

S. JANARDHAN & ASSOCIATES

CHARTERED ACCOUNTANTS

VIAK BHATTIA, B.com, F.C.A.,
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Independent Auditor's Report

To the Members of Vision Cinemas Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of Vision Cinemas Limited (hereinafter referred as "the Company"), which comprise the balance sheet as at 31st March 2017, the statement of profit and loss and 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 Standalone 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 and presentation of these standalone 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone 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 the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 on the Standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the possible effects of the matters described in the "Emphasis of Matters paragraph" and sub-para 2 (g) (i) of "Report on Other Legal and Regulatory Requirements paragraph" below**, the aforesaid Standalone 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 state of affairs of the Company as at 31st March 2017, its losses and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our report, we draw attention on the following non-compliances under the Companies Act, 2013 and rules thereon:

- a. Non-appointment of Independent Directors as required under section 149(4) of the said Act;
- b. Non-appointment of Internal Auditors as required under section 138 of the said Act;
- c. Non-appointment of Chief Financial Officer and full-time Company Secretary as required under section 203 of the said Act; and
- d. The Company has not placed its financial statements and relevant information on its website as required under section 136 of the said Act.

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, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

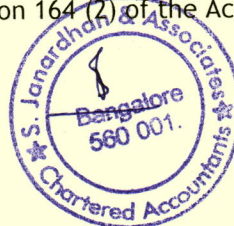
(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

(c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Standalone 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 the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and



(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:

i. We are unable to express an opinion on the impact of pending litigations on its financial position in the financial statements of the Company as the management has not furnished to us requisite information/evidences in this regard.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8th to December 30th 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of accounts maintained by the company and as produced to us by the management.



For S. Janardhan & Associates
Chartered Accountants
Firm Reg No. 0053105

Vijay Bhatia
Partner

Membership No. 201862

Bengaluru
30th May, 2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **VISION CINEMAS LIMITED** for the year ended March 31, 2017), we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) We are unable to form an opinion on whether the title deeds of immovable property are held in the name of the company since the management has not provided necessary documentary evidences, in order to certify whether, the title deeds of immovable properties are held in the name of the Company.

(ii) The Business activities of the Company are into Screening of Movies and Advertisement. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company had not granted any loan, secured or unsecured to any companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause (iii) [(a) to (c)] of the said Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan to directors or other parties with whom the directors are interested as provided in section 185 and 186 of the Act. Therefore, the provisions of clause (iv) of the said Order are not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Companies Act, 2013, and the rules framed there under.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, excise duty, wealth-tax, service tax, customs duty, excise duty, Value added tax, cess and other material statutory dues have not been regularly deposited during the year by the Company with appropriate authorities.



There are no undisputed statutory dues as referred to above as at 31st March 2017 outstanding for a period of more than six months from the date they become payable except for below mentioned dues:

Name of the Statute	Nature of Dues	Amount in Rs.	Period of default
Income Tax Act, 1961	Tax deducted at source	3,14,904	Various Dates
Finance Act, 1994	Service tax	1,26,929	366 days

According to the information and explanations given to us by the Company, there are no undisputed statutory dues that have not been deposited on account of matters pending before the appropriate authority.

(i) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ii) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

According to the information and explanations given to us, no material fraud by the Company or any of its officers or employees has been noticed or reported during the course of our audit.

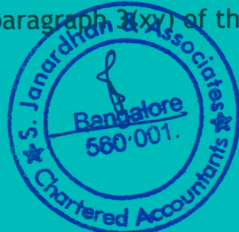
According to the information and explanations given to us and based on our examination of the records of the Company, there were no managerial remuneration paid/accrued during the year. As such, comments on compliance in accordance with section 197 read with Schedule V of the Act do not arise.

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For S. Janardhan & Associates

Chartered Accountants

Firm Reg No. 0053105



Vijay Bhatia

Vijay Bhatia
Partner

Membership No. 201862

Bengaluru
30th May 2017

Annexure - B to the Auditors' Report

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 VISION CINEMAS LIMITED ("the Company") as at 31st March 2017 in conjunction with our audit of the standalone 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,

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 whether such controls operated effectively in all material respects.

both apply to the Chartered Accountant with ethical requirements whether adequate internal financial controls were maintained and if such controls

Our audit involves performing procedures to obtain audit evidence about the adequacy of the 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 systems. 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the 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 systems. 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.

The 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.

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 31st 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 the Institute of Chartered Accountants of India.

P. S. Jaganathan & Associates
Chartered Accountants
Firm Reg No. 0053105



Vijay Bhatia

Vijay Bhatia
Partner
Membership No. 201862

Bengaluru
30th May 2017

VISION CINEMAS LIMITED

BALANCE SHEET AS AT MARCH 31, 2017

	Note No.	31.03.2017 Rs.	31.03.2016 Rs.
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2.1	6,25,67,450	6,25,67,450
(b) Reserves and Surplus	2.2	5,95,17,227	5,97,37,883
(c) Share Warrants		3,13,38,500	3,13,38,500
Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Long-term provisions		-	-
Non-Current Liabilities			
(a) Long-term borrowings		-	-
(a) Deferred Tax liabilities		-	-
(c) Long term provisions		-	-
Current liabilities			
(a) Trade payables	2.3	1,10,16,448	1,11,96,448
(b) Other current liabilities	2.4	6,69,25,348	6,89,47,504
(c) Short-term provisions		-	-
(d) Deferred tax liabilities	2.5	22,01,219	21,86,346
TOTAL		23,35,66,192	23,59,74,131
II. ASSETS			
Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	2.6	87,50,057	89,11,305
(ii) Intangible assets		-	-
(b) Non-current Investments	2.7	6,29,00,000	6,29,00,000
(c) Deferred tax assets (Net)		-	-
(d) Long-term loans and advances	2.8	9,89,658	9,89,658
(e) Other non-current assets		-	-
Current Assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade receivables	2.9	9,21,70,435	9,24,20,435
(d) Cash and Bank Balances	2.10	10,10,347	4,94,517
(e) Short-term loans and advances		-	-
(f) Other current assets	2.11	6,77,45,696	7,02,58,216
TOTAL		23,35,66,192	23,59,74,131

Significant accounting policies and Notes to accounts are an integral part of financial statements.

For and on behalf of the Board of
Vision Cinemas Limited

Place : Bangalore
Date : 30th May 2017

Ranga Vasanth
(Director)

Anitha Vasanth
(Director)

As per our report of even date

For S. Janardhan and Associates
CHARTERED ACCOUNTANTS
Reg No. 0053105

(Vijay Bhatia)

Partner
Membership No. 201862

Place : Bangalore
Date : 30th May , 2017



VISION CINEMAS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Note No.	YEAR ENDED 31.03.2017 Rs.	YEAR ENDED 31.03.2016 Rs.
Revenue from operations(Gross)	2.12	12,35,833	8,75,371
Other Income	2.13	-	26,45,187
Total Revenue		12,35,833	35,20,558
Expenses:			
Operation Costs	2.14	5,95,112	7,44,065
Finance costs	2.15	410	12,591
Depreciation and amortisation expense	2.16	1,61,248	1,92,230
Other expenses	2.17	6,84,846	11,76,924
Total Expenses		14,41,616	21,25,811
Profit/(Loss) before exceptional and extraordinary items and tax		(2,05,783)	13,94,747
Exceptional items	2.18	-	1,06,101
Profit/(Loss) before extraordinary items and tax		(2,05,783)	12,88,646
Extraordinary Items		-	-
Profit/(Loss) before Tax		(2,05,783)	12,88,646
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		14,873	14,112
Profit/(Loss) for the period		(2,20,656)	12,74,534
Earnings per share:			
Basic/Diluted	2.19	(0.004)	0.023

Significant accounting policies and Notes to accounts are an integral part of financial statements.

For and on behalf of the Board of
Vision Cinemas Limited

Place :Bangalore
Date : 30th May 2017

Ranga Vasanth
(Director)

Anitha Vasanth
(Director)

As per our report of even date
FOR S Janardhan and Associates
CHARTERED ACCOUNTANTS
Reg No. 0053105



Vijay Bhatia

(Vijay Bhatia)
Partner
Membership No. 201862

Place :Bangalore
Date : 30th May , 2017

VISION CINEMAS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH 31, 2017

Particulars	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
A. Cash Flow from Operating Activities		
Profit before Taxation and extraordinary items	12,05,783	12,88,646
Adjustments for Depreciation	1,61,248	1,92,230
Interest expenses	410	12,591
Operating Profit before working capital changes	(44,125)	2,93,467
<u>Changes in Working Capital:</u>		
Increase/(Decrease) in Trade Payables	(1,80,000)	2,000
Increase/(Decrease) in Other Liabilities	(20,22,156)	72
(Increase)/Decrease in Trade Receivables	2,50,000	-
(Increase)/Decrease in Other Current assets	25,12,521	45,773
Cash generated from Operations	5,16,240	(1,71,356)
Taxes paid (Net of refunds)	-	-
Net cash generated from operations before extraordinary items	5,16,240	(1,71,356)
Net cash generated from operating activities	5,16,240	(1,71,356)
B. Cash Flow from Investing Activities		
Net Cash from Investing Activities	-	-
C. Cash flow from Financing Activities		
Interest paid	(410)	(12,591)
Net cash raised in Financing activities	(410)	(12,591)

Cash and cash equivalents at the beginning of the year

₹ 44,125

Cash and cash equivalents at the end of the year

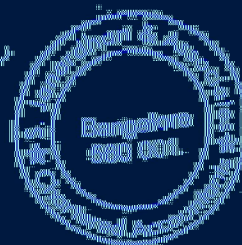
₹ 10,10,240

For and on behalf of the Board of Directors
Without Signature

Japan Export of Goods
and Services and
Capital Expenditure
and Distribution of
Profits

Kanga Warath
Director

For and on behalf of the Board of Directors
Without Signature



Wing Director
Partner
Membership No. 1234567

Place: Bangalore
Date: 30th May 2017

Place: Bangalore
Date: 30th May 2017

1 GENERAL INFORMATION

Vision Cinemas Limited (VCL) was incorporated on 18th June, 1992. VCL is a Company in the business of Processing of cine and telefilms, video films, satellite and cable TV and tape recorders, processing, printing, titling, recording and dubbing etc and to carry on business as producers of feature films and as distributors, hirers, exhibitors and negative holders of documentary and feature films of all languages.

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

1.1 METHOD OF ACCOUNTING:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under Historical Cost convention on accrual basis. GAAP comprises mandatory Accounting Standards as specified in the Companies (Accounts) Rules, 2014.

Preparation of Financial Statements in conformity with Generally accepted accounting principles requires management to make estimates & assumptions that affect the reported balance of assets & liabilities and disclosures relating to Contingent assets & liabilities as on the date of Financial Statement and reported amounts of Income & expenditure during the period. Actual results could differ from these estimates, differences if any between the actual results and estimates are recognized in the period in which the results are known or materialized.

Presentation and disclosure of financial statements during the year ended March 31, 2017 is as per the Schedule III under the Companies Act 2013, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed by the Company for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

All the assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

1.2 USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include classification of assets and liabilities into current and non-current, estimates of the economic useful lives of fixed assets, provisions for bad and doubtful debts. Any revision to accounting estimates is recognised prospectively.

1.3 INVENTORY:

The Company is in the field of Film exhibition and hence the question of valuation of inventories does not arise.

1.4 EVENTS OCCURRING AFTER BALANCE SHEET DATE :

Material events occurring after the date of Balance sheet are taken into cognizance.

1.5 EXPENDITURE :

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities.

1.6 REVENUE RECOGNITION:

a) Screening Income:

In cases where the Company has a formal contract with the advertiser or advertising agency, revenue is recognized as specified in the contract. In other cases, revenue is recognized after completion of screening of related advertisement.

b) Project Management/Development Income:

Income is recognized as and when the bill is raised.

1.7 PROPERTY, PLANT AND EQUIPMENTS:

- Fixed assets are stated at cost of acquisition including directly attributable costs for bringing the asset into intended use, less accumulated depreciation, amortization and impairment losses.
- Borrowing costs directly attributable to acquisition or construction of the fixed assets which are necessary to earn substantial period of time to get ready for their intended use are capitalized.
- Expenditure directly relating to expansion is capitalized only if it increases the life or functionality of an asset beyond its original standard of performance.
- Depreciation is provided on straight line method on the basis of useful life of each asset set out under Schedule-II of the Companies Act, 2013 on a pro-rata basis.

1.8 INTANGIBLE ASSETS :

Intangible assets acquired separately are measured initially at recognition at cost. Intangible assets are amortized over their useful lives, less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over a period of 3 years, which is estimated to be the useful life of the asset.

1.9 INVESTMENTS:

Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is not temporary in the opinion of the management.

1.10 EMPLOYEES RETIREMENT BENEFITS:

Provident Fund & Employee State Insurance - The Company has not made any contributions towards such funds, as the provisions of the said act are not applicable.

Gratuity - The Company has not made provision for Gratuity as none of the employees currently employed with the company have met the criteria as defined under the Gratuity Act of 1972.

Leave Encashment - The Company does not have any policy for encashment of leave. Hence the company has not made any provision for leave encashment.

1.11 BORROWING COSTS :

Borrowing costs directly attributable to the acquisition or construction of qualifying fixed assets are capitalised as part of the cost of the assets, upto the date the asset is put to use. Other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.

1.12 LEASE:

Asset taken on Lease under which, all the risk and rewards of ownership are effectively retained by the lessor is classified as Operating Lease. Operating lease payments are recognized as an expense on accrual basis in accordance with the respective Lease Agreements under the head "Rent" in notes to statement of profit and loss.

1.13 CASH FLOW STATEMENTS:

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and the changes during the period in inventories and operating receivables and payables. The cash flows from regular revenue generating, investing and financing activities of the Company are shown separately.

1.14 EARNINGS PER SHARE:

i) Basic Earnings per share is calculated by dividing the net earning available to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year.

ii) Diluted Earnings per share is calculated by dividing the net earnings available to existing and potential Equity Shareholders by aggregate of the weighted average number of Equity Shares considered for deriving basic earnings per share.

1.15 TAXES ON INCOME:

Tax expense comprises both current and deferred taxes. The current charge for income taxes is calculated in accordance with the relevant tax regulations. 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 assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

1.16 IMPAIRMENT OF ASSETS :

At the end of each year, the company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with A.S-28 "Impairment of Assets" issued by MCA, where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on Fixed asset is made for the difference, if any.

Since there is no Impairment loss recognized during the previous year, the effect for the same has not been given in the Financial Statements.

1.17 CONTINGENT LIABILITIES:

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company not acknowledged as debts are treated as contingent liabilities and the same is disclosed in notes.

2.0 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

2.1 SHARE CAPITAL

Particulars	As at 31.03.2017	As at 31.03.2016
Authorised		
15,00,00,000 (Previous Year 15,00,00,000) Equity Shares of Rs. 1/- each	15,00,00,000	15,00,00,000
(A) Issued and Subscribed and fully Paid-up		
5,44,71,200 (Previous Year 5,44,71,200) Equity Shares of Rs. 1/- each fully paid up	5,44,71,200	5,44,71,200
(B) Forfeiture of Shares (arising out of reduction in capital as per court order)		
One crore eighty six lakh two thousand five hundred and fifty	80,96,250	80,96,250
Add : Transfer During the year	-	-
Balance as at the end of the year	80,96,250	80,96,250
TOTAL	6,25,67,450	6,25,67,450

The Company has only one class of shares referred to as equity shares having a par value of Re.1/-. Each holder of equity shares is entitled to one vote per share held.

The Company declares and pays dividend 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.

Dividend, if approved, is payable to the shareholders in proportion to their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company.

The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of number of Shares				
Equity Shares:	As at 31.03.2017		As at 31.03.2016	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the previous year	5,44,71,200	5,44,71,200	5,44,71,200	5,44,71,200
Add: Shares issued during the year				
Balance as at the end of the year	5,44,71,200	5,44,71,200	5,44,71,200	5,44,71,200
Details of Shares held by shareholders, holding more than 5% of the aggregate shares in the Company.				
Particulars	No. of shares	Percentage	No. of shares	Percentage
S.I. Media LLP	1,00,00,000	18.36	1,00,00,000	18.36
Vasanth Color Labs	50,00,000	9.18	50,00,000	9.18

2.3 TRADE PAYABLES

Particulars	As at 31.03.2017	As at 31.03.2016
Trades payables		
- Due to micro small and medium enterprises	-	-
-Others	1,10,16,448	1,11,96,448
(Refer Note No. 2.25 regarding disclosure as required under the provisions of MSMED Act)		
TOTAL	1,10,16,448	1,11,96,448

2.4 OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2017	As at 31.03.2016
Due to Key managerial personnel		
Ranga Vasanth	6,00,93,253	6,23,13,142
Anitha Vasanth	61,00,000	61,00,000
Others payable		
Outstanding Expenses	92,904	92,529
Statutory Dues(Including Provident Fund,Withholding Taxes Payables)	6,39,191	4,41,833
TOTAL	6,69,25,348	6,89,47,504

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125(2)(e) of the Companies Act, 2013.

2.5 DEFERRED TAX LIABILITY

Particulars	As at 31.03.2017	As at 31.03.2016
On account fiscal allowance of depreciation	22,01,219	21,86,346
TOTAL	22,01,219	21,86,346

2.7 LONG-TERM INVESTMENTS

Particulars	As at 31.03.2017	As at 31.03.2016
Investments in Subsidiary		
49,900 Equity shares of 10 each, Fully paid Pyramid Entertainment (India) Private Limited	6,29,00,000	6,29,00,000
TOTAL	6,29,00,000	6,29,00,000

2.8 LONG TERM LOANS AND ADVANCES

Particulars	As at 31.03.2017	As at 31.03.2016
(Unsecured, Considered good)		
Security Deposit - Others	9,89,658	9,89,658
TOTAL	9,89,658	9,89,658

2.9 TRADE RECEIVABLES

Particulars	As at 31.03.2017	As at 31.03.2016
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment		
- from related Parties (Refer Note 2.24 for details)	9,21,70,435	9,24,20,435
Others	-	-
TOTAL	9,21,70,435	9,24,20,435

2.10 CASH AND BANK BALANCES

Particulars	As at 31.03.2017	As at 31.03.2016
Cash and Cash equivalents		
Cash on hand	9,74,310	4,42,405
Balances with Banks		
in Current Account	36,037	52,112
TOTAL	10,10,347	4,94,517

2.11 OTHER CURRENT ASSETS

Particulars	As at 31.03.2017	As at 31.03.2016
(Unsecured, considered good)		
Advance to Vendors	10,47,984	11,71,484
Advance Taxes (Net of Provisions)	18,348	18,348
Due From Related Parties		
Pyramid Entertainment(India) Private Limited (Refer note no. 2.22)	6,66,79,364	6,90,68,384
TOTAL	6,77,45,696	7,02,58,216

2.12 REVENUE FROM OPERATIONS

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Screening Income	12,35,833	8,75,371
	12,35,833	8,75,371

2.13 OTHER INCOME

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Lease Rentals earned	-	13,53,000
Balances no longer payable	-	12,92,187
	-	26,45,187

2.14 OPERATION COSTS

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Screening expenses	5,95,112	7,44,065
TOTAL	5,95,112	7,44,065

2.15 FINANCE COSTS

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
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2.20 All Current Assets, Loans and advances, have atleast the value as stated in the Balance Sheet if realised in the ordinary course of Business.

2.21 OPERATING LEASE OBLIGATIONS

The company has taken office, other facilities under cancelable and non-cancelable operating leases, which are renewable on a periodic basis:

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Lease rent recognized in the Statement of Profit and Loss	-	18,67,500
Minimum lease payments outstanding in respect of these areas under:		
Not later than one year	-	30,00,000
Later than one year and not later than 5 years	-	1,29,00,000

2.22 Other Current Assets:

There is also an outstanding balance to the tune of Rs.6,66,79,364/- (Previous year Rs.6,90,68,384/-) due from Pyramid Entertainment India Private Limited, a subsidiary of the company. The Management has a perception that above amount is recoverable and ensures that the same need not be written off.

2.23 In view of Brought forward losses under provisions of Income Tax Act, 1961 and also under the provisions of section 115JB of the Income Tax Act, 1961 no provision has been made for taxes for the previous financial year.

2.24 RELATED PARTY TRANSACTIONS

Name of the Related Party	Relationship
Ranga Vasanth	Key Managerial Personnel
Anitha Vasanth	Key Managerial Personnel
M/s Pyramid Entertainment India Private Limited	Wholly owned Subsidiary
M/s Vasanth Color Laboratories India Limited	Other Related Parties
M/s S I Media LLP	Other Related Parties
M/s Visual Communication Services, Partnership firm	Other Related Parties

Particulars	Subsidiaries	Key Managerial Personnel	Other Related Parties
Lease Rental Received			13,53,000
Lease Rental Paid			18,67,500
Screening Revenue			12,35,833
			8,75,371
Screening Expenses			5,95,112
			7,44,065
Current Liabilities Payable		6,61,93,253	
		6,84,13,142	
Receivables at the year end	6,66,79,364		9,21,70,435
	6,90,68,384		9,24,20,435
Investments/Share Application money in Subsidiary	6,29,00,000		
	6,29,00,000		

(Amounts representing in Bold and Italics are relating to Previous year)

2.25 DUES TO MICRO AND SMALL ENTERPRISES

	As at 31.03.2017	As at 31.03.2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	Nil	Nil
Further interest remaining due and payable for earlier years.	Nil	Nil

2.26 Disclosure on Specified Bank Notes and Other denomination notes

Particulars	SBN's	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	17,500	9,24,904	9,42,404
+ Permitted receipts	-	30,325	30,325
- Permitted Payments	-	-	-
- Amount deposited in banks	17,500	-	17,500
Closing cash in hand as on December 30, 2016	-	9,55,229	9,55,229

For and on behalf of the Board of
Vision Cinemas Limited

Place :Bangalore
Date : 30th May 2017

Ranga Vasanth
Director

Anitha Vasanth
Director

Place :Bangalore
Date : 30th May , 2017



As per our report of even date
FOR S Janardhan and Associates
CHARTERED ACCOUNTANTS
Reg No. 0053105

(Signature)
(Vijay Bhatia)
Partner
Membership No. 201862

VISION CINEMAS LIMITED

SUB-NOTES TO THE BALANCE SHEET & PROFIT AND LOSS

Particulars	AS AT	AS AT
	As at 31.03.2017	As at 31.03.2016
1 Outstanding Expenses		
Audit Fees Payable- S Janardhan and Associates	80,131	79,756
intrerest on tds -payable	12,773	12,773
Total	92,904	92,529
2 Withholding Taxes Payable		
TDS Payable - Salary	30,765	30,765
TDS Payable - Contractors	10,195	11,712
TDS Payable - Professionals	2,85,927	2,72,427
Service Tax Payable	3,12,304	1,26,929
Total	6,39,191	4,41,833
3 Security Deposit - Others(Dr)		
Bangalore Stock Exchange Limited	3,00,000	3,00,000
KEB Deposits	2,52,110	2,52,110
Bank Deposit-Chennai	3,06,848	3,06,848
Telephone Deposit	9,000	9,000
RCC Deposit	1,20,000	1,20,000
Water Deposit	1,700	1,700
Total	9,89,658	9,89,658
4 Trade Payables-Others		
Ambika Trade Impex	2,59,875	2,59,875

Particulars	AS AT	AS AT
	As at 31.03.2017	As at 31.03.2016
6 <u>Advance To Suppliers</u>		
Pramod Enterprises	38,815	38,815
Manohar Ramsinghani	44,000	44,000
VIVEK BHAT	17,100	17,100
P.V.R. Limited	1,517	1,517
Lakshmi Subramanian & Associates	6,90,000	6,90,000
Shailashri Bhaskar,	39,327	39,327
AARANLAW ADVOCATE	1,35,000	1,35,000
N.R.Gada & Associates	20,000	2,00,000
CDSL	2,035	2,035
Inox Leisure Ltd	3,690	3,690
DHHANISH ADVISORS PVT LTD	45,000	-
Detail Note	11,500	-
	10,47,984	11,71,484
7 <u>TDS Receivable</u>		
TDS Receivable (AY 2014-15)	1,11,730	1,11,730
Total	1,11,730	1,11,730
8 <u>General Expenses</u>		
Bank Charges	17,953	14,268
Listing Fees	33,814	33,708
Printing and stationery	810	8,697
Travelling Expenses	1,38,118	-
Total	1,90,695	56,673

Note No.

2.6

VISION CINEMAS LIMITED

Fixed Assets and Depreciation for the year ending March 31, 2017

		SI No	Particulars	Gross Block			Accumulated Depreciation			Net Block	
				Balance as at 1st April 2016	Additions/ (Disposals)	Balance as at 31st March 2017	Balance as at 1st April 2016	Depreciation for the Year	Balance as at 31st March 2017	Balance as at 31st March 2017	Balance as at 31st March 2016
		1	Tangible Assets								
			Building	1,09,34,127	-	1,09,34,127	41,44,363	1,61,248	43,05,611	66,28,516	67,89,764
2			Plant & Machinery	2,60,05,707	-	2,60,05,707	2,47,05,422	-	2,47,05,422	13,00,286	13,00,286
3			Furniture & Fixtures	25,25,585	-	25,25,585	24,00,802	-	24,00,802	1,24,785	1,24,785
4			Office Equipment	12,52,773	-	12,52,773	11,90,134	-	11,90,134	62,640	62,640
5			Vehicles	17,77,614	-	17,77,614	16,88,733	-	16,88,733	88,882	88,882
6			Computers	1,00,96,990	-	1,00,96,990	1,03,54,003	-	1,03,54,003	5,44,948	5,44,948
			Total	5,33,94,755	-	5,33,94,755	4,44,83,457	1,61,248	4,46,44,705	87,50,057	89,11,305
			Previous Year	5,33,94,755	-	5,33,94,755	4,42,91,226	1,92,230	4,44,83,457	89,11,305	91,03,529

VISION CINEMAS LIMITED

DEPRECIATION SCHEDULE AS PER INCOME TAX ACT, 1961

BLOCK OF ASSETS	Depre. Rate	WDV As On 01-04-2016	Additions	Total As On 31-03-2017	Depreciation for the year	WDV As On 31-03-2017
Land	-	9,050	-	9,050	-	9,050
Office Buildings	10%	7,79,055	-	7,79,055	77,906	7,01,149
Building considered as Plant	15%	40,065	-	40,065	6,010	34,055
Plant and Machinery	15%	3,37,156	-	3,37,156	50,573	2,86,583
Computers	60%	18	-	18	11	7
Office equipments	15%	54,371	-	54,371	8,156	46,221
Furniture and Fixtures	10%	5,13,594	-	5,13,594	51,359	4,62,235
Vehicles	15%	1,02,439	-	1,02,439	15,366	87,073
TOTAL		18,35,753	-	18,35,753	2,09,381	16,26,372

VISION CINEMAS LIMITED	
DEFERREX TAX CALCULATION FOR THE FINANCIAL YEAR 2016-17	
Particulars	31.3.2017
I. Computation of Deferred Tax Liability	
Difference on account of Depreciation	
WDV as on 31.03.2017:	
a) Companies Act - A	87,50,057
b) Income Tax - B	16,26,372
Difference (A-B)	71,23,685
TAX @ 30.9%	22,01,219
Total Deffered Tax Asset/(Liability)	(22,01,219)
Opening Deferred Liability	(21,86,346)
Provision for deferred tax to SOPL	(14,873)