

## **VALUABLE DIGITAL SCREENS PRIVATE LTD.**

53/1, Media Info Tech Park,  
Road No. 7, Nr. Akruti Trade Centre,  
Andheri (East),  
Mumbai 400069.

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### **AUDITED FINANCIAL STATEMENTS for Financial Year 2016-17**

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#### **M/s. Shetty Naik & Associates Chartered Accountants**

31, Madhuban Industrial Estate, Plot No. 30,  
Off Mahakali Caves Road, Near Paper Box Industry,  
Andheri East, Mumbai -400093.

#### **Branch/ Associate Office:**

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## INDEPENDENT AUDITORS' REPORT

**To the Members of Valuable Digital Screens Private Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of **M/s Valuable Digital Screens Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair





view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- (b) In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date, and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to **Note 1.2** to the financial statements, which describes that in spite of erosion of net worth, the accounts of the company have been prepared on a going concern basis primarily due to commitment of financial support of the holding Company.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account.





- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - The Company has provided requisite disclosures in **Note No. 30** to the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the disclosures are according to the books of accounts maintained by the company.

**For SHETTY NAIK & ASSOCIATES**

Chartered Accountants

ICAI Reg. No.:124851

**CA. JAGDISH SHETTY**

Partner

Membership No: 111936



Place: Mumbai

Dated: 11<sup>th</sup> May 2015



**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**  
**(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

1. (a) According to information and explanations given to us, the Company has maintained proper records showing particulars, including quantitative details. Since the asset base of the company majorly comprises of moving vans, situation details of such assets are not present in Fixed Asset Register.  
(b) The fixed assets were physically verified during the year by the management at reasonable intervals, which in our opinion are reasonable. According to information and explanations given to us, no material discrepancies were noticed on such verification by the management.  
(c) According to information and explanations given to us, and on the basis of our examination of the records of the Company, the company does not own any immovable property and hence the said sub-clause is not applicable in its case.
2. The company is primarily involved in the movie screening and providing advertisement services. Accordingly, the company does not hold any physical inventories. Thus, the paragraph 3(ii) of the order is not applicable.
3. According to information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company during the year.
4. According to information and explanations given to us, the Company has granted unsecured loans covered under the provisions of 186 of the Act exceeding the limits prescribed under Sec. 186(2). The company has passed the special resolution as per the provisions of the Sec.186 (2) & has made requisite disclosure in Note No. 31 to the financial statements.
5. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under during the year.
6. According to the information and explanations given to us, the requirement for maintenance of cost records specified by the Central Government under Section 148(1) of the Act is not applicable to the Company during the year.
7. (a) According to the information and explanation given to us, the Company has been generally regular in depositing the undisputed statutory dues including income tax, sales tax, service tax, value added tax, cess and other material statutory dues as applicable to the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax and value added tax which have not been deposited on account of any dispute.
8. Based on the audit procedures and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of loans to banks. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company during the year.
9. According to the information and explanations given to us, the Company has not raised moneys by way of public offer (including debt instruments) during the year, except the term loan already obtained from the bank in earlier year. From the examination of books and related records, we are of the opinion that the term loans have been applied for the purpose for which the term loan has been obtained by the company.
10. According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanation given to us, the Company has not paid any managerial remuneration to its directors, including managing director and whole-time director and its manager. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. The provisions of Section 177 of the Act relating to Audit Committee are not applicable to the Company during the year. According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with related parties are in compliance with Section 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.







**SHETTY NAIK & ASSOCIATES**  
Chartered Accountants

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, the provisions of clause 3(xv) of the Order are not applicable.
16. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For SHETTY NAIK & ASSOCIATES**

Chartered Accountants  
ICAI Reg. No.:124851W

A handwritten signature in blue ink, appearing to read 'Jagdish Shetty', is written over a horizontal line.

**CA. JAGDISH SHETTY**

Partner

Membership No: 111936



Place: Mumbai

Dated: 11<sup>th</sup> May 2017



**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

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

We have audited the internal financial controls over financial reporting of Valuable Digital Screens Private Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.







Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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





**SHETTY NAIK & ASSOCIATES**  
Chartered Accountants

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by Institute of Chartered Accountants of India.

**For SHETTY NAIK & ASSOCIATES**

Chartered Accountants

ICAI Reg. No.:124851W

A handwritten signature in blue ink, appearing to read 'Jagdish Shetty', is written over a horizontal line.

**CA. JAGDISH SHETTY**

Partner

Membership No: 111936

Place: Mumbai

Dated: 11<sup>th</sup> May 2017.





**VALUABLE DIGITAL SCREENS PRIVATE LIMITED****BALANCE SHEET AS AT 31 MARCH 2017**

	Note	31 March 2017 Rs.	31 March 2016 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Fund:</b>			
(a) Share Capital	2	1,44,750	1,44,750
(b) Reserves and Surplus	3	(2709,20,534)	(998,85,674)
<b>2 Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	600,58,871	997,19,594
(b) Deferred Tax Liabilities	5	2,36,752	2,36,752
(c) Long Term Provision	6	7,99,469	15,58,209
<b>3 Current Liabilities</b>			
(a) Trade Payable	7	159,70,136	470,47,006
(b) Short Term borrowings	8	3581,15,196	1423,74,796
(c) Other Current Liabilities	9	646,61,918	561,33,370
<b>Total</b>		<b>2290,66,558</b>	<b>2473,28,803</b>
<b>II. ASSETS</b>			
<b>1 Non Current Assets</b>			
(a) Fixed Assets			
i) Tangible Assets	10	1506,76,296	1824,39,267
ii) Intangible Assets	10	28,24,825	37,58,200
iii) Capital Work-in-progress		17,25,070	-
(b) Long Term Loans and Advances	11	7,43,429	8,13,954
(c.) Other Assets	12	7,26,996	4,81,807
		<b>1566,96,616</b>	<b>1874,93,228</b>
<b>2 Current Assets</b>			
(a) Inventories		-	-
(b) Trade Receivable	13	184,35,509	271,79,641
(c) Cash and Bank Balances	14	51,80,158	23,90,927
(d) Short Term Loans and Advances	15	166,23,391	75,44,835
(e) Other Current Assets	16	321,30,884	227,20,172
		<b>723,69,942</b>	<b>598,35,575</b>
<b>Total</b>		<b>2290,66,558</b>	<b>2473,28,803</b>

**Significant Accounting Policies**

1

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

For and on behalf of

**SHETTY NAIK & ASSOCIATES**

Chartered Accountants

Firm Registration No. 124851W

Partner: JAGDISH SHETTY

Membership No: 111936

Place: Mumbai

Date: 11.05.2017



For and on behalf of Board of Directors

**of Valuable Digital Screens Private Limited**Pankaj Jaysinh Madhani  
DirectorDeepak Ranjan  
Director

**VALUABLE DIGITAL SCREENS PRIVATE LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2017**

	Note	March 31, 2017 Rs.	March 31, 2016 Rs.
<b>I. INCOME</b>			
(a) Revenue from Operations	17	359,33,938	501,14,332
(b) Other Income	18	34,48,049	7,25,853
<b>Total Revenue</b>		<u>393,81,987</u>	<u>508,40,185</u>
<b>II. EXPENDITURE</b>			
(a) Purchases of Traded Goods	19	86,17,973	1,52,613
(c) Employee Benefits Expenses	20	246,18,391	198,36,584
(d) Other Expenses	21	889,43,765	1008,61,279
<b>Total Expenses</b>		<u>1221,80,129</u>	<u>1208,50,476</u>
<b>III. Earnings before interest, tax, depreciation and amortization</b>		(827,98,142)	(700,10,291)
<b>(EBITDA) (I)-(II)</b>			
Depreciation and Amortization Expenses	10	461,32,595	117,37,727
Finance cost	22	421,04,123	196,53,607
<b>IV. Profit / (Loss) before Tax</b>		<u>(1710,34,860)</u>	<u>(1014,01,625)</u>
Less: Tax Expenses			
Current Income Tax			
Deferred Tax			
<b>V. Profit / (Loss) for the year</b>		<u>(1710,34,860)</u>	<u>(1014,01,625)</u>
<b>VI. Earnings per Equity Share</b>	26		
(Nominal Value of share Rs.10/- each)			
Basic		(11,815.88)	(7,005.29)
Diluted		(11,815.88)	(7,005.29)
Significant Accounting Policies	1		
The accompanying notes are an integral part of these financial statements.			

For and on behalf of  
**SHETTY NAIK & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 124851W

Partner: JAGDISH SHETTY  
Membership No: 111936  
Place: Mumbai  
Date: 11.05.2017



For and on behalf of Board of Directors  
**of Valuable Digital Screens Private Limited**

Pankaj Jaysinh Madhani  
Director

Deepak Ranjan  
Director



**VALUABLE DIGITAL SCREENS PRIVATE LIMITED**

Particulars		31-Mar-17	31-Mar-16
<b>Cash flow from operating activities</b>			
Profit before tax		(1710,34,860)	(1014,01,626)
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>			
Depreciation		461,32,595	117,37,728
Foreign exchange (gain)/loss (net)		-	-
Sundry credit balances written back		(30,11,218)	(45,583)
Sundry Debit balances written off		(1,648)	-
Profit / Loss on sale of Fixed Asset		(10,000)	-
Interest Income		(1,10,028)	(3,15,699)
Interest expense		421,04,123	91,56,228
<b>Operating profit before working capital changes</b>		<b>(859,31,036)</b>	<b>(808,68,953)</b>
<b>Movements in working capital :</b>			
Increase / (decrease) in trade payables		(280,65,652)	392,45,257
Increase / (decrease) in short-term provisions		(7,58,740)	15,58,209
Increase / (decrease) in other current liabilities		100,10,559	31,19,083
Increase / (decrease) in other short-term current liabilities			
Decrease / (increase) in trade receivables		87,45,780	(177,66,150)
Decrease / (increase) in short-term loans and advances		(90,78,556)	(46,35,094)
Decrease / (increase) in other current assets		(94,10,712)	(179,45,079)
Decrease / (increase) in long term loans and advances		(1,94,481)	(70,000)
<b>Cash generated from operations</b>		<b>(1146,82,837)</b>	<b>(773,62,728)</b>
Direct tax paid (net of refunds)		2,65,006	5,17,063
<b>Net cash flow from operating activities</b>	<b>(A)</b>	<b>(1144,17,832)</b>	<b>(768,45,664)</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets including intangible, CWIP & capital advances		(175,45,712)	(1776,39,549)
Investment in Fixed Deposit including reinvestment		(2,45,189)	-
Proceeds from sale of fixed assets		23,94,392	-
Interest received		1,10,028	3,15,699
Maturity of bank deposits having original maturity more than 3 months (net)		-	(4,81,807)
<b>Net cash flow used in investing activities</b>	<b>(B)</b>	<b>(152,86,481)</b>	<b>(1778,05,657)</b>



**VALUABLE DIGITAL SCREENS PRIVATE LIMITED**

Cash Flow Statement			
Particulars			31 March 2016
<b>Cash flow from financing activities</b>			
Proceeds from long term borrowings		157,00,436	1567,64,634
Repayment of long term borrowings		(568,43,171)	(74,25,000)
Proceeds from short term borrowings		2532,94,183	1088,40,305
Repayment of short term borrowings		(375,53,783)	-
Interest paid		(421,04,123)	(91,56,228)
<b>Net cash flow from financing activities</b>	<b>(C)</b>	<b>1324,93,542</b>	<b>2490,23,711</b>
<b>Net increase/(decrease) in cash and cash equivalent (A + B + C)</b>		<b>27,89,228</b>	<b>(56,27,610)</b>
Cash and cash equivalents at the beginning of the year		23,90,927	80,18,537
<b>Cash and cash equivalents at the end of the year</b>		<b>51,80,158</b>	<b>23,90,927</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand		14,883	29,764
Balance with banks:			
- on current accounts		45,67,986	22,51,163
- on cash credit account		4,47,289	-
- on Term deposits		1,50,000	1,10,000
<b>Cash &amp; Cash Equivalents</b>		<b>51,80,158</b>	<b>23,90,927</b>

**Notes:**

- Figures in bracket denote outflow
- The above Cash flow statement has been prepared under the "Indirect Method" set out in Accounting standard (AS-3) "Cash Flow Statements"

As per our report of even date attached

For and on behalf of

**Shetty Naik & Associates**

Chartered Accountants

Firm Registration No. 124851W

Partner: JAGDISH SHETTY

Membership No. 111936

Place : Mumbai

Date : 11.05.2017

For and on behalf of Board of Directors

**of Valuable Digital Screens Private Limited**

Pankaj Jaysinh Madhani  
Director

Deepak Ranjan  
Director





## VALUABLE DIGITAL SCREENS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March, 2017

### 1 Significant Accounting Policies

#### 1.1 Nature of Operations:

Valuable Digital Screens Private Limited (the Company) is a private company domiciled in India and incorporated on July 14, 2006 under the provisions of the Companies Act, 1956. The Company is into the business of providing digital cinema services. The Company's principal revenue stream is advertising. The Company is subsidiary of UFO Moviez India Limited.

#### 1.2 Going Concern :

As at March 31, 2017, the Company has incurred a loss of Rs. 17,10,34,860 for the year (March 31, 2016 - loss of Rs 10,14,01,625/-) and has accumulated losses of Rs 28,78,81,679/- (March 31, 2016 - accumulated loss of Rs 11,68,46,819/-). The net worth of the Company is fully eroded. The Holding Company has committed to provide continued financial and operating support to the Company, to enable it to operate as a going concern and accordingly, these financial statements are prepared on going concern basis.

#### 1.3 Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rule, 2006, (as amended)* and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 1.4 Use of Estimates:

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

#### 1.5 Revenue Recognition:

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

##### a) Interest:

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

##### b) Sale of goods:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

##### c) Income from Services:

Revenues from membership fees of Club are recognized pro-rata over the period of the membership. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Advertisement and Van branding income is recognized in the period during which advertisement is displayed.

Lease rental income is recognized in the period in which equipment are leased.

Technical Support Services and Server Maintenance & Content Licensing Fees is revenue recognized in the period in which services are rendered.



## VALUABLE DIGITAL SCREENS PRIVATE LIMITED

### Notes to Financial Statements for the year ended 31 March, 2017

#### 1.6 Inventory

Inventories are valued at lower of cost or net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies and is determined on a weighted average basis. There are no inventories as on date of financial statements.

#### 1.7 Tangible Fixed Assets

Tangible Fixed Assets are shown at cost less accumulated depreciation. Cost comprises of purchase price and other attributable expenses.

#### 1.8 Depreciation on Tangible Fixed Assets and amortization of intangible assets

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management.

Particulars	Useful lives as per management's estimate
Plant & Machinery	6-10 Years
Computer	3 Years
Furniture & Fixtures	5 Years
Office Equipment's	5 Years
Vehicles	5 Years

Except computer, office equipments and Motor Vehicles, useful lives of above fixed assets are different from those prescribed under schedule II. These rates are based on evaluation of useful life by internal technical expert.

Intangible assets are amortized over their estimated useful life as follows.

Particulars	Useful lives as per management's estimate
Patent & Trademarks	5 Years

#### 1.9 Employee Benefit

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

Gratuity Liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation.

Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. The company presents the compensated absences as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

#### 1.10 Investment

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

In accordance with the Revised Schedule VI to the Companies Act, 2013, the portion of the Long Term Investments classified above, and expected to be realised within 12 months of the reporting date, have been classified as current investments.





## VALUABLE DIGITAL SCREENS PRIVATE LIMITED

### Notes to Financial Statements for the year ended 31 March, 2017

#### 1.11 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The Weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### 1.12 Taxation

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred Tax for timing difference between profits and book profits is accounted for, using tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet Date. The company has brought forward losses and unabsorbed depreciation and hence Deferred Tax Assets/Liabilities are not recognized as there is no virtual certainty that these assets/liabilities can be realised/accrued in future.

#### 1.13 Preliminary Expenditure

Preliminary Expenses/Share Issue Expenses are written off in the year in which they are incurred.

#### 1.14 Provisions

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

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

#### 1.15 Contingent Liabilities

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

#### 1.16 Cash and Cash Equivalents

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

#### 1.17 Measurement of EBITDA

As permitted by the Guidance note on Schedule III to the Companies Act 2013, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expenses, finance cost, finance income and tax expense.



**VALUABLE DIGITAL SCREENS PRIVATE LIMITED**

Notes to financial statements as at and for the year ended 31 March 2017

**2. Share capital**

	31 Mar 2017 Rupees	31 Mar 2016 Rupees
<b>Authorised share capital</b>		
10,00,000 (31 March 2016:10,00,000) Equity Shares of Rs. 10/- each	100,00,000	100,00,000
	<b>100,00,000</b>	<b>100,00,000</b>
<b>Share capital</b>		
<b>Issued, subscribed and fully paid up shares</b>		
14,475 (31 March 2016:14,475) Equity Shares of Rs. 10/- each Fully Paid up	1,44,750	1,44,750
<b>Total issued, subscribed and fully paid up share capital</b>	<b>1,44,750</b>	<b>1,44,750</b>

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

Equity shares	31 March 2017		31 March 2016	
	No.	Rupees	No.	Rupees
At the beginning of the year	14,475	1,44,750	14,475	1,44,750
Issued during the year	-	-	-	-
<b>Outstanding at the end of the Period</b>	<b>14,475</b>	<b>1,44,750</b>	<b>14,475</b>	<b>1,44,750</b>

**(b) Terms/rights attached to equity shares-**
**Equity Shares:**

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Name of the shareholder	31 March 2017		31 March 2016	
	No.	% holding in the class	No.	% holding in the class
<b>Equity shares of Rs 10 each fully paid</b>				
Valuable Technologies Limited	2,895	20	2,895	20
UFC Moviez India Limited	11,580	80	11,580	80

As per the records of the company, including its register of shareholder/Members and other declaration received from shareholders regarding beneficial interest the above shareholding represents both legal and beneficial ownership of shares.

**3. Reserves and surplus**

	31 Mar 2017 Rupees	31 March 2016 Rupees
<b>Securities premium account</b>		
Balance as per last financial statements	169,61,145	169,61,145
Add: Additions on ESOPs exercised	-	-
<b>Closing balance</b>	<b>169,61,145</b>	<b>169,61,145</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	(1168,46,819)	(154,45,193)
Profit for the year	(1710,34,860)	(1014,01,626)
<b>Net surplus in the statement of profit and loss</b>	<b>(2878,81,679)</b>	<b>(1168,46,819)</b>
<b>Total reserves and surplus</b>	<b>(2709,20,534)</b>	<b>(998,85,674)</b>

**4. Long-term borrowings (Secured)**

	Non-Current portion		Current maturities	
	30 Mar 2017 Rupees	31 March 2016 Rupees	31 Mar 2017 Rupees	31 Mar 2016 Rupees
<b>Secured Term Loans from Bank</b>				
Rupee loan from banks (Secured against all fixed assets of the company, present and future)				
Axis Bank TL A/c- 915060030689650	600,58,871	997,19,594	496,20,040	511,02,052
(A)	<b>600,58,871</b>	<b>997,19,594</b>	<b>496,20,040</b>	<b>511,02,052</b>
<b>From Others</b>				
(B)	-	-	-	-
Amount disclosed under the head "other current liabilities" (refer note 9)			(496,20,040)	(511,02,052)
<b>Total (A+B)</b>	<b>600,58,871</b>	<b>997,19,594</b>	<b>-</b>	<b>-</b>





**VALUABLE DIGITAL SCREENS PRIVATE LIMITED**

Notes to financial statements as at and for the year ended 31 March 2017

**5. Deferred tax assets (net)**

	31 Mar 2017 Rupees	31 Mar 2016 Rupees
<b>Deferred tax asset</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	(2,36,752)	(2,36,752)
Provision for doubtful debts	-	-
<b>Net deferred tax assets</b>	<b>(2,36,752)</b>	<b>(2,36,752)</b>
Less : Deferred Tax Liabilities / (Asset) at beginning of the period	-	-
<b>Provision for Deferred Tax</b>	<b>(2,36,752)</b>	<b>(2,36,752)</b>

**6. Long Term Provision**

	31 Mar 2017 Rupees	31 Mar 2016 Rupees
<b>Provision for Employee Benefit Expenses</b>		
Provision for Gratuity	3,60,904	4,78,213
Provision for Leave Encashment	4,38,565	10,79,996
<b>Long Term Provision</b>	<b>7,99,469</b>	<b>15,58,209</b>

**7. Trade payables**

	31 Mar 2017 Rupees	31 Mar 2016 Rupees
<b>For Goods and Services.</b>		
Due to Micro and Small Enterprises		
Due to Other Enterprises	159,70,136	470,47,006
	<b>159,70,136</b>	<b>470,47,006</b>

**8. Short-term borrowings**

	31 Mar 2017 Rupees	31 Mar 2016 Rupees
<b>From Group Companies</b>		
<b>Scrabble Entertainment Limited</b>		
Principal Outstanding	1600,00,000	1000,00,000
Interest Outstanding	217,40,275	48,21,013
<b>Sub Total (A)</b>	<b>1817,40,275</b>	<b>1048,21,013</b>
<b>Southern Digital Screenz India Pvt. Ltd</b>		
Principal Outstanding	680,00,000	-
Interest Outstanding	10,78,521	-
<b>Sub Total (B)</b>	<b>690,78,521</b>	<b>-</b>
<b>From Directors</b>		
<b>DR. Sunil Shamrao Patil</b>		
Principal Outstanding	-	225,00,000
Interest Outstanding	-	1,98,247
<b>Sub Total (C)</b>	<b>-</b>	<b>226,98,247</b>
<b>Bank Over Draft / Short Term Loan</b>		
Axis Bank Ltd (secured against all current assets of the Company)	-	148,55,536
ICICI Bank Limited	1072,96,400	-
<b>Sub Total (D)</b>	<b>1072,96,400</b>	<b>148,55,536</b>
<b>Total (A+B+C+D)</b>	<b>3581,15,196</b>	<b>1423,74,796</b>

**9. Other Current Liabilities**

	31 Mar 2017 Rupees	31 Mar 2016 Rupees
<b>Other Liabilities</b>		
Current maturities of long-term borrowings (refer note 5)	496,20,040	511,02,052
Advance from customers	15,30,426	7,81,015
Security deposits received from Theater	8,10,000	10,37,457
Deferred Income	33,20,695	7,43,990
Payable for Purchase of Assets	74,48,128	-
<b>Statutory dues payable</b>		
VAT Payable	8,46,116	3,35,125
TDS Payable	8,95,015	21,29,943
Employee Related Liabilities	1,91,498	3,788
	<b>646,61,918</b>	<b>561,33,370</b>



**SCHEDULE : 10**

## FIXED ASSETS

PARTICULAR	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01st Apr 16	Addition	Deductions	As At 31st Mar 2017	Depreciation Rate	As At 01st Apr 16	Addition	Deductions	As At 31st Mar 16	As At 31st Mar 2017
Motor Car	1241,93,748	15,69,053	26,10,905	1231,51,896	20.78%	64,24,104	296,73,471	7,53,882	1177,69,644	878,38,203
Plant & Machinery	716,49,551	117,67,139	6,67,194	827,49,497	16.21%	76,66,137	147,66,338	1,09,825	639,83,414	604,26,846
Computers & Accessories	7,56,762	4,99,176	-	12,55,938	33.33%	3,45,957	3,04,882	-	4,10,805	6,05,099
Office Equipments	3,70,578	19,02,724	-	22,73,302	20.00%	95,114	3,71,979	-	2,75,404	18,06,149
Furniture's & Fixtures	63,150	-	-	63,150	16.67%	63,150	-	-	-	-
Patent & Trademark	50,27,500	82,550	-	51,10,050	20.00%	12,69,300	10,15,925	-	37,58,200	28,24,825
<b>Grand Total</b>	<b>2020,61,289</b>	<b>158,20,642</b>	<b>32,78,099</b>	<b>2146,03,833</b>		<b>158,63,823</b>	<b>461,32,595</b>	<b>8,93,707</b>	<b>1861,97,467</b>	<b>1535,01,121</b>





**VALUABLE DIGITAL SCREENS PRIVATE LIMITED**
**Notes to financial statements as at and for the year ended 31 March 2017**
**11. Long Term Loans and Advances (Unsecured, considered good, unless otherwise stated)**

	31 Mar 2017 Rupees	31 Mar 2016 Rupees
Security deposit	2,94,281	99,800
Balance with IT Authorities (Net of Provisions for taxes)	4,49,148	7,14,154
	<b>7,43,429</b>	<b>8,13,954</b>

**12. Other Assets**

	31 Mar 2017 Rupees	31 Mar 2016 Rupees
Non Current Bank balances		
Non Current Bank balances (refer note 14)	7,26,996	4,81,807
	<b>7,26,996</b>	<b>4,81,807</b>

**13. Trade receivables (Unsecured)**

	31 Mar 2017 Rupees	31 Mar 2016 Rupees
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
- considered good	-	8,88,036
- considered doubtful	-	-
Provision for doubtful receivables		
(A)	-	<b>8,88,036</b>
<b>Others receivables</b>		
- considered good	184,35,509	262,91,605
(B)	<b>184,35,509</b>	<b>262,91,605</b>
<b>TOTAL (A + B)</b>	<b>184,35,509</b>	<b>271,79,641</b>

**14. Cash and bank balances**

	31 Mar 2017 Rupees	31 Mar 2016 Rupees
<b>Cash and cash equivalents</b>		
Balances with banks :		
- In current accounts	45,67,986	2,12,881
- In cash credit account	4,47,289	-
Cash on hand	14,883	29,764
(A)	<b>50,30,158</b>	<b>2,42,645</b>
<b>Other bank balances</b>		
- Deposits with remaining maturity for less than 3 months	1,50,000	1,10,000
(B)	<b>1,50,000</b>	<b>1,10,000</b>
<b>Other Bank Balances</b>		
Deposits with original maturity for more than 12 months	7,26,996	20,38,282
(Amount disclosed under non - current assets (refer note 12))		
(C)	<b>7,26,996</b>	<b>20,38,282</b>
<b>TOTAL (A + B)</b>	<b>51,80,158</b>	<b>23,90,927</b>

**15. Short Term Loans and Advances (Unsecured, considered good, unless otherwise stated)**

	31 Mar 2017 Rupees	31 Mar 2016 Rupees
<b>Recoverable in cash or kind</b>		
Advance to Supplier	67,75,943	75,30,805
Advance to staff	10,000	14,030
Loan Given To Theatre	78,37,448	-
Deposits With Others	20,00,000	-
	<b>166,23,391</b>	<b>75,44,835</b>

**16. Other assets (unsecured, considered good unless otherwise stated)**

	31 Mar 2017 Rupees	31 Mar 2016 Rupees
<b>Recoverable in cash or kind</b>		
Interest accrued on Fixed Deposits	427	2,95,203
MVAT Refundable (For Earlier years)	11,01,335	10,58,272
UP VAT Credit	-	15,208
Service Tax Credit	133,50,400	38,43,656
Prepaid Expenses	176,78,722	175,07,834
<b>Total</b>	<b>321,30,884</b>	<b>227,20,172</b>



**VALUABLE DIGITAL SCREENS PRIVATE LIMITED**

Notes to financial statements as at and for the year ended 31 March 2017

**17. Revenue from operations**

	31 Mar 2017	31 Mar 2016
	Rupees	Rupees
<b>Revenue from operations</b>		
<b>Sale of Services:</b>		
Lease Rental & Installation Income	30,02,912	28,71,411
Advertisement Revenue	201,82,227	404,27,681
Content Income	28,14,530	65,15,240
	<b>259,99,669</b>	<b>498,14,332</b>
<b>Sales of products</b>		
Club Cinema Equipments	99,34,269	3,00,000
	<b>99,34,269</b>	<b>3,00,000</b>
	<b>359,33,938</b>	<b>501,14,332</b>

**18. Other Income**

	31 Mar 2017	31 Mar 2016
	Rupees	Rupees
Interest on Fixed deposits with Bank	1,10,028	2,44,166
Interest on Income Tax Refund	-	71,533
Miscellaneous Receipts	3,26,803	3,64,570
Sundry balance written back	30,11,218	45,583
	<b>34,48,049</b>	<b>7,25,853</b>

**19. Purchase of Traded Goods**

	31 Mar 2017	31 Mar 2016
	Rupees	Rupees
Traded Goods	86,17,973	1,52,613
	<b>86,17,973</b>	<b>1,52,613</b>

**20. Employee Benefits Expenses**

	31 Mar 2017	31 Mar 2016
	Rupees	Rupees
Salaries and Wages	237,89,887	196,60,743
Staff Welfare Expenses	8,28,504	1,75,841
	<b>246,18,391</b>	<b>198,36,584</b>





**VALUABLE DIGITAL SCREENS PRIVATE LIMITED**

Notes to financial statements as at and for the year ended 31 March 2017

**21. Other expenses**

	31 Mar 2017	31 Mar 2016
	Rupees	Rupees
<b>A) Vehicle Operating Cost</b>		
Van Operating Cost	342,53,678	598,56,032
Van Non- Operating Cost	38,23,600	10,92,038
Vehicle Hibernation Cost	67,43,977	-
Vehicle Lease Rental	-	71,46,818
Survey Expenses	14,29,380	5,13,635
Vehicles Running Cost	5,53,398	8,46,833
Filed Maintenance	116,04,388	-
Vehicle Transit Charges	11,58,100	21,22,950
Van Branding Charges	32,52,642	26,36,673
Vehicle Insurance	15,41,262	5,81,978
Road Tax-Vehicle	12,35,339	9,19,340
	<b>655,95,764</b>	<b>757,16,297</b>
	31 Mar 2017	31 Mar 2016
	Rupees	Rupees
<b>B) Others</b>		
Content Fee	45,01,954	95,36,869
Rent	5,97,677	-
Travelling Expenses	22,79,681	25,25,086
Transportation Charges	9,43,860	-
Legal, Professional and Consultancy Fees	38,23,815	32,88,780
Audit Fees	1,50,000	1,75,000
Commission	1,35,000	86,915
Office Expenses	17,09,531	6,14,032
Business Promotion Expenses	42,74,543	28,73,326
Repairs and Maintenance		
Plant & Machinery	18,84,622	34,44,074
Technical Services Fees	15,29,560	3,23,184
Rates and Taxes	14,46,436	15,06,900
Miscellaneous Expenses	71,322	7,70,816
	<b>233,48,001</b>	<b>251,44,982</b>
	<b>889,43,765</b>	<b>1008,61,279</b>

**22 Interest and Finance Expenses**

	31 Mar 2017	31 Mar 2016
	Rupees	Rupees
<b>Interest on</b>		
Term Loan	157,00,436	89,07,601
Unsecured Loan	211,88,496	87,75,927
Others	49,70,484	3,80,301
Other Borrowing Cost	2,30,000	15,49,600
Bank Charges	14,707	40,178
	<b>421,04,123</b>	<b>196,53,607</b>



# **VALUABLE DIGITAL SCREENS PRIVATE LIMITED**

Notes to Financial Statements for the year ended 31 March 2017

## **24 Disclosures as per (AS- 15) ( Revised) - Employee Benefits Gratuity and other post employment benefit plans**

	Particulars	Gratuity	Leave Encashment
a)	<b>Actuarial Assumptions :</b>		
	Interest/Discount Rate	6.70%	6.70%
	Rate of Increase in Compensation	8.00%	8.00%
	Employee Attrition Rate	15.00%	15.00%
	Expected Average remaining Service	26.37	26.37
b)	<b>Change in Obligation during the Year ended 31st March 2017</b>		
	PVO at beginning of Period	4,78,213	10,79,996
	Past Service Cost	-	-
	Interest Cost	37,274	84,180
	Current Service cost	1,59,834	2,82,567
	Benefits Paid	-	-
	Actuarial Gain/(Loss) on Obligation	(3,14,417)	(10,08,178)
	PVO at the end of Period	<b>3,60,904</b>	<b>4,38,565</b>
c)	<b>Net Assets/(Liability) recognized in the Balance Sheet as at 31st March 2017</b>		
	PVO at end of Period	-	-
	Fair Value of Plan Assets at end of period	-	-
	Funded Status	-	-
	Net Assets/(Liability) recognized in the Balance Sheet	-	-
d)	<b>Expenses recognized in the statement of P&amp;L A/c</b>		
	Current Service cost	1,59,834	2,82,567
	Past Service Cost	-	-
	Interest Cost	37,274	84,180
	Expected Return on Plan Assets	-	-
	Net Actuarial (Gain)/Loss recognised for the period	(3,14,417)	(10,08,178)
	Net Assets/(Liability) recognized in the Balance Sheet	-	-
	Expenses recognized in the statement of Profit and Loss	<b>(1,17,309)</b>	<b>(6,41,431)</b>

**Note: The above figures are as certified by actuary and relied upon by auditor.**

## **25 Segmental Reporting (AS - 17)**

The Company is engaged in the business of Digital Cinema Services and sale of advertisement space, which are subject to same risk and rewards and the financial statements reflect the result of this business segment, which is the primary segment in accordance with the requirement of Accounting Standard 17 on Segment Reporting. The Company's operations are based in same geographical segment, India.

## **26 Earning Per Share (AS-20):**

a.	Profit/ (Loss) after tax as reported (Rs.)	(1710,34,860)	(1014,01,625)
b.	Weighted Average Number of equity shares considered for calculating Earnings Per Share	14,475	14,475
c.	Earnings Per Share (Rs.)		
	Basic	<b>(11,815.88)</b>	<b>(7,005.29)</b>
	Diluted	<b>(11,815.88)</b>	<b>(7,005.29)</b>
d.	Nominal Value Per Share (Rs.)	10	10





# **VALUABLE DIGITAL SCREENS PRIVATE LIMITED**

Notes to Financial Statements for the year ended 31 March 2017

## **27 Related Party Disclosures (AS-18)**

Name of related parties where control exists irrespective of whether transactions have occurred or not

Sr. No.	Particulars
1	<b>Holding Company</b> UFO Moviez India Limited
2	<b>Fellow Subsidiary</b> Scrabbie Entertainment Limited V. N. Films Pvt. Ltd Southern Digital Screenz India Pvt. Ltd
3	<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b> Valuable Technologies Limited Jaysinh Pictures Pvt. Ltd
4	<b>Key Manegerial Person</b> Sunil Patil (Director Till 18.07.2016)

## **B Information about Related Parties Transactions:**

Sr. No.	Particulars	31 Mar 2017 (YTD) Rs	31 March 2016 (YTD) Rs
	<b>Nature of Expenses/Name of the Parties</b>		
1	<b>Holding Company</b> <b>Purchase of Equipments :</b> i) UFO Moviez India Limited	51,91,489	10,05,717
2	<b>Fellow Subsidiary</b> <b>Unsecured Loan Received</b> i) Scrabbie Entertainment Limited ii) Southern Digital Screenz India Pvt. Ltd	600,00,000 680,00,000	700,00,000 -
	<b>Interest Expenses on Loan</b> i) Scrabbie Entertainment Limited ii) Southern Digital Screenz India Pvt. Ltd	187,99,180 11,98,357	85,55,653 -
	<b>Content Fees Expenses</b> i) V N Films Pvt. Ltd.	-	4,09,868
3	<b>Key Management Personnel - (Director)</b> <b>Unsecured Loan Received</b> i) Mr. Sunil Shamrao Patil		225,00,000
	<b>Unsecured Loan Repaid</b> i) Mr. Sunil Shamrao Patil	225,00,000	
	<b>Interest Expenses on Loan</b> i) Mr. Sunil Shamrao Patil	11,90,959	2,20,274
4	<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b> <b>Expenses reimbursed</b> ii) Valuable Infrastructure Private Limited iii) Valuable Technologies Limited	- -	80,986 1,87,194
	<b>Purchase of Spares, Equipment and Procurement of Content</b> ii) Jaysinh Pictures Pvt. Ltd <u>iii) Valuable Technologies Limited</u> a) Purchase of Spares b) Technical Services Fee- CB	- 1,07,657 19,15,593	31,500 - -



**VALUABLE DIGITAL SCREENS PRIVATE LIMITED**

Notes to Financial Statements for the year ended 31 March 2017

Sr. No.	Particulars Nature of Expenses/Name of the Parties	31 Mar 2017 (YTD) Rs	31 March 2016 (YTD) Rs
(II)	<b>Balance outstanding at the end of quarter ending 31 March 2017</b>		
1	<b>Holding Company</b>		
	<b>Trade Payables</b>		
	i) UFO Moviez India Limited	60,67,543	10,05,717
2	<b>Fellow Subsidiary</b>		
	<b>Loan and Interest payable</b>		
	i) Scrabble Entertainment Limited	1817,40,275	1048,21,013
	ii) Southern Digital Screenz India Pvt. Ltd	690,78,521	-
3	<b>Key Management Personnel - (Director)</b>		
	<b>Unsecured Loan</b>		
	i) Mr. Sunil Shamrao Patil	-	226,98,247
4	<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b>		
	<b>Amount Payable</b>		
	i) Valuable Technologies Limited	20,23,250	-
	<b>Amount Receivable</b>		
	Jaysinh Pictures Pvt. Ltd	-	3,150





**VALUABLE DIGITAL SCREENS PRIVATE LIMITED****Notes to Financial Statements for the year ended 31 March 2017****28 Deferred Taxes (AS-21)**

The Company has accounted deferred tax assets to the extent of deferred tax liabilities since there is no "virtual certainty" of sufficient future taxable income available in the future (as defined in Accounting Standard 22 issued by The Institute of Chartered Accountants of India).

**29 Amortisation of Intangible Assets (AS -26)**

The company is not able to ascertain the expected future economic benefits from the intangible assets and therefore, the management uses Straight Line Method (SLM) to allocate the depreciable amount of an intangible assets over the best estimate of its useful life (i.e 5 years).

Particulars	Patent & Trademark
<b>Useful Lives</b>	5 years
<b>Amortisation Method Used</b>	Straight Line Method
<b>Gross Block</b>	
Opening Block 1.04.2016	50,27,500
Addition during the year	82,550
Deletion during the year	-
<b>Closing Block 31.03.2017</b>	<b>51,10,050</b>
<b>Accumulated Depreciation</b>	
Opening Balance 1.04.2016	12,69,300
Amortisation for the year	10,15,925
Amortisation on Deletions	-
<b>Closing Balance 31.03.2017</b>	<b>22,85,225</b>
<b>Net Block</b>	
As at 31.03.2016	37,58,200
Addition made during the year	82,550
Amortisation /Deletion during the year	(10,15,925)
<b>As at 31.03.2017</b>	<b>28,24,825</b>

**30 Disclosure regarding details of "Specified Bank Notes" (SBN) held and transacted during the period 08/11/2016 to 30/12/2016**

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	80,500	4,822	85,322
(+) Permitted receipts	-	80,000	80,000
(-) Permitted payments	-	43,415	43,415
(-) Amount deposited in Banks	80,500	-	80,500
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>41,407</b>	<b>41,407</b>

**31 Disclosure under Section 186 in respect of Loans & Advances given by the Company -**

Name of Party	Loan Given (Rs.)	Purpose
Thattipali Mohan Raj (Raj Cinema)	78,37,448	To set up and develop the franchised Theatre at the said property.

**31 Impairment of Assets (AS - 28)**

Based on exercise of impairment of assets undertaken by the management, in due cognizance of Paragraph 5 to 13 of Accounting Standard-28, the Company has concluded that no Impairment Loss is required to be booked.

**32 Contingent Liability (AS-29)**

There is no contingent liability as on the Balance Sheet date for which the Company required to make provision in the books of accounts.



## VALUABLE DIGITAL SCREENS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2017

### 33 Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

- |    |   |     |
|----|---|-----|
| a) | Trade payable due to Micro and Small Enterprises.   | Nil |
| b) | The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with amounts of the payment made to the supplier beyond the appointed day during each accounting year.                       | Nil |
| c) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006. | Nil |

34 Balances in Sundry Creditors, Debtors and Loans & Advances are subject to confirmations and reconciliations.

35 The Company is a Small and Medium Sized Company (SMC) within the meaning of Rule 2(1)(f) of The Companies (Accounting Standards) Rules 2006 and notified under the relevant provisions of the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company prescribed under the above Rules read together with the General Instructions to be followed by SMC Company.

36 In the opinion of the Board of Directors, the Current Assets and Non-Current Assets have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet and adequate provision for all known liabilities of the Company have been made.

### Previous year figures

a) Figures have been rounded off to the nearest rupee.

b) Figures of the previous year have been re-grouped and re-classified wherever necessary to correspond with the figure of the current period.

For and on behalf of  
**Shetty Naik & Associates**  
Chartered Accountants  
Firm Registration No. 124851W  
Place: - Mumbai

Partner: JAGDISH SHETTY  
Membership No: 111936  
Place: Mumbai  
Date: 11.05.2017

For and on behalf of Board of Directors  
of **Valuable Digital Screens Private Limited**

Pankaj Jaysinh Madhani  
Director

Deepak Ranjan  
Director

