



INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
USC HOLOGRAMS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of "USC HOLOGRAMS PRIVATE LIMITED" ("the company"), which comprise the Balance Sheet as at **31 March 2016**, the Statement of Profit and Loss, for the year then ended, the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 Companies Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016; and
- b) In the case of the Statement of Profit and Loss, of the profit of the company for the year ended on that date;
- C) In the case of the cash flow statement, of the cash flows for the year ended on that date.



Report on other Legal and Regulatory Requirements

1. Requirements of the Companies (Auditor's Report) Order, 2016 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 appears from our examination of those books;
- c) The company does not have any other branch where separate accounting record is maintained.
- d) The Balance Sheet, and the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) On the basis of written representations received from the directors as on 31 March, 2016 and 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 of the company in terms of sub-clause (2) of Section 164 of the Act.
- g) 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
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.



- iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

**For MJMJ & Associates
Chartered Accountants
Firm Reg. No. 027706N**



(Megha Jain)

Partner

Membership No. 415389

Place: Noida

Dated: 07.05.2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF "USC HOLOGRAMS PRIVATE LIMITED" FOR THE YEAR ENDED 31ST MARCH 2016

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date of "USC HOLOGRAMS PRIVATE LIMITED"('the Company') for the year Ended on 31st March 2016, We report that:

- (i) In respect of the fixed assets of the company:-
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Fixed assets have been physically verified by the management at reasonable intervals and no discrepancy has been noticed on such verification as compared to book records.
 - (c) Based on our examination of the records of the company and according to the information and explanation given to us no immovable property is held by the company at any time during the financial year under report, therefore provisions of paragraph 3 (c) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
- (ii) In respect of inventory of the company:-
In respect of inventory during the period; physical verification of inventories has been carried out by the management at regular intervals and no discrepancy were noticed. However there is no inventory at the year-end.
- (iii) According to the information and explanation given to us by the Company, the company has not granted any loan to the parties covered under section 189 of Companies act, 2013; therefore provisions of Paragraph 3(iii) of the Companies (Auditor' Report) Order, 2016 is not applicable to the Company.
- (iv) The company has not entered into any transaction in respect of loans, investments, guarantees and security which are covered under the provisions of Section 185 and Section 186 of the companies Act, 2013; therefore the provisions contained under Paragraph 3(iv) of the Companies (Auditors' Report) Order, 2016 is not applicable to the Company.
- (v) According to the information and explanation given to us, the Company has not accepted any deposits from the public; hence the directives issued by the Reserve Bank of India



- and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, were not applicable.
- (vi) In our opinion, and according to information and explanation given to us, The Central Government has not prescribed maintenance of Cost Records under Sec, 148(1) of Companies Act, 2013 for the company; therefore Provisions of Paragraph 3(vi) of the Companies (Auditor's Report) order 2016 is not applicable to the company.
- (vii) (a) In our opinion and according to information and explanation given to us, the Company is generally regular in depositing undisputed statutory dues including Income Tax, service tax, Value Added tax, Cess, Swatch Bharat Cess. Further Provident fund, Employee's State Insurance, Custom Duty, Excise Duty, Wealth Tax, and Sales Tax is not applicable to Company.
- (b) According to the information and explanations given to us, there is no undisputed amount payable in respect of applicable statutory dues as at the year-end; for a period more than six months from the date they became due
- (c) Based on our examination of books of accounts and other records of the company and according to information and explanation given to us, there is no disputed amounts payable in respect of Income Tax, sales tax, service tax, customs duty, excise duty or value added tax as at the year end.
- (viii) In our opinion and according to information and explanation provided to us, company has not taken any loan from financial institution, bank, government or debenture holders, therefore provisions of paragraph 3 (viii) of the Companies (Auditors' Report) Order, 2016 is not applicable to the company.
- (ix) In our opinion and according to the information and explanations given to us, the company has not raised money from initial public offer and term loans; therefore provisions of Paragraph 3 (ix) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not paid any managerial remuneration therefore the provisions of Paragraph 3 (xi) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.



- (xii) The Company is not a Nidhi Company; therefore provision of Paragraph 3 (xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
- (xiii) In our opinion and according to information and explanation provided to us, all the transactions with related parties are in the compliance with section 177 and 188 of Companies act, 2013 and has disclosed in financial statements as required by accounting standards.
- (xiv) In our opinion and according to information and explanation provided to us, the company has not made any preferential allotment, therefore the provisions of Paragraph 3 (xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
- (xv) In our opinion and according to information and explanation provided to us, the company has not involved in any non-cash transaction, therefore the provisions of Paragraph 3 (xv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- (xvi) In our opinion and according to information and explanation provided to us, the company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934, therefore the provisions of Paragraph 3 (xvi) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

For MJMJ & Associates

Chartered Accountants

Firm Reg. No. 027706N



Place: Noida

Dated: 07.05.2016

Partner

Membership No. 415389

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 "**USC HOLOGRAMS PRIVATE LIMITED**" ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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



over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating



effectively as at 31 March 2016, 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 MJMJ& Associates
Chartered Accountants
Firm Reg. No. 027706N



(Megha Jain)

Partner

Membership No. 415389

Place: Noida

Dated: 07.05.2016

USC HOLOGRAMS PRIVATE LIMITED
CIN U74140TG2013PTC086996
BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As At		Amount in Rs.
		31st March 2016	31st March 2015	As At 31st March 2015
I. EQUITY AND LIABILITIES				
1 Shareholders' Funds				
a) Share Capital	2	600,000	600,000	
b) Reserves and Surplus	3	<u>63,276,873</u>	<u>63,876,873</u>	<u>22,716,552</u>
				23,316,552
2 Non Current Liabilities				
a) Deferred Tax liabilities (Net)	4	<u>22,667</u>	<u>22,667</u>	<u>-</u>
				-
3 Current Liabilities				
a) Short term borrowings	5	-	9,000,000	
b) Trade payables	6	373,571,442	295,551,334	
c) Other current liabilities	7	5,891,121	13,983,303	
d) Short-term provisions	8	<u>13,103,206</u>	<u>392,565,769</u>	<u>10,941,554</u>
				329,476,191
TOTAL		<u><u>456,465,309</u></u>	<u><u>456,465,309</u></u>	<u><u>352,792,743</u></u>
II ASSETS				
1 Non Current Assets				
a) Fixed assets	9			
i) Tangible assets		156,537	-	
b) Long-term loans and advances	10	174,623	150,000	
c) Deferred Tax assets (Net)	4	<u>-</u>	<u>331,160</u>	<u>5,840</u>
				155,840
2 Current Assets				
a) Trade receivables	11	432,744,163	344,269,200	
b) Cash and Bank Balances	12	23,382,272	91,639	
c) Short-term loans and advances	13	<u>7,714</u>	<u>456,134,149</u>	<u>8,276,064</u>
				352,636,903
TOTAL		<u><u>456,465,309</u></u>	<u><u>456,465,309</u></u>	<u><u>352,792,743</u></u>

The accompanying Notes from S.No. 1 to 26 form an integral part of the financial statements

For & On Behalf of the Board of Directors

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

[Rakesh Malhotra]

Director

DIN : 01155518

[G.K. Phat]

Director

DIN : 06463529

Place: Noida

Dated : 07/05/2016

*S-3-218, Rajendra
Nagar Sector -
2, Block - 2, Ghaziabad
- 201001*

*182, Samachar Apartments
Mayapuri Vihar Phase I
Etnr Delhi - 110091*

For MJM] & Associates

Chartered Accountants

Firm Registration No. 027706N

Megha Jain

Partner

Membership No. 415389



USC HOLOGRAMS PRIVATE LIMITED
CIN U74140TG2013PTC086996
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	Note No.	Amount in Rs.	
		For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
REVENUE FROM OPERATIONS			
Gross Sales	14	503,970,686	342,423,810
Less: Service Tax		21,338,820	11,810,230
Revenue from Operations		482,631,866	330,613,580
OTHER INCOME			
Interest received		8,067	-
Total Revenue		482,639,933	330,613,580
EXPENSES			
Purchases of Stock-In Trade	15	290,780,560	207,794,663
Changes in Inventories of Finished Goods, Work In Progress and Stock- In- Trade	16	-	39,900
Finance Cost	17	4,087,636	932,142
Depreciation expense		31,308	-
Other Expenses	18	126,560,539	87,899,613
Total Expenses		421,460,043	296,666,318
Profit before tax		61,179,890	33,947,262
Less: Tax Expense			
Current tax		20,591,062	10,941,554
Deferred tax expense / (Credit)		28,507	(5,840)
Total tax expense		20,619,569	10,935,714
Profit for the Year		40,560,321	23,011,548
Earning Per Share			
a) Basic (Rs.)		676.01	383.53
a) Diluted (Rs.)		676.01	383.53

For & On Behalf of the Board of Directors

This is the Statement of Profit & Loss referred to in our report of even date

[Rakesh Malhotra]

Director

DIN : 01155513

5-3-218, Rajendra
Nagar, Sector-2
Block 2 Ghaziabad
-201001

[G.K. Bhat]

Director

DIN : 06463529

181, Samachar Apartments
Mayapuri Vihar, Phase 1
East - Delhi 110091

Place: Noida

Dated : 07/05/2016

For MJMJ & Associates

Chartered Accountants

Firm Registration No. 027706N

Megha Jain

Partner

Membership No. 415389



USC HOLOGRAMS PRIVATE LIMITED
CIN U74140TG2013PTC086996
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Amount in Rs.	
	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	61,179,890	33,947,262
Adjustment for:		
Finance Cost	4,087,636	932,142
Operating Profit before Working Capital changes	65,267,526	34,879,404
Adjustment for:		
Trade and other receivables	(88,469,123)	(343,935,200)
Inventories	-	39,900
Short term loans and advances	8,268,350	(7,411,056)
Trade and others payables	72,089,578	(32,178,479)
Cash generated from operations	57,156,331	2,700,925
Income Tax	(20,591,062)	(10,941,554)
Net Cash from Operating Activities (A)	36,565,269	(8,240,629)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(156,537)	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment / Proceeds from borrowings (Net)	(9,000,000)	9,000,000
Interest paid	(4,087,636)	(932,142)
Net Cash used in Financing Activities (C)	(13,087,636)	8,067,858
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	23,321,096	(172,771)
Opening Cash and Cash equivalents	91,639	264,410
Closing Cash and Cash equivalents	23,412,735	91,639

For & On Behalf of the Board of Directors

This is the Cash Flow Statement referred to in our report of even date

[Rakesh Malhotra]

Director
DIN : 01155513

[G. K. Bhat]

Director
DIN : 06463529

Place: Noida
Dated : 07/05/2016

5-3-2/8, Regendra
Nager, Sector -2
Block-2 Okhla
-201001
182, Samachar Apartments
Mayapuri Phase 1
Ekt Delhi -110091

For MJMJ & Associates
Chartered Accountants

Firm Registration No. 027706N

Megha Jain
Partner
Membership No. 415389



USC HOLOGRAMS PRIVATE LIMITED
CIN U74140TG2013PTC086996
NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2016

1: GENERAL

A. COMPANY AND ITS BACKGROUND

USC HOLOGRAMS PRIVATE LIMITED an Indian Private Limited Company was established under the Provisions of Companies Act, 1956 (No 1 of 1956).

The Company is a private Specific Purpose Company formed in Joint Collaboration between M/s Uflex Limited (Holding 68% of the Share Capital), M/s Srístek clinical Research Solutions Limited (holding 19% of the share capital) and M/s C-Tel Infosystems Pvt. Ltd. (holding 13% of the share capital)

The Company was registered with the ROC, Andhra Pradesh under the Corporate Identification number (CIN) U74140AP2013PTC086996 during the financial year 2013-14. Subsequently the Corporate Identification number (CIN) was changed to U74140TG2013PTC086996 due to bifurcation of State of Andhra Pradesh.

The Registered office of the Company subsequently shifted to Survey No. 50/2, Bandlaguda Jagir, A.P. Excise Academy, Rajendra Nagar Mandal, Hyderabad, Rangareddi District, and Telangana-500008.

The Company is engaged in the manufacture & supply of high security holograms and providing track & trace services to the Prohibition & Excise Department of the State of Andhra Pradesh and Telangana.

B. SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPERATION OF FINANCIAL STATEMENTS

The financial Statements are prepared in accordance with the Indian Generally Accepted Accounting Principal (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies Act 2013 u/s 133 of the Act, read with rule 7 of the Companies (Accounts) rules, 2014, the provisions of Companies Act, 2013, and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied.

b. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements is in conformity with Indian Accounting Standards and requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a going basis.

c. CLASSIFICATION OF EXPENDITURE / INCOME

Except otherwise indicated:

- i) All expenditure and income are accounted for under the natural heads of account.
- ii) All expenditure and income are accounted for on accrual basis.



USC HOLOGRAMS PRIVATE LIMITED
CIN U74140TG2013PTC086996
NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2016

d. VALUATION

i) **Fixed Assets**

Fixed Assets are normally accounted for on cost basis (net of CENVAT credits) including the cost of installation, pre-operative expenses, eligible adjustment on account of foreign exchange fluctuations and impairment losses.

ii) **Finished Goods**

Finished goods are valued at lower of cost or net realisable value, based on first-in-first-out method.

e. DEPRECIATION

Normal Depreciation on all fixed assets is provided from the date of put to use on straight line method at the useful life described in Schedule II of the companies Act 2013.

f. TURNOVER

i) Gross sales are inclusive of service tax/cess and exclusive of sales tax.

ii) Sales returns / rate difference are adjusted from the sales of the year in which the returns take place / rate difference accepted.

g. PURCHASES

i) Purchases are net of CENVAT credits.

ii) Purchases returns / rebates are adjusted from the purchases of the year in which the returns take place / rebates allowed.

h. BORROWING COST

Borrowing cost attributable to the acquisition or construction of qualifying /eligible assets, intended for commercial production are capitalised as part of the cost of such assets. All other borrowing costs are recognized as an expense and are charged to revenue in the year in which they are incurred.

i. EARNING PER SHARE

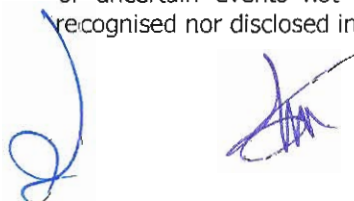
In accordance with the Accounting Standard-20 (AS-20) "Earning Per Share" issued by The Institute of Chartered Accountants of India, Basic Earning Per Share is computed using the weighted average number of Shares outstanding during the period & Diluted Earning per share is computed using the weighted average number of shares outstanding after adjusting the effect of all dilutive potential equity shares that were outstanding during the period.

j. DEFERRED TAX ASSETS / LIABILITIES

Deferred tax assets & liabilities are measured using the current tax rates. When there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty of realisation of deferred tax assets. Other deferred tax assets are recognized to the extent, there is reasonable certainty of realisation of deferred tax assets. Such deferred tax assets & other unrecognized deferred tax assets are re-assessed at each Balance Sheet date and the carrying value of the same are adjusted recognising the change in the value of each such deferred tax assets.

k. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In accordance with the Accounting Standard AS – 29 issued by Institute of Chartered Accountants of India a) provisions are made for the present obligations where amount can be estimated reliably, and b) contingent liabilities are disclosed for possible obligations arising out of uncertain events not wholly in control of the company. Contingent assets are neither recognised nor disclosed in the financial statements.



USC HOLOGRAMS PRIVATE LIMITED

CIN U74140TG2013PTC086996

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Amount in Rs.	
	As At 31/03/2016	As At 31/03/2015
2 SHARE CAPITAL		
A Authorized Capital		
2,50,000 Equity Shares of Rs.10/- each	2,500,000	2,500,000
Total	<u>2,500,000</u>	<u>2,500,000</u>
B Issued, Subscribed & paid Up		
60,000 Equity Shares of Rs.10/- each	600,000	600,000
Total	<u>600,000</u>	<u>600,000</u>

Disclosures of Shareholders holding more than 5% of Equity Share Capital of the Company

Name of Shareholder	3/31/2016		3/31/2015	
	% of Shares	No. Of Shares	% of Shares	No. Of Shares
M/S Uflex Limited*	68%	40,800	68%	40,800
M/s Sristek clinical Research Solutions Ltd	19%	11,410	19%	11,410
M/s C-Tel Infosystems Pvt.Ltd.	13%	7,790	13%	7,790

*Out of 40800 Shares, 4 shares are held by nomniess as the subscriber of Memorandum on behalf of Uflex Limited

Rights,Preference and restrictions attached to Equity Shares:-

Equity Shares: The Company has only one class of equity shares. Each shareholder is eligible for one vote per share held. Each share is entitled to dividend, if declared by the shareholders in their Genreal Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



USC HOLOGRAMS PRIVATE LIMITED

CIN U74140TG2013PTC086996

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	As At 31/03/2016	Amount in Rs. As At 31/03/2015
3 Reserves and Surplus		
<u>Surplus in Profit & Loss Statement</u>		
Opening Balance	22,716,552	(294,996)
Amount transferred from Statement of Profit and Loss	40,560,321	23,011,548
	<u>63,276,873</u>	<u>22,716,552</u>
Less: Appropriations	-	-
Closing Balance	<u><u>63,276,873</u></u>	<u><u>22,716,552</u></u>
4 Deferred Tax (Assets) / Liabilities (Net)		
Representing unutilised expense credit		
Opening Balance b/f	(5,840)	-
Current year charge / (Credit)	28,507	(5,840)
	<u>22,667</u>	<u>(5,840)</u>
Closing Deferred Tax (Assets) / Liabilities (Net)	<u><u>22,667</u></u>	<u><u>(5,840)</u></u>
5 Short Term Borrowings		
<u>Unsecured</u>		
From Related Parties*	-	9,000,000
Total	<u><u>-</u></u>	<u><u>9,000,000</u></u>
*Represents loans taken from followings:		
	Applicable Rate of Interest	Applicable Rate of Interest
Niksar Finvest Private Limited	-	12%
Uflex Limited	-	15%
	<u>-</u>	<u>9,000,000</u>
6 Trade payables		
Trade Creditors		
- Due to Others	114,786,522	89,906,505
- Due to Related Parties	258,784,920	205,644,829
	<u>373,571,442</u>	<u>295,551,334</u>
Total	<u><u>373,571,442</u></u>	<u><u>295,551,334</u></u>
7 Other Current Liabilities		
a Capital Creditors	1,351,996	2,831,196
b Interest accrued but not due on borrowings	-	403,002
c Statutory Dues	4,441,251	9,812,609
d Others Payable	97,874	936,496
	<u>5,891,121</u>	<u>13,983,303</u>
Total	<u><u>5,891,121</u></u>	<u><u>13,983,303</u></u>
8 Short Term Provisions		
Income Tax (Net)	13,103,206	10,941,554
	<u>13,103,206</u>	<u>10,941,554</u>
Total	<u><u>13,103,206</u></u>	<u><u>10,941,554</u></u>

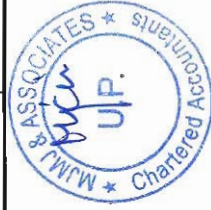
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USC HOLOGRAMS PRIVATE LIMITED
 CIN U74140TG2013PIC086996
 NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

9 Fixed Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
	Value/cost As At 01.04.2015	Additions during the year	Deductions during the year	Value/cost As At 31.03.2016	Upto 31.03.2015	For the year	Adjustments	Deductions	As At 31.03.2016	As At 31.03.2015
TANGIBLE ASSETS										
Office Equipments	-	187,845.00	-	187,845.00	-	31,308.00	-	-	156,537.00	-
Total	-	187,845.00	-	187,845.00	-	31,308.00	-	-	156,537.00	-
Previous Year	-	-	-	-	-	-	-	-	-	-



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Amount in Rs.

USC HOLOGRAMS PRIVATE LIMITED

CIN U74140TG2013PTC086996

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Amount in Rs.

	As At 31/03/2016	As At 31/03/2015
10 Long Term Loans & Advances		
Security Deposits	174,623	150,000
Total	174,623	150,000
11 Trade Receivables		
(Unsecured, Considered Good)		
Outstanding for a period exceeding 6 months	206,471,920	109,982,400
Others	226,272,243	234,286,800
Total	432,744,163	344,269,200
12 Cash & Cash Equivalents		
Balances with Banks	23,378,272	91,639
Cash in hand	4,000	-
Total	23,382,272	91,639
13 Short Term Loans & Advances		
Service Tax Receivable	7,714	8,276,064
Total	7,714	8,276,064

Total





USC HOLOGRAMS PRIVATE LIMITED

CIN U74140TG2013PTC086996

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Amount in Rs.	
	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
14 Revenue From Operations		
Sale of Holograms with Trace and Track Services	503,970,686	342,423,810
Total	<u>503,970,686</u>	<u>342,423,810</u>
15 Purchase of Stock In Trade		
Purchases of Stock In Trade (Net of Returns)	290,780,560	207,794,663
Total	<u>290,780,560</u>	<u>207,794,663</u>
16 Changes in Inventories of Work In Progress, Finished Goods, Stock In Trade		
Opening Stock		
Finished Goods	-	39,900
Less: Closing Stock	-	-
Net (Increase) / Decrease of Inventories charged to Profit & Loss Account	<u>-</u>	<u>39,900</u>
17 Finance Cost		
Interest on Loans	1,011,370	700,983
Interest on shortfall in payment of Advance Tax	3,074,501	226,222
Bank Charges	1,765	4,937
Total	<u>4,087,636</u>	<u>932,142</u>
18 Other Expenses		
A Other Manufacturing Expenses		
Job Work Charges	125,687,726	86,407,132
	<u>125,687,726</u>	<u>86,407,132</u>
B Administrative, Selling & Other Expenses		
Communication expenses	120,000	-
Rates & taxes	-	10,450
Printing & Stationery	2,310	2,830
Legal & Professional Charges	750,503	1,470,991
Freigh & Forwarding Charges	-	7,500
Books & Peroidicals	-	710
	<u>872,813</u>	<u>1,492,481</u>
Total	<u>126,560,539</u>	<u>87,899,613</u>

Total



		Amount in Rs.	
		As At 31/03/2016	As At 31/03/2015
19	a Contingent Liabilities not provided for	Nil	Nil
	b Capital Commitments	Nil	NIL
20	Auditors Remuneration, as included in "Legal & Professional Charges" under Note No. "18(B)", is as under:-	Amount in Rs.	
		Current Year	Previous Period
	Audit Fees	19,000	16,500
	Tax Audit Fees	4,000	3,000
	Out of Pocket Expenses	-	-
	Total	<u>23,000</u>	<u>19,500</u>

21 Earning Per Share

The following Disclosure is made, as required by Accounting Standard-20 (As-20) on "Earning Per Share", issued by The Institute of Chartered Accountants of India:-

		Amount in Rs.	
		Current Year	Previous Period
	A Profit for the year	40,560,321	23,011,548
B (i)	Weighted Average Number of Equity Shares for Basic Earning Per Share	60,000	60,000
(ii)	Weighted Average Number of Equity Shares for Diluted Earning Per Share	60,000	60,000
	C Nominal Value Per Share	Rs. 10/-	Rs. 10/-
	D Earning Per Share:		
	a Basic [A / B(i)]	676.01	383.53
	b Diluted [A/B(ii)]	676.01	383.53

22 a The company has raised an invoices aggregating to Rs. 41,95,225 on behalf of M/s C-Tel Infosystems Pvt. Ltd. being a JV Partner, in lieu of services provided by them to the Official of the Prohibition & Excise Department Hyderabad, on their demand. The receipt of this amount is contingent upon the acceptance of claim by the Prohibition & Excise department and accordingly will be accounted for as and when the claim will be accepted by the prohibition and Excise Department. Further, the amount actually received from the Prohibition and Excise department will be reimbursed by the company to the M/s C-Tel Infosystems Pvt. Limited subject to deduction of applicable taxes, if any. Accordingly the Company has also not provided any liability for M/s C-Tel Infosystems Pvt. Limited in its book of accounts.

b The Company has raised a claim of Rs. 208,01,158 in respect of expenditure incurred by M/s Uflex Limited, being a JV Partner, on installation of Building & Electrical Installation on the Land allotted by the Prohibition and Excise Department, in terms of the contract awarded by the Prohibition & Excise department. The amount actually received by the Company from the Prohibition & Excise Department will be reimburse by the Company to Uflex Limited subject to deducton of applicable taxes, if any. Accordingly the company has not provided for any claim and liability for this amount in its books of account..

23 In the opinion of Board, Assets other than non-current investments have a value on realisation in the ordinary course of business at least equal to the aggregate amount shown in the Balance Sheet. The provision for all known liabilities have been made and are adequate.

24 The company does not deal with the enterprises covered under Micro, Small and Medium Enterprises under MSMED Act, 2006.



USC HOLOGRAMS PRIVATE LIMITED

CIN U74140TG2013PTC086996

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- 25 Following disclosures are made, as per Accounting Standard-18 (As-18), regarding "Related Party Disclosures", issued by The Institute of Chartered Accountants of India:-

a List of Related Parties

i) Holding Company: Uflex Ltd.

ii) Individual (along with relatives) having significant influence: Mr. Ashok Chaturvedi, Ashok Chaturvedi (HUF), Mrs. Rashmi Chaurvedi, Mr. Anantshree Chaturvedi, Mr. Apoorvashree Chaturvedi, Ms Anshika Chaturvedi, Mr. Harish Chaturvedi, Mrs. Shanta Shukla, Mrs. Saroj Ranjan, Mrs. Snehlata Diwedi.

iii) Companies/Enterprises in which persons mentioned above alongwith their relatives exercise significant influence: Flex Middle East FZE, UAE, Uflex Europe Ltd., UK, Uflex Packagaing Inc., USA, Upet Holdings Ltd., Mauritius, Upet (Singapore) Pte. Ltd., Singapore, Flex Americas S.A.De C.V., Mexico, Flex P. Films Egypt S.A.E., Flex Films Europa Sp.Z.O.O. Poland, Flex Films (USA) Inc., Flex P Films (Brasil) Comercio De Films Plasticos Ltda, Flex Foods Ltd., Anant Overseas Pvt. Ltd., U-Tech Developers Ltd., SD Buildwell Pvt. Ltd., Anshika Investments Pvt. Ltd., Apoorva Extrusion Pvt. Ltd., A.R. Leasing Pvt. Ltd., Anshika Consultants Pvt. Ltd., Cinflex Infotech Pvt. Ltd., AC Infrastructures Pvt. Ltd., Flex International Pvt. Ltd., Modern Info Technology Pvt. Ltd., AKC Retailers Ltd., Ultimate Infratech Pvt. Ltd., A.R.Infrastructure & Projects Pvt. Ltd., AR Airways Pvt. Ltd., Clubone Airways Pvt. Ltd., Kaya Kalpa Medical Services Pvt. Ltd., Niksar Finvest Pvt. Ltd., Refex Energy(Rajasthan) Pvt. Ltd., Liberal Advisory Services Pvt. Ltd., Saga Realtors Pvt. Ltd., Virgin Infrastructures Pvt. Ltd., Sungrace Products (India) Pvt. Ltd., Nirman Overseas Pvt. Ltd., Ganadhipati Infraprojects Pvt. Ltd., Flex Industries Pvt. Ltd (w.e.f. 15.01.2016) , Magic Consultants Pvt. Ltd., A L Consultants Pvt. Ltd. Naru Investments Pvt. Ltd., Mahajan Polybag Pvt. Ltd., Dedicated Investment Pvt. Ltd., First Flexipack Corp., Bundelkhand Projects Pvt. Ltd., Gangotri Management Pvt. Ltd., Manpasand Marketing Pvt. Ltd., Sambhav Finlease Pvt. Ltd., Moda Eleganza Pvt. Ltd., Ultimate Flexipack Ltd., Ultimate Prepress LLP, Naveli Collections Pvt. Ltd, Ultra America Inc.

b The Company has entered into transactions with certain parties listed above during the year under consideration. Details of these transactions are as follows:

Amount in Rs.				
Transactions	Holding Co.	Key Management Personnel & their relatives	Enterprises as referred to in (iii) above	Total
Trade Transactions				
Purchase of Goods/Services (Net)	290,780,560	-	-	290,780,560
	207,794,663	-	-	207,794,663
Interest Paid on Loans	791,096	-	220,274	1,011,370
	369,915	-	331,068	700,983
Non Trade Transactions				
Loan Taken	16,500,000	-	-	16,500,000
	4,000,000	-	5,000,000	9,000,000
	20,500,000	-	5,000,000	25,500,000
Repayment of Loan Taken	-	-	-	-
Balance as on 31.03.2016				
Debit	-	-	-	-
	-	-	-	-
Credit	258,784,920	-	-	258,784,920
	209,749,870	-	5,297,961	215,047,831

Previous Year figures have been given in Italic.

- 26 (a) Paise have been rounded off to nearest rupee.
 (b) Previous Year figures have been recasted/ regrouped/ reclassified, wherever considered necessary.
 (c) Some of the balances are subject to reconciliations / confirmation.

Signatories to Notes 1 to 26

For & On Behalf of the Board of Directors

[Rakesh Malhotra]

Director

DIN : 01155513

[G.K.Bhat]

Director

DIN : 06463529

Place: Noida

Dated : 07/05/2016

For MJM] & Associates

Chartered Accountants

Firm Registration No. 027706N

Megha Jain

Partner

Membership No. C415389

S-3-218, Regendra Nagar, Sector-2 Block -2 Wazirpur - 201001

182, Semachar Apartments Mayapuri Vihar Phase -1 Extn Delhi - 110091