) shall not exceed 5% of the net profits of the Company in any financial year or such higher limits as may be prescribed under Section 197 read with applicable rules and Schedule V of the Companies Act, 2013. In the event of inadequacy or absence of profits during any financial year, he shall be entitled to receive the proposed remuneration as minimum remuneration, subject to the ceilings specified in Schedule V.</p> <p>Any clarification, variation, or modification in the remuneration structure shall be determined by the Nomination and Remuneration Committee, and may be varied as desired by him and approved by the Committee from time to time.</p>
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	Taking into consideration the size of the Company, the qualification and experience and the profile being handled by him, the remuneration as mentioned above is on par with industry standards and also on par with remuneration being paid to similar position in other Companies.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel if any	Apart from the remuneration received in his capacity as Chairman and Managing Director, Mr. Srinivasa Sudhish Ramabhotla does not have any other pecuniary transaction or relationship with the Company. He is also not related to any other managerial personnel of the Company.
<b>III. OTHER INFORMATION</b>	
Reasons of loss or inadequacy of profits	The loss or inadequacy of profits during the year under review is primarily due to industry challenges, including market fluctuations, intense competition, and a slowdown in industry growth. Additionally, changing consumer preferences have impacted

	profitability.
Steps taken or proposed to be taken for improvement	The Company has taken necessary measures to stabilize existing projects and is actively pursuing new business acquisitions aligned with its core operations to drive growth and improve performance.
Expected increase in productivity and profits	The Company has drawn up an Annual Business Plan aimed at achieving improved margins in the current and upcoming financial years, driving higher productivity and enhanced profitability.
<b>IV. DISCLOSURES:</b>	
Details of proposed Remuneration	Disclosures relating to all elements of the remuneration package including salary, benefits, bonuses, pensions, fixed components, performance-linked incentives and criteria, service contract details, notice period, and severance fees are provided in the Directors' Report under the heading "Corporate Governance Report" forming part of this Annual Report.

The Board recommends the Special Resolution as set out in Item No. 4 of this Notice for approval of the Members.

Mr. Srinivasa Sudhish Ramabhotla, the appointee is not related to any director, Manager, Key Managerial Personnel

He is deemed to be concerned / interested in the resolution set out at Item No. 4 in the Notice. Further their relatives may be considered/deemed to be concerned / interested in the said resolution.

Except as stated above, none of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company.

#### **Item No. 5 & 6:**

#### **Issue of Equity Shares on Preferential Basis to Promoter Group Company and Non-Promoter**

To fund its ongoing business operations and meet working capital requirements , the Company proposes to raise capital by issuing equity shares on a preferential basis to certain identified Promoter and Non-Promoter investors. Colorchips New Media Ltd operates in the Media and Entertainment industry, with a focus on digital content creation, animation, post-production, and visual effects (VFX) for clients across domestic and international markets. To support the strategic expansion and digital content pipeline, the infusion of equity capital is considered vital.

Accordingly, the Board proposes to issue equity shares to the persons as mentioned in **Annexure A** in one or more tranches, in such manner and on terms and conditions as may be

determined by the Board subject to and in accordance the provisions of the SEBI(ICDR) Regulations, Companies Act and subject to necessary approvals from BSE Ltd.

Pursuant to provisions of Section 62(1)(c) and Section 42 of Companies Act, 2013 and Regulation 160 of SEBI(ICDR) Regulations, 2018, any preferential allotment of securities is required to be approved by the shareholders by way of Special Resolution. Further, in terms of Regulation 163 of SEBI (ICDR) Regulations, Section 62 and Section 42 read with rules made thereunder, the following disclosures are required to be made in the explanatory statement to the notice of general meeting:

**1. Objects of the preferential issue:**

The proceeds from the proposed preferential issue will be utilized for:

- Towards working capital requirements;
- General corporate purposes;

**2. Particulars of the offer including date of passing of Board resolution:**

The Board in its meeting held on Monday, September 08, 2025 has approved the issue of the following:

S. No	Particulars	No. of securities
1	Equity shares of Rs. 10/- each	40,00,000

**3. Kinds of securities offered and the price at which security is being offered:**

The Board in its meeting held on Monday, September 08, 2025 has approved the issue of the following:

S. No	Particulars	No. of securities	Issue Price (Rs.)*
1	Equity shares of Rs. 10/- each	40,00,000	7,15,60,000

\*Face Value of Rs.10/- each and a premium of Rs. 7.89/- each

**4. Basis or justification for the price (including premium, if any) at which the offer or invitation is being made:**

The price of the above mentioned issue has been fixed at Rs. 17.89/- per share i.e., face value of Rs.10/- each and premium of Rs. 7.89/- each.

The Company has obtained a valuation report dated 05.06.2025 from CA Govardhan Reddy Pochimireddy, Registered Valuer (Registration No.: IBBI/RV/06/2019/10725) and the Independent Registered Valuer has arrived at a price of Rs. 17.89/- per share.

In terms of the applicable provisions of the SEBI (ICDR) Regulations, the price, at which the securities shall be issued and allotted is Rs. 17.89/- each, which is not lower than the price determined by the Independent Registered Valuer. The same is in compliance and in accordance with applicable of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as applicable. The Articles of Association of the issuer does not provide for any method of determination of any price and accordingly, the price has been determined as mentioned above. The AGM Notice, preferential issue details, pricing,

valuation report and other details were placed before a committee of Independent Directors in their meeting. All the independent directors were present in the meeting and have all the Independent Directors have approved the same.

**5. Relevant date with reference to which the price has been arrived at:**

The "Relevant Date" in relation to the issue of these Securities in accordance with the Chapter V of SEBI (ICDR) Regulations shall be Friday, August 29, 2025, being the date that is 30 (thirty) days prior to the date of the AGM (As the relevant date falls on a weekend, the day preceding the weekend has been considered)

**6. Name and address of valuer who performed valuation:**

The Company has obtained a valuation certificate from CA Govardhan Reddy Pochimireddy, Registered Valuer (Registration No.: IBBI/RV/06/2019/10725) having its office at Plot No 29 Vikaspuri Colony, Near ESI to AG Colony Road, SR Nagar, Hyderabad- 500038 which is in accordance with Regulation 164 read with Regulation 166A of SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018 as applicable. The same shall be available on the website of the Company at <https://www.colorchipsindia.com/announcements/>

**7. Maximum number of specified securities to be issued/amount which the company intends to raise by way of such securities:**

The Board in its meeting held on Monday, September 08, 2025 has approved the issue of the following:

S. No	Particulars	No of securities	Issue Price (Rs.)	Amount Rs.
1	Equity shares of Rs. 10/- each	40,00,000	17.89	7,15,60,000

**8. Intent of the promoters, directors, key managerial personnel or senior management of the issuer to subscribe to the offer:**

Susira Holdings Private Limited (Promoter Group) intends to subscribe to 20,00,000 equity shares.

Except as stated above, none of the Promoters, Directors, KMPs or senior management of the issuer are subscribing to the issue and except as stated above no contribution is being made by the promoters or directors or KMPs or senior management either as part of the offer or separately in furtherance of objects.

**9. Shareholding pattern of the issuer before and after the preferential issue:**

The Pre and Post shareholding pattern of the Company is given below:

Sl. No.	Category	Pre-issue*		Post-issue	
		No. of shares held	% of share holding	No. of shares held	% of share holding
A	Promoters' holding				
1	Indian				
	Individual	68,63,377	40.35	68,63,377	32.67
	Bodies corporate	42,42,263	24.94	62,42,263	29.71
	Sub-total	1,11,05,640	65.29	1,31,05,640	62.38

2	Foreign promoters	-	-	-	-
	<b>Sub-total (A)</b>	<b>1,11,05,640</b>	<b>65.29</b>	<b>1,31,05,640</b>	<b>62.38</b>
B	Non-promoters' holding				
1	Institutional investors	-	-	-	-
	Mutual funds	-	-	-	-
2	Non-institutional Investors	-	-	-	-
	Private corporate bodies	2,95,209	1.74	22,95,209	10.92
	Resident Individuals	54,96,914	32.32	54,96,914	26.16
	NRI	30,178	0.18	30,178	0.14
	Others (Clearing Members and HUF)	81,959	0.48	81,959	0.39
	<b>Sub-total (B)</b>	<b>59,04,260</b>	<b>34.71</b>	<b>79,04,260</b>	<b>37.62</b>
	<b>Grand Total (A+B)</b>	<b>1,70,09,900</b>	<b>100</b>	<b>2,10,09,900</b>	<b>100</b>

\*As at September 05, 2025

#### Assumptions:

- The post issue shareholding pattern in the above table has been prepared on the basis that the Proposed Allottees would have subscribed to and been allotted all the Equity Shares. In the event for any reason, the Proposed Allottees do not or are unable to subscribe to and/or are not allotted the Equity Shares, the shareholding pattern in the above table would undergo corresponding changes.
- It is further assumed that shareholding of the Company in all other categories will remain unchanged.

#### 10. Time frame within which the preferential issue shall be completed:

Pursuant to Regulation 170(1) of SEBI (ICDR) Regulations, allotment pursuant to the special resolution shall be completed within a period of fifteen days from the date of passing of such resolution or in the event allotment of securities would require any approval(s) from any regulatory authority or the Central Government, the period of fifteen days shall be counted from the date of the order on such application or the date of approval or permission, as the case may be.

#### 11. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees:

The same has been disclosed in **Annexure A**.

#### 12. The percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue:

There shall be No change in the management or control of the Company pursuant to the aforesaid issue and allotment of securities. However, the percentage of shareholding and voting rights exercised by the shareholders of the Company will change accordingly. The pre and post shareholding of the proposed allottees has been disclosed in **Annexure A**.

#### 13. Undertakings:

The Company hereby undertakes and confirms the following:

- that the issuer shall re-compute the price of the specified securities in terms of the provision of SEBI (ICDR) Regulations where it is required to do so;
- if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees;
- Neither the Company nor any of its Promoters or Directors are wilful defaulters or fraudulent borrowers;
- None of its Directors or Promoters are fugitive economic offenders;
- The said preferential issue is not for consideration other than cash;
- The Company is eligible to make the Preferential Issue to its Investor under Chapter V of the SEBI ICDR Regulations;
- The Company shall make an application to BSE Ltd. at which the existing shares are listed, for listing of the aforementioned Equity Shares;
- The issue of Equity Shares shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Companies Act, 2013 and relevant regulations of SEBI (ICDR) Regulations and shall be made in a dematerialized form only;

**14. The current and proposed status of the allottee(s) post the preferential issues namely, promoter or non-promoter:**

The current and proposed status of all the allottees shall remain the same post the preferential issue i.e., the Promoter Group Company shall remain a promoter group company and the Public Category allottee shall remain in Public Category.

**15. Material terms of raising such securities, any asset charged as security: NA**

**16. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price: Nil**

**17. Lock In:**

Lock in of equity shares shall be locked-in in accordance with Regulation 167 of SEBI (ICDR) Regulations.

The certificate from the Practicing Company Secretary, certifying that the Preferential Issue is being made in accordance with the requirements contained in the SEBI (ICDR) Regulations shall be available for inspection by the Members at the meeting. The same shall be uploaded along with the valuation report on the website of the Company at <https://www.colorchipsindia.com/announcements/>

Accordingly, the approval of the Members of the Company is hereby sought by way of special resolutions for authorizing the Board of Directors of the Company to create, offer, issue and allot securities on preferential basis as specifically described in the resolutions set out at Item No. 5-6 of this Notice and the explanatory statement.

One of the proposed allottees belongs to the Promoter and Promoter Group and accordingly, Mr. Srinivasa Sudhish Ramabhotla, Managing Director and his relatives are deemed to be interested in Resolution No. 4.

Except as statement above, none of the Directors, Key Managerial Personnels or their respective relatives are, in any way, concerned or interested, financially or otherwise in the said resolutions

By order of the Board  
**For COLORCHIPS NEW MEDIA LIMITED**  
**SD/-**  
**SRINIVASA SUDHISH RAMABHOTLA**  
Managing Director  
DIN: 00027816

**Place: Hyderabad**

**Date: 08.09.2025**



**Annexure B**

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. Saurabh Ramdorai	Mr. Srinivasa Sudhish Ramabhotla
DIN	07684410	00027816
Designation and category of the Director	Director	Managing Director
Date of Birth /Age	06.01.1983 / 41 years	01.10.1967 / 58 Years
Date of first appointment	22.04.2024	01.02.2016
Qualifications	MBA with finance	Hon. Doctorate alumni of HBS; C.A; L.L.B
Terms and Conditions of re appointment along with remuneration sought to be paid	Retires by rotation and being eligible, offers himself for re-appointment.	As mentioned in the resolution
Remuneration last drawn	Refer Notes to financial statement	No remuneration paid in last 3 FYs
Brief Resume	Mr. Saurabh Ramdorai has done his MBA with finance. He was awarded as youngest Entrepreneur in 2008. He worked in Finance and Accounts Departments for 15 years and he established more than 5 Companies. Mr. Saurabh Ramdorai has high working capacity with strong service attitude and excellent coordination skills.	Mr. Srinivasa Sudhish Ramabhotla, aged 58 years, is the Chairman and Managing Director of the Company with over 34 years of experience in business management and strategy. He holds a graduate degree in Law, an honorary doctorate from Burkes University, UK, and is an alumnus of Harvard Business School, Boston, USA. Under his leadership, the Company has achieved significant growth and expanded its global footprint in the media and entertainment sector. He has received several prestigious awards recognizing his contributions and has served on various industry panels, including as a jury member for the International Emmy Awards.
Expertise in specific functional areas	Finance and Management	Mr. Srinivasa Sudhish Ramabhotla has expertise in strategic business management, media and

		entertainment operations, content production and distribution, financial oversight, and global business development.
Relationships between Directors <i>inter-se</i>	There are no relationships between the Directors inter-se.	There are no relationships between the Directors inter-se.
Names of listed entities in which the person also holds the directorship	Nil	Nil
Listed entities from which the person has resigned in the past three years	Nil	Nil
Chairman/Member of the Committees of the Board of Directors of the Companies	Nil	Audit committee – Member
Shareholding	Nil	68,63,377 equity shares of Rs. 10/- each Kindly refer the website of the Company for share holding pattern and details of shares held by him directly and indirectly, if any
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	NA	NA
Number of meetings attended in FY 2024-25	10 out of 10 meetings as eligible to attend	11 out of 11 meetings as eligible to attend
List of the directorships held in other companies	<ul style="list-style-type: none"> <li>• Bova Technologies Private Limited</li> <li>• Vega Music Private Limited</li> <li>• Varcas Ev Solutions Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Varcas Ev Solutions Private Limited</li> <li>• Susira Holdings Private Limited</li> <li>• Vega Music Private Limited</li> </ul>

	<ul style="list-style-type: none"><li>• Instakos Health Private Limited</li><li>• Paysafecard.Com India Private Limited</li><li>• Trade2online Private Limited</li></ul>	
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By order of the Board  
**For COLORCHIPS NEW MEDIA LIMITED**  
**SD/-**  
**SRINIVASA SUDHISH RAMABHOTLA**  
Managing Director  
DIN: 00027816

**Place: Hyderabad**  
**Date:08.09.2025**

**DIRECTOR'S REPORT**

Dear Members,

Your Directors have pleasure in presenting herewith the 39<sup>th</sup> Annual Report on the business of the Company together with the Financial Statements for the financial year ended March 31, 2024.

**1. FINANCIAL HIGHLIGHTS:****(Amount in ₹)**

PARTICULARS	STANDALONE	
	31.03.2024	31.03.2023
Total Revenue	22,00,456	1,21,07,310
Total Expenses	42,99,087	1,21,85,422
<b>Profit/loss before Tax</b>	(20,98,631)	(78,112)
Tax Expense	0	0
Deferred Tax	5,30,330	(2,64,480)
<b>Profit/loss after Tax</b>	(15,68,301)	1,86,368

**2. DIVIDEND:**

Despite putting the best efforts by the Board of Directors of the Company and due to the impact of COVID-19 pandemic on the Company's business activities, there was no scope to develop and enhance the business activities, thus, the Company could not generate the distributable profits for the FY 2023-24 and hence no dividend is proposed.

**3. CHANGES IN SHARE CAPITAL:**

During the year, there is no change in the Share Capital of the Company.

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

There is no change in the nature of business during the FY 2023-24.

**5. MATERIAL CHANGES AND COMMITMENTS:**

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

**6. TRANSFER TO RESERVES:**

Details of reserves and surplus are disclosed in Note No 11 of the financial statements.

**7. DEPOSITS:**

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

**8. SUBSIDIARIES:**

Vega Music Private Limited ceased to be Subsidiary of the Company and now the Company has no subsidiaries.

**9. MEETING OF INDEPENDENT DIRECTORS:**

During the year under review, the Independent Directors met on 15.02.2024 inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All the Independent Directors were present at the Meeting.

**10. BOARD MEETINGS:**

During the year, 6 (Six) meetings of the Board of Directors were held as more particularly disclosed in the attached Report on Corporate Governance. The intervening gap between any two meetings was within the prescribed period. The number and dates of meetings held by the Board and its Committees, attendance of Directors and details of remuneration paid to them is given separately in Corporate Governance Report in terms of Section 134(3)(b) of the Companies Act, 2013.

**11. BOARD EVALUATION:**

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

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

inputs on effectiveness of Board/Committee processes. Further, the Independent Directors at their meeting, reviewed the performance of Board, Chairman of the Board and of Non-Executive Directors.

## **12. CHANGE IN DIRECTORS OR KEY MANAGERIAL PERSONNEL:**

### **Directors:**

During the year, Mr. Srinivasa Murthy Banda has resigned as Independent Director w.e.f. 14.02.2024. Mr. Siram R L V N Kishore, Non-Executive Non Independent Director re-designated as Independent Director w.e.f. 15.02.2024.

### **KMPs:**

Mr. Ahsan Ali Hussain Ajani, Company Secretary, has tendered his resignation as Company Secretary & Compliance Officer of the Company w.e.f 31.01.2024.

## **13. COMMITTEES OF THE BOARD:**

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

## **14. STATUTORY AUDITORS:**

M/s. Pavan & Associates., Chartered Accountants, Hyderabad, Firm Registration Number: 012132S were appointed as Statutory Auditors of the Company for a period of 5 Years, to hold office from the Conclusion of 37<sup>th</sup> Annual General Meeting of the Company till the conclusion of 42<sup>nd</sup> Annual General Meeting of the Company. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company.

## **15. AUDITORS' REPORT:**

The Auditors' Report for the FY 2023-24 does not contain any qualification, reservation or adverse remarks. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments. There were no frauds reported by the auditor in the Audit Report.

## **16. SECRETARIAL AUDIT REPORT:**

The Board has appointed Ms. Sarada Putcha, Practicing Company Secretary, (C.P. No. 8735) as the Secretarial Auditors for the financial year 2023-24 to conduct the secretarial audit of the Company as required under Section 204 of the Companies Act, 2013 and rules made thereunder. The Secretarial Audit Report for FY 2023-24 forms part of this Annual Report as **Annexure – I**. The report does not contain any qualifications/ observations except for not filing of the Form IEPF with the Registrar of Companies.

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

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

**17. INTERNAL AUDITORS:**

M/s S N Murthy & Co., Chartered Accountants, Hyderabad, (FRN: 014554S) are the Internal Auditors of the Company for the financial year ended 31<sup>st</sup> March, 2024.

**18. MATERIAL EVENTS:**

No material events and commitments affecting the financial position of your Company have occurred after the closure of the Financial Year 2023-24 till the date of this Report.

**19. CORPORATE SOCIAL RESPONSIBILITY:**

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

**20. INTERNAL FINANCIAL CONTROLS:**

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

**21. DIRECTORS RESPONSIBILITY STATEMENT:**

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

- i. In preparation of annual accounts for the financial year ended 31<sup>st</sup> March, 2024 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2024 and of the profit and loss of the Company for the year;
- iii. The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual accounts on a going concern basis;
- v. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.



- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**22. REMUNERATION POLICY:**

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

**23. VIGIL MECHANISM /WHISTLE BLOWER POLICY:**

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

**24. RISK MANAGEMENT POLICY:**

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

**25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO:**

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

**26. EXTRACT OF ANNUAL RETURN:**

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

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

**27. PARTICULARS OF EMPLOYEES:**

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

Disclosure under Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure – IV**.

**28. MANAGEMENT DISCUSSION AND ANALYSIS:**

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

**29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

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

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

**30. CORPORATE GOVERNANCE:**

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

**31. RELATED PARTY TRANSACTIONS:**

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

There were materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company.

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

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

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

**33. COST RECORDS:**

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

**34. SECRETARIAL STANDARDS:**

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

**35. LISTING:**

Your Company's shares are listed on the BSE Limited and the Company is in the process of paying listing fee for the Financial Year 2024-25.

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

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

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

No. of complaints received: Nil

No. of complaints disposed off: Nil

**37. HUMAN RESOURCES:**

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

**38. INSIDER TRADING REGULATIONS:**

The Company has adopted a 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations). The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the SEBI (PIT) Amendment Regulations, 2018. This Code is displayed on the Company's website.

**39. DETAILS OF APPLICATION MADE OR ANY PROCEEDINGS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:**

During the year under review, the Company has not filed any application or no proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016.

**40. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**

During the year under review, the Company has not made any one time settlement while taking any loans from the Banks or Financial Institutions.

**41. ACKNOWLEDGEMENT:**

Your Directors place on record their appreciation of the continued patronage extended to the Company by bankers, dealers, customers, suppliers, employees and shareholders. The trust reposed in your Company by its esteemed customers helped stabilized growth during the year review.

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

**SD/-**  
**SRINIVASA SUDHISH RAMABHOTLA**  
Managing Director  
DIN: 00027816

Place: Hyderabad  
Date: 22<sup>nd</sup> April, 2024

**Annexure – I**  
**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024

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

**To**

**The Members**

**Colorchips New Media Limited**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on March 31, 2024 according to the applicable provisions of:
  - i. The Companies Act, 2013 ('the Act') and the rules made thereunder.
  - ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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

Sl. No.	Compliance requirement (regulations/circulars/guidelines including specific clause)		Deviations
1.	Regulation 23(9)	Non-compliance with disclosure of related party transactions on consolidated basis.	The Stock Exchange (BSE) issued letter/advisory to the Company reporting its observations as regards the non-compliance of Regulation 23(9) and a fine of Rs.5000/- was levied by the BSE.  The alleged non-compliance was due to some technical issue and subsequently the Company has paid the fine levied by BSE.

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:

- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealings with client;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

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

- Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016 under the Environment (Protection) Act, 1986:
- Food Safety and Standards Act, 2006

- c. Petroleum Act 1934
  - d. The Indian Copyright Act, 1957
  - e. The Patents Act, 1970
  - f. The Trade Marks Act, 1999
  - g. The Indian Boilers Act, 1923
  - h. The Explosives Act 1983
  - i. Manufacture Storage and Import of Hazardous Chemical Rules, 1989
  - j. Public Liability Insurance Act, 1991
4. I have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India.

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

- *the Company has not filed Form IEPF 2 with the Registrar of Companies;*
- *the Company has not appointed a Company Secretary after the resignation of present Company secretary.*

I further report that, during the year under review:

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non -Executive Directors and Independent Directors. During the year, Mr. Srinivasa Murthy Banda resigned as Independent Director w.e.f. 14.02.2024. Mr. Siram R L V N Kishore, Non-Executive Non Independent Director re-designated as Independent Director w.e.f. 15.02.2024.

There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting



and for meaningful participation at the meeting. Whenever required, the Board has also met with a notice shorter than seven days.

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

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

**For Sarada Putcha**  
**Company Secretary in practice**  
**SD/-**  
**Sarada Putcha**  
**M. No.: A21717**  
**C.P. No.: 8735**  
**UDIN: A021717F000203624**

**Place: Hyderabad**  
**Date: 22.04.2024**

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

#### **Annexure A**

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Sarada Putcha  
Company Secretary in practice  
SD/-  
Sarada Putcha  
M. No.: A21717  
C.P. No.: 8735  
UDIN: A021717F000203624

Date: 22.04.2024

Place: Hyderabad

**Annexure – II**

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

**(A) Conservation of energy-**

- (i) the steps taken or impact on conservation of energy: Nil
- (ii) the steps taken by the company for utilizing alternate sources of energy: Nil
- (iii) the capital investment on energy conservation equipment: Nil

**(B) Technology absorption-**

- (i) the efforts made towards technology absorption: Nil
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: Nil

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

Total Foreign exchange Outgo: Nil

Total Foreign exchange earned: Nil

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

Date: 22.04.2024

Place: Hyderabad

## Annexure – III

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31-03-2024**

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

**I. REGISTRATION AND OTHER DETAILS:**

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

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

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

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

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

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

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2023]				No. of Shares held at the end of the year [As on 31-March-2024]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	24520370	-	24520370	28.83	5948933	-	5948933	6.99	-21.84
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	38652355	-	38652355	45.45	50302355	-	50302355	59.14	+13.69
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	63172725		63172725	74.28	56251288		56251288	66.13	-8.15
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>63172725</b>		<b>63172725</b>	<b>74.28</b>	<b>56251288</b>		<b>56251288</b>	<b>66.13</b>	<b>-8.15</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture	-	-	-	-	-	-	-	-	-

Capital Funds									
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	2118926	0	2118926	2.49	437965	0	437965	0.51	-1.98
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	14800459	9950	14810409	17.41	19133950	9950	19143900	22.51	+5.10
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	4629444	0	4629444	5.44	8838258	0	8838258	10.39	+4.95
c) Others (specify)	-	-	-	-	-	-	-	-	
Non-Resident Indians	75245	0	75245	0.09	101681	0	101681	0.12	+0.039
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	20126	0	20126	0.02	1260	0	1260	0.02	0
HUF	221365	0	221365	0.26	275148	0	275148	0.32	0.06
Resident Individuals	1260	-	1260	0.01	-	-	-	-	-0.01
Trusts	-	-	-	-	-	-	-	-	
Foreign Bodies - D R	-	-	-	-	-	-	-	-	
<b>Sub-total</b>									

<b>(B)(2):-</b>									
<b>Total Public (B)</b>	<b>21866825</b>	<b>9950</b>	<b>21876775</b>	<b>25.72</b>	<b>28788262</b>	<b>9950</b>	<b>28798212</b>	<b>33.87</b>	<b>8.21</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>85039550</b>	<b>9950</b>	<b>85049500</b>	<b>100</b>	<b>85039550</b>	<b>9950</b>	<b>85049500</b>	<b>100</b>	<b>0.06</b>

**ii. Shareholding of Promoters:**

S. No	Shareholder's Name	Shareholding at the beginning of the year as on 31 <sup>st</sup> March 2023			Shareholding at the end of the year on 31 <sup>st</sup> March 2024			% change
		No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Srinivasa Sudhish Ramabhotla	24520370	28.83	-	5948933	6.99	-	-21.84
2	Sree Lakshmi Ramabhotla	0.00	0.00	-	0.00	0.00	-	-
3	Ravikaanth Portfolio Services Private Limited	38652355	45.45	-	50302355	59.14	-	+13.69
<b>TOTAL</b>		<b>63172725</b>	<b>74.28</b>		<b>56251288</b>	<b>66.13</b>	<b>-</b>	<b>-8.15</b>

**iii. Change in Promoters' Shareholding:**

S. No	Shareholder's Name	Shareholding at the beginning of the year as on 31 <sup>st</sup> March 2023			Shareholding at the end of the year on 31 <sup>st</sup> March 2024			% change
		No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Srinivasa Sudhish Ramabhotla	24520370	28.83	-	5948933	6.99	-	-21.84
2	Sree Lakshmi Ramabhotla	0.00	0.00	-	0.00	0.00	-	-
3	Ravikaanth Portfolio Services Private Limited	38652355	45.45	-	50302355	59.14	-	+13.69
<b>TOTAL</b>		<b>63172725</b>	<b>74.28</b>	<b>-</b>	<b>56251288</b>	<b>66.13</b>	<b>-</b>	<b>-8.15</b>

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

S. No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	<b>Vimal Finstock Private Limited*</b>	Nil	Nil	Nil	Nil
	Change during the year	-	-	599025	0.35
	At the end of the year	<b>599025</b>	<b>0.35</b>	<b>599025</b>	<b>0.35</b>
2.	<b>Prabhakar Rao Mandava</b>	272500	0.32	-	-
	Change during the year	Nil	Nil	Nil	Nil
	At the end of the year	<b>272500</b>	<b>0.32</b>	<b>272500</b>	<b>0.32</b>
3.	<b>Raja Nandhakumar*</b>	Nil	Nil	Nil	Nil
	Change during the year	-	-	250000	0.29
	At the end of the year	<b>250000</b>	<b>0.29</b>	<b>250000</b>	<b>0.29</b>
4.	<b>K Damani Securities Private Limited*</b>	Nil	Nil	Nil	Nil
	Change during the year	-	-	226606	0.26
	At the end of the year	<b>226606</b>	<b>0.26</b>	<b>226606</b>	<b>0.26</b>
5.	<b>Nandu Krishnan*</b>	Nil	Nil	Nil	Nil
	Change during the year	Nil	Nil	207368	0.24
	At the end of the year	<b>207368</b>	<b>0.24</b>	<b>207368</b>	<b>0.24</b>
6.	<b>Deepika Saini*</b>	Nil	Nil	Nil	Nil
	Change during the year	Nil	Nil	205000	0.24
	At the end of the year	<b>205000</b>	<b>0.24</b>	<b>205000</b>	<b>0.24</b>
7.	<b>Deep Shikha Singh</b>	193460	0.22	4940	0.01
	Change during the year	4940	0.01	4940	0.01
	At the end of the year	<b>198400</b>	<b>0.23</b>	<b>198400</b>	<b>0.23</b>
8.	<b>Kamlesh Kumar Singh*</b>	<b>109883</b>	<b>0.18</b>	<b>80267</b>	<b>0.04</b>
	Change during the year	80267	0.04	80267	0.04
	At the end of the year	<b>189667</b>	<b>0.22</b>	<b>189667</b>	<b>0.22</b>
9.	<b>A. Jain &amp; Co. Pvt Ltd</b>	400000	0.47	(225000)	(0.27)
	Change during the year	(225000)	(0.27)	(225000)	(0.27)
	At the end of the year	<b>175000</b>	<b>0.20</b>	<b>175000</b>	<b>0.20</b>
10.	<b>Harish Chand Dhamija*</b>	Nil	Nil	Nil	Nil

	Change during the year	Nil	Nil	160000	0.18
	At the end of the year	<b>160000</b>	<b>0.18</b>	<b>160000</b>	<b>0.18</b>
11.	Ashit Saremal Sonigra <sup>#</sup>	3,01,018	0.35	3,01,018	0.35
	Change during the year	(3,01,018)	0.35	(3,01,018)	(0.35)
	At the end of the year	Nil	Nil	Nil	Nil
* Marked shareholders were not present in the list of top ten shareholders as on 01.04.2023 and are reflecting in the above list since they are in the top ten list as on 31.03.2024.					
# Marked shareholders ceased to be in the list of top ten shareholders as on 31.03.2024, however they are reflected in the above list since they were present in the top ten list as on 01.04.2023.					

**v. Shareholding of Directors and Key Managerial Personnel:**

S. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares	No. of Shares	% of total Shares
1	<b>Srinivasa Sudhish Ramabhotla</b>				
	At the beginning of the year	24520370	28.83	-	-
	Changes during the year	18571437	21.84	5948933	6.99
	At the end of the year	<b>5948933</b>	<b>6.99</b>	<b>5948933</b>	<b>6.99</b>
2	<b>RLVN Kishore Siram</b>				
	At the beginning of the year	3660	0.004	3660	0.004
	Changes during the year	-	-	-	-
	At the end of the year	<b>3660</b>	<b>0.004</b>	<b>3660</b>	<b>0.004</b>
3	<b>Krishna priya Vincent</b>				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
4	<b>Srinivas Rao Kakkerla</b>				
	At the beginning of the year	1530	0.001	1530	0.001
	Changes during the year	-	-	-	-
	At the end of the year	<b>1530</b>	<b>0.001</b>	<b>1530</b>	<b>0.001</b>

**vi. INDEBTEDNESS**

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

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				



i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (I + ii + iii)</b>	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the financial year</b>				
• Addition				
• Reduction	NIL	Nil	NIL	Nil
<b>Net Change</b>	NIL	Nil	NIL	Nil
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	NIL	Nil	Nil
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (I + ii + iii)</b>	Nil	NIL	Nil	Nil

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

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

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

**B. Remuneration to other directors:**

S. No	Particulars of Remuneration	Name of Directors	Total Amount
1.	<b>Independent Directors</b> • Fee for attending board / committee meetings • Commission • Others, please specify	-	-
	<b>Total (1)</b>		-
2.	<b>Other Non-Executive Directors</b> • Fee for attending board / committee meetings • Commission • Others, please specify (Salary)		-
	<b>Total (2)</b>		-
	<b>Total (B) = (1+2)</b>		-

	<b>Total Managerial Remuneration</b>	-	
	<b>Overall Ceiling as per the Act</b>	N.A.	-

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

Sl. No.	Particulars of Remuneration	KMP		Total Amount
1.	Gross salary	<b>Ahsan Ali Hussain Ajani</b>	<b>Srinivasa Rao</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	<b>CS</b>	<b>CFO</b>	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,00,000	-	2,00,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
<b>Total (A)</b>		<b>2,00,000</b>	-	<b>2,00,000</b>
<b>Ceiling as per the Act</b>		<b>N.A.</b>		-

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

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

**FOR AND ON BEHALF OF THE BOARD**

**SD/-**

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

**Date: 22.04. 2024**

**Place: Hyderabad**

**Annexure – IV**

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

The ratio of the remuneration of each director to the median remuneration of the employees of the company: No remuneration was paid to directors during the year under review.

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

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

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

2. The median remuneration of employees' of the Company during the financial year 2023-24:

The median remuneration of the employees cannot be interpreted for the financial year 2023-24, since there are no working employees on the rolls of the Company.

3. There are no Permanent employees on the rolls of the Company as on March 31, 2024.

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

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

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

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

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

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

At present, there are no working employees in the Company for the financial year 2023-24.

**FOR AND ON BEHALF OF THE BOARD**  
**SD/-**  
**RAMABHOTLA SRINIVASA SUDHISH**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00027816**  
**22.04.2024**  
**Hyderabad**

## Annexure V

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Business Review:**

The global economy had largely recovered from the COVID-19 pandemic and the conflict between Russia and Ukraine by 2022, but it continued to endure unforeseeable crises. Inflation reached multi-decade highs in several economies in 2022 as a result of pent-up demand, supply disruptions, and rising commodity prices. This prompted central banks to aggressively tighten monetary policy in an attempt to return inflation to target levels. The global economy is expected to grow by 2.8% in 2023 and 3.0% in 2024, as compared to 3.4% growth registered in 2022.

The impact of the most recent liquidity issues following a string of global bank crises appears to have been contained by the rapid intervention of central banks. However, the authorities and government had effectively contained the financial crisis by swiftly implementing the necessary measures to control it. The advanced economies are expected to experience a GDP growth rate of 1.3% in 2023 and 1.4% in 2024, as against 2.7% growth in 2022.

China's reopening in 2022 and sustained global financial conditions have contributed to a strong beginning for emerging markets in 2023. Emerging markets and developing economies, which grew by 4.0% in 2022, are anticipated to continue to grow by 3.9% in 2023 and 4.2% in 2024. The impressive regional growth projections and robust economic development in India and other ASEAN nations would lead to emerging markets outperform other global markets in the future.

**Media and Entertainment Industry:**

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

India's Media and Entertainment industry is poised for substantial growth, with a projected market size of USD 53.99 billion by 2026. The Indian M&E sector grew 20% to US\$26.2 billion i.e., 10% above its pre-pandemic levels. While television remained the largest segment, digital media cemented its position as a strong number two segment followed by print media.

The M&E Sector is expected to grow 11.5% in 2023 to reach US\$29.2 billion and US\$35.4 billion by 2025. The advertising sector in India is expected to play a significant role in this growth, with advertising revenue projected to reach USD 5.42 billion by 2024. India's subscription revenue is projected to grow at 2% and reach USD 4.94 billion.

In 2022 (i.e., in the months of January-July), PE/VC investments in the media and entertainment industry was at USD 3,389 million. FDI inflows in the information and broadcasting sector (including print media) stood at USD 9.85 billion between April 2000-September 2022. One of the key drivers of

growth in the media and entertainment industry in India is the increasing demand for content among users.

Within the media and entertainment sector in India, television is projected to retain its position as the largest segment, with an expected CAGR of 7%. TV segment's revenue is expected to reach USD 12.01 billion by 2023. The Indian mobile gaming market is poised to reach USD 7 billion, in value, by 2025. The advertising-based video on demand (AVoD) segment is expected to rise at a CAGR of 24% to reach USD 2.6 billion by 2025.

The Government of India has increased the FDI limit from 74% to 100%. The growth of the media and entertainment sector in India is driven by various factors, including the rise of platforms such as YouTube that provide free access to recent and video content-linked music. This trend is expected to fuel the growth of the paid over-the top (OTT) music sector, with an estimated 5 million end users by 2023. This is projected to generate revenue of approximately USD 27 million.

India's rural regions are anticipated to be the next frontier for growth in the media and entertainment industry. With the adoption of 5G technology and plans for 6G already in the pipeline, India is at the forefront of digital advancement. This push towards digitalization, particularly in rural areas, presents advertisers and publishers with significant opportunities to tap into untapped markets and contribute to the growth of India's media and entertainment industry.

#### **Digital leading growth:**

The Indian Media and Entertainment (M&E) industry has been a major contributor to the country's GDP and has been growing rapidly. The M&E industry exerts immense influence and transformational capacity over society. The industry has demonstrated its adaptability and willingness to confront and overcome obstacles by regaining its former appeal and outperforming its prepandemic performance. The following table shows the health and future growth of media and entertainment Industry.

The Indian television industry recorded revenues of ` 709 billion in 2022, a decline of 2% compared to ` 720 billion in 2021. Despite the marginal growth of 1.6% in the television advertising segment in 2022, the decline in growth of approximately 3.7% in the distribution segment impeded the overall growth of the television segment. Television advertising grew by 2% in 2022, as it is the most cost-effective mass medium in terms of ad rates, and as a result of a slight decrease in ad rates. We have huge number of households yet to be televised. Hence opportunity exists for roll out of our offerings for a much longer period. Moreover, varieties of TV manufactured by reputed International brands hasten the replacement of old models of TVs, which further requires upgraded Set Top Boxes which are being offered by our Company. Television subscription revenue experienced a decline of 4% YoY, due to a reduction of five million pay TV homes and stagnant consumer-end ARPUs (Average Revenue Per User). The decline in homes has been caused by both cord-cutting at the top of the consumer pyramid and a shift to free DTH at the bottom of the pyramid. In 2022, broadcasters earned revenue from 107 to 115 million paid subscriptions, compared to 110 to 130 million in 2021. The decline in paid subscriptions can be attributed to subscribers leaving and migrating to FTA (Free to Air) and/or digital streaming, including social media, short video, and gaming platforms, as well as

a small number of subscribers shifting their consumption to connected TVs. Connected TV sets reached 25 million units in 2022 and are expected to reach to 45 million units by 2025. In addition, the increased adoption of permanent and temporary work-from-home cultures has resulted in a large 'laptop audience', which has been the primary reason for second TV sets not being reconnected and for pricing parity between linear TV feeds and OTT. By creating lower-priced FTA packs, differential pricing and bundling for rural markets in accordance with the Telecom Regulatory Authority of India (TRAI) most of the cable dark households could be brought into the mainstream. Moreover, reactivating millions of inactive set-top boxes through incentive schemes, and creating relevant content bundles for unpenetrated markets, would also assist in demand creation for the cable and broadcasting market.

### **Indian Economy:**

India has emerged as a major global economy over the past decade due to the government's consistent efforts to encourage balanced growth and equitable development. When global markets began to show signs of slowing economic growth, India remained resilient and is now the world's fastest-growing economy, clocking 7.2% YoY (Year over Year) GDP growth in FY 2022-23, according to the National Statistical Office's Second Advance Estimates Report. The recent outperformance of India's economy, 122 | ANNUAL REPORT 2022-23 its enormous and expanding population, and its rapid ascent as a manufacturing alternative to China have all attracted significant global investor interest. During FY 2022-23, international exports of goods and services reached new heights, with robust demand for Indian services fuelling the economic growth within the country.

The Reserve Bank of India (RBI) tightened its monetary policy to maintain a balance between inflation and growth as consumer inflation grew in FY 2022-23. The RBI's Monetary Policy Committee (MPC) halted the repo rate increase cycle and maintained its 'withdrawal of accommodation' stance after raising the repo rate from 4.0% in May 2022 to 6.5% in February 2023 over the course of five separate sessions. The RBI anticipates that consumer inflation will decrease to 5.3% in FY 2023-24, and its SPF (Survey of Professional Forecasters) report forecasts real GDP growth of 6.0% for FY 2023-24 and 6.4% for FY 2024-25. Digital India scheme was introduced in 2015 to transform India into a digitally empowered society and knowledge-based economy.

Following the implementation of digital payment services in India, e-commerce has experienced significant growth, especially in the aftermath of the pandemic. According to the State of India's Digital Economy Report 2023 by ICRIER (Indian Council for Research on International Economic Relations), approximately 23 billion digital payment transactions were recorded in India during FY 2022- 23. Recent estimates indicate that approximately 300 million Indians use UPI, making India the world's second-largest digital payment system after China. Moreover, it is anticipated that the Union Budget FY 2023-24's emphasis on capital expenditure will stimulate private investment, increase job creation and overall consumer demand, and enhance India's growth potential. Several measures and strategies have been implemented to facilitate the granting of credit to micro, small, and medium-sized enterprises (MSMEs) and businesses. Accelerated digital transformation and increased demand for high-speed data, increased adoption of 5G services, along with the incorporation of cutting-edge technologies such as artificial intelligence, the Internet of Things (IoT), and machine learning, would also significantly contribute to the digital empowerment of the nation. We have seen green shoots in

private capital expenditure, mild increase in rural consumption, acceleration in services export and improved PMI in recent months.

**Internal Control System and their adequacy:**

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

**Opportunities:**

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

The following are the opportunities:

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

**Threats:**

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

**Challenges, Risks and Concerns:**

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

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

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

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

During the year under review the Company has achieved a turnover of Rs.20,40,939/-, profit after tax for the current financial year was Rs.15,68,301/-. The paid-up capital of the Company as on March 31, 2024 is Rs.17,00,99,000/- comprising of 8,50,49,500 equity shares of Rs. 2/- each.

**Human Resources Development and Industrial Relations:**

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

**Cautionary Statement:**

Statements in this Management Discussion and Analysis describing the Company's objective, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Certain observations made on the industry and other players also reflect on opinion by the management and the management accepts no liability on such opinions. Actual results might differ materially from those either expressed or implied.

**FOR AND ON BEHALF OF THE BOARD**

**SD/-**

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

**22.04.2024**

**Hyderabad**



## Annexure VI

## FORM NO. AOC-2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2024, which were not at arm's length basis.

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

The details of contracts or arrangements or transactions at arm's length basis for the year ended 31<sup>st</sup> March, 2024, are as follows:

Name of the Related Party	Relationship	Nature of Transaction	Transaction Value Rupees (in Lakhs)	Balance Outstanding – Receivables / (-) Payables as on date of Balance Sheet Rupees	Amount written off / back
Vega Music Private Limited	Wholly-Owned Subsidiary	Advance received for Content Creation	11,80,000/-	Nil	Nil
R S Sudhish	Managing Director	Salaries	0	Nil	Nil

**FOR AND ON BEHALF OF THE BOARD**

**SD/-**

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

**24.04.2024**

**Hyderabad**

**REPORT ON CORPORATE GOVERNANCE****1. Company's philosophy on Code of Governance:**

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

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

**2. Board of Directors**

The composition of Board is in consonance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31<sup>st</sup> March, 2024, Board of Colorchips consisted of 3 members. Out of the three directors, two are Independent Directors, one executive - Non-Independent Director and one Promoter Director of the Company. The names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting (AGM) held on 29<sup>th</sup> September, 2023, and also the number of Directorships and committee positions held by them in public limited companies are as follows:

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

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

The Board of Directors met Five times during the year under review on 27<sup>th</sup> May, 2023, 14<sup>th</sup> August, 2023, 5<sup>th</sup> September, 2023, 13<sup>th</sup> November, 2023, 12<sup>th</sup> February, 2024 and 15<sup>th</sup> February, 2024. The Requisite quorum was present for all the Meetings. The Board met at least once in a calendar quarter and the maximum time gap between any two Meetings was not more than one hundred and twenty days. These Meetings were well attended. The 38<sup>th</sup> Annual General Meeting was held on 29<sup>th</sup> September, 2023. The attendance of the Directors at these Meetings was as under:

Name of the Director	Number of Board Meeting Attended	Attendance at the last AGM
Mr. Srinivasa Sudhish Ramabhotla	6	Yes
Ms. Krishnapriya Vincent	6	Yes
Mr. Srinivasa Murthy Banda	4	Yes
Mr. RLVN Kishore Siram	5	Yes

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

Name of the Director	Designation	No. of Shares held
Mr. Srinivasa Sudhish Ramabhotla	Chairman & MD	5948933
Ms. Krishnapriya Vincent	Director	Nil
Mr. RLVN Kishore Siram	Director	3660

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

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

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

#### 6. Meeting Of Independent Directors

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

This Meeting was conducted to enable Independent Directors to discuss matters relating to Company's affairs and put forth their views without the presence of Non-Independent Directors and members of the Management. At these Meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors, assessed the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committees which is necessary for the Board to effectively and reasonably perform and discharge their dues. All the Independent Directors were present at the Meeting.

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

## **7. Performance Evaluation**

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

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

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The Performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

## **8. Familiarization Programme**

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

matters The details of the familiarization Programme for Directors are available on the Company's website at the link: [www.colorchipsindia.com/investor-relations](http://www.colorchipsindia.com/investor-relations).

## 9. Committees of the Board

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

### (i) Audit Committee

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

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

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

During the year under review, four meetings of the Committee were held on 27<sup>th</sup> May, 2023, 14<sup>th</sup> August, 2023, 13<sup>th</sup> November, 2022 and 12<sup>th</sup> February, 2024. The gap between two meetings did not exceed one hundred and Twenty days. Mr. Srinivasa Murthy Banda has resigned as committee member and Siram RLV has been appointed as member. The composition of the Audit Committee and the details of the meetings attended by each of the members are given below:

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

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

- a. Overview of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b. Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of auditors and fixation of audit fee.
- c. Approval of payment to statutory auditors for any other services rendered by them.
- d. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - ii. Changes, if any, in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv. Significant adjustments made in the financial statements arising out of audit finding.
  - v. Compliance with listing and other legal requirements relating to financial statements.
  - vi. Disclosure of any related party transactions.
  - vii. Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements.
  - viii. Management Discussion and Analysis of financial conditions and results of operations.
- e. Review of Statement of significant related party transactions submitted by the management.
- f. Review of management letters/letters of internal control weaknesses issued by the statutory auditors.
- g. Review of internal audit reports relating to internal control weaknesses.
- h. Review of appointment, removal and terms of remuneration of the Internal Auditor.
- i. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- j. Review of the financial statements of subsidiary Companies.

- k. Review and monitor the auditor's independence, performance, and effectiveness of audit process.
- l. Approval or any subsequent modification of transactions of the Company with related parties.
- m. Valuation of undertakings or assets of the Company, wherever necessary.
- n. Evaluation of internal financial controls and risk management systems.
- o. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
- p. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilize of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- q. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control system.
- r. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- s. Discussion with internal auditors of any significant findings and follow up there on.
- t. Reviewing the risk management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- u. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concerns.
- v. To review the functioning of the Whistle Blower Mechanism.
- w. Approval of appointment / reappointment, remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

- x. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee. The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.

**(ii) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Company has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 as well as in terms of Regulation 19 of the Listing Regulations and comprises requisite number of Independent Directors. Mr. Srinivasa Murthy Banda non-executive Independent Director is the Chairman of the Committee.

The Committee met thrice during the year i.e., on 27<sup>th</sup> May, 2023, 12<sup>th</sup> February, 2023 and 15<sup>th</sup> February, 2024.

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

Name of the Director	Designation	Category	No of Meetings attended
Mr. Srinivasa Murthy Banda	Chairman	Independent Non-Executive	3
Ms. Krishnapriya Vincent	Member	Independent Non executive	3
Mr. RLVN Kishore Siram	Member	Non-Independent Non executive	3

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

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- b. Formulation of criteria for evaluation of Independent Directors and the Board. Devising a policy on Board diversity.
- c. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board the reappointment and removal.
- d. To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
- e. To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions, etc.



- f. Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
- g. Payment / revision of remuneration payable to Managerial Personnel.
- h. While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
- i. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
- j. Any other functions / powers / duties as may be entrusted by the Board from me to me.

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

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

#### **Remuneration of Directors**

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

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

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

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

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

The Stakeholders' Relationship Committee has been formed in compliance of Regulations under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178(5) of the Companies Act, 2013. The Committee comprises of one executive Directors and one Independent Director..

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

- a. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- b. Review of measures taken for effective exercise of voting rights by shareholders.
- c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- d. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend Shares/annual reports/statutory notices by the shareholders of the company.

**(iv) Corporate social responsibility**

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

**(v) Risk Management Policy**

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

**10. General Body Meetings:**

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

Financial Year Ended	Date	Day	Venue	Time	Special Resolutions passed at the AGMs by the Shareholders
March 31, 2023	29 <sup>th</sup> September, 2023	Fiday	Through Video Conference ("VC") / Other Audio-Visual Means ("OVAM")	10:30 A.M.	<p>i. Sale /transfer/ disposal of assets of subsidiary of the Company or disposal of investment in subsidiary, M/s. Vega Music Private Limited.</p> <p>ii. To seek approval for disposal of assets of the Company and entering into joint development agreements with third parties for future prospects.</p> <p>iii. To alter and insert additional objects in the Main Object Clause of</p>

					the Memorandum of Association of the Company.  iv. To Issue of Equity Shares on right basis by its subsidiary M/s. Vega Music Private Limited, M/s. Vega Music Private Limited.
March 31, 2022	24 <sup>th</sup> September, 2022	Saturday	Through Video Conference ("VC") / Other Audio-Visual Means ("OVAM")	11:30 A.M.	i. Re-appointment of Mr. Ramabhotla Srinivasa Sudhish (DIN: 00027816) as Managing Director. ii. Re-appointment of Mr. Srinivasa Murthy Banda (DIN: 03165686) as an Independent Director of the Company. iii. Re-appointment of Ms. Vincent Krishnapriya (DIN: 07443638) as an Independent Director of the Company. iv. Sub-Division of Equity Shares from the Face Value of Rs.10/- to Face Value of Rs.2/- per share. v. Alteration of Capital Clause of Memorandum of Association of the Company
March 31, 2021	30 <sup>th</sup> September, 2021	Thursday	Through Video Conference ("VC") / Other Audio-Visual Means ("OVAM")	11:30 A.M.	-

ii. No special resolution was passed through Postal Ballot in FY 2020-21.

iii. No special resolution was passed through Postal Ballot in FY 2021-22.

iv. No special resolution was passed through Postal Ballot in FY 2022-23.

SI. NO.	GENERAL INFORMATION TO SHAREHOLDERS	
I.	Annual General Meeting Date, Time and Venue	Monday, 13th May, 2024 at 10.30 A.M via. Video The procedure for attending meeting & e-Voting on the day of the EGM is same as the instructions mentioned above for e-voting. II. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

<b>II.</b>	Date of Book Closure	07.05.2024 to 14.05.2024 (For the purpose of AGM).
<b>III.</b>	Financial year	1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024.
<b>IV.</b>	Dividend Payment Date	NA
<b>V.</b>	Name and address of the Stock Exchange	BSE Ltd, Phiroze Jeejee bhoy Towers, Dalal Street, Mumbai -400001.
<b>VI.</b>	Listing on Stock Exchanges	The Company is in the process of paying annual listing fees for the year 2024-2025 to the above stock exchange.
<b>VII.</b>	Stock Code ISIN no. for both NSDL and CDSL	540023 <b>INE621I01034</b>
<b>VIII.</b>	Registrar and Share Transfer Agents	KFin Technologies Limited is the RTA of the Company. Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, Telangana. Contact Toll free No. 18003094001; E-Mail: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>
<b>IX.</b>	Share Transfer System	As per SEBI circulars securities of listed companies can be transferred only in Dematerialized form and hence members are advised to Dematerialized the shares held by them for any transfer of shares.
<b>X.</b>	Outstanding GDRs/ADRs/ Shares or any Convertible Instruments	As on 31 <sup>st</sup> March, 2024, the Company did not have any outstanding GDRs/ADRs/Shares or any Convertible Instruments
<b>XI.</b>	Address for the correspondence	Srinivasa Rao Kakkera Chief Financial officer Colorchips New Media Limited Plot No 85, Phase 1, Kamalapuri Colony, Hyderabad– 500073, Telangana; Email: <a href="mailto:cs@colorchipsindia.com">cs@colorchipsindia.com</a>

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

Quarter ending 30 <sup>th</sup> June, 2024	: First or Second Week of August, 2024
Half-year ending 30 <sup>th</sup> September, 2024	: Fourth Week of October, 2024
Quarter ending 31 <sup>st</sup> December, 2024	: Fourth Week of January, 2025
Year ending 31 <sup>st</sup> March, 2025	: First or second week of May, 2025

#### **12. PLANT LOCATION**

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

#### **13. MONTH-WISE MARKET PRICE DATA DURING THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**

MONTH	BSE	
	High	Low
April 2023	8.63	7.00
May 2023	8.10	6.85
June 2023	7.89	6.35

July 2023	7.18	6.55
August 2023	6.86	4.79
September 2023	5.14	3.74
October 2023	4.45	3.90
November 2023	5.01	4.03
December 2023	4.98	4.17
January 2024	8.45	4.61
February 2024	6.82	5.10
March 2024	5.48	3.49

**14. DISTRIBUTION SCHEDULE AS ON 31<sup>ST</sup> MARCH 2024**

Sl. No.	Nominal Value	Amount in Rs.	% of Total Capital	No. of Shareholders	% of total Holders
1.		73,03,54,540	85.87	980	3.90
2.	Upto 5000	2,38,12,110	2.83	18,593	72.79
3.	5001 to 10000	2,14,18,380	2.53	2,690	10.54
4.	10001 to 15000	1,35,61,160	1.61	1,078	4.23
5.	15001 to 20000	1,40,56,840	1.66	764	3.00
6.	20001 to 25000	1,02,61,240	1.20	447	1.77
7.	25001 to 30000	92,77,880	1	326	1.30
8.	30001 to 35000	53,29,100	0.63	162	0.66
9.	35001 to 40000	70,15,580	0.83	182	0.73
10.	40001 to 45000	53,20,880	0.63	125	0
11.	45001to 50000	1,00,87,290	1.3	206	0.9
<b>Total</b>		<b>85,04,95,000</b>	<b>100</b>	<b>25,553</b>	<b>100</b>

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

As on 31<sup>st</sup> March, 2024, 99.99% of the total No. of shares is in dematerialized form. There were no pending transfers as on 31<sup>st</sup> March, 2024.

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

S. No.	Month	Colorchips Share Price	Sensex Price
1.	April 30, 2023	7.97	61,112.44
2.	May 31, 2023	7.06	62,622.24
3.	June 30, 2023	7	64,718.56
4.	July 31, 2023	6.59	66,527.67
5.	August 31, 2023	4.79	64,831.41
6.	September 30, 2023	4.37	65,828.41
7.	October 31, 2023	4.08	63,874.93
8.	November 30, 2023	4.48	66,988.44
9.	December 31, 2023	4.69	72,240.26

10.	January 31, 2024	6.03	71,752.11
11.	February 28, 2024	5.29	72,500.30
12.	March 31, 2024	3.49	73,651.35

## **17. OTHER DISCLOSURES**

### **i. Compliance with Governance Framework**

The Company has complied with the requirements of the Listing Regulations

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

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

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

During the Financial Year 2023-24, there were materially significant transactions or arrangements entered into between the Company and its Promoters, Directors or their Relatives or the Management, Subsidiaries, etc., that may have potential conflict with the interests of the Company at large. Further, details of related party transactions are presented in Notes to Accounts in the Financial Statements section in the Annual Report and in Annexure VI. The Related Party policy is hosted in the website of the Company at the link: <http://www.colorchipsindia.com/investorrelations/codesandpolicies>.

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

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

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

The Company has complied with the mandatory requirements.

**vi. Means of Communications**

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

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

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

**viii. Compliance Certificate from Auditors**

Certificate from Auditors of the Company M/s. Pavan & Associates, confirming compliance with the conditions of Corporate Governance as stipulated Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith.

**ix. Insider trading**

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

**x. CEO/CFO Certification**

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

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

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

**xii. Secretarial Standards**

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

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

**CEO/CFO CERTIFICATION TO THE BOARD**

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

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

- a) We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended March 31, 2024 and to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - i. significant changes in the internal control over financial reporting during the year;



- ii. significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- iii. that there are no instances of significant fraud of which they have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
Srinivasa Sudhish Ramabhotla  
Chairman and Managing Director  
Din: 00027816

Sd/-  
Srinivasa Rao Kakkera  
CFO

Place: Hyderabad

Date: 22.04.2024

#### **DECLARATION ON CODE OF CONDUCT**

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the company. It is further confirmed that all directors and senior management personnel of the company have affirmed compliance with the code of conduct of the company for the financial year ended on March 31<sup>st</sup>, 2024 as envisaged in the Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the listing agreement with stock exchange.

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

**Place:** Hyderabad

**Date:** 22.04.2024

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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members,  
Colorchips New Media Limited

We have examined the compliance of conditions of Corporate Governance by Colorchips New Media Limited ('the Company') for the year ended 31<sup>st</sup> March, 2024, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

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

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

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

For Pavan & Associates,  
Chartered Accountants  
(Firm Regn No. 012132S)

(R. Swarna Kumari)  
Partner  
M. No. 231813

Place: Hyderabad  
Date: 22.04.2024

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

To  
The Members  
Colorchips New Media Limited

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

**For Sarada Putcha**  
**Practicing Company Secretary**  
**Sd/-**  
**M. No. 21717**  
**C P No. 8735**  
**UDIN: A021717F000204020**

Place: Hyderabad  
Date: 22.04.2024

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Audit of the Ind AS Financial Statements****Opinion**

We have Audited the accompanying standalone Ind AS financial statements of COLORCHIPS NEW MEDIA LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at 31<sup>st</sup> March 2024, its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Ind As financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were

addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Description of Key Audit Matters:**

Sl. No.	Key Audit Matters	How the matter was addressed in our audit
1.	<p><b>Revenue Recognition</b></p> <p><b>Refer note no. 17 to the Standalone Ind AS Financial Statements</b></p> <p>Revenue is recognized, net of sales related taxes, when persuasive evidence of an arrangement exists, the fees are fixed or determinable, the product is delivered or services have been rendered and collectability is reasonably assured. The Company considers the terms of each arrangement to determine the appropriate accounting treatment.</p>	<p>Our audit procedures were performed to ensure the accuracy and compliance of the company's revenue recognition practices with relevant accounting standards which is as detailed below:</p> <ol style="list-style-type: none"> <li>1. Gaining an understanding of the design, implementation, and effectiveness of the company's key internal controls over the revenue recognition process.</li> <li>2. Reviewing significant contracts executed near the year end to ensure that revenue is recognised in the correct period.</li> <li>3. Testing of sample contracts across various revenue streams by reconciling the information to the contracts as applicable to ensure revenue recognition aligns with the principles of Ind AS 115 "Revenue from Contracts with Customers".</li> <li>4. Assessing the adequacy of the company's disclosure practices in accordance with the requirements of Ind AS 115.</li> </ol>

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the standalone Ind AS financial statements and our auditors' report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

## **Responsibilities of Management and those charged with Governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

These Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matter****Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we report in "Annexure 1", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of the written representations received from the directors as on 31st March, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls refer to our separate report in "Annexure 2";
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid / provided by the company to its directors during the year.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - 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 for which there were any material foreseeable losses.



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, during the year no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v. The company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f April 1, 2024, reporting under this clause is not applicable. The company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.

**For Pavan & Associates**  
**Chartered Accountants**  
**FRN No. 012132S**  
**SD/-**  
**Swarna Kumari R**  
**Partner**  
**M.No. 231813**  
**UDIN: 24231813BKCUJO7680**

**Place: Hyderabad**  
**Date: 13.04.2024**

**ANNEXURE "1" TO INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL  
STATEMENTS OF COLORCHIPS NEW MEDIA LIMITED**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Colorchips New Media Limited ("the Company") on the standalone Ind AS financial statements for the year ended 31st March 2024**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS financial statements of the Company and taking into consideration the information and explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

1. (a) A. The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
B. The company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies are noticed on such physical verification.
- (c) According to the information and explanation given to us, the title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.
2. (a) In our opinion, physical verification of inventory has been conducted at reasonable intervals by the management and the coverage and procedure of such verification by the management are appropriate. No material discrepancies were noticed on such verification.
- (b) During any point of time of the year, the company has not been sanctioned any working capital limits, from banks or financial institutions on the basis of security of current assets. Therefore, the provisions of Clause (ii)(b) of paragraph 3 of the order are not

applicable to the company.

3. The Company has during the year, not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clauses 3(iii) of the Order are not applicable.
4. According to the information and explanation given to us, the company has no loans, investments, guarantees or security where provisions of section 185 and 186 of the Companies Act, 2013 are to be complied with.
5. The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
6. According to the rules prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable to the company therefore reporting under this clause is not required.
7. (a) The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.  
  
(b) As of the year-end, according to the records of the Company and information and explanations given to us, there are no disputed statutory dues outstanding on the company.
8. We have not come across any transactions which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
9. (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.  
  
(b) The company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.  
  
(c) The Company did not obtain any money by way of term loans during the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order with respect to utilization of money obtained by way of term loan during the year for the purpose which they were obtained is not applicable.  
  
(d) The Company did not obtain any money by way of term loans during the year. Accordingly, reporting under clause (ix)(d) of paragraph 3 of the Order with respect to

funds raised on short term basis and used for long term purposes by the Company is not applicable.

- (e) On an overall examination of the standalone Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
  - (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
10. (a) No moneys raised by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.
- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 during the year or up to the date of this report.
- (c) There are no whistle-blower complaints received by the Company during the year and upto the date of this report.
12. In our opinion, the company is not a Nidhi Company therefore this clause is not applicable.
13. All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
14. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
15. The company has not entered into any non-cash transactions with directors or persons connected with them during the year.
16. (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities

during the year.

- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
  - (d) As per the information and explanations received, the group does not have any CIC as part of the group.
17. The company has not incurred cash loss in current financial year as well in immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year and accordingly, reporting under this clause is not applicable.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone Ind As financial statements, and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting we believe that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. There is no liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.

**For Pavan & Associates**  
**Chartered Accountants**  
**FRN No. 012132S**  
**SD/-**  
**Swarna Kumari R**  
**Partner**  
**M.No. 231813**  
**UDIN: 24231813BKCUJO7680**

**Place: Hyderabad**  
**Date: 13.04.2024**

**ANNEXURE “2” TO INDEPENDENT AUDITOR’S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF COLORCHIPS NEW MEDIA LIMITED**

**(Referred to in paragraph 2(i) under ‘Report on Other Legal and Regulatory Requirements’ section in our Independent Auditor’s Report of even date to the members of Colorchips New Media Limited on the standalone Ind AS financial statements for the year ended 31<sup>st</sup> March, 2024)**

**Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Controls with reference to financial statements of **Colorchips New Media Limited** (“the Company”) as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

- (i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

**For Pavan & Associates,  
Chartered Accountants  
FRN No. 012132S  
SD/-  
(R. Swarna Kumari)  
Partner**

M.No. 231813

UDIN: 24231813BKCUJO7680

Place: Hyderabad

Date: 13.04.2024

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2024

Amount in ₹ (Lakhs)

Particulars	Notes	As at 31-Mar-24	As at 31-Mar-23
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property , Plant and equipment	3	997	1054
Intangible assets			0
Capital Work in Progress			0
<b>Financial Assets</b>			
a. Investments	4	1999	1989
b. Loans			0
c. Restricted Deposits			0
d. Other Financial Assets	5	0	3
Other non-current Assets			0
<b>Total Non-Current Assets</b>			<b>3046</b>
<b>Current Assets</b>			
Inventory of film and other rights			0
<b>Financial Assets</b>			
a. Trade Receivables	6		0
b. Cash and Cash equivalents	7	16	9
c. Restricted Deposits			0
d. Loans and advances	8	14	2
e. Other financial assets			0
Other current assets	9	3	3
<b>Total current assets</b>			<b>14</b>
<b>Total Assets</b>			<b>3060</b>
<b>Equity</b>			
Equity share capital	10	1701	1701
Other equity	11	1256	1333
<b>Total equity</b>		<b>2957</b>	<b>3034</b>
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
a. Borrowings			-
b. Trade payables			-



c. Other financial liabilities			-
Employee benefit obligations			
Deferred tax liabilities	12	7	12
Other non-current liabilities			-
<b>Total Non-Current Liabilities</b>			<b>12</b>
<b>Current Liabilities</b>			
a. Borrowings	13	0	2
b. Acceptances			0
c. Trade payables	14	12	0
d. Other Financial Liabilities	15	5	8
Employee benefit obligations			0
Current tax liabilities			0
Other current liabilities	16	56	4
<b>Total Current liabilities</b>		<b>73</b>	<b>14</b>
<b>Total Liabilities</b>		<b>80</b>	<b>26</b>
<b>Total Equity and Liabilities</b>		<b>3037</b>	<b>3060</b>

Notes 1 to 30 form an integral part of these standalone financial statements

As per our report of even date

**For Pavan & Associates,  
Chartered Accountants**

**FRN: 012132S**

**Sd/-**

**R. Swarna Kumari  
(Partner)**

**M.No. 231813**

**Date: 13.04.2024**

**Place: Hyderabad**

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

**Sd/-**

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

**Din: 00027816**

**Sd/-**

**Srinivasa Rao Kakkera  
Chief Financial Officer**

**Sd/-**

**Siram RLVN Kishore  
(Director)**

**Din: 08208141**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

Amount in ₹ (Lakhs)				
Particulars		Notes	Year ended 31-Mar-24	Year ended 31-Mar-23
<b>Revenue</b>				
Revenue from operations (net)		17	35	103
Other income		18	2	18
<b>Total Revenue</b>			<b>37</b>	<b>121</b>
<b>Expenses</b>				
Payment to channel Partners		19	10	3
Changes in inventories of film rights				0
Employee benefit expenses		20	2	12
Finance costs (net)		21	0	0
Depreciation and amortization expenses		22	93	82
Other expenses		23	14	24
<b>Total Expenses</b>			<b>119</b>	<b>122</b>
Profit Before tax			-82	-1
<b>Tax expenses</b>				
Current tax				0
Deferred Tax Expense/(Income)			-5	-3
Short/(excess) provision of earlier years				0
Total Tax Expenses			-5	-3
<b>Profit after tax for the year</b>			<b>-77</b>	<b>2</b>
<b>Other comprehensive income</b>				
Provision for Income tax Written off			0	0
<b>Total Comprehensive income for the year</b>				
<b>Earnings per share</b>		24		
Basic (in Rs.) (Nominal value Rs.10)			-0.09	0.01
Diluted (in Rs.) (Nominal value Rs. 10)			-0.09	0.01

Notes 1 to 30 form an integral part of these standalone financial statements.

As per our report of even date

For Pavan & Associates,

FRN: 012132S

Sd/-

R. Swarna Kumari  
(Partner)

M. No. 231813

For and on behalf of Board of  
Directors

Sd/-

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

Sd/-

Siram RLVN Kishore  
(Director)  
DIN: 08208141

Sd/-

Srinivasa Rao Kakkera  
Chief Financial Officer

Date: 13.04.2024

Place: Hyderabad

<b>Cash Flow Statement</b>		
<b>for the year ended 31 March 2024</b>		
		Amount Rs. In Lakhs
<b>Particulars</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>Sunday, March 31, 2024</b>	<b>Friday, March 31, 2023</b>
<b>Cash Flows from Operating Activities</b>		
<b>Profit/(loss) Before Tax</b>	<b>(82)</b>	<b>(1)</b>
Non cash adjustments to reconcile Profit before tax to net cash flows:		
(+) Depreciation	93	82
(-) Other Income	(2)	(18)
<b>Operating Profit Before Working Capital Changes</b>	<b>9</b>	<b>63</b>
Movements in Working Capital:		
Increase/(Decrease) in borrowings	(2)	2
(Increase)/Decrease in Sundry Debtors	(10)	-
Increase/(Decrease) in Trade Payables	12	(43)
Increase/(Decrease) in other Current Liabilities	49	(1)
(Increase)/Decrease in other Current Assets	0	7
(Increase)/Decrease in Short Term Loans and Advances	(12)	-
<b>Cash Generated from Operations</b>	<b>47</b>	<b>27</b>
Taxes Paid (Net)		
<b>Net Cash from Operating Activities (A)</b>	<b>47</b>	<b>27</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	(35)	(203)
Other Income received	2	18
Purchase of Non-Current Investments	(10)	156
Receipt of deposit	3	-
<b>Net cash used in Investing activities (B)</b>	<b>(40)</b>	<b>(28)</b>
<b>Cash Flow Statement</b>		

for the year ended 31 March 2024		
		Amount Rs. In Lakhs
Particulars	Year ended	Year ended
	Sunday, March 31, 2024	Friday, March 31, 2023
<b>Cash Flows from Operating Activities</b>		
<b>Profit/(loss) Before Tax</b>	<b>(82)</b>	<b>(1)</b>
Non cash adjustments to reconcile Profit before tax to net cash flows:		
(+) Depreciation	93	82
(-) Other Income	(2)	(18)
<b>Operating Profit Before Working Capital Changes</b>	<b>9</b>	<b>63</b>
Movements in Working Capital:		
Increase/(Decrease) in borrowings	(2)	2
(Increase)/Decrease in Sundry Debtors	(10)	-
Increase/(Decrease) in Trade Payables	12	(43)
Increase/(Decrease) in other Current Liabilities	49	(1)
(Increase)/Decrease in other Current Assets	0	7
(Increase)/Decrease in Short Term Loans and Advances	(12)	-
<b>Cash Generated from Operations</b>	<b>47</b>	<b>27</b>
Taxes Paid (Net)		
<b>Net Cash from Operating Activities (A)</b>	<b>47</b>	<b>27</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	(35)	(203)
Other Income received	2	18
Purchase of Non-Current Investments	(10)	156
Receipt of deposit	3	-
<b>Net cash used in Investing activities (B)</b>	<b>(40)</b>	<b>(28)</b>
<b>Cash flows from Financing Activities</b>		
<b>Net cash flow / (used) in financing activities (C)</b>		

	-	-
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>7</b>	<b>-1</b>
<b>Cash and Cash equivalents at beginning of the year</b>	<b>9</b>	<b>10</b>
<b>Cash and Cash equivalents at end of the year</b>	<b>16</b>	<b>9</b>

Notes 1 to 30 form an integral part of these  
standalone financial statements  
As per our report of even date

**For Pavan & Associates**

Chartered Accountants

FRN: 012132S

Sd/-

(R. Swarna Kumari)

Partner

M.No. 231813

Date: 13.04.2024

Place: Hyderabad

### 3. Property, Plant and Equipment

Particulars	Land	Buildings	Furniture & Fixtures	Equ ipm ents	Data processin g Equipmen ts	Total
<b>Gross Carrying amount</b>						
<b>Balance as at 31 March 2022</b>	<b>102</b>	<b>1031</b>	<b>14</b>	<b>18</b>	<b>62</b>	<b>1226</b>
Additions	0	203	0	0	0	203
Adjustments/disposals	0	0	0	0	0	0
<b>Balance as at 31 March 2023</b>	<b>102</b>	<b>1233</b>	<b>14</b>	<b>18</b>	<b>62</b>	<b>1429</b>
Additions	0	25	10	0	0	35
Adjustments/disposals	0	0	0	0	0	0
<b>Balance as at 31 March 2024</b>	<b>102</b>	<b>1258</b>	<b>24</b>	<b>18</b>	<b>62</b>	<b>1464</b>

### Accumulated Depreciation

<b>Balance as at 31 March 2022</b>	<b>0</b>	<b>214</b>	<b>10</b>	<b>10</b>	<b>59</b>	<b>293</b>
Depreciation Charge	0	79	1	2	0	82
Adjustments/disposals	0	0	0	0	0	0
<b>Balance as at 31 March 2023</b>	<b>0</b>	<b>293</b>	<b>10</b>	<b>12</b>	<b>59</b>	<b>375</b>
Depreciation Charge	0	90	1	1	0	93
Adjustments/disposals	0	0	0	0	0	0

Balance as at 31 March 2024	0	383	12	13	60	468
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### Net Carrying Amount

Balance as at 31 March 2023	102	940	4	6	2	1054
Balance as at 31 March 2024	102	875	12	5	2	997

The Company's immovable property is situated in Vizag, Andhra Pradesh

### 4. Investments

Particulars	Amount Rs. In Lakhs	
	As at Sunday, March 31, 2024	As at Friday, March 31, 2023
<b>Non current investments</b>		
<b>Unquoted Equity Shares</b>		
<b>i) Investment in equity shares of subsidiaries accounted at cost</b>		
Vega Music Private Limited	994	1084
<b>ii) Investments carried at fair value through profit or loss</b>		
i) ICICI Prudential MF	0	0
<b>iii) Investments in CCDS</b>	1005	905
<b>Total</b>	<b>1999</b>	<b>1989</b>

### 5. Other Financial Assets

Particulars	Amount Rs. In Lakhs	
	As at Sunday, March 31, 2024	As at Friday, March 31, 2023
Security deposits	0	3
<b>Total</b>	<b>0</b>	<b>3</b>

### 6. Trade Receivables

Amount Rs. In  
Lakhs

Particulars	As at Sunday, March 31, 2024	As at Friday, March 31, 2023
Unsecured, Considered good	10	
<b>Total</b>	<b>10</b>	<b>0</b>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

### 6.1 Trade Receivables Ageing as at 31st March 2024

Amount Rs. In  
Lakhs

Particulars	Outstanding for following period from due date of payment					Total
	Less than 6 Month s	6 Month s -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	10					10
Undisputed Trade receivables - which have significant increase in credit risk						
Undisputed Trade receivables - credit impaired						
Disputed Trade receivables - considered good						
Disputed Trade receivables - which have significant increase in credit risk						
Disputed Trade receivables - credit impaired						
Sub Total	10					10
Less: Provision for credit loss	0					0
<b>Total</b>	<b>10</b>					<b>10</b>

### 7. Cash and Cash

### Equivalents

	Amount Rs. In Lakhs	
Particulars	As at Sunday, March 31, 2024	As at Friday, March 31, 2023
Cash on hand	10	8
Balances with banks		
In current accounts	6	1
In earmarked accounts	0	0
<b>Total</b>	<b>16</b>	<b>9</b>

### 8. Loans and Advances

	Amount Rs. In Lakhs	
Particulars	As at Sunday, March 31, 2024	As at Friday, March 31, 2023
Unsecured, considered good		
Supplier Advances	14	2
<b>Total</b>	<b>14</b>	<b>2</b>

### 9. Other Current Assets

	Amount Rs. In Lakhs	
Particulars	As at Sunday, March 31, 2024	As at Friday, March 31, 2023
Prepaid expenses	2	2
Advance payment of taxes	0	0
TDS Receivable	0	0
<b>Total</b>	<b>3</b>	<b>3</b>

### 10. Equity Share Capital



Rs. In lakhs,  
except share  
data

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
<b>Authorised Share Capital</b>				
Equity shares of Rs. 2 each	92500000	1850	92500000	1850
	<b>92500000</b>	<b>1850</b>	<b>92500000</b>	<b>1850</b>
<b>Issued, Subscribed and fully paid up</b>				
Equity shares of Rs. 2 each	85049500	1701	85049500	1701
<b>Total</b>	<b>85049500</b>	<b>1701</b>	<b>85049500</b>	<b>1701</b>

**a) Reconciliation of paid-up share capital (Equity Shares)**

Rs. In lakhs,  
except share  
data

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Balance at the beginning of the year	85049500	1701	85049500	1701
Add: Issued during the year				
<b>Balance at the end of the year</b>	<b>85049500</b>	<b>1701</b>	<b>85049500</b>	<b>1701</b>

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

Rs. In lakhs,  
except share  
data

	As at 31 March 2024		As at 31 March 2023	
	Number	% holding in the class	Number	% holding in the class
<b>Equity Shares of Rs.2/- each</b>				
Ramabhotla Srinivasa	59489	6.99	24520370	28.83

Sudhish	33			
Ravikaanth Portfolio Services Private Limited	50302355	59.14	38652355	45.45

<b>Total</b>	<b>56251288</b>	<b>66.14</b>	<b>63172725</b>	<b>74.28</b>
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**c) Shareholding of Promoter**

Rs. In lakhs,  
except share  
data

**As at 31 March 2024**

Promoter's Name	Class of Equity Shares	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of total Shares	% Change during the year
			-			
Ramabhotla Srinivasa Sudhish	Equity Shares	24520370	18571437	5948933	6.99	-21.84
Sree Lakshmi Ramabhotla	Equity Shares	10	0	10	0.00	0.00
Ravikaanth Portfolio Services Private Limited	Equity Shares	38652355	1165000	50302355	59.14	13.70
			-			
<b>Total</b>		<b>63172735</b>	<b>6921437</b>	<b>56251298</b>	<b>66.14</b>	<b>-8.14</b>

Rs. In lakhs,  
except share  
data

**As at 31 March 2023**

Promoter's Name	Class of Equity Shares	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of total Shares	% Change during the year
Ramabhotla Srinivasa Sudhish	Equity Shares	5006094	19514276	24520370	28.83	22.94
Sree Lakshmi Ramabhotla	Equity Shares	10	0	10	0.00	0.00
Ravikaanth Portfolio Services Private	Equity Shares	7730471	30921884	38652355	45.45	36.36

Limited

	12736	50436			
<b>Total</b>	<b>575</b>	<b>160</b>	<b>63172735</b>	<b>74.28</b>	<b>59.30</b>

### Rights, preferences, restrictions of equity shares

The Company has only one class of equity shares having par value of Rs.2/- per share. Every holder is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors and approved by the Shareholders in the Annual General Meeting is paid in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## 11. Other equity

Particulars	Amount Rs. In Lakhs	
	As at Sunday, March 31, 2024	As at Friday, March 31, 2023
<b>Securities Premium</b>		
Balance at the beginning of the year	1655	1655
Add: Additions for		
Less: Bonus Issue		
Balance at the end of the year	<b>1655</b>	<b>1655</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	-323	-325
Add: Net profit/(loss) after tax for the year	-77	2
Balance at the end of the year	<b>-399</b>	<b>-323</b>
<b>Total</b>	<b>1256</b>	<b>1333</b>

1. Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium
2. Retained Earnings: Remaining portion of profits earned by the company till date after appropriations.

## 12. Deferred Tax Liabilities (Net)

Amount Rs. In Lakhs

Particulars	As at Sunday, March 31, 2024	As at Friday, March 31, 2023
Deferred tax liability on Depreciation on tangible assets	7	12
<b>Total</b>	<b>7</b>	<b>12</b>
Deferred tax asset on Provision for expenses allowed on payment basis Others		
<b>Total</b>		
MAT credit recoverable		
<b>Deferred tax liabilities (net)</b>	<b>7</b>	<b>12</b>

Significant management judgement is considered in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax asset.

### 13. Short-term Borrowings

Amount Rs. In  
Lakhs

Particulars	As at Sunday, March 31, 2024	As at Friday, March 31, 2023
Unsecured loans from Directors (Related Party)	0	2
<b>Total</b>	<b>0</b>	<b>2</b>

### 14. Trade Payable - Current

Particulars	As at Sunday, March 31, 2024	As at Friday, March 31, 2023
Payable to related parties	12	0
<b>Total</b>	<b>12</b>	<b>0</b>

### Trade payables Ageing

As at 31 March 2024

Amount Rs. In  
Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME						0
ii) Others	12					12
iii) Disputed dues - MSME						0
iv) Disputed dues - Others						0
<b>Subtotal</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>

As at 31 March 2023

Amount Rs. In  
Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME						0
ii) Others						0
iii) Disputed dues - MSME						0
iv) Disputed dues - Others						0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 15. Other Financial Liabilities

Amount Rs. In  
Lakhs

Particulars	As at Sunday, March 31, 2024	As at Friday, March 31, 2023
Employees dues	5	7
Other payables	0	0
<b>Total</b>	<b>5</b>	<b>8</b>

### 16. Other Current Liabilities

Amount Rs. In  
Lakhs

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

	Sunday, March 31, 2024	Friday, March 31, 2023
Advances from customers	53	
Duties and taxes payable	2	0
<b>Total</b>	<b>56</b>	<b>0</b>

#### 17. Revenue from operations (net)

Amount Rs. In  
Lakhs

Particulars	Year ended Sunday, March 31, 2024	Year ended Friday, March 31, 2023
Revenue from Services	35	103
<b>Total</b>	<b>35</b>	<b>103</b>

#### 18. Other Income

Amount Rs. In  
Lakhs

Particulars	Year ended Sunday, March 31, 2024	Year ended Friday, March 31, 2023
Interest Income	0	1
Other non-operating Income	0	13
Profit on Sale of Investments	1	5
	0	0
<b>Total</b>	<b>2</b>	<b>18</b>

#### 19. Payment to Channel Partners

Amount Rs. In  
Lakhs

Particulars	Year ended Sunday, March 31, 2024	Year ended Friday, March 31, 2023
Payment to channel partners & media expenses	10	3
<b>Total</b>	<b>10</b>	<b>3</b>

#### 20. Employee Benefit expenses

Amount Rs. In  
Lakhs

Particulars	Year ended Sunday, March 31,	Year ended Friday, March 31,
-------------	---------------------------------	---------------------------------

	2024	2023
Salaries and bonus	2	12
Staff Welfare expenses	0	0
ESI Employer Portion	0	0
<b>Total</b>	<b>2</b>	<b>12</b>

## 21. Finance Costs

Amount Rs. In  
Lakhs

Particulars	Year ended Sunday, March 31, 2024	Year ended Friday, March 31, 2023
Other finance costs	0	0
Interest on late payment	0	
<b>Total</b>	<b>0</b>	<b>0</b>

## 22. Depreciation and amotisation expenses

Amount Rs. In  
Lakhs

Particulars	Year ended Sunday, March 31, 2024	Year ended Friday, March 31, 2023
Depreciation on tangible assets	93	82
<b>Total</b>	<b>93</b>	<b>82</b>

## 23. Other Expenses

Amount Rs. In  
Lakhs

Particulars	Year ended Sunday, March 31, 2024	Year ended Friday, March 31, 2023
Membership & Subscription expenses	7	7
Electricity expenses	0	0
Communication Expenses	0	1
Repairs & Maintenance	0	2
Payments to auditors	0	0
Legal & Professional expenses	1	3
Travelling & Conveyance	3	10
Marketing Expenses	1	0
Office Maintenance	1	0
Rates & Taxes	0	1
Insurance	0	0

Miscellaneous expenses	0	0
<b>Total</b>	<b>14</b>	<b>24</b>

**24. Earnings per share**

Amount Rs. In  
Lakhs

Particulars	Year ended Sunday, March 31, 2024	Year ended Friday, March 31, 2023
<b>a) Computation of net profit for the year</b>		
Profit after tax attributable to equity shareholders		2
<b>b) Computation of number of shares for Basic Earnings Per Share</b>		
Weighted average number of equity shares	85049500	85049500
<b>Total</b>	<b>85049500</b>	<b>85049500</b>
<b>c) Computation of number of shares for Diluted Earnings Per Share</b>		
Weighted average number of equity shares	85049500	85049500
<b>Total</b>	<b>85049500</b>	<b>85049500</b>
<b>d) Nominal value of shares</b>	<b>2</b>	<b>2</b>
<b>e) Computation</b>		
Basic (in Rs.)	-0.09	0.00
Diluted (in Rs.)	-0.09	0.00



## Summary of Significant Accounting Policies and explanatory notes to the standalone financial statements

### Corporate Information

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

These separate financial statements were authorised for issue in accordance with a resolution passed in the Board of Directors meeting held on 13 April 2024.

### Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

### Basis of preparation

The financial statements have been prepared on accrual basis of accounting using historical cost basis, except certain investments.

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company considers 12 months to be its normal operating cycle.

All values are rounded to the nearest rupees in lakhs, except where otherwise indicated. Amount in zero represent amount below one lakh rupees.

### 1. Significant accounting policies

#### a. Revenue recognition

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

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

DVD, CD and video distribution revenue is recognized on the date the product is delivered or if licensed in line with the revenue recognition criteria. Provision is made for physical returns where applicable. Digital and ancillary media revenues are recognized at the earlier of when the content is

accessed or declared. Visual effects, production and other fees for services rendered by the Company and overhead recharges are recognized in the period in which they are earned and in certain cases, the stage of production is used to determine the proportion recognized in the period.

### **Other income**

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

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

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

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

### **c. Intangible assets**

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

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

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at the cash generating unit level. All individual assets or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions

are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. Film and content rights are stated at the lower of unamortized cost and estimated recoverable amounts.

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

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

#### **e. Borrowing costs**

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

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

#### **f. Impairment of financial assets**

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

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

#### **g. Inventories**

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

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

#### **h. Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligations and can be reliably measured. Provisions are measured at Management's best estimate of the expenditure required to settle the obligations at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflect, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### **i. Foreign Currency**

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

monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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

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

#### **j. Financial Assets**

Financial assets are divided into the following categories:

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

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

##### **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These are non-derivative financial assets that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank and cash balances) are measured subsequent to initial recognition at amortized cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognized in the Statement of profit and loss.

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

##### **Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are non-derivative financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on

specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. It includes non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. Gains and losses arising from investments classified under this category is recognized in the Statement of profit and loss when they are sold or when the investment is impaired.

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

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

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

A financial asset is derecognized only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Company retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Company transfers substantially all the risks and rewards of ownership of the asset, or if the Company neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

### **k. Financial liabilities**

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

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading such as a derivative, except for a designated and effective hedging instrument, or if

upon initial recognition it is thus designated to eliminate or significantly reduce measurement or recognition inconsistency or it forms part of a contract containing one or more embedded derivatives and the contract is designated as fair value through profit or loss.

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

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

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

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

## **I. Taxes**

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

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

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

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

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

#### **m. Earnings per share**

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

#### **n. Cash and cash equivalents**

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

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

#### **o. Segment reporting**

Ind-AS 108 Operating Segments ("Ind-AS 108") requires operating segments to be identified on the same basis as is used internally for the review of performance and allocation of resources by the Chief Operating Decision Maker. The revenues of films are earned over various formats; all such formats are functional activities of filmed entertainment and these activities take place on an integrated basis. The management team reviews the financial information on an integrated basis for the Company as a whole, with respective heads of business for each region and in accordance with Ind-AS 108, the Company provides a geographical split as it considers that all activities fall within one segment of business which is filmed entertainment.

The Company has identified one geographic markets – India

#### **p. Statement of cash flows**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.



**q. Event occurring after the reporting date**

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognised in the financial statements. Material non-adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed by way of notes in financial statements.

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

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

**a. Intangible Assets**

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

Accounting for the film content requires management's judgment as it relates to total revenues to be received and costs to be incurred throughout the life of each film or its license period, whichever is the shorter. These judgments are used to determine the amortisation of capitalized film content costs.

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

**b. Trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**c. Depreciation**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

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

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**e. Provisions**

Provisions and liabilities are recognised in the period when it becomes probable that there will be future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**f. Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management used the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**For Pavan & Associates**

Chartered Accountants

FRN: 012132S

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

Sd/-

R. Swarna Kumari

Partner

M.No. 231813

Sd/-

R S Sudhish

Managing Director

DIN: 00027816

Sd/-

Siram R L N Kishore

Director

DIN: 08208141

Place: 13.04.2024

Date: Hyderabad

**Notes**  
**To the financial statements and other explanatory information**

**25. Related Party Disclosure**

Relationship	Name
Associate	Vega Music Private Limited (Ceased to be subsidiary from Sep-2022)
List of Key Management Personnel (KMP)	Srinivasa Sudhish Ramabhotla - Chairman and Managing Director
	Srinivasa Murthy Banda - Director
	Vincent Krishnapriya - Independent Director
	Siram R L V N Kishore - Executive Director
	Srinivasa Rao Kakkera - Chief Financial Officer & Compliance Officer
Relatives of KMP with whom transactions exists	

**Transactions during the year with related parties**

**Amount Rs. In lakhs**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Payment of Digital Marketing</b>		
Vega Music Private Limited	11.80	
<b>Total</b>	<b>11.80</b>	

**Balances with related parties**

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Contract charges payable</b>		
Vega Music Private Limited	11.60	
<b>Advances Payable</b>		
Vega Music Private Limited	53.18	

**26. Auditors Remuneration**

**Amount in Rs.**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
As Auditor		

Statutory Audit	30000	30000
Limited review		
Tax Audit		
In other capacity		
Other Services (Certification fees)		
<b>TOTAL</b>	<b>30000</b>	<b>30000</b>

## 27. Ratio Analysis

Sr. No.	Particulars	FY 2023-24	FY 2022-23	% Change	Remarks for Variation
1	Current Ratio	0.57	1.00	-43.00%	
4	Return on Equity	-0.03	0.00		
6	Trade Receivables Turnover Ratio	3.68	0.00		
7	Trade payables Turnover Ratio	0.86	0.00		
8	Net Capital Turnover Ratio	-1.13	- 14.13	13.00%	
9	Net Profit Ratio	- 216.39%	1.82%	- 218.21%	
10	Return on capital employed	-0.03	0.00		
11	Return on Investments	-2.59%	0.06%	-2.65%	

**Formula for computation of ratios is as follows:**

Sr. No.	Particulars	Formula
1	Current Ratio	Current Assets/Current Liabilities
4	Return on Equity	Profit after tax (Attributable to owners)/ Networth
	Trade Receivables Turnover Ratio	Credit Sales/Accounts receivable
7	Trade payables Turnover Ratio	Cost of services/Trade Payables
8	Net Capital Turnover Ratio	Value of sales/Average Networth
9	Net Profit Ratio	Profit after Tax/Value of services
10	Return on capital employed	Net profit after tax+deferred tax expense/income-other income/Average Capital Employed

11	Return on Investments	Other Income (Excluding Dividend)/ Average Cash, Cash Equivalents & Other Marketable Securities
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## 28. Other Statutory Information

- i) No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii) Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- iii) The company has complied with layers prescribed in Companies Act, 2013.
- iv) The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
  - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b) Provide and guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
  - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b) Provide and guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) The company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961
- viii) The company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- ix) The company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

- x) Based on the information available with the Company, there are no dues payable as at the year end to micro, small and medium enterprises as defined in The Micro, Small & Medium Enterprises development Act, 2006. This information has been relied upon by the statutory auditors of the Company.

**29. Post reporting date events**

No adjusting or significant non-adjusting events have occurred between 31 March 2024 and the date of authorization of these standalone financial statements.

**30. Authorization of financial statements**

The financial statement for the year ended 31 March 2024 was adopted by the board of directors on 13-04-2024.

**For Pavan & Associates**

Chartered Accountants  
FRN: 012132S

SD/-

R. Swarna Kumari  
Partner  
M.No. 231813

Place: Hyderabad  
Date: 13.04.2024

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

SD/-

R S Sudhish  
Managing Director  
DIN: 00027816

SD/-

Siram R L N Kishore  
Director  
DIN: 08208141