



**P.R. MEHRA & CO.**

CHARTERED ACCOUNTANTS

H.O. 56, DARYA GANJ

NEW DELHI-110002

TELEPHONES : 43156156, 23274910, 23271236

E-mail : prmdg@prmehra.com, prmaudit@rediffmail.com

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF V N FILMS PRIVATE LTD**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **V N FILMS PRIVATE LTD** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016 the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.



An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, 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 31<sup>st</sup> March 2016, and its loss and its cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to note no. 22 of the financial statements, which indicate that in spite of erosion of net worth/ cessation of joint venture agreement, the accounts of the company has been prepared on a going concern basis primarily due to the financial support of the holding company.

Our opinion is not modified in respect of this matter.

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

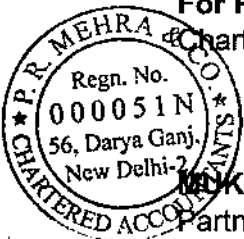
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 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 and the operating effectiveness of such controls, refer to our report in "Annexure A". Our report expresses an unmodified opinion in this respect.
- 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) The Company does not have any pending litigations which would impact its financial position.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P. R. MEHRA & CO.

Chartered Accountants



*M. Kesh*

**ADKESH KUMAR**

Partner

M. No. 095866

Place : New Delhi

Date : 23 MAY 2016

**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT OF V N FILMS PRIVATE LTD. FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. The company has no fixed assets and hence the paragraph 3(i) (a), (b) & (c) are not applicable.
2. The company has no inventory and hence the paragraph 3(ii) are not applicable.
3. (a), (b) & (c) The Company has not granted secured /unsecured loans to company / firm covered in the register maintained under section 189.
4. No loan, investment, guarantee, security given by the company which attract Section 185 or 186.
5. The company has not accepted any deposit.
6. Maintenance of cost records is not applicable to the company.
7. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, Sales-tax, service tax, wealth tax and other material statutory dues applicable to it. Provident Fund, Employees State Insurance, Custom Duty, Investor Education & Protection Fund, Excise duty, Value Added Tax, Cess, etc. are not applicable to the company.  
  
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax wealth tax, service tax, custom duty, excise duty, value added tax, cess which have not been deposited on account of any dispute.
8. The Company has not availed any loan from financial institutions, bank / debentures. Hence, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
9. The company has not raised money by way of initial public offer.
10. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year/course of audit.
11. There is no managerial remuneration paid by the company.
12. The company is not a Nidhi company.
13. The company is not a listed company, however, it is wholly owned subsidiary of listed company and the necessary details under section 177 and 188 of the Companies Act 2013 have been disclosed in the financial statements.



14. The company has not made any allotment during the year.
15. The company has not entered into any non-cash transactions with directors or person connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



For **P. R. MEHRA & CO.**  
Chartered Accountants

**MUKESH KUMAR**

Partner

M. No. 095866

Place : New Delhi

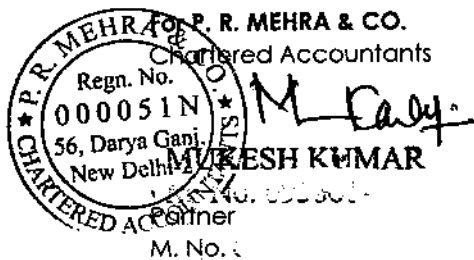
Date : 23 MAY 2016

# V N Films Private Ltd

## Balance Sheet as at 31st March 2016

	Notes	As At 31st March 2016 Rs.	As At 31st March 2015 Rs.
<b>Shareholder's Funds</b>			
Share Capital	3	1,00,000	1,00,000
Reserve and Surplus	4	(102,91,544)	(50,12,607)
		<b>(101,91,544)</b>	<b>(49,12,607)</b>
<b>Non Current Liabilities</b>			
Long Term Provisions	5	52,975	44,642
		<b>52,975</b>	<b>44,642</b>
<b>Current Liabilities</b>			
Short Term Borrowing	6	431,78,077	385,98,063
Trade Payables	7	27,05,607	27,24,388
Other Current Liabilities	8	1,30,318	6,40,514
Short Term Provisions	9	1,30,000	1,30,000
		<b>461,44,002</b>	<b>420,92,965</b>
<b>TOTAL</b>		<b>360,05,433</b>	<b>372,25,000</b>
<b>Non - Current Assets</b>			
Fixed Assets	10	-	-
Tangible Assets		-	-
Intangible Assets		-	-
Non Current Investments	11	306,00,000	270,00,000
Other Non Current Assets	12	24,25,000	60,25,000
<b>Current Assets</b>			
Trade Receivables	13	1,05,217	1,05,155
Cash and cash equivalents	14	6,19,023	23,05,551
Short Term Loans and advances	15	11,231	787
Other Current Assets	16	22,44,962	17,88,507
		<b>29,80,433</b>	<b>42,00,000</b>
<b>TOTAL</b>		<b>360,05,433</b>	<b>372,25,000</b>
Significant Accounting Policies	2		

See accompanying notes forming part of the financial statements  
In terms of our report of even date attached.



For and on behalf of the Board of Directors

*(Signature)*  
Ashish Malushte  
Director

*(Signature)*  
Ulhas Polnis  
Director

Place : New Delhi  
Date :

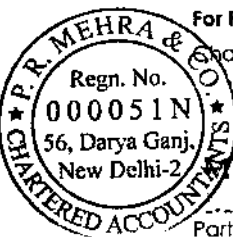
23 MAY 2016

# V N Films Private Ltd

## Statement of Profit and Loss for Year Ended 31st March 2016

	Notes	For the Period ended 31st March, 2016 Rs.	For the Period ended 31st March, 2015 Rs.
<b>Income</b>			
Revenue from Operations (Gross)	17	3,95,960	36,06,881
Other Income	18	13,669	83,43,056
<b>Total Revenue</b>		<b>4,09,629</b>	<b>119,49,937</b>
<b>Expenses</b>			
Employee Benefit Expenses	19	4,34,643	10,05,013
Financial Cost	20	50,90,188	95,27,219
Depreciation	10	-	-
Other Expenses	21	1,63,735	43,25,997
<b>Total Expenses</b>		<b>56,88,566</b>	<b>148,58,229</b>
<b>Profit /(Loss) before tax</b>		<b>(52,78,937)</b>	<b>(29,08,292)</b>
<b>Tax Expenses</b>			
Provision for Income Tax (MAT)		-	-
Deferred Tax Expenses		-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>Profit /(Loss) for the year from continuing operations</b>		<b>(52,78,937)</b>	<b>(29,08,292)</b>
<b>Profit /(Loss) for the year from discontinuing operations</b>		<b>(527.89)</b>	<b>(290.83)</b>
<b>Basic / diluted earning per equity share of face value of Rs. 10/- each</b>			
Significant Accounting Policies.	2		

See accompanying notes forming part of the financial statements  
In terms of our report of even date attached.



For P. R. MEHRA & CO.  
Chartered Accountants  
*M. K. Singh*  
**MUKESH KUMAR**  
Partner  
M. No.

For and on behalf of the Board of Directors

*Ashish Malushte*  
**Ashish Malushte**  
Director

*Ulhas Potnis*  
**Ulhas Potnis**  
Director

Place : New Delhi

Date :

**23 MAY 2016**

# V N Films Private Ltd

## Cash Flow Statement For The Year Ended 31st March 2016

Sr. No	Description	For the Period ended 31st March, 2016 Rs.	For the Period ended 31st March, 2015 Rs.
<b>A</b>	<b>Cash Flow From Operating Activities</b>		
	Net Profit / (Loss) After Tax	(52,78,937)	(29,08,292)
	Add:		
	Depreciation from Continuing Operations	-	-
	Provision for Income Tax (MAT)	-	-
	Deferred Tax	-	-
	Loss/(profit) on sale of fixed assets	-	-
	Interest Expenses	50,88,904	95,18,116
	<b>Operating Profit before Working Capital Changes</b>	<b>(1,90,033)</b>	<b>66,09,824</b>
	Increase/ (Decrease) in Non Current Liabilities	8,333	(12,242)
	Increase/ (Decrease) in Trade Payable	(18,781)	25,26,875
	Increase/ (Decrease) in Other Current Liabilities	(5,10,196)	(28,80,006)
	Increase/ (Decrease) in Short Term Provision	-	-
	(Increase) / Decrease in Trade Receivable	(62)	2,48,025
	(Increase) / Decrease in Loans and Advances	(10,444)	13,69,189
	(Increase) / Decrease in Other Current Assets	(4,56,455)	23,19,160
	(Increase) / Decrease in Other Non Current Assets	36,00,000	(60,00,000)
	<b>Net Cash Inflow / Outflow from Operating activities ( a )</b>	<b>24,22,362</b>	<b>41,80,826</b>
<b>B</b>	<b>Cash flow from Investing Activities</b>		
	Investment in Joint Venture	(36,00,000)	(267,75,000)
	<b>Net Cash Inflow / Outflow from investing activities ( b )</b>	<b>(36,00,000)</b>	<b>(267,75,000)</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Loan Secured From Bank	-	-
	Increase / ( Decrease ) in Unsecured Loan	45,80,014	340,98,063
	Interest Paid	(50,88,904)	(95,18,116)
	<b>Net Cash Inflow / Outflow from Financing activities ( c )</b>	<b>(5,08,890)</b>	<b>245,79,947</b>
	<b>Net increase/Decrease In Cash &amp; Cash Equivalent ( a + b + c )</b>	<b>(16,86,528)</b>	<b>19,85,773</b>
	Cash & Cash Equivalents as on 31.03.2015	23,05,551	3,19,778
	Cash & Cash Equivalents as on 31.03.2016	<b>6,19,023</b>	<b>23,05,551</b>

Note: (1) Figures in Bracket denote outflow  
 (2) The above Cash Flow Statement has been prepared under the " Indirect Method" set out in Accounting Standard (AS-3) " Cash Flow Statements"

As per our report of even date attached.

For P. R. MEHRA & CO.  
 Chartered Accountants  
 Regn. No. 000051N  
 56, Darya Ganj, New Delhi-2  
 Partner  
 M. No.

*M. K. Kumar*  
**MUKESH KUMAR**

For and on behalf of the Board of Directors

*Ashish Malushte*  
**Ashish Malushte**  
 Director

*Uthas Ponnis*  
**Uthas Ponnis**  
 Director

Place : New Delhi

Date : **23 MAY 2016**



# V N Films Private Ltd

---

## Notes to Financial Statements for the Period Ending on 31<sup>st</sup> March 2016

1. **GENERAL INFORMATION:** The Company was incorporated as Private Limited Company on 22<sup>nd</sup> February, 2007 under the provisions of Companies Act, 1956. The Company is mainly engaged in the business of providing services with respect to Exhibition & Distribution of Movies. The company is a wholly owned subsidiary of UFO Moviez India Limited.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1. BASIS OF ACCOUNTING

The accounts are prepared on Historical Cost Convention based on accrual method of Accounting, and in accordance with applicable mandatory Accounting Standards except where otherwise stated.

### 2.2 RECOGNITION OF INCOME: "Substance over form" is the basis for revenue booking.

#### Programming

The Company enters into contracts with theatre owners for programming the theatres for a contracted period.

The Programming revenue comprises of the service charges / commission is recognised on the date of exhibition of the films.

#### Distribution

The company enters into weekly/periodical arrangements with cinemas for Exhibition / Exploitation of films, taken from Producer / Distributors on terms of service charges or on commission basis.

Revenue from Distribution is recognised on the date of exhibition of the films.

### 2.3 RECOGNITION OF EXPENSES

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

### 2.4 MISCELLANEOUS EXPENDITURE

The expenses incurred prior to the incorporation are recognized as Preliminary Expenses. The company has charged off such expenses in the first financial accounts and has not carried forward any such expenses, being intangible in nature.

### 2.5 FIXED ASSETS

Fixed assets are stated at cost less depreciation. All costs relating to acquisition and installation of fixed assets are capitalized.

### 2.6 DEPRECIATION & AMORTIZATION

Depreciation is provided at the rates & manner specified in Schedule II of the Companies Act-2013.

## **2.7 RETIREMENT BENEFITS**

Contribution to defined Contribution Schemes such as Provident Fund and Pension Fund are not applicable to the Company presently.

Liabilities towards gratuity to employees and for leave encashment, determined on the basis of actual period of services rendered by employees calculated manually on Balance Sheet date, is provided for in the Books of Accounts.

## **2.8 TAXATION**

Current Tax: Provision for current taxes on income is made on the basis of the actual liability for the period.

Deferred Tax: Deferred tax is recognized, subject to consideration of prudence, on timing differences.

# V N Films Private Ltd

## Notes to Financial Statements for Period Ended 31st March 2016

	As At 31st March 2016 Rs.	As At 31st March 2015 Rs.
<b>3 Share Capital</b>		
<b>Authorised</b>		
50,000 Equity Shares of Rs. 10/- Each (P.Y.10,000 Equity Shares of Rs. 10/- Each)	5,00,000	5,00,000
	<b>5,00,000</b>	<b>5,00,000</b>
<b>Issued, Subscribed and Paid-Up</b>		
10,000 Equity Shares of Rs. 10/- Each, Fully Paid-Up (All the above shares are held by UFO Moviez India Limited, the Holding Company)	1,00,000	1,00,000
	<b>1,00,000</b>	<b>1,00,000</b>
<b>Reconciliation of the number of shares outstanding:</b>		
	As At 31st March 2016 Rs.	As At 31st March 2015 Rs.
Outstanding at the beginning of the year	10,000	10,000
Issued during the year	-	-
Outstanding at the end of the year	10,000	10,000
<b>Details of shareholders holding more than 5% of shares</b>		
	As At 31st March 2016 Rs. (No. of shares & %)	As At 31st March 2015 Rs. (No. of shares & %)
UFO Moviez India Limited- Holding Company	10,000 {100%}	10,000 {100%}
<b>4 Surplus/(Deficit)</b>		
Balance at the beginning of the year	(50,12,607)	(21,04,315)
Surplus during the year	(52,78,937)	(29,08,292)
Balance at the end of the year	<b>(102,91,544)</b>	<b>(50,12,607)</b>
<b>5 Long Term Provisions</b>		
Provision For Gratuity	47,019	25,269
Provision For Leave Encashment	5,956	19,373
	<b>52,975</b>	<b>44,642</b>
<b>6 Short - Term Borrowings</b>		
<b>From Related Party</b>		
Unsecured Loan from UFO Moviez India Limited (The above loan is repayable on demand)	362,50,000	362,50,000
Interest Accrued and due	69,28,077	23,48,063
	<b>431,78,077</b>	<b>385,98,063</b>
<b>7 Trade Payables</b>		
Trade Creditors	27,05,607	27,24,388
	<b>27,05,607</b>	<b>27,24,388</b>
<b>8 Other Current Liabilities</b>		
Other Liabilities	1,10,818	1,00,000
TDS on Interest	-	5,01,514
TDS on Profession	-	10,000
Advance From Customers	19,500	29,000
	<b>1,30,318</b>	<b>6,40,514</b>

# V N Films Private Ltd

## Notes to Financial Statements for Period Ended 31st March 2016

	As At 31st March 2016 Rs.	As At 31st March 2015 Rs.
<b>9 Short-Term Provisions</b>		
Provisions for taxes	1,30,000	1,30,000
	<b>1,30,000</b>	<b>1,30,000</b>
<b>11 Non Current Investments</b>		
Mukta VN Films Limited (Cost, Trade, Unquoted)		
<b>Investment in Equity Shares (unquoted)</b>		
Subscription of 27,00,000 Equity Shares of Rs.10/- each	270,00,000	270,00,000
<b>Investment in Preference Shares (unquoted)</b>		
3,60,000 Compulsorily Convertible Preference Share of Rs. 10/- each	36,00,000	-
	<b>306,00,000</b>	<b>270,00,000</b>
<b>12 Other Non Current Assets</b>		
Deposits	25,000	25,000
(Under Lien with Sales Tax)	24,00,000	60,00,000
Share Warrant	<b>24,25,000</b>	<b>60,25,000</b>
<b>13 Trade Receivables</b>		
(Unsecured - Considered Good)		
Debts outstanding for a period exceeding six months	86,388	-
Other Debts	18,829	1,05,155
	<b>1,05,217</b>	<b>1,05,155</b>
<b>14 Cash and Cash Equivalents</b>		
Cash In Hand	2,488	3,832
In Current Account with Scheduled Banks	6,16,535	23,01,719
	<b>6,19,023</b>	<b>23,05,551</b>
<b>15 Short Term Loans and advances</b>		
(Unsecured - Considered Good)		
Other Advances	11,231	787
	<b>11,231</b>	<b>787</b>
<b>16 Other Current Assets:</b>		
TDS On Interest	3,93,555	-
Service Tax Input	2,92,538	3,24,430
Swatch Bharat Cess	36,000	-
Advance Tax	2,50,000	2,50,000
Tax Deducted at Source	12,72,869	12,14,077
	<b>22,44,962</b>	<b>17,88,507</b>
<b>17 Revenue From Operations</b>		
Theatrical Exhibition	3,86,450	1,475
Programming Revenue	9,510	36,05,406
	<b>3,95,960</b>	<b>36,06,881</b>

## V N Films Private Ltd

### Notes to Financial Statements for Period Ended 31st March 2016

	As At 31st March 2016 Rs.	As At 31st March 2015 Rs.
<b>18 Other Income</b>		
Miscellaneous Income	13,417	12,242
Bad Debts Recovery	-	31,399
Interest Income	-	82,97,781
Interest received on Refund	-	1,602
Sundry Balance Write back	252	32
	<b>13,669</b>	<b>83,43,056</b>
<b>19 Employee Benefit Expense</b>		
Salaries, Wages & Bonus	4,12,893	10,05,013
Gratuity	21,750	-
	<b>4,34,643</b>	<b>10,05,013</b>
<b>20 Financial Cost</b>		
Bank Charges	627	1,793
Interest on Loan	50,88,904	95,18,116
Interest on TDS	657	7,310
	<b>50,90,188</b>	<b>95,27,219</b>
<b>21 Other Expenses</b>		
Film Exhibition Expenses	-	-
Rent, Rates & Taxes	28,544	5,010
Legal & Professional	11,200	22,936
Business Development Charges	-	1,20,000
Audit Fees	1,00,000	3,00,000
Travelling & Conveyance	440	30,402
Comission	-	33,84,739
CDC Charges	12,548	8,000
Communication Chages	-	96,714
Postage, Telephone & Stationary	10,943	18,623
Advertisement & Marketing	60	24,261
Miscellaneous Expenses	-	87,809
Manpower Consultancy Charges	-	1,55,768
Theatre Expenses	-	66,224
Lodging & Bording Charges	-	5,511
	<b>1,63,735</b>	<b>43,25,997</b>

# V N Films Private Ltd

## Notes to Financial Statements for the Period Ending on 31<sup>st</sup> March 2016

22. (a) The accumulated loss of the Company at the year-end exceeds paid up capital of the company. However, the accounts of the Company have been made on a going concern basis primarily due to the financial support of the holding Company.

(b) During the last year, the company has entered into a joint venture agreement with M/s Mukta Arts Limited, whereby the company has agreed to discontinuing the film programming services which had been the main source of Income of the company thereby impacting the going concern concept, However no adjustments to assets / liabilities are contemplated considering events subsequent to Balance Sheet and business model.

23. The Company is mainly engaged in the business of Exhibition & Distribution of Movies. All activities of the Company revolve around this main business. As such, there are no separate reportable segments in accordance with the requirement of Accounting Standard 17 on Segment Reporting, issued by The Institute of Chartered Accountants of India.

	As at 31 <sup>st</sup> March 2016	(Rs in lacs) As at 31 <sup>st</sup> March 2015
24. Contingent Liabilities	Nil	Nil
25. Capital Expenditure Commitments	Nil	Nil
26. Earnings in Foreign Exchange	Nil	Nil
27. Expenditure in Foreign Exchange	Nil	Nil
28. Provision for Income Tax is based on the assessable profit of the Company computed in accordance with the Income Tax Act, 1961. In view of loss, during the current period no provision for Income Tax/ deferred tax has been made in the Accounts.		
29. Debtors/ Creditors are subject to confirmation.		
30. The Company does not owe any amount outstanding for a period of more than 30 days to Small Scale Industrial undertaking at the Balance Sheet date. This is based on the information available with the management.		

No Enterprises have been identified as "Supplier" under the Micro, Small and Medium Enterprises Development Act, 2006.

31. The company has laid down adequate internal financial controls and such controls are operating effectively to take care of orderly and efficient conduct of its business and preparation of reliable financial information.

### 32. Payment to Auditors

Particulars	Current year	Previous year
As Audit fees	1,00,000	1,00,000
Other service (certification of financial statement)	NIL	2,24,720

# V N Films Private Ltd

## Notes to Financial Statements for the Period Ending on 31st March 2016

### 33. Earnings Per Share (EPS)

Particular	Period ended 31/03/2016	Period ended 31/03/2015
Profit / (Loss) after tax	Rs. (52,78,937)	Rs. (29,08,292)
The weighted average number of Ordinary Equity Shares for EPS	No. 10,000	No. 10,000
The nominal value of per Ordinary Equity Shares	Rs. 10/-	Rs. 10/-
Earnings Per Share	Rs. (527.89)	Rs. (290.83)

# V N Films Private Ltd

## Notes to Financial Statements for the Period Ending on 31st March 2016

### 34. RELATED PARTY

Disclosure of Related Party transaction in accordance with Accounting Standard (AS) 18

"Related Party Disclosures" issued by the Institute of Chartered Accountants in India:

**Names of other related parties with whom transactions have taken place during the year.**

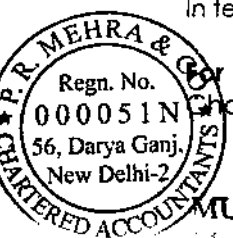
Holding Company - UFO Moviez India Ltd  
 Joint Venture - Mukta V N Films Ltd  
 Fellow Subsidiary Company - Valuable Digital Screens Pvt Ltd

**Transaction during the period ended 31st March 2016 with related party:**

Nature of Related Party Transaction	Relationship	Nature of transactions	Amount of transactions during the year	Balance as at 31st March 2016
UFO MOVIEZ INDIA LIMITED	Holding Company	CDC Charges	12,548	NIL
		Unsecured Loan Taken	NIL	3,62,50,000
		Interest	50,88,904	69,28,077
MUKTA V N FILMS LTD	Joint Venture Company	Investments	NIL	27,000,000
		Share Warrants	NIL	60,00,000
		Charges	NIL	27,05,607
VALUABLE DIGITAL SCREENS PVT LTD	Fellow Subsidiary Company	Screening Charges	3,76,268	12,250

35. Previous year's figures have been regrouped/rearranged wherever necessary for the purposes of comparison.

In terms of our report of even date attached



P. R. MEHRA & CO.  
Chartered Accountants

MUKESH KUMAR  
Partner  
M. No. ...

For and on behalf of the Board of Directors

*(Signature)*  
Ashish Malushte  
Director

*(Signature)*  
Ulhas Potnis  
Director

Place : New Delhi

Date 23 MAY 2016