

Annexure B to the Independent Auditors' Report of the even date on the Consolidated Financial Statements of K SERA SERA DIGITAL CINEMA LIMITED

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

In conjunction with our audit of the financial statements **K SERA SERA DIGITAL CINEMA LIMITED** as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **K SERA SERA DIGITAL CINEMA LIMITED**

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 the Institute of Chartered Accountants of India. 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 auditors' judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 the Institute of Chartered Accountants of India

For Agrawal Jain and Gupta

Chartered Accountants

Firm Reg. No. 013538C

CA Narayan Swami

PARTNER

Membership No. 409759

Place: Mumbai

Dated: 30.05.2017

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF K SERA SERA DIGITAL CINEMA LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **K SERA SERA DIGITAL CINEMA 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 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

Auditor's 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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 on the financial statements.

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, of the statement of affairs of the company as at 31st March 2017, and its profit and its cash flow for the year ended on that date.

Emphasis of Matters

The reports should be read together with the Notes to the financial statements and attention to following matters be given:

a) Notes to the financial statements which describe the uncertainty related to the outcome of the pendency's of appeals and legal matters filed by the company as well as against the company.

Our opinion is not modified in respect of these matters.

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 sub section (11) of section 143 of the Act, we give in the 'Annexure A' statement on the matters specified in the 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 appears from our examination of those books.

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

d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, 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 control 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 included in the Auditor's Report and to our best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
- ii. The Company does not have any long-term contracts including derivatives contracts for which any provision is required;
- iii. The Company is not required to transfer amountsto the Investor Education and Protection Fund.
- iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 3.33 to the standalone financial statements.

ForAgrawal Jain and Gupta

Chartered Accountants

Firm Reg. No. 013538C

Sd/-

CA Narayan Swami

PARTNER

Membership No. 409759

Place: Mumbai

Dated: 30.05.2017

K SERA SERA DIGITAL CINEMA LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in Rupees)

Particulars	Note No.	31st March, 2017	31st March, 2016
I. EQUITY AND LIABILITIES			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	3.1	30,00,00,000	30,00,00,000
(b) Reserves and Surplus	3.2	(1,97,17,563)	(2,61,56,390)
<u>(2) Non- Current Liabilities</u>			
(a) Long-Term Borrowings	3.3	4,11,32,835	2,61,00,000
(b) Long-Term Provisions	3.4	16,58,483	2,83,599
<u>(3) Current Liabilities</u>			
(a) Short-Term Borrowings	3.5	69,73,549	30,78,256
(b) Trade Payables	3.6	4,04,42,187	1,49,26,619
(c) Other Current Liabilities	3.7	2,58,75,407	1,94,79,052
(d) Short-Term Provisions	3.8	4,76,727	2,18,614
Total Equity & Liabilities		39,68,41,625	33,79,29,751
II. ASSETS			
<u>(1) Non-Current Assets</u>			
(a) Fixed Assets	3.9		
(i) Tangible Assets		26,86,72,321	23,65,99,894
(ii) Intangible Assets		1,67,06,351	1,67,06,351
Gross Block		28,53,78,672	25,33,06,245
Depreciation		8,98,80,647	6,98,81,689
Net Block		19,54,98,025	18,34,24,556
(b) Non-current investments	3.10	3,00,07,990	2,99,08,000
(c) Deferred tax assets (net)	3.11	64,85,450	1,01,37,049
(d) Long term loans and advances	3.12	1,01,37,992	1,00,05,992
<u>(2) Current Assets</u>			
(a) Inventory	3.13	3,85,300	4,01,800
(b) Trade receivables	3.14	6,86,15,700	5,03,77,571
(c) Cash and cash equivalents	3.15	71,40,085	87,55,179
(d) Short-term loans and advances	3.16	7,85,71,084	4,49,19,603
Total Assets		39,68,41,625	33,79,29,751

NOTES TO ACCOUNTS

Notes referred to above and notes attached there to form an integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date.

FOR AGRAWAL JAIN & GUPTA
CHARTERED ACCOUNTANTS

For K Sera Sera Digital Cinema Limited

Sd/-
(CA Narayan Swami)
Partner
Membership No. : 409759
Firm Reg. No.: 013538C
PLACE: MUMBAI
DATED: 30.05.2017

Sd/-
Satish Panchariya
Director
DIN: 00042934

Sd/-
Harsh Dutt Mathur
Director
DIN: 07411314

K SERA SERA DIGITAL CINEMA LIMITED
PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2017

(Amount in rupees)

Particulars	Note No.	31-Mar-17	31-Mar-16
Revenue from operations	3.17	18,47,78,174	17,02,59,131
Other Income	3.18	2,64,128	16,381
III. Total Revenue (I +II)		18,50,42,302	17,02,75,512
Expenses:			
Cost of materials consumed	3.19	5,82,75,461	3,10,74,504
Employee Benefit Expense	3.20	3,64,24,940	3,00,28,088
Financial Costs	3.21	51,83,890	9,91,210
Depreciation and Amortization Expense	3.22	4,04,39,091	4,68,77,298
Other Administrative Expenses	3.23	3,46,28,494	5,38,78,134
Total Expenses (IV)		17,49,51,876	16,28,49,234
Profit before exceptional and extraordinary items and tax		1,00,90,426	74,26,278
Profit before extraordinary items and tax (V - VI)		1,00,90,426	74,26,278
Extraordinary Items			
Profit before tax (VII - VIII)		1,00,90,426	74,26,278
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		36,51,599	25,29,326
Profit(Loss) from the period from continuing operations		64,38,827	48,96,952
Profit/(Loss) for the period (XI + XIV)		64,38,827	48,96,952
Earning per equity share:			
(1) Basic		0.21	0.16
(2) Diluted		0.21	0.16

NOTES TO ACCOUNTS

Notes referred to above and notes attached there to form an integral part of Balance Sheet

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

FOR AGRAWAL JAIN & GUPTA

For K Sera Sera Digital Cinema Limited

CHARTERED ACCOUNTANTS

Sd/-
(CA Narayan Swami)
Partner

Sd/-
Satish Panchariya
Director
DIN: 00042934

Sd/-
Harsh Dutt Mathur
Director
DIN: 07411314

Membership No. : 409759

Firm Reg. No.: 013538C

PLACE: MUMBAI

DATED: 30.05.2017

K SERA SERA DIGITAL CINEMA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2017

Particulars	31st March, 2017	31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	1,00,90,426	74,26,278
Adjustments For:		
Depreciation/Amortisation	1,99,98,958	1,62,53,207
Loss by fire	-	79,087
Interest Cost	51,07,489	9,28,301
Miscellaneous Expenditure Written Off	-	3,79,257
	2,51,06,447	1,76,39,852
Operating Cash Flow Before Changes In Working Capital	3,51,96,873	2,50,66,130
Adjustments For:		
(Increase)/Decrease In Stock	16,500	(39,200)
(Increase)/Decrease In Sundry Debtors	(1,82,38,129)	(2,80,82,755)
(Increase)/Decrease In Loans And Advances	(3,37,83,481)	(2,34,52,825)
Increase/(Decrease) In Current Liabilities And Provisions	3,35,44,920	1,42,81,457
Net Changes In Working Capital	1,67,36,683	(1,22,27,193)
Taxes Paid		
Extraordinary Items	-	-
Cash Generated From/(Used In) Operations	1,67,36,683	(1,22,27,193)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase Of Fixed Assets	(3,20,72,426)	(2,78,77,218)
Sale/Surrender Of Fixed Assets	-	-
Cash Generated /(Used In) From Investing Activities	(3,20,72,426)	(2,78,77,218)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(51,07,489)	(9,28,301)
Sale of Investments	(99,990)	-
Proceeds From Borrowings	1,89,28,128	2,89,68,256
Repayment Of Borrowings	-	-
Cash Generated /(Used In) From Financing Activities	1,37,20,649	2,80,39,955
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(16,15,094)	(1,20,64,457)
Cash And Cash Equivalents At The Beginning Of The Year	87,55,179	2,08,19,636
Cash And Cash Equivalents At The End Of The Year	71,40,085	87,55,179
Note:		
1 Cash and cash equivalents at the year end comprise:		
Cash On Hand	8,94,868	1,95,500
Balance With Scheduled Banks In		
- Current Accounts	62,45,217	85,59,679
- Deposit Accounts	-	-
	71,40,085	87,55,179
2 The Cash Flow Statement Has Been Prepared Under Indirect Method As		

As per our report of even date attached

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

For and on behalf of the Board of Directors

Sd/-
(CA Narayan Swami)
Partner
Membership No.: 409759
Firm Reg. No.: 013538C
Mumbai
DATED: 30.05.2017

Sd/-
Satish Panchariya
Director
DIN: 00042934

Sd/-
Harsh Dutt Mathur
Director
DIN: 07411314

K SERA SERA DIGITAL CINEMA LIMITED

Note 3.9

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31st March,2017

Fixed assets

Amount in Rupees

Particulars	Gross block			Depreciation/amortization				Net block		
	As at	Adjustments		As at	As at	For the period	Deletion/ Adjustments	As at	As at	
	April 1, 2016	Additions	Deductions	31-Mar-17	April 1, 2016			31-Mar-17	31-Mar-17	April 1, 2016
Office Building	11,74,71,244	-	-	11,74,71,244	-	-	-	-	11,74,71,244	11,74,71,244
Office equipment	33,66,385	3,68,890	-	37,35,275	24,81,538	4,69,288	-	29,50,827	7,84,448	8,84,847
Furniture and fixtures	73,78,857	74,380	-	74,53,237	39,22,194	9,03,103	-	48,25,297	26,27,940	34,56,663
Computers	1,10,01,612	13,69,767	-	1,23,71,379	98,90,637	10,09,018	-	1,08,99,656	14,71,723	11,10,975
Motor Vehicle	2,75,000	5,82,381	-	8,57,381	1,38,235	1,48,596	-	2,86,830	5,70,551	1,36,765
Demo theatre	55,04,274	-	-	55,04,274	33,50,934	4,43,157	-	37,94,091	17,10,183	21,53,340
Digital lab	1,23,48,698	75,98,736	-	1,99,47,434	54,34,899	17,33,605	-	71,68,504	1,27,78,930	69,13,799
Research & Development	1,67,06,351	-	-	1,67,06,351	1,21,69,832	11,31,031	-	1,33,00,863	34,05,488	45,36,519
Digital Technology assets	7,92,53,670	2,20,78,427	-	10,13,32,097	3,24,93,419	1,41,61,160	-	4,66,54,579	5,46,77,518	4,67,60,405
Total	25,33,06,091	3,20,72,581	-	28,53,78,672	6,98,81,689	1,99,98,958	-	8,98,80,647	19,54,98,025	18,34,24,556
Previous year	11,57,37,184	13,75,69,061	-	25,33,06,245	5,36,28,484	1,62,53,204	-	6,98,81,689	18,34,24,556	6,21,08,700

3.1 Share Capital

Particulars	March, 2017		March, 2016	
	Nos.	Amount	Nos.	Amount
AUTHORIZED CAPITAL				
3,00,00,000 Equity Shares of Rs. 10/- each.	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
ISSUED , SUBSCRIBED & PAID UP SHARES				
1,60,40,000 Equity Shares of Rs. 10/- each, Fully Paid up Share Capital	1,60,40,000	16,04,00,000	1,60,40,000	16,04,00,000
Issued other than cash				
1,39,60,000 Equity Shares of Rs. 10/- each, Fully Paid up Share Capital	1,39,60,000	13,96,00,000	1,39,60,000	13,96,00,000
Total issued, subscribed and fully paid-up share capital	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000

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

Particulars	March, 2017		March, 2016	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
Add: Issued during the year	-	-	-	-
Add: Warrants converted during the year	-	-	-	-
Outstanding at the end of the year	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of `10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held.

Rights as to Dividend:

The equity shareholders have right to receive dividend when declared by the Board of Directors subject to approval in the ensuing Annual General Meeting. The Company not declares and pays dividend during the year ended March 31, 2017, the amount of per share dividend recognised as distributions to equity shareholders is ` 10/-

Rights pertaining to repayment of capital:

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.

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

Name of the shareholder	March, 2017		March, 2016	
	Nos.	% holding in the	Nos.	% holding in
KSS Limited	3,00,00,000	100.00%	3,00,00,000	100.00%

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

Note : 3.2 Reserve & Surplus

Particulars	March, 2017	March, 2016
Balance brought forward from previous year	-2,61,56,390	-3,10,53,341
Less: Tax on Regular Assessment Paid	-	-
Add: Profit for the period	64,38,827	48,96,952
Total	-1,97,17,563	-2,61,56,390

Note : 3.3 Long Term Borrowings

(c) Details of shareholders holding more than 5% shares in the company	March, 2017	March, 2016
Secured Loan		
Secured Vehicle Loan- SBI <i>Rupee loan from banks (secured against Maruti Celerio ZXI-MH-02 EE-7244 of the Company)</i> <i>Loan having interest rate 9.75% p.a. is repayable in 36 monthly installments of Rs 15,658/- each including interest start from 04 Aug.2016.</i>	3,82,835	-
Term loans		
Term loan from Axis Bank Limited <i>Rupee loan from banks (secured against fixed assets of the Company)</i> <i>Term loan having interest of bank base rate plus 2.00% @ 11.75% p.a. is repayable in 120 monthly installments of Rs 4,00,000/- each excluding interest from March 2016.</i>	4,07,50,000	2,61,00,000
Total	4,11,32,835	2,61,00,000

Non Current Investments in Equity Instruments (Un-quoted) are shown net off after after adjusting Rs 1096.92 lacs payable for land purchases in previous year. Company had given unquoted investments as guarantee of the said payment.

K SERA SERA DIGITAL CINEMA LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Note : 3.17 Revenue from Operations

Particulars	March, 2017	March, 2016
Income From Conversion & Mastering (Digitisation income)	91,53,000	94,22,402
Sales - Virtual Print Fees	5,71,56,222	5,91,23,181
Advertisement revenue	6,93,93,369	6,48,74,912
Sale of digital cinema equipments, Lamps, etc.	4,48,05,178	3,35,17,945
Lease rental income	42,70,405	33,20,691
Total	18,47,78,174	17,02,59,131

Note : 3.18 Other Income

Particulars	March, 2017	March, 2016
Miscellaneous receipts	12,856	16,381
Foreign Exchange Revaluation Gain	14,969	-
Interest on income tax refund	2,36,303	-
Total	2,64,128	16,381

Note : 3.19 Cost of Operation

Particulars	March, 2017	March, 2016
Inventories at the beginning of the year	4,01,800	3,62,600
Add:- Purchase of digital cinema equipments, lamps etc.	4,30,71,760	1,85,15,150
Less:- Inventories at the end of the year	(3,85,300)	-4,01,800
Sub-total (a)	4,30,88,260	1,84,75,950
<u>DIRECT/PRODUCTIONS EXPENSES</u>		
Content Delivery and distribution charges	58,01,556	35,79,229
Installation & Survey Expenses	1,20,101	9,82,697
Material Delivery Exp.	26,22,012	22,08,318
Material Packing Expense	84,725	2,09,669
Transportation & Octroi Charges	14,74,070	5,45,655
Technical service fees	6,60,255	5,28,349
Consumables lamps, spares, equipments, Batteries, hard disk etc.	16,02,024	17,44,088
Advertisement revenue share	27,82,089	28,00,549
Other charges	40,369	-
Sub-total (b)	1,51,87,201	1,25,98,554
Total [a + b]	5,82,75,461	3,10,74,504

Note : 3.20 Employment Benefit Expenses

Particulars	March, 2017	March, 2016
Salaries & wages	3,02,01,804	2,62,33,516
Leave Encashment	14,500	51,011
Incentive/Bonus to staff	3,28,009	3,42,352
Office Canteen Exp.	17,74,940	13,48,064
Employer contribution to Provident Fund	10,12,281	11,75,537
Employer contribution to ESIC	5,18,522	4,82,547
Director Remuneration	12,00,000	-
Gratuity	13,74,884	3,95,061
Total	3,64,24,940	3,00,28,088

Note :3.21 Financial Cost

Particulars	March, 2017	March, 2016
Bank Charges	76,401	62,909
Interest on loan	47,24,146	5,08,471
Loan Processing Fee	3,83,343	4,19,830
Total	51,83,890	9,91,210

K SERA SERA DIGITAL CINEMA LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Note : 3.22 Depreciation & Amortised Cost

Particulars	March, 2017	March, 2016
Depreciation	1,99,98,958	1,62,53,207
Preliminary Expenses W/O	-	3,79,257
Reverse cost charge	2,04,40,133	3,02,44,834
Total	4,04,39,091	4,68,77,298

Note : 3.23 Other Administrative Expenses

Particulars	March, 2017	March, 2016
Telephone Expenses	4,25,958	7,18,613
Travelling Expenses (Local)	12,17,514	10,67,261
Travelling Expenses - Foreign Travelling	58,838	1,67,930
Internet & Website Expenses	12,31,581	15,08,120
Auditors Remuneration	5,00,000	4,00,000
Rent Rates & Taxes	57,05,303	37,62,080
Advertisement & Publicity	80,52,507	3,03,73,706
Legal & Professional Fees	93,36,782	93,99,460
Conveyance Expenses	6,80,670	6,05,198
Courier Charges	93,261	26,426
Electricity Charges	10,28,075	9,72,176
Membership & Subscription	2,85,144	4,90,301
Office Expenses	4,32,819	4,86,269
Printing & Stationery	3,39,456	4,10,167
Repair & Maintenance	7,93,472	4,37,361
Security Charges - Lab	2,64,000	5,28,000
Warehouse Expense	26,908	49,420
Commission & Brokerage	13,19,393	74,444
Insurance Charges	7,38,706	10,57,393
Interest & Penalties	8,64,592	2,93,109
Loss Due to Fire	-	79,087
Security Charges - Vasai	2,37,600	2,36,500
Foreign Exchange Revaluation Loss/Gain	-	6,916
Hotels and Hospitality Expenses	4,69,737	2,00,020
Software Maintenance Charges	17,500	1,39,215
Swachh Bharat Cess	2,77,891	2,54,583
Sundry balances w/off	1,27,986	(249)
Donation	27,001	1,251
House keeping materials	75,800	1,33,377
Total	3,46,28,494	5,38,78,134

K SERA SERA DIGITAL CINEMA LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Note : 3.4 Long Term Provisions

Particulars	March, 2017	March, 2016
Provision for Expenses	16,58,483	2,83,599
Total	16,58,483	2,83,599

Note : 3.5 Short Term Borrowings

Particulars	March, 2017	March, 2016
Interest free Loan From Director (unsecured)	-	30,78,256
Cash Credit Loan facility		
Cash Credit Loan facility from Axis Bank Limited <i>Total Cash Credit of Rs 278.00 Lacs @ 11.75% against book debts and stock.</i>	69,73,549	-
Total	69,73,549	30,78,256

Note : 3.6 Trade payable

Particulars	March, 2017	March, 2016
Sundry Creditors	3,99,50,224	1,43,65,050
Sundry Creditors-More than 1 year	4,91,963	5,61,569
Total	4,04,42,187	1,49,26,619

Note : 3.7 Other Current Liabilities

Particulars	March, 2017	March, 2016
TDS Payable	6,82,409	8,03,626
Excess amount received from customer (payable)	1,09,70,604	84,65,658
Deposits from customers(Rent)	8,60,120	9,06,120
Other Statutory Payables(PF,ESIC,VAT,Service Tax)	1,02,29,579	68,34,904
Salary Payable	31,32,695	24,68,744
Total	2,58,75,407	1,94,79,052

Note : 3.8 Short Term Provisions

Particulars	March, 2017	March, 2016
Provision for Expenses	4,76,727	2,18,614
Total	4,76,727	2,18,614

Note :3.10 Non Current Investment

Particulars	March, 2017	March, 2016
Investment in Equity Instrument (Unquoted)-Net	2,99,08,000	2,99,08,000
Investment in Subsidiary company		
KSS Speed Techonologies Pvt. Ltd	99,990	-
Total	3,00,07,990	2,99,08,000

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

Non Current Investments in Equity Instruments (Un-quoted) are shown net off after after adjusting Rs 1096.92 lacs payable for land purchases in previous year. Company had given unquoted investments as guarantee of the said payment.

K SERA SERA DIGITAL CINEMA LIMITED
Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Note: 3.11 Deferred Tax Asset

Particulars	March, 2017	March, 2016
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	64,85,450	99,71,907
Gross Deferred Tax Asset	64,85,450	99,71,907
Deferred tax asset on unabsorbed Depreciation	-	1,65,142
	-	1,65,142
Net deferred tax Asset	64,85,450	1,01,37,049

Note : 3.12 Long Term Loans and Advances

Particulars	March, 2017	March, 2016
Security Deposit		
a) Secured, Considered Good : Other Deposit	21,47,040	20,15,040
b) Unsecured, Considered Good : Long term Doubtful	79,90,952	79,90,952
Total	1,01,37,992	1,00,05,992

Rs 79.90 Lacs paid to Digital Cinema and Technology Private Limited- (DCAT) for acquisitions of the company, matter pending before Honorable High Court, Bombay Claim Amount Rs. 281.40 lacs pending for disposal.

Note : 3.13 Inventory

Particulars	March, 2017	March, 2016
Closing Stock of Inventory	3,85,300	4,01,800
Total	3,85,300	4,01,800

Note : 3.14 Trade Receivables

Particulars	March, 2017	March, 2016
Others		
a) Unsecured, Considered Good : More than six months	12,73,269	13,84,765
b) Unsecured, Considered Good : others	6,46,77,706	4,74,21,175
c) Doubtful : More than six months	26,64,725	15,71,631
Total	6,86,15,700	5,03,77,571

Note : 3.15 Cash & Cash Equivalent

Particulars	March, 2017	March, 2016
Cash-in-Hand		
Cash Balance	8,94,868	1,95,500
Sub Total (A)	8,94,868	1,95,500
Bank Balance		
In current accounts with bank In India with Noted banks	62,45,217	85,59,679
Sub Total (B)	62,45,217	85,59,679
Total [A + B]	71,40,085	87,55,179

Note :3.16 Short Terms Loans and Advances

Particulars	March, 2017	March, 2016
Loans & Advances		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :		
Advance to Associate Concerns against Equipement hire charges	5,31,35,320	2,60,00,388
Others considered good	6,90,442	1,01,342
Others		
Advance Recoverable in cash or in kind or for value to be considered good	-	-
Advance to staff	27,53,007	30,00,518
Provision for income-(Income Accrued)	44,23,778	39,22,567
Advance to Suppliers	9,08,217	5,25,324
Advance Income Tax/Refund Due/TDS	1,08,75,071	1,07,54,276
Prepaid Expenses	57,85,249	6,15,188
Total	7,85,71,084	4,49,19,603

K SERA SERA DIGITAL CINEMA LIMITED

Notes forming part of accounts for the year ended March 31, 2017

Notes to account

1. Summary of significant accounting policies

a. Basis of preparation of financial statements

The financial statements of the company have been prepared under historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act 2013 and comply in all material aspects with the accounting principles generally accepted in, under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

The accounting policies have been consistently applied unless otherwise stated. All assets and liabilities have been classified as current or non-current 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.

2. Summary of significant accounting policies

b. Use of estimates

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

c. Fixed assets

Tangible assets

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

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

Intangible assets

The Company recognizes developments for digital technology as an intangible asset. The same is in consideration of the future economic benefits and availability of the aforesaid rights for after the expiry of initial period of development. The recognition creation of Intangible assets is made. At actual expenses incurred for the said development on the project.

The said recognition of intangible assets is, however, subject to the management assessment of future economic benefits from exploitation of these rights having regards to the success of research and development of new technology and other relevant factors. In the event, the said recognition criteria are not met, the entire cost of development is charged to the profit and loss account as is accounted as per Accounting Standard 26 on 'Intangible Assets' issued by The Institute of Chartered Accountants of India and stated at cost of acquisition.

d. Depreciation/amortization

Tangible assets

Depreciation on fixed assets is calculated on a written down value method at based on the useful lives estimated by the management, or those prescribed under the Schedule II of the Companies Act, 2013, The company has used the following rates to provide depreciation on its fixed assets.

Particulatrs	Rates of Depreciation
Plant and Equipements	5 Years
Furniture and Fixtures	10 Years
Computers and laptops	3 Years
Motor Car	10 Years
Demo Thearter	12 years
Digital Techonolgy asseta	12 years
Projector Lamp Casing (Only Casing)	1 Years

Intangible assets

Depreciation on fixed assets is calculated on a written down value method at based on the useful lives estimated by the management, or those prescribed under the Schedule II of the Companies Act, 2013, The company has used the following rates to provide depreciation on its fixed assets.

Particulatrs	Rates of Depreciation
Research & Development	10 years

e. Borrowing costs

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

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

f. Impairment of assets

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

g. Investments

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

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

Non Current Investments in Equity Instruments (Un-quoted) are shown net off after after adjusting Rs 1096.92 lacs payable for land purchases in previous year. Company had given unquoted investments as guarantee of the said payment.

h. 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:

Income from services

- Virtual print fees (VPF) received from distributors of the films from Cinema is recognized
- Advertisement income is recognised in the period during which advertisement is displayed.
- Income from digitization charges is recognized on rendering of services.
- Revenue from commission and technical service income is recognised in period in which services are rendered

Sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are recorded net of returns, trade discounts, and value added tax. The Group recognizes revenue from sales of equipment, traded goods and spares as and when these are dispatched/issued to customers. The Group collects service tax and value added tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

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.

i. Inventories

Inventories comprise of traded goods, stores and spares are valued at cost or at net realisable value whichever is lower. Cost of traded goods, stores and spares is determined on weighted average basis. Stores and spares, which do not meet the definition of property, plant and equipment, are accounted as inventories. Net realizable value is the estimated selling price in the ordinary course of business and estimated costs necessary to make the sale.

j. Accounting for taxes on income

Current Tax

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

Deferred Tax

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

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

Minimum alternate tax (MAT) paid in a period is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the period in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

k. Retirement benefits

The Group 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. The following tables summaries the components of net benefit expense recognized in the statement of profit and loss account and corresponding liability recognized in the balance sheet for the respective plans.

Table 1 : Amounts in Balance Sheet	31-Mar-17
Defined Benefit Obligation (DBO)	16,58,483
Fair Value of Plan Assets	-
Funded Status - (Surplus)/Deficit	16,58,483
Unrecognized Past Service Cost / (Credit)	-
Unrecognised Asset due to Limit in Para 59(B)	-
Liability/(Asset) recognised in the Balance Sheet	16,58,483

Table 2 : Amount Recognised in the Statement of Profit & Loss	31-Mar-17
Current Service Cost	4,83,922
Interest Cost	96,817
Expected Return on Plan Assets	-
Past Service Cost	-
Net Actuarial Losses/(Gains)	(1,63,501)
(Gain)/Loss due to Settlements/	-
Curtailements/Acquisitions/Divestitures	-
Unrecognised Asset due to Limit in Para 59(B)	-
Total Expense/(Income) included in "Employee Benefit Expense"	4,17,238

Table 3 : Change in Present Value of Benefit Obligation during the Period	31-Mar-17
Defined Benefit Obligation, Beginning of Period	12,41,245
Current Service Cost	4,83,922
Interest Cost	96,817
Actual Plan Participants' Contributions	-
Actuarial (Gains)/Losses	(1,63,501)
Acquisition/Business Combination/Divestiture	-
Actual Benefits Paid	-
Past Service Cost	-
Changes in Foreign Currency Exchange Rates	-
Loss / (Gains) on Curtailments	-
Liabilities Extinguished on Settlements	-
Defined Benefit Obligation, End of Period	16,58,483

Reconciliation of Amounts in Balance Sheet	31-Mar-17
Opening Balance Sheet (Asset)/Liability	53,102
Total Expense/(Income) Recognised in P&L	16,05,381
Actual Benefits Paid	-
Acquisition/Business Combination/Divestiture	-
Closing Balance Sheet (Asset)/Liability	16,58,483

i. Foreign currency transactions

- i. Foreign currency transactions are recorded at exchange rates prevailing on the date of respective transactions.
- ii. Current assets and current liabilities in foreign currencies existing at balance sheet date are translated at year-end rates.

m. Provision

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.

n. 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.

o. Measurement of EBITDA

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

p. 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 doesn't have any contingent liability.

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

S/no.	Name of Parties	Case No.	Particulars
1	Bharti Airtel Limited	410 of 2015	Claim of Internet charges Rs 78.89 Lacs with interest.
2	Krishana Prabhu Pal & ors	CP/104/2016	High Court, Bombay Claim Amount Rs. 51.60 lacs.

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

S/no.	Name of Parties	Case No.	Particulars
1	Digital Cinema and technology Private Limited- DCAT	ARBAPL/1966/2016	High Court, Bombay Claim Amount Rs. 281.40 lacs.

q. Preliminary Expenses

Preliminary expenses, if any, will be written off over a period of Five years.

3.24 Deferred tax Asset/ (Liability)

Particulars	As at March 31, 2016	Current year (charge) / credit	As at March 31, 2017
Difference between book base and tax base of fixed assets	99,71,907	(34,86,457)	64,85,450
Carried forward losses	1,65,142	(1,65,142)	NIL
Deferred tax Asset/ (Liability)	1,01,37,049	(36,51,599)	64,85,450

3.25 Earnings per share

Particulars	March 31, 2017	March 31, 2016
Net profit / (loss) after tax for the year	64,38,827	48,96,952
Weighted equity shares outstanding as at the year end	3,00,00,000	3,00,00,000
Nominal value per share (Rs.)	10	10
Earnings per share(Weighted Average)		
– Basic	0.21	0.16
– Diluted	0.21	0.16

3.26 Auditor's remuneration [excluding service tax]

Particulars	March 31, 2017	March 31, 2016
Statutory Audit Fees	3,00,000	2,00,000
Tax Audit Fees	1,50,000	1,50,000
Other Fees	50,000	50,000
Total	5,00,000	4,00,000

3.27 Related Party Disclosures

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

Names of related parties and related party relationship

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

Related parties where control exists

K Sera Sera Box Office Private Limited

K Sera Sera Miniplex Limited

KSS Limited-Holding Company

Birla Jewels Limited

Birla Gold and Precious Metals Ltd

Alka India Limited

KSS Speed Technology Private Limited –Subsidiary company

Cherish Gold Private Limited

Key Managerial Personnel

Satish Panchariya, Chairman & Director

Rahul Kanani-CFO

Nature of transaction	2017	2016
<u>a. Transactions during the year</u>		
K Sera Sera Miniplex Ltd (Advertisement Expenses)	35,65,313	11,229,161
KSS Limited (Reverse cost charge for use of asset)	2,04,40,133	3,02,44,834
<u>Advances/ loan repayment paid</u>		
K Sera Sera Miniplex Limited	86,99,810	2,63,71,374
KSS Limited	5,31,75,660	2,05,97,048
Birla Gold And Precious Metals Ltd.	93,00,000	1,01,50,000
Satish Panchariya	96,82,162	80,31,744
KSS Speed Technology Private Limited	6,90,442	NIL
<u>Advances/ loan repayment received</u>		
K Sera Sera Miniplex Limited	2,63,08,789	1,31,73,636
KSS Limited	82,41,409	1,23,55,639
Birla Gold And Precious Metals Ltd.	94,50,000	1,00,00,000
Satish Panchariya	66,03,906	1,09,00,000
<u>b. Closing balance</u>		
<u>Loans and advances</u>		
K Sera Sera Miniplex Limited	NIL	1,76,08,979
KSS Limited	5,31,35,320	82,41,409
Birla Gold And Precious Metals Ltd.	NIL	1,50,000
Satish Panchariya	NIL	(30,78,256)
KSS Speed Technology Private Limited	6,90,442	NIL
<u>Transactions other than Loans and Advances</u>		
Satish Panchariya (Director's Remuneration)	12,00,000	NIL
Vineeta Divwadi (Resigned wef. 30/06/2017)	6,78,762	25,00,000
Rahul Kanani (Appointed wef. 10/07/2017)	17,35,484	NIL

3.28 The Company did not have any transactions with Small Scale Industrial ('SME's') Undertakings during the year ended March 31, 2017 and hence there are no amounts due to such undertakings. The identification of SME's undertakings is based on the management's knowledge of their status.

The Company has not received any information from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with interest paid / payable as required under the said Act have not been furnished.

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

Particulars	31-Mar-17	31-Mar -16
Expenditure	NIL	NIL
Travelling and Hotels	77,570	2,07,603
Expenditure/Capital expenditure for assets	1,35,25,612	1,17,54,899

3.30 Un-hedged foreign currency exposure

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

Particulars	31-Mar-17	31-Mar-16
Receivables		
US\$ @ closing of 1 USD = Rs.64.75 (Previous year US \$ @ closing rate of 1 USD = Rs. 66.10)	-----	-----
Payables		
US\$ @ closing of 1 USD = Rs.64.75 (Previous year US \$ @ closing rate of 1 USD = Rs. 66.10)	USD 11,062	USD 11,062

3.31 Balances in respect of sundry debtors, sundry creditors and loans and advances. If any are taken as shown by books of accounts and are subject to confirmation and Consequent adjustments and reconciliations, if any.

3.32 Previous year figures have been regrouped / reclassified, where necessary, to conform to current year classification.

3.33 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017, on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in Rupees)

Particular	Specified Bank notes (SBNs)	Other Denomination notes	Total
Closing cash in hand as on 8th November, 2016	35,00,000	1,79,100	36,79,100
Add: Permitted receipts	NIL	7,36,294	7,36,294
Less: Permitted Payments	NIL	5,23,248	5,23,248
Less: Amount deposited in banks	35,00,000	Nil	35,00,000
Closing Cash in hand as on 30th December,2016	NIL	3,92,146	3,92,146

Note: For the purpose of this clause, the term Specified Bank Notes (SBNs) means the bank notes of denominations' of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8 November, 2016

3.34 Subsidiary Company Business

Sr No.	Name of the Company	Date of Incorporation	% of holding	Amount Invested	Advance to Subsidiaries	Previous Year
1.	KSS Speed Technology Pvt Limited	05.01.2011	100%	1,00,000	6,90,442	NIL

For and on behalf of directors

For Agrawal Jain & Gupta
Chartered Accountants
FRN - 013538C

Sd/-

Sd/-

Sd/-

Satish R. Panchariya
Director
DIN: 00042934

Harsh Dutt Mathur
Director
DIN: 7263779

CA Narayan Swami
Partner
M. No - 409759

Place: Mumbai
Date: 30.05.2017